



Waitaki

DISTRICT COUNCIL
TE KAUNIHERA Ā ROHE O WAITAKI

Notice of a meeting of the

Finance, Audit and Risk Committee

in the

Council Chamber, Third Floor, Waitaki District Council
Headquarters, 20 Thames Street, Oamaru

(Following Customer Services Committee)

Wednesday 15 March 2017

MEMBERSHIP:

Cr Wollstein (Chair)
Cr Dawson
Cr Hopkins

Mayor Kircher (ex Officio)
Cr Garvan
Cr Percival

*In the interests of the environment and to help reduce photocopying costs,
please bring your Committee agenda with you to the meeting*

Finance, Audit and Risk Committee

Wednesday 15 March 2017

Council Headquarters, Council Chamber
3rd Floor, 20 Thames Street, Oamaru

- Apologies
- Declarations of Interest

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"That the public be excluded from the following parts of the proceedings of this meeting, namely item 6.

The general subject of each matter to be considered while the public is excluded; the reasons for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter - Section 48(1)
Public Excluded:	
• Public Excluded Minutes 1 March 2017	To protect the privacy of natural persons. Section 48(1)(a) (The disclosure of the information would cause unnecessary personal embarrassment to the persons concerned).
	To enable the Council to carry out commercial negotiations without prejudice or disadvantage. Section 48(1)(a) (Premature disclosure of the information would detrimentally affect the Council's position in the negotiations).

These resolutions are made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of the Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above (in brackets) with respect to each item."

6. **Confirmation of Public Excluded Minutes**
- 1 March 2017

Finance, Audit and Risk Committee Memorandum

From Chief Financial Officer

Date 15 March 2017

Whitestone Contracting Limited Half Yearly Report

Recommendation

That the information be received.

Purpose and Summary

To provide the Committee with the Whitestone Contracting Limited half-yearly report for the period ending 31 December 2016.

Board members will be in attendance to present the report.

A copy of the half-year report is enclosed.



Paul Hope
Chief Financial Officer

Attachment

Whitestone Contracting Limited Half-Yearly Report (Appended Separately)

Waitaki District Council

Finance, Audit and Risk Committee

Minutes of Finance, Audit and Risk Committee meeting of the Waitaki District Council held in the InKBox, Oamaru Opera House, Thames Street, Oamaru on Wednesday 1 March 2017 at 9am

Present: Mayor Kircher (Chair), Crs Dawson, Garvan, Hopkins, Percival

Apology: Cr Wollstein

In Attendance: Cr Tavendale
Cr Kingan
Cr Perkins
Cr Wheeler
Mr Ross (Chief Executive)
Dr Cloete (Community Services Group Manager)
Mr Jorgenson (Assets Group Manager)
Mr Hope (Chief Financial Officer)
Mr Wells (Accounting Manager)
Mr Chou (Chief Information Officer)
Mrs Finnerty (Committee Secretary)

Declarations of Interest

There were no declarations of interest.

Apologies

RESOLVED

FAR17/001

Crs Garvan/Percival

"That the Finance, Audit and Risk Committee accepts an apology for absence from Cr Wollstein, and apology for leaving early from Cr Hopkins."

CARRIED

1. Financial Report Period 6 / Quarter Two

This financial report covers the second quarter of the 2016-17 financial year, and shows that Council has continued its strong start to the year.

Cr Hopkins left the meeting at 9.29am

RESOLVED

FAR17/002

Crs Dawson/Percival

"That the Finance, Audit and Risk Committee receives the information."

CARRIED

2. Corporate Group Activity Report

This memorandum provides an update to the committee on various finance and information management related matters.

RESOLVED

FAR17/003

Crs Dawson/Garvan

"That the Finance, Audit and Risk Committee receives the information."

CARRIED

FAR17/004

Crs Garvan/Dawson

"That the public be excluded from the following part of the proceedings of this meeting, namely:

- Rates Collection Update."

CARRIED

"The general subject of each matter to be considered while the public is excluded; the reasons for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter - Section 48(1)
Public Excluded:	
• Rates Collection Update	<p>To protect the privacy of natural persons. Section 48(1)(a) (The disclosure of the information would cause unnecessary personal embarrassment to the persons concerned).</p> <p>To enable the Council to carry out commercial negotiations without prejudice or disadvantage. Section 48(1)(a) (Premature disclosure of the information would detrimentally affect the Council's position in the negotiations).</p>

These resolutions are made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of the Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above (in brackets) with respect to each item."

<p>Refer to Public Excluded Minutes</p>
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RESOLVED

FAR17/006

Crs Garvan/Dawson

"That the committee resumes in open meeting and decisions made in the public excluded session are confirmed and made public as and when required."

CARRIED

There being no further business the Chairman declared the meeting closed at 9.52am.

Confirmed on this day, 15th March 2017 at Waitaki District Council Chambers, Oamaru.

Chairman

Finance, Audit and Risk Committee

Memorandum

From Chief Financial Officer

Date 15 March 2017

Corporate Group Activity Report

Recommendation

That the Committee receives the information.

Summary

This memorandum provides an update to the Committee on various finance and information management related matters.

Introduction

Much of the discretionary effort since the last report has been focused on preparing to achieve the desired outcome for the coming year. As with most areas of Council this involved a focus on people, systems and process.

Discussion

Finance – Policy and General

The Chief Financial Officer (CFO) attended the annual Society of Local Government Managers (SOLGM) Risk Management Forum in mid-February. The key takeaway from this forum was that a top down approach ie big risks first, was a more effective use of elected member and officer time than bottom up approach that can identify many hundred risks.

The other key information released at the forum was that Civic Assurance, through Riskpool, has decided to stop offering professional and public liability cover. It is putting arrangements in place to ensure any open matters are transferred to a new entity. They also highlighted a number of other coverage arrangements that are available. Officers are working with our insurance broker to identify which of these options best matches Council's needs.

The CFO also attended a number of cross council meetings, including meetings with Canterbury, Otago/Southland and other Authority councils. Much of the discussion at these gatherings was focused on identifying opportunities to share experiences and effort. The most recent meetings started the process of identifying any parts of the Long Term Plan process where some collaboration may be beneficial. The focus of the next shared internal audit engagement was also discussed.

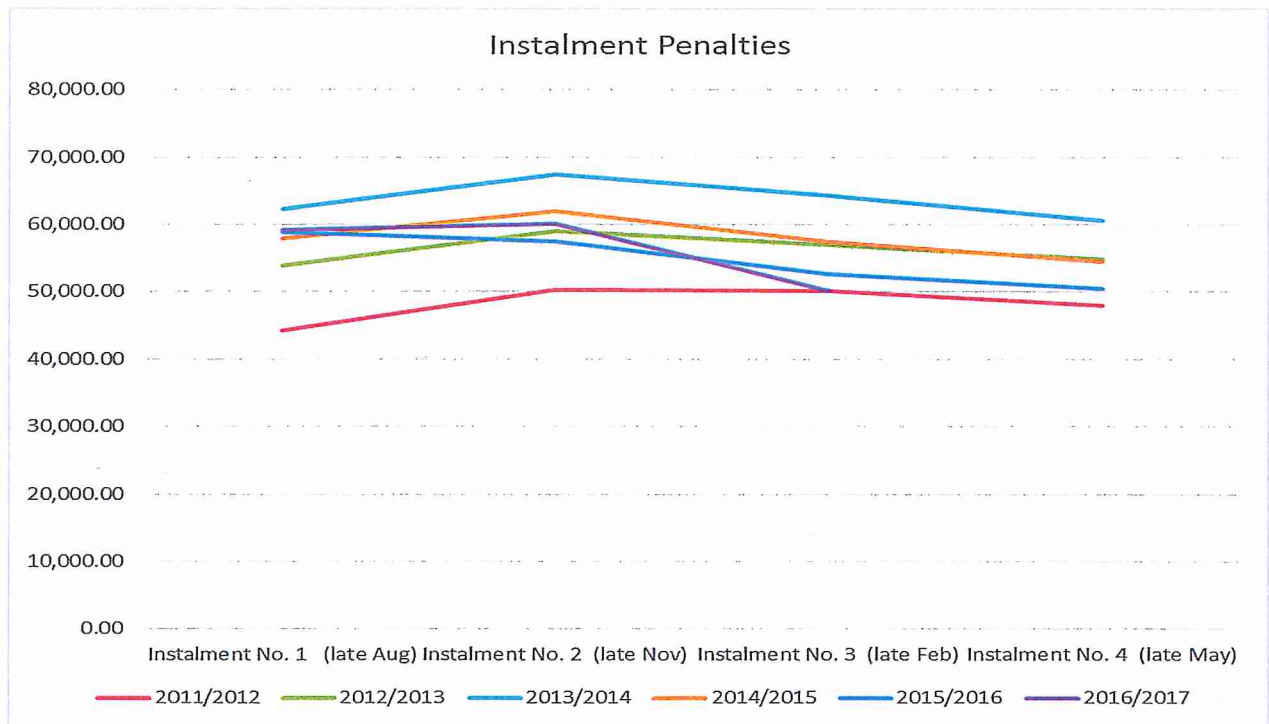
The process of contacting entities that can provide assistance with the review of the "cash" section of the investment has begun.

Finance – Accounting and Transactional

With the completion of the first round of budget discussion, attention moves back to the changes to the procurement/payables process as part of the AP (Accounts Payable) Workflow project. Stage one was completed prior to Christmas so it is now time to get stage two underway. The current focus is how best to free up officer time to allow this to progress. This will be achieved through the use of some temporary staff and reprioritisation of tasks.

Finance – Rates

With the recruitment and initial training of new staff now complete, the focus of the team has been a Quality Assurance exercise on the rates database and increased short and long term collection action. The result of these efforts are illustrated below. This shows the instalment penalty charged, and therefore the current rates outstanding, is now less than it was at the same point six years ago. Given that the rates to be collected has grown by \$4.6m over this period, this is a reflection of the success the rates team has had with this important function.



Information Management

The focus of the Chief Information Officer (CIO) in his first six weeks in the role has been getting to know the team, the wider Council and establishing the priorities for the activity. The learnings and achievements to date will form part of the information management briefing to be provided to Council later in the month.

Council Controlled Organisation and Other Entity Monitoring

Omarama Airfield Limited and Whitestone Contracting Limited Half Yearly reports are included in this agenda. In addition to these entities meeting their accountability requirements, as required under the term loan agreement, the North Otago Irrigation Company Half Yearly report has been supplied to Council during the last month.

Paul Hope
Chief Financial Officer

Finance, Audit and Risk Committee

Memorandum

From Chief Financial Officer

Date 15 March 2017

Financial Report – Period 7

Recommendation

That Council receives the information.

Financial Overview

This financial report covers the year to date position at 31 January 2017, and shows that all groups continue to operate close to or better than budget.

As this is one of the few times during the year when the Finance, Audit and Risk Committees meets on the same day as the other Council committees, there is a certain amount of duplication in the agendas.

It is recommended that activity based questions be asked in the other committee as there is likely to be better officer availability at these meetings. Based on this the following focus on the “whole of Council” position.

Variance Report – refer Appendix (a)

The overall “controllable” operating position noted in the variance reports shows a favourable variance of \$2.166m (Revenue favourable \$1.472m, Expenditure favourable \$694k) when compared to budget. These variances arise due to a number of factors, including decisions made by Council, deferred or delayed projects and other timing issues.

