

## APPENDIX 1

### Statement of Comprehensive Revenue and Expenses For the Period Ended 31 August 2018

|  |       | YTD           | YTD           | YTD          | Full Year      |
|--|-------|---------------|---------------|--------------|----------------|
|  |       | Actual        | Budget        | Variance     | Budget         |
|  | Notes | \$000s        | \$000s        | \$000s       | \$000s         |
| <b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>            |       |               |               |              |                |
| Grants and Subsidies - Operational                       | 1     | 4,067         | 3,162         | 905          | 13,898         |
| Grants, Donations, Subsidies and Contributions – Capital | 2     | 2,034         | 866           | 1,167        | 16,660         |
| Other Non-Exchange Revenue                               | 3     | 599           | 771           | (172)        | 1,774          |
| General Rates And Uniform Annual General Charge          | 4     | 4,369         | 4,255         | 114          | 17,020         |
| Targeted Rates   |       | 10,016        | 10,016        | (0)          | 40,064         |
| <b>REVENUE FROM EXCHANGE TRANSACTIONS</b>                |       |               |               |              |                |
| Development and Financial Contributions                  | 5     | 30            | 116           | (87)         | 699            |
| Other Revenue  | 6     | 2,154         | 1,958         | 196          | 9,771          |
| Targeted Water Rates                                     | 7     | 372           | 300           | 72           | 2,841          |
| Dividends  | 8     | 0             | 0             | 0            | 1,800          |
| Interest Received  |       | 3             | 0             | 3            | 0              |
| Other Gains/(Losses) - Profit on Sale of Assets          |       | 0             | 0             | 0            | 12             |
| <b>Total Revenue</b>                                     |       | <b>23,643</b> | <b>21,443</b> | <b>2,199</b> | <b>104,539</b> |
| <b>EXPENSES</b>  |       |               |               |              |                |
| Employee Benefit Expenses                                | 9     | 3,397         | 3,540         | 143          | 20,673         |
| Expenditure on Operating Activities                      | 10    | 9,841         | 8,960         | (880)        | 47,799         |
| Depreciation and Amortisation                            | 11    | 3,459         | 3,516         | 58           | 21,097         |
| Financing Costs  | 12    | 383           | 495           | 112          | 2,971          |
| <b>Total Expenses</b>                                    |       | <b>17,080</b> | <b>16,512</b> | <b>(568)</b> | <b>92,540</b>  |
| <b>Net Surplus/(Deficit) before Taxation</b>             |       | <b>6,563</b>  | <b>4,931</b>  | <b>1,631</b> | <b>11,998</b>  |
| Income Tax Expense                                       |       | 0             | 0             | 0            | 0              |
| <b>Net Surplus/(Deficit) after Taxation</b>              |       | <b>6,563</b>  | <b>4,931</b>  | <b>1,631</b> | <b>11,998</b>  |
| Gains/(Losses) on Property Revaluation                   | 13    | 0             | 0             | 0            | 15,130         |
| <b>TOTAL COMPREHENSIVE REVENUE AND EXPENSES</b>          |       | <b>6,563</b>  | <b>4,931</b>  | <b>1,631</b> | <b>27,129</b>  |
| <b>CAPITAL EXPENDITURE</b>                               | 14    | <b>3,323</b>  | <b>2,984</b>  | <b>(339)</b> | <b>44,609</b>  |

### **01 Grants and Subsidies – Operational**

97% of this revenue comes from NZ Transport Agency Subsidy. We recover 68% of costs on Annual Plan roading maintenance excluding emergency work. The variance from Annual Plan is mainly due to higher expenditure related to roading emergency repair work, a result of flooding which occurred in June 2018. This higher level expenditure increases the Transport Agency subsidy amount that we receive by way of income. This also includes funding received from Transport Agency stock control.

### **02 Grants, Donations, Subsidies and Contributions – Capital**

This variance from Annual Plan is mainly due to the timing of recognising grant funding for the Inner Harbour and higher Transport Agency subsidies for the roading renewal program.

