

APPENDIX 2

Statement of Comprehensive Revenue and Expenses For the Period Ended September 2019

		YTD	YTD	YTD	Full
	Notes	Actual	Budget	Variance	Year
		\$000s	\$000s	\$000s	Budget
					\$000s
REVENUE FROM NON-EXCHANGE TRANSACTIONS					
Grants and Subsidies - Operational	1	5,496	4,688	808	13,898
Grants, Donations, Subsidies and Contributions - Capital	2	3,194	1,773	1,421	16,660
Other Non Exchange Revenue	3	736	840	(104)	1,774
General Rates And Uniform Annual General Charge	4	4,366	4,255	111	17,020
Targeted Rates		10,016	10,016	(0)	40,064
REVENUE FROM EXCHANGE TRANSACTIONS					
Development and Financial Contributions	5	95	175	(80)	699
Other Revenue	6	2,762	2,670	91	9,771
Targeted Water Rates	7	662	539	123	2,841
Dividends	8	5	0	5	1,800
Interest Received		7	0	7	0
Other Gains/(Losses) - Profit on Sale of Assets		0	3	(3)	12
Total Revenue		27,338	24,959	2,379	104,539
EXPENSES					
Employee Benefit Expenses	9	4,823	5,123	299	20,673
Expenditure on Operating Activities	10	13,880	12,968	(911)	47,799
Depreciation and Amortisation	11	5,188	5,274	86	21,097
Financing Costs	12	559	743	183	2,971
Total Expenses		24,450	24,108	(343)	92,540
Net Surplus/(Deficit) before Taxation		2,888	851	2,037	11,998
Income Tax Expense		0	0	0	0
Net Surplus/(Deficit) after Taxation		2,888	851	2,037	11,998
Gains/(Losses) on Property Revaluation	13	0	0	0	15,130
TOTAL COMPREHENSIVE REVENUE AND EXPENSES		2,888	851	2,037	27,129
CAPITAL EXPENDITURE	14	5,395	5,310	(86)	44,609

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 NZTA 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 budgeted for 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 \$299k.

10 Expenditure on Operating Activities

Overall expenditure on operating activities are over budget (unfavourable by \$911k), due to roading emergency works (up \$1.4m) but partially offset by some lower than expected for the period (down \$493k). Roothing emergency works for the YTD period was \$4.4m, against YTD budget of \$3m.

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 relates to infrastructure assets, which are revalued each year and occurs 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 \$15m.

Notes to the Capital Expenditure

14 Capital Expenditure

Overall Year to date capital expenditure is \$5.4m against forecast Year to date spend of \$5.3m.

Roading renewals at \$2.2m is ahead of where they were expected to be (\$1.3m). Last year for the same period \$1.3m of roading renewals was completed.

Water supply renewals are consistent with the phased budget, but wastewater and stormwater renewals are slightly behind where initial forecasts. Wastewater will have the rephrasing of 2018/19 program complete by the next report, but 38% of the capital program is expected to occur within the first six months.