User Charges –

These are ahead of budget by \$736k, due primarily to revenues from the Landfill exceeding budget by \$615k. The budget anticipated the closure of the facility at the end of September, so all revenue from this source from that time until the facility closes in March 2017 represents additional income. Property rentals are also ahead of budget by \$144k, with increases across most property categories. The only significant area where revenue is less than expected is trade waste charges. The shortfall of \$83k will be largely caught up in February when the next round of invoicing takes place. These matters all come under the Assets Committee.

The only user charge in the Community Committee area that requires comments are lakes camping fees which are better than budget by \$35k.

Grants, Subsidies, and Contributions –

Government Grants, mainly the NZTA Roading subsidy, are over budget by \$494k after the first seven months due to the timing of the works programme, and to funding of ongoing construction works on the Alps2Ocean cycle trail.

Other Grants and donations are reported under budget by \$51k, but this will turn around as further funding is received for elements of the cycle trail.

Development and Financial Contributions exceed budget by \$93k. The effect of this is most apparent in the areas of Roading (\$80k over budget) and RMA contributions (\$61k over budget). Development Contributions received for Oamaru Water and Sewer are ahead of budget, but generally those for other schemes are under plan.

Finance Income –

Interest earned to 31 January amounted to \$661k, \$1k under budget, which is a good result considering the level of interest rates available from the major banks, and is largely due to Council having had more funds available for investment than was anticipated. Property sales and the deferral of a number of projects have contributed to this position. Officers are currently working with

Whitestone Contracting Limited (WCL) staff and advisors to finalise the details of the declared but not received distribution from WCL.

Other Revenue –

Rates penalties are running ahead of budget by \$152k, but much of this excess is expected to be written off when the results of the current rating sale process is finalised. Otherwise income in this category is fairly close to budget.

Employee costs –

These costs are under budget by \$217k for the first seven months. Overall salaries and wages are \$167k under budget, and the annual ACC levy was under budget by \$28k. The cost of salaries and wages fluctuate during the year as positions become vacant and are then filled, but the saving on the ACC levy is permanent.

Contractors and Professional Services –

Taken together, these categories are under budget by \$59k, virtually on budget, indicating that operational projects and programmed maintenance functions are generally running as planned. The most notable exception to this is in the water supply activity and Oamaru landfill. Water reflects the impact of a larger than expected number of repairs and is discussed in the assets agenda. This additional spending will become clearer as the pace of the district plan review picks up.

Operational –

Savings are reported for both Insurance Premiums (\$47k), which is likely to be a permanent saving, and Electricity (\$72k), which is more likely to be timing related. Much of the underspend on electricity has been driven by the Water activity where weather conditions have meant that less pumping has been required.

Administration –

Savings are reported in the areas of Advertising, which is under budget by (\$22k) and Stationery & Office supplies (under budget by \$25k). Bad Debts expense is currently on budget at \$14k, but the results of the rating sales programme is likely to consume all of the annual \$150k budget and more.

Capital Expenditure –

Overall capital expenditure is down on budget by \$3.247m


Under: - Roading by \$555k, Water by \$1.950m, Sewer by \$598k, IM by \$239k.

Over: - Property by \$662k and Alps2Ocean by \$55k.

The only area that will not be covered in a separate committee item is Information Management (IM). The year to date underspend in this activity relates mostly to the IM project. The proposed direction and actions on this project will be outlined in a separate workshop scheduled for later in the month.



Ian Wells
Accounting Manager

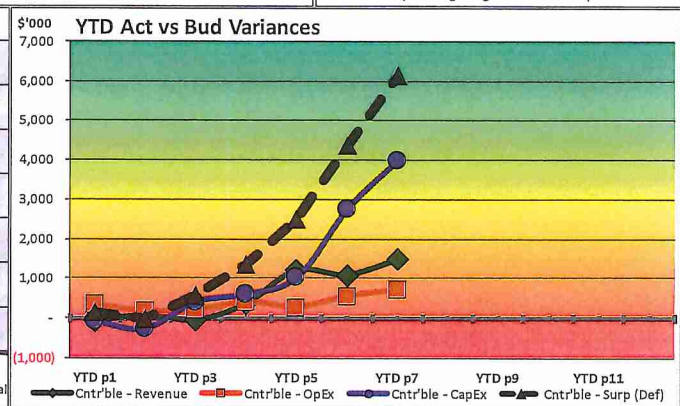
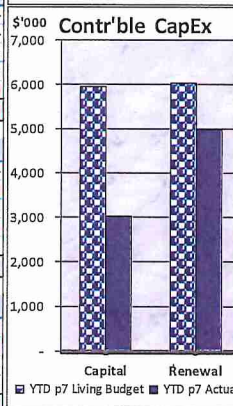
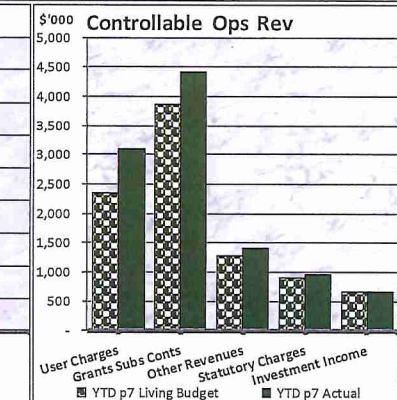
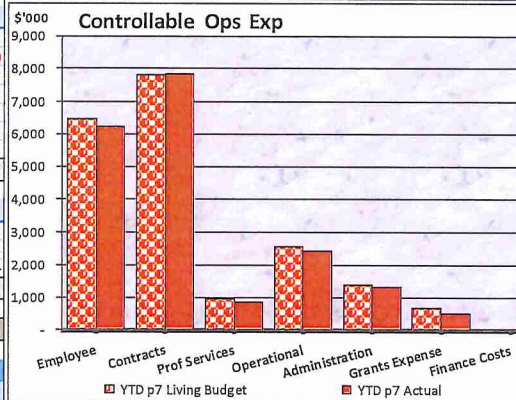
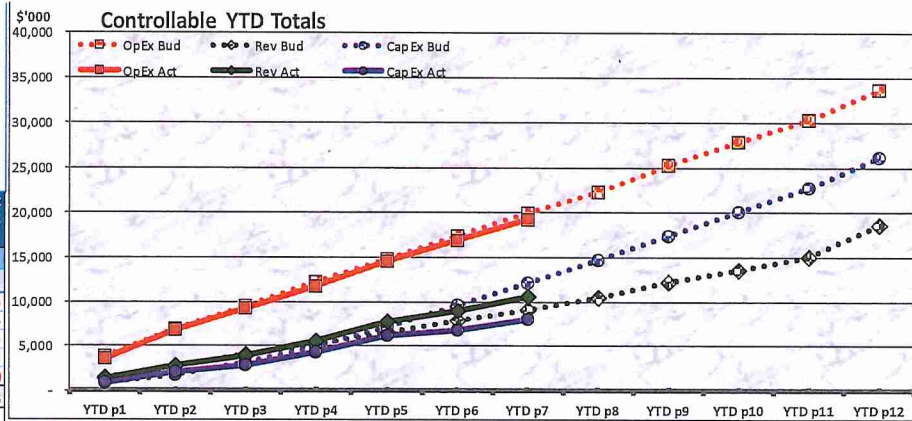


Paul Hope
Chief Financial Officer

Attachments

- Appendix (a) – Variance Reports and Commentaries
- Appendix (b) – Separate Rate Accounts at 31 December 2016
- Appendix (c) – Internal Loan position at 31 December 2016
- Appendix (d) – Special Funds at 31 December 2016

WDC 2017 Operating Statement Wed 01 Mar 2017 6:50 AM		Level_02		Level_03		Level_04				
Level_01		Aquatic Centre		Accounting Servi...		Ahuriri				
Assets Group		CEOs Office		Ahuriri		Airedale				
Community S...		Committees		Alcohol Licensing		Ardgowan				
Council		Community Boards		Alps 2 Ocean		Awamoko				
Customer Ser...		Community Safety								
Full	Res	Act	Prjs	PrR	YTD Actual	FY Living Budget	YTD p7 Actual	YTD p7 Living Budget	YTD p7 Act vs Bud	YTD p7 Act vs Bud %
Controllable										
Revenue										
User Charges					(3,537)	(4,091)	(3,090)	(2,354)	736	31%
Grants Subsidies Contributions					(4,074)	(9,961)	(4,417)	(3,875)	541	14%
Other Revenues					(1,397)	(1,874)	(1,417)	(1,272)	145	11%
Statutory Charges					(1,046)	(1,408)	(962)	(911)	52	6%
Investment Income					(692)	(1,257)	(661)	(662)	(1)	(0%)
Revenue Total					(10,745)	(18,591)	(10,547)	(9,075)	1,472	16%
Expense										
Employee Costs					6,460	11,270	6,240	6,457	217	3%
Contracts					7,934	13,221	7,841	7,792	(48)	(1%)
Professional Services					799	1,809	851	957	107	11%
Operational					2,433	4,150	2,427	2,570	143	6%
Administration					1,343	2,064	1,320	1,403	83	6%
Grants Expense					518	1,015	511	689	179	26%
Finance Costs					22	61	21	36	15	41%
Expense Total					19,509	33,589	19,211	19,905	694	3%
Capital Expense										
Renewal					5,053	11,524	4,981	6,029	1,047	17%
Capital					3,062	14,512	3,040	5,961	2,920	49%
Contracts					-	-	-	-	-	-
Capital Expense Total					8,115	26,036	8,022	11,989	3,967	33%
Controllable Total					16,878	41,035	16,685	22,819	6,134	27%
Centrally Controlled										
Revenue										
Asset Disposal & Fair Value Adjus					-	-	-	-	-	-
Physical Resources Received Free					-	-	-	-	-	-
Rates					(19,896)	(29,722)	(17,409)	(17,338)	71	0%
Sale Proceeds - Contra Sales					(950)	(134)	(778)	(78)	700	895%
Transfers from Reserves					(7,780)	(26,721)	(7,458)	(10,853)	(3,395)	(31%)
Revenue Total					(28,626)	(56,577)	(25,645)	(28,269)	(2,624)	(9%)
Expense										
Asset Disposal & Fair Value Adjus					50	-	50	-	(50)	-
Depreciation					7,666	11,380	6,712	6,638	(74)	(1%)
Overheads In					10,180	16,515	8,868	9,633	765	8%
Overheads Out					(10,478)	(16,713)	(9,122)	(9,749)	(627)	(6%)
Transfers to Reserves					878	1,796	878	999	121	12%
Expense Total					8,296	12,977	7,386	7,521	135	2%
Capital Expense										
Renewal					217	249	201	137	(64)	(46%)
Capital					1,453	2,316	1,425	768	(657)	(85%)
Overheads In					-	-	-	-	-	-
Transfers to Reserves					-	-	-	-	-	-
Capital Expense Total					1,670	2,565	1,626	905	(720)	(80%)
Centrally Controlled Total					(18,660)	(41,035)	(16,633)	(19,842)	(3,209)	(16%)
Surplus (-) / Deficit (+)					(1,782)	(0)	52	2,977	2,925	98%



*For Variances (Act vs Bud), Positive=Surplus, Negative=Deficit * Key: Act=Actual, Bud=Budget, YTD=Year to Date, pX=Period X

WDC 2017 Operating Statement
Wed 01 Mar 2017 6:50 AM

Level_01

Assets Group

CEO

Community S...