### **03 Other Non-Exchange Revenue (Includes penalties, infringement fees, court enforcement fees and other fees)**

This includes court enforced fees, penalties received and movements in fair value of interest rate swaps.

### **04 General Rates and Uniform Annual General Charge (UAGC)**

The variance from Annual Plan is due to collecting more rates than planned, as a result of increase in capital value and the number of UAGC in the rating base from this year compared to 2017/18.

### **05 Development Contributions**

The variance from Annual Plan is due to the number of development projects undertaken being less than expected at the time of setting the Annual Plan budget.

### **06 Other Revenue (Rent income, lease income and all other fees and charges)**

Other revenue includes fees and charges such as dog registration fees, rents, parking fees and trade waste charges. The variance from Annual Plan is mainly due to timing of receiving trade waste charges.

### **07 Metered Water Rates**

The variance from Annual Plan is due to seasonal fluctuation of water usage.

### **08 Dividends**

Subvention payments or dividends declared occur at the end of the financial year. Phasing of the budget reflects this as there is nil budget recorded under the "YTD Budget" (Year to Date) but the Full Year Annual Budget is \$1.8m.

### **09 Employee Benefit Expenses**

Employee Benefit expenses are favourably under budget by \$143k.

### **10 Expenditure on Operating Activities**

Overall expenditure on operating activities are over budget (unfavourable by \$880k), due to roading emergency works (up \$1.06m) but partially offset by some lower than expected for the period (down \$177k). Roothing emergency works for the YTD period were \$3.5m, against YTD budget of \$2.4m.

## **11 Depreciation and Amortisation**

The depreciation for the period is based on estimates. Actual depreciation may move slightly after the final Annual Report 2017/18 has been completed.

## **12 Financing Costs**

Interest cost is lower than the Annual Plan due to actual interest rates being lower than Annual Plan forecast interest rates (of 5%).

## **13 Gains/(Losses) on Property Revaluation**

Full year Annual Plan revaluations relate to infrastructure assets, which are revalued each year and occur at the end of the financial year. Phasing of the budget reflects this as there is nil budget recorded under the "YTD Budget" but the Full Year Annual Budget is \$15m.

## **Notes to the Capital Expenditure**

### **14 Capital Expenditure**

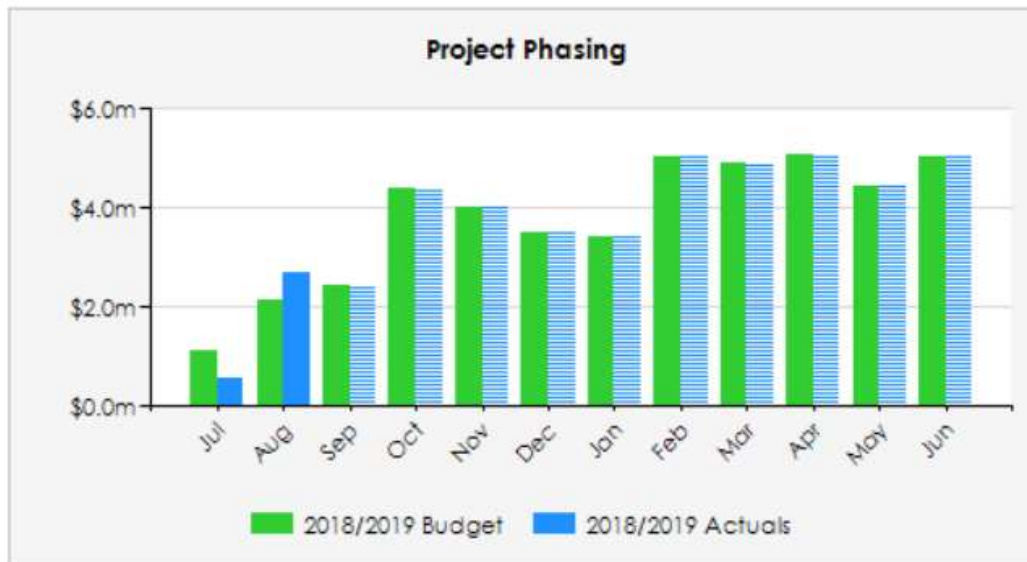
Overall YTD capital expenditure is slightly ahead of the forecasted phased spend by \$330k. Roading renewals at \$1.4m is ahead of where they were expected to be. Last year for the same period \$1.1m of roading renewals were completed.