Council

Customer Ser...

Level_02

GIS/IT

Management As...

Property

Roading

Solid Waste

Level_03

Amenity

Collection

Commercial

Community

Level_04

Ahuriri

Airedale

Ardgowan

Awamoko

Full

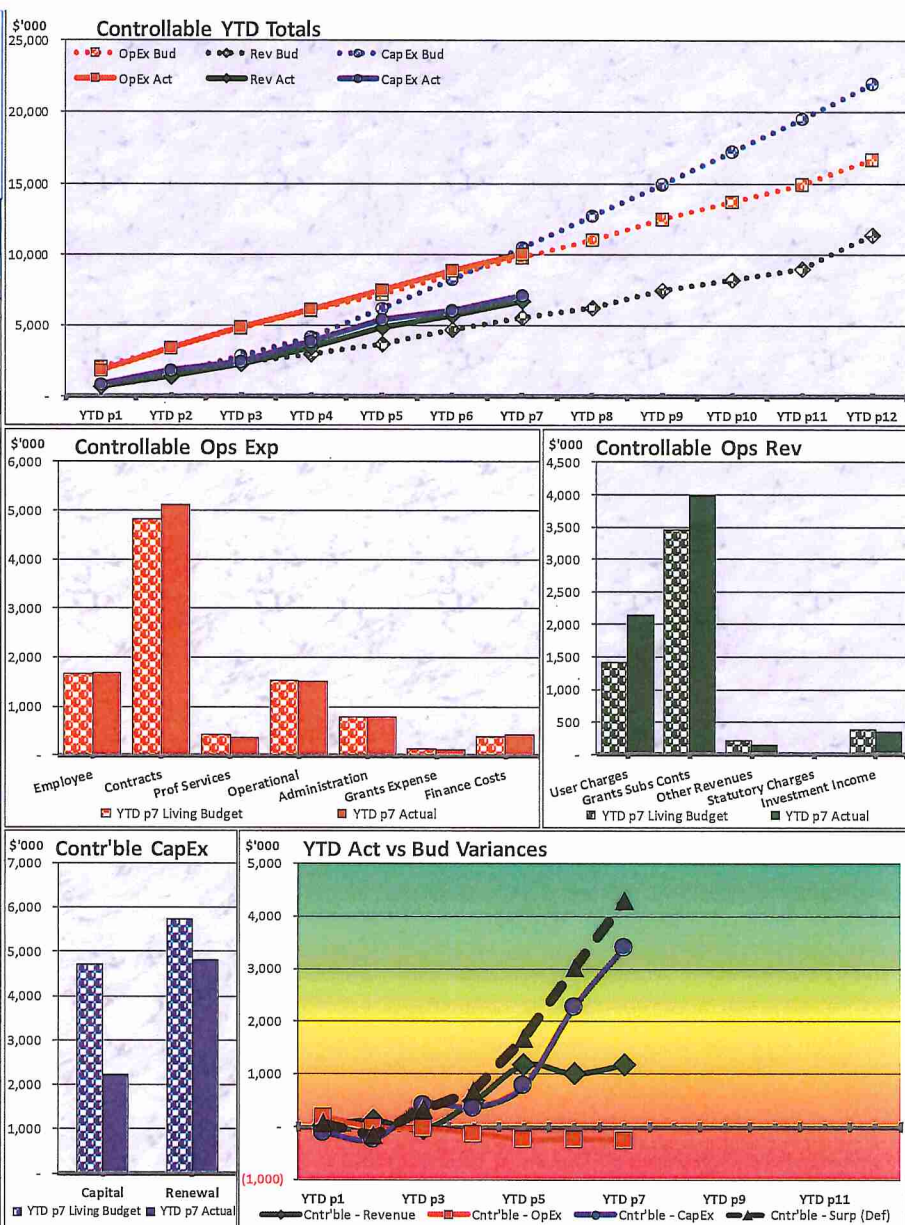
Res

Act

Prjs

PrR

	YTD Actual	FY Living Budget	YTD p7 Actual	YTD p7 Living Budget	YTD p7 Act vs Bud	YTD p7 Act vs Bud %
Controllable						
Revenue						
User Charges	(2,463)	(2,427)	(2,150)	(1,417)	733	52%
Grants Subsidies Contributions	(4,027)	(7,637)	(3,986)	(3,459)	526	15%
Other Revenues	(172)	(540)	(159)	(214)	(55)	(26%)
Statutory Charges	-	-	-	-	-	-
Investment Income	(356)	(775)	(356)	(387)	(32)	(8%)
Revenue Total	(7,018)	(11,378)	(6,650)	(5,478)	1,173	21%
Expense						
Employee Costs	1,760	2,867	1,681	1,660	(21)	(1%)
Contracts	5,192	8,593	5,110	4,819	(291)	(6%)
Professional Services	375	738	369	433	64	15%
Operational	1,517	2,475	1,508	1,537	29	2%
Administration	801	967	798	781	(18)	(2%)
Grants Expense	128	240	128	140	12	8%
Finance Costs	428	766	428	383	(44)	(12%)
Expense Total	10,201	16,646	10,023	9,754	(269)	(3%)
Capital Expense						
Renewal	4,877	11,051	4,810	5,730	921	16%
Capital	2,237	10,841	2,236	4,706	2,470	52%
Contracts	-	-	-	-	-	-
Capital Expense Total	7,114	21,892	7,045	10,436	3,391	32%
Controllable Total	10,297	27,160	10,418	14,712	4,294	29%
Centrally Controlled						
Revenue						
Rates	(10,447)	(15,618)	(9,141)	(9,111)	30	0%
Sale Proceeds - Contra Sales	(947)	(134)	(776)	(78)	698	892%
Transfers from Reserves	(6,594)	(21,717)	(6,308)	(8,898)	(2,590)	(29%)
Revenue Total	(17,988)	(37,470)	(16,225)	(18,087)	(1,862)	(10%)
Expense						
Asset Disposal & Fair Value Adjus	-	-	-	-	-	-
Depreciation	6,785	10,033	5,940	5,852	(88)	(2%)
Overheads In	3,972	6,312	3,473	3,682	209	6%
Overheads Out	(5,531)	(8,470)	(4,847)	(4,941)	(95)	(2%)
Transfers to Reserves	597	1,023	597	607	10	2%
Expense Total	5,823	8,897	5,164	5,201	36	1%
Capital Expense						
Renewal	209	249	193	137	(56)	(41%)
Capital	1,245	1,163	1,217	585	(632)	(108%)
Overheads In	-	-	-	-	-	-
Transfers to Reserves	-	-	-	-	-	-
Capital Expense Total	1,453	1,412	1,410	723	(687)	(95%)
Centrally Controlled Total	(10,712)	(27,160)	(9,651)	(12,164)	(2,513)	(21%)
Surplus (-) / Deficit (+)	(414)	(0)	767	2,548	1,781	70%



*For Variances (Act vs Bud), Positive=Surplus, Negative=Deficit * Key: Act=Actual, Bud=Budget, YTD=Year to Date, pX=Period X

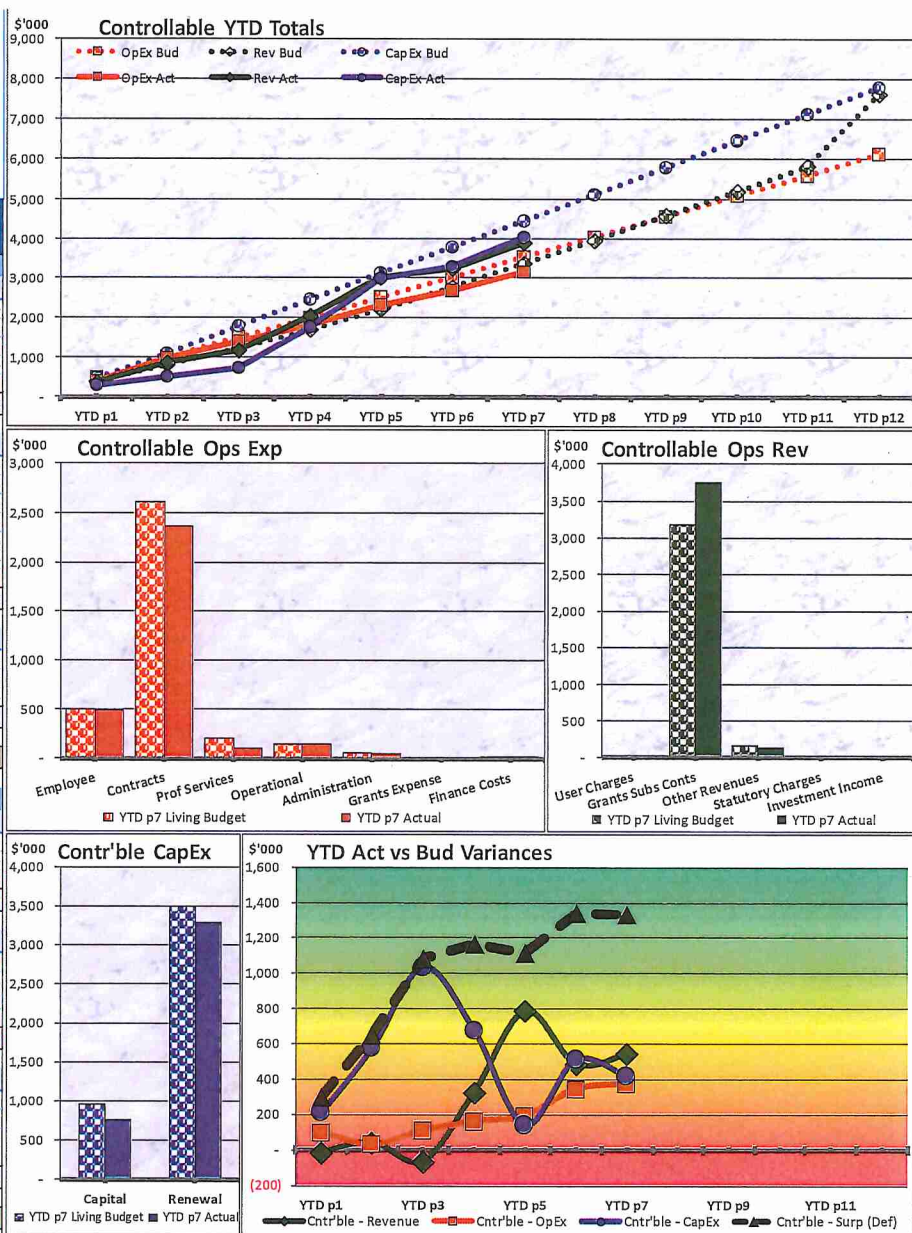
Appendix (a) – Variance Reports and Commentaries (continued)

Assets – commentary

	last year YTD	this year YTD	budget YTD	variance YTD	Variance YTD%	Manager/Activity(s) Overview:	Solutions/Actions Overview:
Assets Group	9,289	10,390	14,712	4,323	29%	Overall budgets are being managed appropriately and I have no overall comments in addition to the comments below.	Continue to monitor.
Assets_GM	167	190	209	19	9%	All on track.	-
Information_Technology	1,013	1,123	1,347	224	17%	The Chief Information Officer is addressing a number of issues that will have an impact on the financial position. These will be reported in more detail to the FAR at a later date.	A Departmental review will align with a new budget strategy for 2017 / 2018
Property	1,357	1,833	1,879	47	2%	Income is slightly ahead of budget as rents are increased to market when they fall due. Capital and renewal expenditure is slightly higher than budget. Expenses are considered and minimised wherever possible. Some planned project work has not yet been completed.	-
Roading	2,622	3,289	4,621	1,332	29%	Programme of works underway with some renewal activities complete by the end of the second quarter	Roading unit to monitor programme and budgets. Income to be adjusted to correctly reflect expenditure.
Utilities_Solid_Waste	41	(41)	242	283	117%	Operating expenditure is tracking to budget. Unbudgeted landfill income is continuing to accumulate.	Landfill income will help ease the transition to a closed landfill operation
Utilities_Water	3,475	3,475	5,360	1,885	35%	Operating expenditure is tracking above budget in some separate rate accounts. Oamaru water expenditure is above budget due to increased reactive works and also as a result of third party damage to infrastructure where costs will be recovered. Capital expenditure is showing a variance to budget which will be corrected via reserve transfers	-
Utilities_Sewer	570	484	922	439	48%	Operating expenditure is generally tracking to budget. Oamaru sewer expenditure is above budget due to increased reactive works and logging operation works at the Oamaru Sewer Treatment Plant.	-
Utilities_Waste_Water	45	37	132	94	72%	Operating expenditure is tracking slightly below budget.	-

WDC 2017 Operating Statement
Wed 01 Mar 2017 6:50 AM

Level_01	Level_02	Level_03	Level_04	Full	Res	Act	Prjs	PrR	YTD Actual	FY Living Budget	YTD p7 Actual	YTD p7 Living Budget	YTD p7 Act vs Bud	YTD p7 Act vs Bud %
Assets Group	GIS/IT	Amenity	Ahuriri											
Community S...	Management As...	Financially Assis...	Capital New											
Customer Ser...	Property	Management Roa...	Capital Renewal											
	Roading	Non-financially A...	Comedale											
	Solid Waste	Townships and T...												
Controllable														
Revenue														
	User Charges					(0)							0	
	Grants Subsidies Contributions					(3,760)			(7,157)		(3,756)		(3,186)	18%
	Other Revenues					(144)			(447)		(133)		(160)	(17%)
	Statutory Charges					-			-		-		-	
	Investment Income					(11)			(25)		(11)		(12)	(15%)
	Revenue Total					(3,915)			(7,628)		(3,900)		(3,358)	542 16%
Expense														
	Employee Costs					506			867		490		502	2%
	Contracts					2,367			4,554		2,364		2,607	9%
	Professional Services					100			350		100		204	51%
	Operational					143			246		142		149	4%
	Administration					45			94		44		55	19%
	Grants Expense					-			-		-		-	
	Finance Costs					10			16		10		8	(24%)
	Expense Total					3,172			6,126		3,150		3,524	374 11%
Capital Expense														
	Renewal					3,280			6,124		3,279		3,501	6%
	Capital					759			1,669		759		954	20%
	Contracts					-			-		-		-	
	Capital Expense Total					4,039			7,793		4,039		4,454	416 9%
	Controllable Total					3,296			6,291		3,289		4,621	1,332 29%
Centrally Controlled														
Revenue														
	Rates					(4,409)			(6,573)		(3,858)		(3,834)	23 1%
	Sale Proceeds - Contra Sales					-			-		-		-	
	Transfers from Reserves					(3,145)			(5,659)		(2,921)		(3,063)	(142) (5%)
	Revenue Total					(7,554)			(12,233)		(6,778)		(6,898)	(119) (2%)
Expense														
	Depreciation					3,438			5,056		3,008		2,950	(59) (2%)
	Overheads In					1,159			1,726		1,005		1,007	2 0%
	Overheads Out					(897)			(1,388)		(777)		(810)	(33) (4%)
	Transfers to Reserves					150			125		150		62	(87) (140%)
	Expense Total					3,850			5,519		3,386		3,209	(177) (6%)
Capital Expense														
	Renewal					38			153		35		89	54 61%
	Capital					58			269		53		138	85 62%
	Overheads In					-			-		-		-	
	Transfers to Reserves					-			-		-		-	
	Capital Expense Total					96			422		88		228	139 61%
	Centrally Controlled Total					(3,608)			(6,292)		(3,304)		(3,461)	(157) (5%)
	Surplus (-) / Deficit (+)					(312)			(0)		(15)		1,160	1,175 101%



*For Variances (Act vs Bud), Positive=Surplus, Negative=Deficit * Key: Act=Actual, Bud=Budget, YTD=Year to Date, pX=Period X

Roading

Appendix (a) – Variance Reports and Commentaries (continued)

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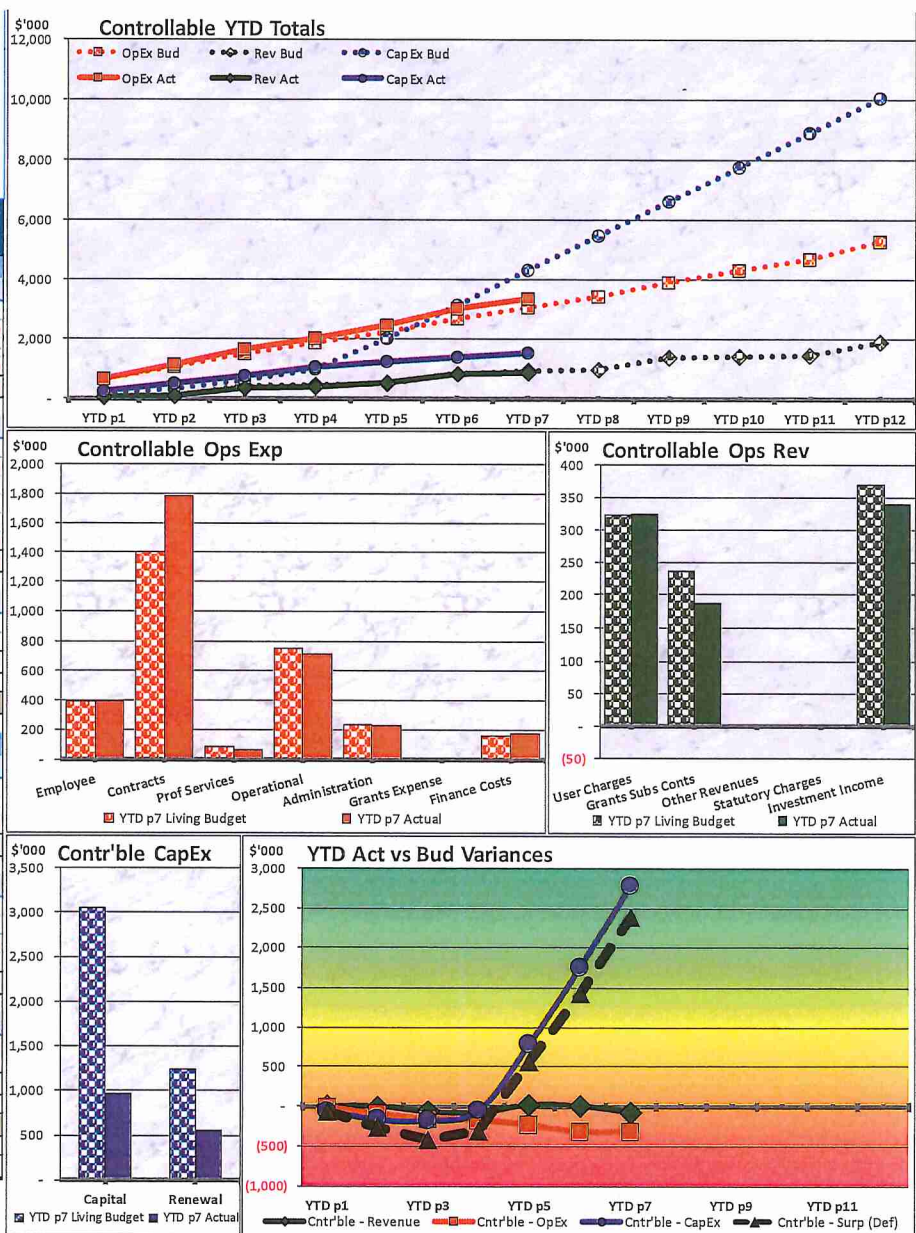
Level_01: Assets Group, CEO, Community S..., Council, Customer Ser...

Level_02: Property, Roading, Solid Waste, Waters, Aquatic Centre

Level_03: Management Wa..., Sewerage, Stormwater, Water

Level_04: Awamoko, Dunback, Duntroon, Enfield

	YTD Actual	FY Living Budget	YTD p7 Actual	YTD p7 Living Budget	YTD p7 Act vs Bud	YTD p7 Act vs Bud %
Controllable						
Revenue						
User Charges	(391)	(751)	(325)	(322)	3	1%
Grants Subsidies Contributions	(226)	(405)	(188)	(236)	(48)	(20%)
Other Revenues	2	-	2	-	(2)	
Investment Income	(340)	(740)	(340)	(370)	(30)	(8%)
Revenue Total	(955)	(1,896)	(851)	(929)	(78)	(8%)
Expense						
Employee Costs	414	685	391	396	6	1%
Contracts	1,831	2,608	1,781	1,406	(375)	(27%)
Professional Services	66	150	66	87	22	25%
Operational	712	1,230	712	755	43	6%
Administration	227	275	226	235	9	4%
Finance Costs	180	329	180	165	(16)	(9%)
Expense Total	3,430	5,277	3,356	3,045	(311)	(10%)
Capital Expense						
Renewal	580	2,393	556	1,236	680	55%
Capital	963	7,658	963	3,061	2,099	69%
Capital Expense Total	1,543	10,051	1,518	4,297	2,779	65%
Controllable Total	4,018	13,432	4,024	6,414	2,390	37%
Centrally Controlled						
Revenue						
Rates	(4,851)	(7,272)	(4,245)	(4,242)	2	0%
Sale Proceeds - Contra Sales	-	-	-	-	-	
Transfers from Reserves	(1,753)	(11,183)	(1,730)	(3,684)	(1,954)	(53%)
Revenue Total	(6,604)	(18,455)	(5,975)	(7,927)	(1,952)	(25%)
Expense						
Depreciation	1,922	2,867	1,682	1,673	(9)	(1%)
Overheads In	1,732	2,891	1,516	1,686	170	10%
Overheads Out	(1,388)	(2,218)	(1,212)	(1,294)	(82)	(6%)
Transfers to Reserves	412	794	412	475	63	13%
Expense Total	2,678	4,334	2,398	2,540	142	6%
Capital Expense						
Renewal	158	96	145	48	(97)	(203%)
Capital	362	593	351	297	(55)	(19%)
Capital Expense Total	520	689	497	344	(152)	(44%)
Centrally Controlled Total	(3,406)	(13,432)	(3,080)	(5,042)	(1,962)	(39%)
Surplus (-) / Deficit (+)	612	0	943	1,372	428	31%



*For Variances (Act vs Bud), Positive=Surplus, Negative=Deficit * Key: Act=Actual, Bud=Budget, YTD=Year to Date, pX=Period X

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Level_01: Assets Group, CEO, Community S..., Council, Customer Ser...