Water supply and Stormwater renewals are consistent with the phased budget, but wastewater renewals is behind the initial phasings. Wastewater is currently in the process of updating the phasing of 2018/19 work program – where 38% of the capital program is expected to occur with the first 6 months.

Capital phasing is shown in Graphs 1 and 2. Graph 1 shows the Council's capital spend expected per month. Graph 2 shows the accumulated capital spend for the first two months against what was forecasted. Table 1 shows the capital breakdown per organisational area of Council.

Capital Expenditure Actuals August 2018 with Forecast/Phased Planned for 2018/19

GRAPH 1



GRAPH 2

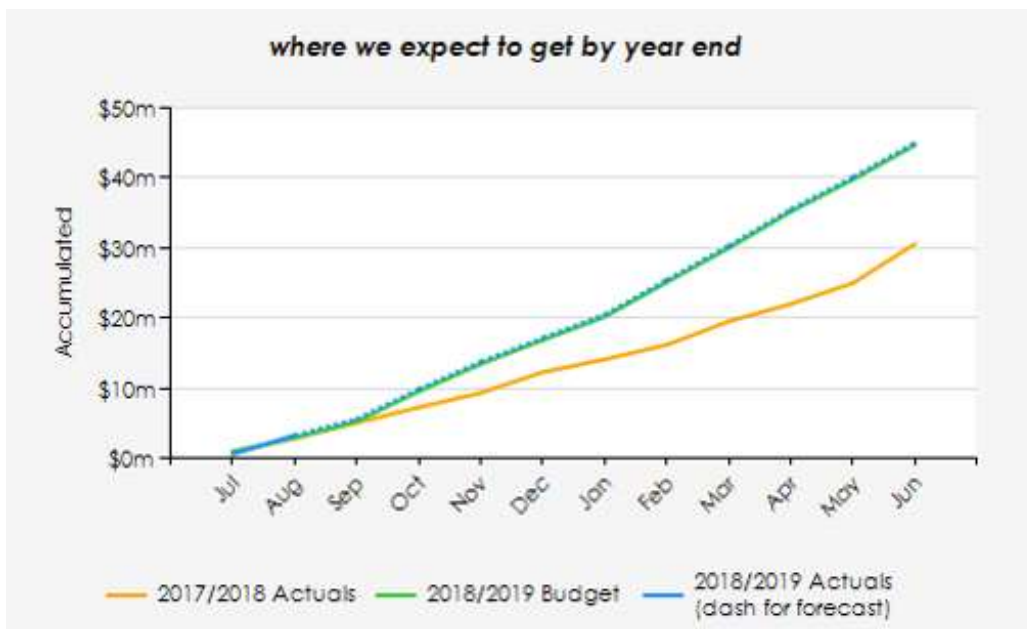


TABLE 1

| ORGANISATION HUBS                   | CAPITAL EXPENDITURE |        |     |           |
|-------------------------------------|---------------------|--------|-----|-----------|
| Year To Date                        | Actuals             | Budget | YTD | Full Year |
| Community Lifelines                 | \$2.6m              | \$2.2m | ●   | ●         |
| Environmental Services & Protection | \$154k              | \$41k  | ●   | ●         |
| Finance & Affordability             | \$73k               | \$50k  | ●   | ●         |
| Internal Partnerships               | \$61k               | \$241k | ●   | ●         |
| Liveable Communities                | \$480k              | \$436k | ●   | ●         |