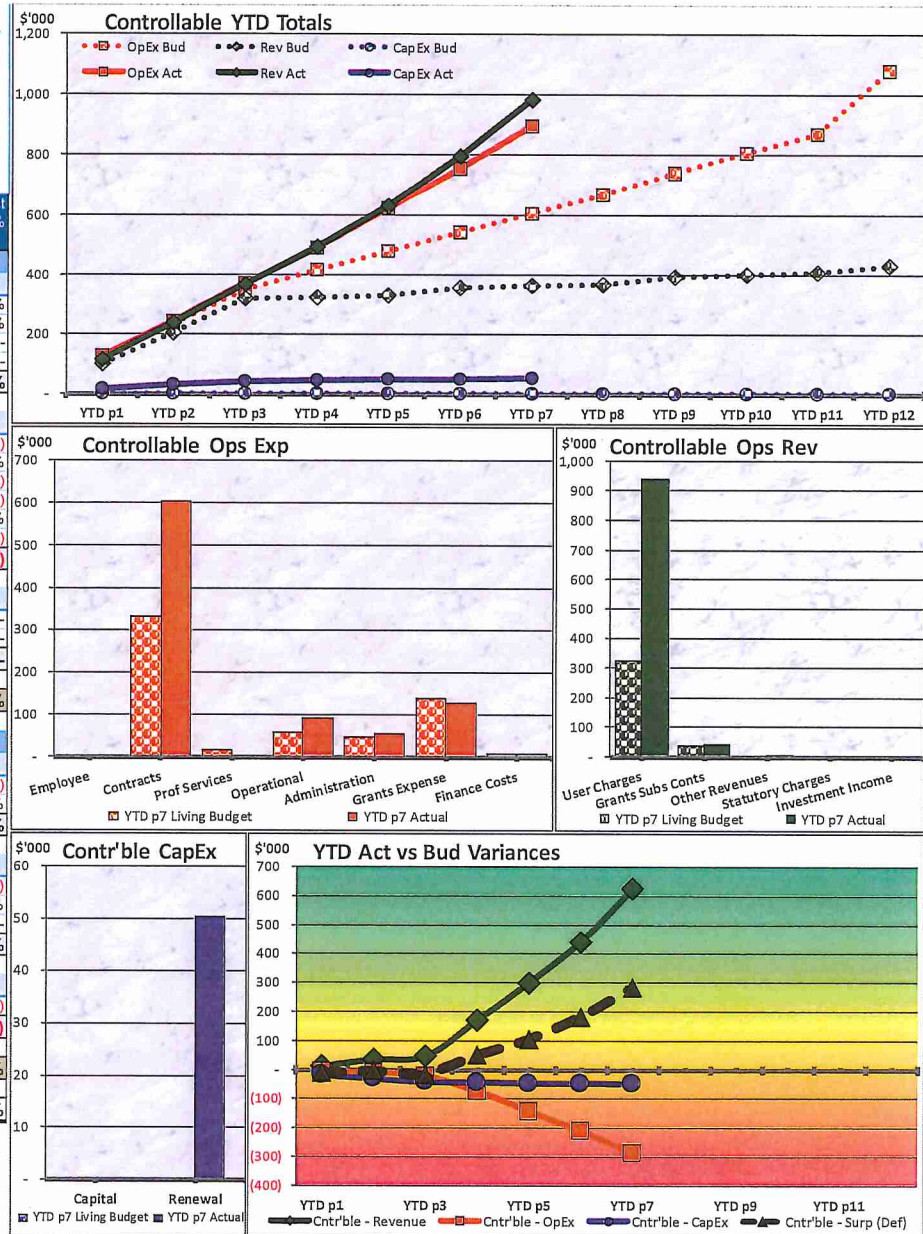
Level_02: Property, Roading, Solid Waste, Waters, Aquatic Centre

Level_03: Collection, Waste Disposal..., Accounting Servi..., Ahuriri

Level_04: Ahuriri, Closed Landfill, Contaminated S..., Corriedale, Oamaru

Full Res Act Prjs PrR

	YTD Actual	FY Living Budget	YTD p7 Actual	YTD p7 Living Budget	YTD p7 Act vs Bud	YTD p7 Act vs Bud %
Controllable						
Revenue						
User Charges	(963)	(356)	(940)	(324)	615	190%
Grants Subsidies Contributions	(41)	(75)	(41)	(38)	3	9%
Other Revenues	(3)	-	(3)	-	3	-
Statutory Charges	-	-	-	-	-	-
Revenue Total	(1,006)	(431)	(983)	(362)	621	172%
Expense						
Contracts	604	583	603	332	(272)	(82%)
Professional Services	-	29	-	17	17	100%
Operational	94	138	94	58	(36)	(62%)
Administration	60	72	57	49	(8)	(16%)
Grants Expense	128	240	128	140	12	8%
Finance Costs	10	18	10	9	(1)	(12%)
Expense Total	896	1,080	892	604	(288)	(48%)
Capital Expense						
Renewal	51	-	50	-	(50)	-
Capital	-	-	-	-	-	-
Capital Expense Total	51	-	50	-	(50)	-
Controllable Total	(59)	649	(40)	242	283	117%
Centrally Controlled						
Revenue						
Rates	(700)	(1,051)	(612)	(613)	(1)	(0%)
Transfers from Reserves	(65)	(31)	(63)	(16)	47	292%
Revenue Total	(765)	(1,082)	(675)	(629)	46	7%
Expense						
Depreciation	51	54	45	32	(13)	(42%)
Overheads In	115	258	101	151	50	33%
Transfers to Reserves	-	-	-	-	-	-
Expense Total	166	312	146	182	36	20%
Capital Expense						
Capital	65	121	65	60	(5)	(8%)
Capital Expense Total	65	121	65	60	(5)	(8%)
Centrally Controlled Total	(534)	(649)	(465)	(387)	78	20%
Surplus (-) / Deficit (+)	(593)	-	(505)	(144)	361	250%



*For Variances (Act vs Bud), Positive=Surplus, Negative=Deficit * Key: Act=Actual, Bud=Budget, YTD=Year to Date, pX=Period X

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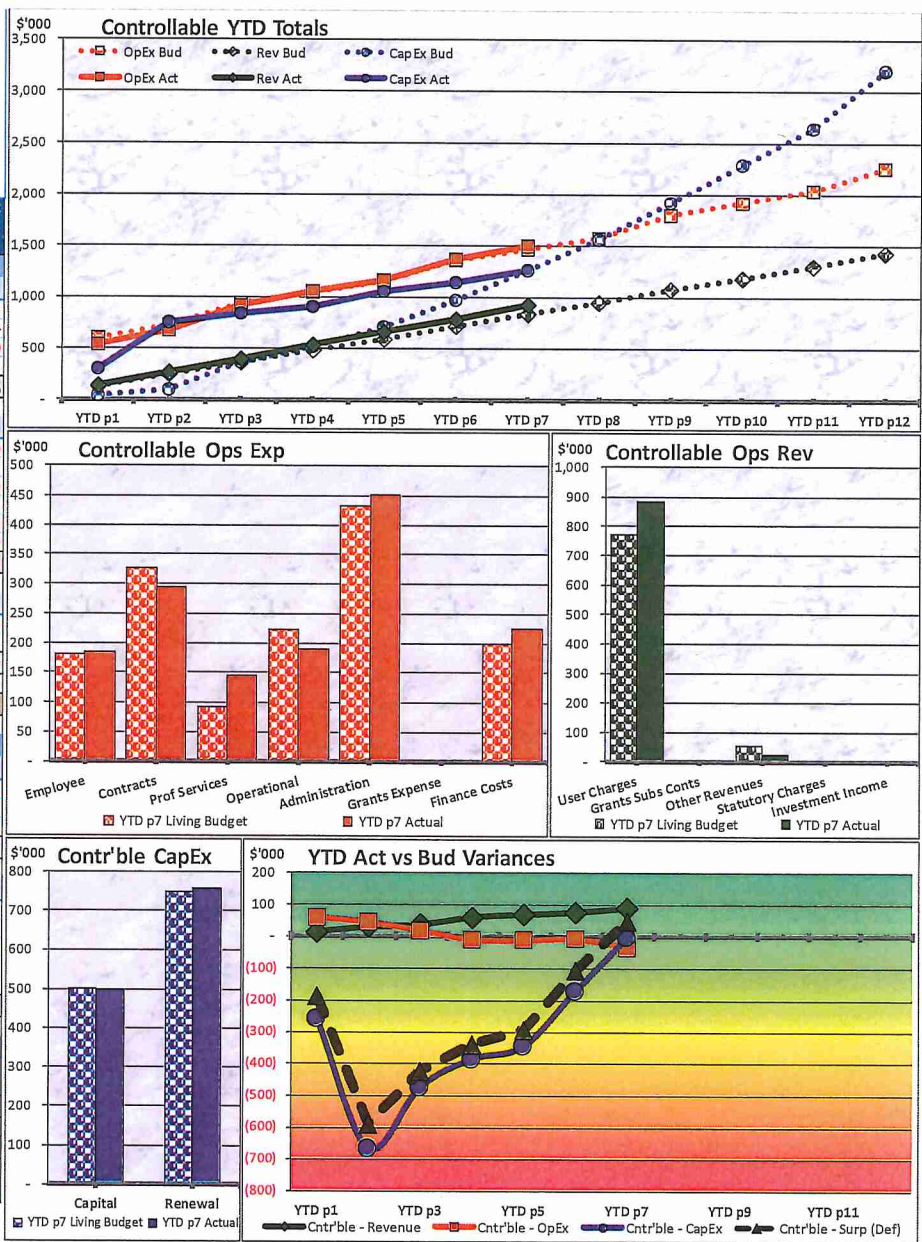
Level_01: Assets Group (CEO), Community S... (Council), Customer Ser...

Level_02: Property, Roading, Solid Waste, Waters, Aquatic Centre

Level_03: Commercial, Community, Halls and Comm..., Management Pro..., Property Holdings

Level_04: Airedale, Ardgowan, Awamoko, Breakwater Coa...

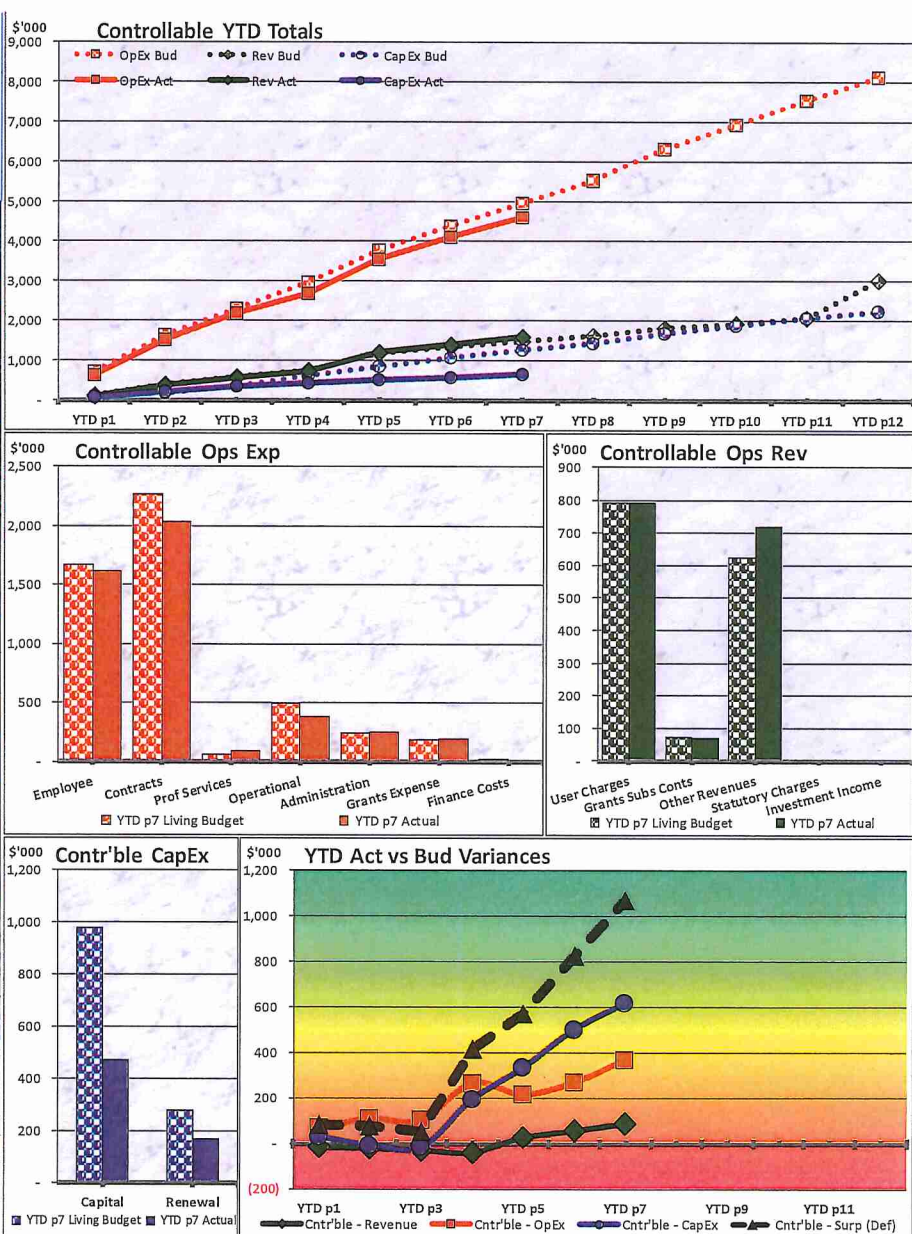
	YTD Actual	FY Living Budget	YTD p7 Actual	YTD p7 Living Budget	YTD p7 Act vs Bud	YTD p7 Act vs Bud %
Controllable						
Revenue						
User Charges	(1,109)	(1,320)	(885)	(770)	115	15%
Grants Subsidies Contributions	(1)	-	(1)	-	1	-
Other Revenues	(27)	(93)	(25)	(54)	(29)	(54%)
Investment Income	(6)	(10)	(6)	(5)	1	17%
Revenue Total	(1,142)	(1,423)	(917)	(829)	88	11%
Expense						
Employee Costs	193	312	184	181	(3)	(2%)
Contracts	315	593	295	326	31	9%
Professional Services	151	180	145	93	(52)	(56%)
Operational	191	276	191	225	34	15%
Administration	452	511	451	433	(18)	(4%)
Finance Costs	226	399	226	199	(27)	(13%)
Expense Total	1,528	2,250	1,491	1,457	(35)	(2%)
Capital Expense						
Renewal	798	2,049	758	749	(10)	(1%)
Capital	500	1,154	500	503	3	1%
Capital Expense Total	1,298	3,202	1,258	1,252	(6)	(1%)
Controllable Total	1,684	4,030	1,833	1,879	47	2%
Centrally Controlled						
Revenue						
Rates	(487)	(722)	(426)	(421)	5	1%
Sale Proceeds - Contra Sales	(876)	(50)	(729)	(29)	701	2,422%
Transfers from Reserves	(1,553)	(4,108)	(1,517)	(1,788)	(272)	(15%)
Revenue Total	(2,916)	(4,880)	(2,673)	(2,238)	434	19%
Expense						
Asset Disposal & Fair Value Adjus	-	-	-	-	-	-
Depreciation	1,081	1,627	946	949	3	0%
Overheads In	705	1,018	622	594	(28)	(5%)
Overheads Out	(1,413)	(2,074)	(1,234)	(1,210)	24	2%
Transfers to Reserves	35	104	35	69	34	50%
Expense Total	408	675	369	402	33	8%
Capital Expense						
Renewal	-	-	-	-	-	-
Capital	756	175	744	87	(656)	(750%)
Capital Expense Total	756	175	744	87	(656)	(750%)
Centrally Controlled Total	(1,752)	(4,030)	(1,560)	(1,748)	(189)	(11%)
Surplus (-) / Deficit (+)	(68)	-	273	131	(142)	(108%)



*For Variances (Act vs Bud), Positive=Surplus, Negative=Deficit * Key: Act=Actual, Bud=Budget, YTD=Year to Date, pX=Period X

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Level_01	Level_02	Level_03	Level_04	Full	Res	Act	Prjs	PrR	YTD Actual	FY Living Budget	YTD p7 Actual	YTD p7 Living Budget	YTD p7 Act vs Bud	YTD p7 Act vs Bud %
Assets Group	CEO													
Community S...	Council													
Customer Ser...														
	Aquatic Centre													
	Community Safety	Archive	Ahuriri											
	Gallery & Museum	Branch Libraries	Corriedale											
	General Grants	Cafe	Harbour Park											
	Libraries	Camping Grounds	Monuments											
Controllable														
Revenue														
	User Charges	(904)	(1,315)	(792)	(792)	(0)	(0%)							
	Grants Subsidies Contributions	(81)	(903)	(69)	(73)	(4)	(6%)							
	Other Revenues	(723)	(793)	(716)	(622)	94	15%							
	Revenue Total	(1,708)	(3,011)	(1,577)	(1,487)	89	6%							
Expense														
	Employee Costs	1,669	2,875	1,618	1,670	52	3%							
	Contracts	2,034	3,621	2,029	2,270	240	11%							
	Professional Services	87	114	87	64	(23)	(36%)							
	Operational	382	804	384	497	113	23%							
	Administration	256	369	246	238	(8)	(3%)							
	Grants Expense	204	300	198	184	(14)	(7%)							
	Finance Costs	15	41	15	21	5	26%							
	Expense Total	4,648	8,123	4,578	4,944	366	7%							
Capital Expense														
	Renewal	175	432	172	278	106	38%							
	Capital	492	1,796	472	979	507	52%							
	Capital Expense Total	668	2,228	644	1,257	613	49%							
Controllable Total														
		3,608	7,341	3,645	4,713	1,069	23%							
Centrally Controlled														
Revenue														
	Rates	(5,439)	(8,148)	(4,759)	(4,753)	6	0%							
	Sale Proceeds - Contra Sales	(3)	-	(2)	-	2	-							
	Transfers from Reserves	(937)	(2,852)	(907)	(1,456)	(550)	(38%)							
	Revenue Total	(6,378)	(11,000)	(5,668)	(6,209)	(541)	(9%)							
Expense														
	Depreciation	755	1,158	661	676	14	2%							
	Overheads In	1,463	2,643	1,256	1,541	284	18%							
	Overheads Out	(463)	(1,104)	(380)	(644)	(264)	(41%)							
	Transfers to Reserves	41	50	41	30	(10)	(33%)							
	Expense Total	1,796	2,746	1,578	1,603	24	2%							
Capital Expense														
	Renewal	9	-	8	-	(8)	-							
	Capital	88	913	88	63	(25)	(40%)							
	Transfers to Reserves	-	-	-	-	-	-							
	Capital Expense Total	97	913	96	63	(33)	(53%)							
Centrally Controlled Total														
		(4,485)	(7,341)	(3,994)	(4,543)	(550)	(12%)							
Surplus (-) / Deficit (+)														
		(877)	(0)	(349)	170	519	305%							



*For Variances (Act vs Bud), Positive=Surplus, Negative=Deficit * Key: Act=Actual, Bud=Budget, YTD=Year to Date, pX=Period X

Appendix (a) – Variance Reports and Commentaries (continued)

Community Services - commentary

	last year YTD	this year YTD	budget YTD	variance YTD	Variance YTD%	Manager/Activity(s) Overview:	Solutions/Actions Overview:
Community Services Group	3,500	3,644	4,713	1,070	23%	Parks: \$523k is project related and \$93k is attributed to savings on the Parks maintenance contract. The Opera House have several show bookings before the end of the financial year. The Aquatic Centre shows a 13% positive variance due to employee savings during the close down and a \$24k Capital underspend in this period. The Rest of the variance is related to timing of projects, expenditure and revenue.	Monitoring the activities. Employing a Projects Manager for Parks will minimise the project back log. The savings from the new Parks Maintenance contract is positively affecting the Parks budget.
Community_GM	315	344	326	(18)	(6%)	Unbudgeted Waitaki Heritage Fund Grant funded from reserves	No action required
Aquatic_Centre	251	345	398	53	13%	Expenses 26K under budget due to employee savings during closedown. Capital expense 24K under budget budget.	No Action
Community_Safety	53	45	79	34	44%	Reduced expenses due to timing of projects.	No action required.
Gallery_Museum	536	408	513	104	20%	Reduced income due to fundraising through grants being focus of Cultural Facility Development Project (CFDP) and focus of output also related to CFDP rather than revenue at this time.	No action required.
Library	453	540	581	41	7%	Budget variance will reduce once the RFID project costs are paid	Continue to monitor
Oamaru_Opera_House	194	171	201	30	15%	The Opera House operating well as a meeting hub and numbers of attendees at meetings and events is growing. Up to 31 May 2017 show bookings include 5 international and 5 national tours and 1 Youth orchestra booking. The Asia Pacific Geoscience Technology workshop in April will draw international delegates to Oamaru for three days.	The Opera House will continue to support local community groups and schools providing meeting and performance space, and expertise of event staff. Programme work and meeting opportunities through industry networks and advertising to increase occupancy. Consistent management of controllable finance to keep operational costs down.
Parks_and_Recreation	1,697	1,790	2,616	826	32%	Camping - Revenue 35K up on budget due to season passes sold. Capital 33K down as Sailors & Falstone discharge fields will be completed in Autumn. Cemetery - Cemetery plot sales 16K under budget. Capital 98K down as landscape works for Cemetery extension to be completed in Autumn. Forestry - Revenue 152K over due to profits from 'Milligans Block' and earlier than phased harvest. Management Parks - Revenue 51K under as film set removal still to be fully recovered. Expenses 21K under due to valuation and toilet strategy phasing - completion in Autumn. Public Gardens - Revenue 10K over due to increased Depot Lease. Expenses 75K down due to December maintenance contract payment delay. Capital 15K less than budget due to deferral of work. Parks - Contractors 54K under due to contract savings. Capital 54K underspent - Waiting to discuss work with new community boards and work delayed on Waihemo walkways. Toilets - Expenses 39K behind budget due to contract savings. Capital 207K under due to phasing and budgets for future years work in the financial year. Sportsfields - Revenue 11K under as sponsorship not invoiced. Capital 116K behind budget. Work on Mill Domain scheduled after Cricket season. King George Park work now deferred.	Camping - Monitor Cemetery - Monitor revenue. Rephase Capital. Forestry - No Action. Management Parks - No Action. Public Gardens - No Action. Parks - Rephase capital. Toilets - Rephase capital and carry forward future years budgets. Sportsfields - Invoice sponsorship in April. Rephase Capital and carry forward budget for King George Park.

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Level_01: Assets Group, CEO, Community S..., Council, Customer Ser...

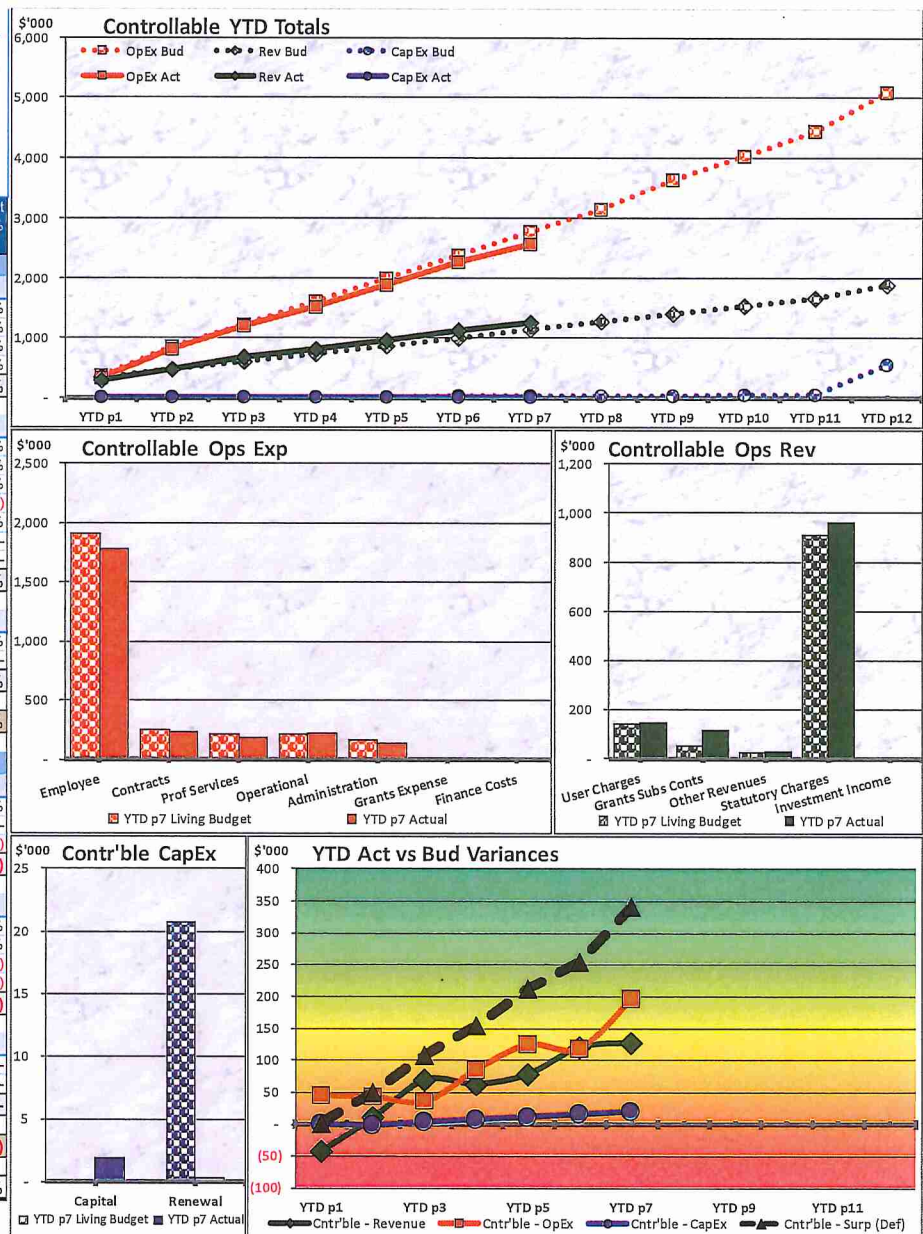
Level_02: Customer Contac..., Emergency Servi..., Management Cu..., Planning, Policy Development

Level_03: Alcohol Licensing, Animal Control, Building Control, CCT Oamaru

Level_04: Parking Enforce..., Parking Facilities, Ahuriri, Airedale

Full Res Act Prjs PrR

	YTD Actual	FY Living Budget	YTD p7 Actual	YTD p7 Living Budget	YTD p7 Act vs Bud	YTD p7 Act vs Bud %
Controllable						
Revenue						
User Charges	(167)	(339)	(146)	(140)	6	5%
Grants Subsidies Contributions	(117)	(90)	(114)	(53)	61	117%
Other Revenues	(33)	(40)	(30)	(23)	7	30%
Statutory Charges	(1,046)	(1,408)	(962)	(911)	52	6%
Revenue Total	(1,362)	(1,877)	(1,252)	(1,126)	126	11%
Expense						
Employee Costs	1,846	3,316	1,779	1,913	134	7%
Contracts	238	412	232	247	16	6%
Professional Services	198	519	181	209	28	13%
Operational	225	550	225	216	(10)	(5%)
Administration	143	286	137	170	33	20%
Grants Expense	4	-	4	-	(4)	-
Finance Costs	-	-	-	-	-	-
Expense Total	2,653	5,083	2,558	2,755	197	7%
Capital Expense						
Renewal	0	42	0	21	20	99%
Capital	2	500	2	-	(2)	-
Capital Expense Total	2	542	2	21	18	89%
Controllable Total	1,293	3,748	1,308	1,650	342	21%
Centrally Controlled						
Revenue						
Rates	(1,758)	(2,618)	(1,539)	(1,527)	11	1%
Sale Proceeds - Contra Sales	-	-	-	-	-	-
Transfers from Reserves	(3)	(1,155)	(3)	(181)	(178)	(98%)
Revenue Total	(1,762)	(3,773)	(1,542)	(1,708)	(166)	(10%)
Expense						
Depreciation	42	64	37	37	1	2%
Overheads In	2,876	4,482	2,520	2,814	94	4%
Overheads Out	(2,988)	(4,626)	(2,609)	(2,699)	(90)	(3%)
Transfers to Reserves	116	105	116	53	(63)	(120%)
Expense Total	46	25	64	6	(58)	(1,039%)
Capital Expense						
Renewal	-	-	-	-	-	-
Capital	0	-	-	-	-	-
Capital Expense Total	0	-	-	-	-	-
Centrally Controlled Total	(1,716)	(3,748)	(1,478)	(1,703)	(225)	(13%)
Surplus (-) / Deficit (+)	(423)	-	(170)	(53)	117	221%



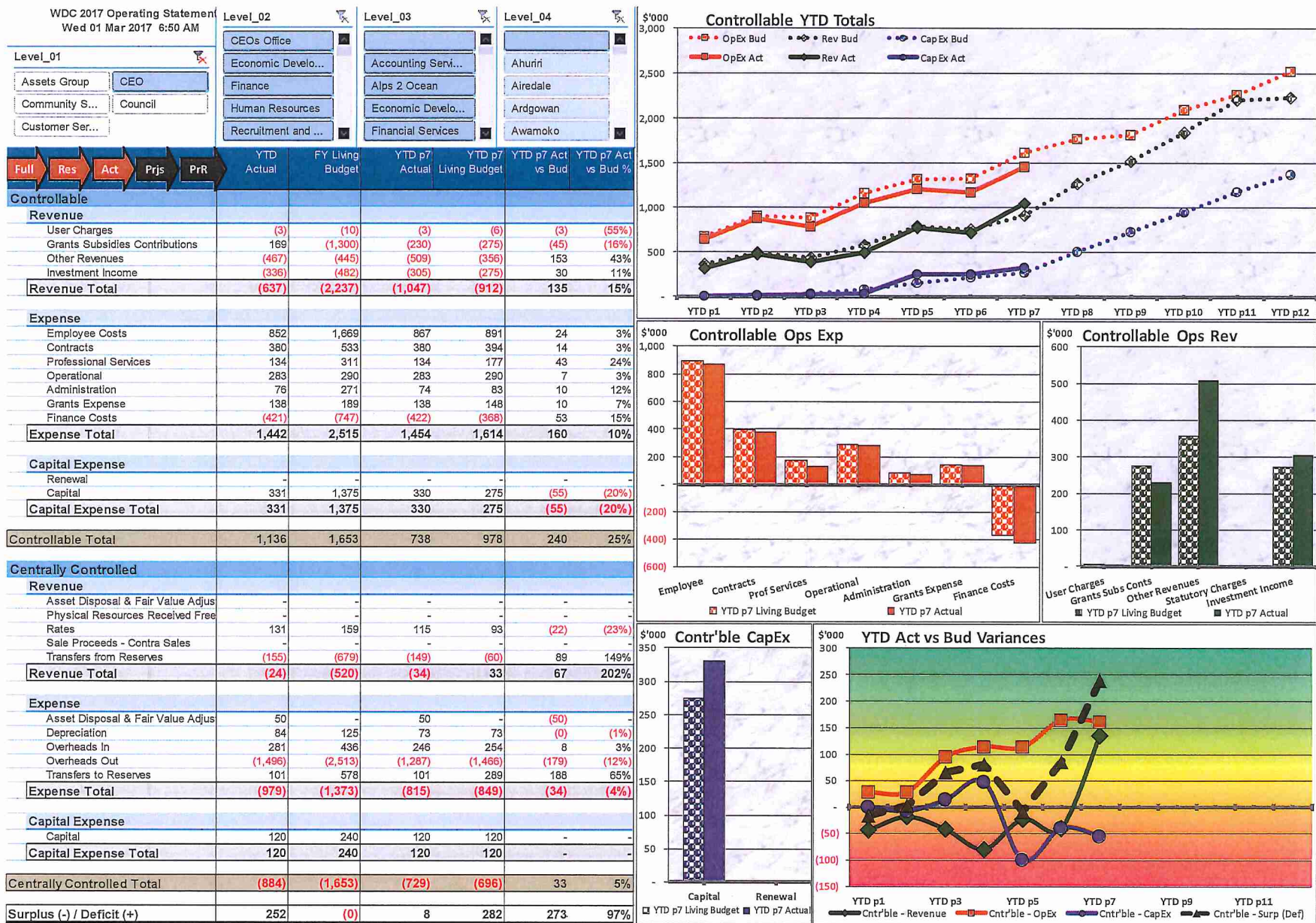
*For Variances (Act vs Bud), Positive=Surplus, Negative=Deficit * Key: Act=Actual, Bud=Budget, YTD=Year to Date, pX=Period X

Appendix (a) – Variance Reports and Commentaries (continued)

Customer Services – commentary

	last year YTD	this year YTD	budget YTD	variance YTD	Variance YTD%	Manager/Activity(s) Overview:	Solutions/Actions Overview:
Customer Services Group	1,149	1,308	1,650	342	21%	Regulatory: Approval of the business case will utilise this variance in the next few months. Customer Contact budget meeting expectations. The variance within the Customer Services GM budget relates to costs incurred with the interim group structure. Planning variance - the high income over budget is due to Reserve Contributions; increased economic activity leading to more consents being processed and reducing costs.	Regulatory: Keep monitoring budget and the approval to resource this unit should have positive outcomes Continue to monitor variances and apply corrective actions where required.
Customer_GM	162	208	181	(28)	(15%)	Underspend in consultant lines. This is expected to even out over the 12 months.	Continue to monitor and take corrective action as required.
Customer_Contact	287	288	304	16	5%		
Emergency_Services	302	291	299	7	2%	Costs meet expectations. Both capital projects have been deferred due to legislative and structural changes.	N/A
Planning	135	119	295	176	60%		
Policy	254	233	278	45	16%	Employee costs, mainly associated with the Corporate Planner and Governance Support roles have generated the underspend. The Corporate Planner position was budget at 1FTE with the actual currently 0.5FTE. Some consultancy budget is being used to assist in delivering the planned work.	
Regulatory	8	167	293	126	43%	Overall regulatory budget is 7% over revenue \$62k - this is activity driven by alcohol and commercial building consent applications. Expenditure is under budget overall by \$31K. With business case approval this will be fully utilised in the near future.	Business case approved in December enabling additional staff and funds to support Regulatory

Appendix (a) – Variance Reports and Commentaries (continued) Chief Executive



*For Variances (Act vs Bud), Positive=Surplus, Negative=Deficit * Key: Act=Actual, Bud=Budget, YTD=Year to Date, pX=Period X

Appendix (a) – Variance Reports and Commentaries (continued)

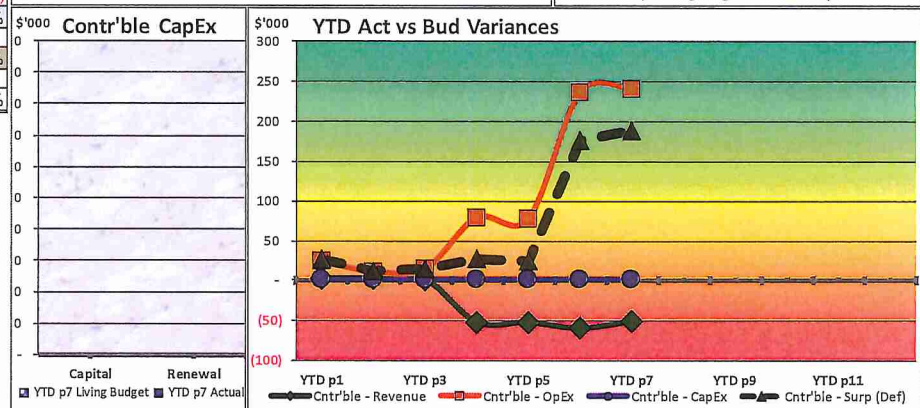
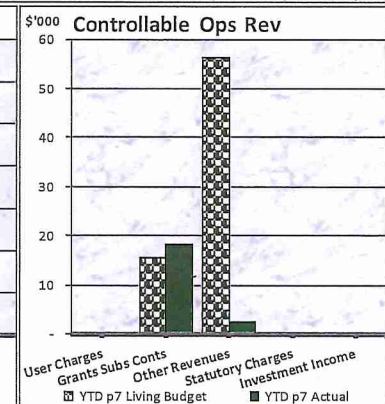
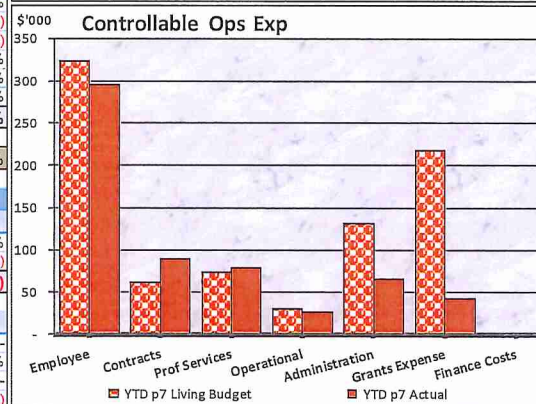
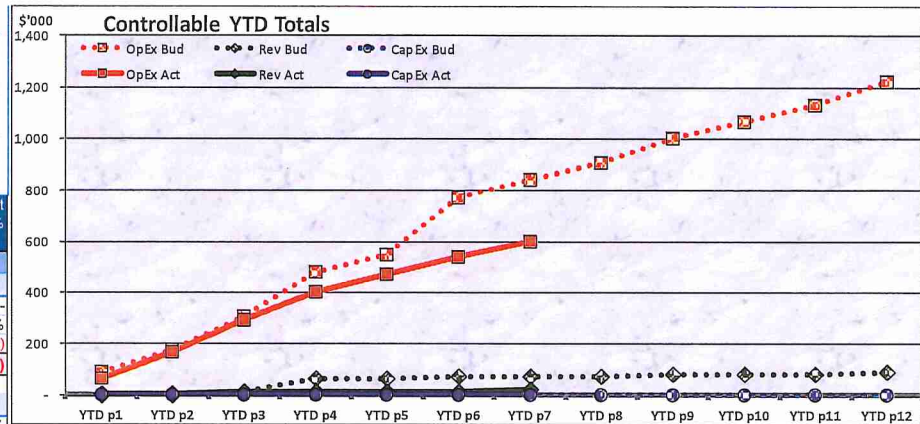
Chief Executive - commentary

		last year YTD	this year YTD	budget YTD	variance YTD	Variance YTD%	Manager/Activity(s) Overview:	Solutions/Actions Overview:
CEO		593	738	978	240	25%	The effect of charging the second arrears penalty can be seen in the Treasury activity. This is still to be adjusted for the uncollectible amounts that will crystallise when the rating sale process finishes. This will bring it closer to budget. The ED variance relates to A20. The extra spend relates to matters that funding was received for in the prior year.	The positive variance will reduce as actions are taken over the next few months.
CEO		384	269	259	(10)	(4%)	Work has started on the CE recruitment process and LTP therefore actual spend will soon catch up to budget.	Underway
Finance	Economic Development	605	625	543	(81)	(15%)	The main variance comes from Business Analyst vacancy. The nature and focus of this role is currently under discussion. Rates penalty income is overstated as the budgeted write-off of uncollectible amounts has yet to occur. This write-off will move actual back into line with the budget.	Savings will be used to address urgent Information Management issues in the new year particularly reporting services redevelopment.
	Finance	660	614	688	74	11%		
	Treasury	(1,194)	(937)	(701)	236	34%		
	ReOrg CCs	3	-	-	-	-		
Human_Resources		135	167	188	21	11%	Timing issues, on track now.	-

Appendix (a) – Variance Reports and Commentaries (continued) Council

WDC 2017 Operating Statement
Wed 01 Mar 2017 6:50 AM

Level_01	Level_02	Level_03	Level_04	YTD Actual	FY Living Budget	YTD p7 Actual	YTD p7 Living Budget	YTD p7 Act vs Bud	YTD p7 Act vs Bud %
Committees									
Community Boards		Ahuriri	Ahuriri						
Election		Annual Plan LTP	Airedale						
Reporting		Annual Reports	Ardgowan						
Waitaki District ...		Waihemo	Awamoko						
Full	Res	Act	Prjs	PrR					
Controllable									
Revenue									
User Charges									
Grants Subsidies Contributions				(18)	(31)	(18)	(16)	3	18%
Other Revenues				(3)	(56)	(3)	(56)	(54)	(95%)
Revenue Total				(21)	(87)	(21)	(72)	(51)	(71%)
Expense									
Employee Costs				333	543	296	324	28	9%
Contracts				89	62	89	62	(28)	(45%)
Professional Services				4	127	79	74	(4)	(6%)
Operational				27	30	27	30	3	11%
Administration				68	172	66	131	65	50%
Grants Expense				44	286	43	218	175	80%
Expense Total				564	1,221	598	838	240	29%
Controllable Total				543	1,133	578	766	189	25%
Centrally Controlled									
Revenue									
Rates				(2,383)	(3,497)	(2,085)	(2,040)	45	2%
Transfers from Reserves				(91)	(318)	(91)	(258)	(167)	(65%)
Revenue Total				(2,474)	(3,815)	(2,176)	(2,298)	(122)	(5%)
Expense									
Depreciation				-	-	-	-	-	-
Overheads In				1,588	2,642	1,372	1,541	170	11%
Overheads Out				-	-	-	-	-	-
Transfers to Reserves				23	40	23	20	(3)	(15%)
Expense Total				1,611	2,682	1,395	1,561	167	11%
Centrally Controlled Total				(863)	(1,133)	(781)	(736)	45	6%
Surplus (-) / Deficit (+)				(320)	-	(204)	30	234	780%



*For Variances (Act vs Bud), Positive=Surplus, Negative=Deficit * Key: Act=Actual, Bud=Budget, YTD=Year to Date, pX=Period X

Appendix (b) – Separate Rate Accounts

Separate Rate Accounts are maintained for each of Council's targeted rate levies. Officers update the current position of each separate rate account at the end of each quarter.

The position at 31 December has now been finalized, and the list of those either operating in deficit, or which require attention for other reasons, has been updated and is presented below for the Committee's information:

	Rate Account balance	Depreciation Reserve balance	Proposed resolution
<i>Water Rate accounts</i>			
Awamoko	(10,666)	No issue	Monitor – deficit is reducing steadily
Kurow	(55,061)	No issue	Monitor – deficit has reduced since 1 July
Oamaru Supply	1,610,044	3,227,451	Council approved measures in the 2016/17 annual plan to utilize the surplus in the rate account by reducing rate requirement
Otekaieke	(4,051)	No issue	Monitor – deficit is reducing steadily
Otematata	No issue	(367,069)	Monitor – Capital works exceeded funding. The account will improve over time
Waihemo	(87,442)	(601,387)	Monitor – Capital works exceeded funding. The account is improving steadily
Windsor	(10,729)	No issue	Monitor – deficit has reduced since 1 July
<i>Sewer Rate accounts</i>			
Oamaru	990,444	4,390,511	Council approved measures in the 2016/17 annual plan to utilize the surplus in the rate account by reducing rate requirement
<i>Harbour Rate accounts</i>			
Total Harbour	163,776	No issue	Monitor. Consider using surplus funds to repay related internal loans
<i>Amenity Rate accounts</i>			
Hampden	77,278	N/A	Monitor. Rated for septic tank cleaning, but no cost yet incurred, so balance is increasing. Septic Tank fund \$48,339 of this balance
Shag Point	(4,049)	N/A	Monitor. Planned works were expected to overdraw the account for a short period – will improve over time. Balance will reduce by \$1,500 annually

Appendix (c) – Special Funds

These are Special Reserves, Trust funds and other balances held by Council for specific purposes. The report presented to the meeting on 1 March 2017 still required final adjustments. The table is now final, and details movements in these reserves for the six months ended 31 December 2016.

Account Name	Balance 01-07-16	Interest Received	Movements In	Movements Out	Balance 31-12-16
Ahuriri Playground Fund	2,086.13	38.08	0.00	0.00	2,124.21
Alps2Ocean Fund	0.00	0.00	0.00	0.00	0.00
Aquatic Centre Bequest Funds	6,649.90	121.40	0.00	0.00	6,771.30
Archives Fund	10,047.34	183.42	0.00	0.00	10,230.76
Cemetery Trust A/c - Oamaru	3,794.37	68.95	0.00	-37.39	3,825.93
Cemetery Trust A/c - Herbert	9,678.10	176.67	0.00	0.00	9,854.77
Cemetery Trust A/c - Ngapara	841.60	15.36	0.00	0.00	856.96
Community Housing	752,452.86	13,736.12	0.00	0.00	766,188.98
Council Heritage Project	0.00	0.00	0.00	0.00	0.00
Development Contributions	4,451,384.97	82,377.49	164,040.94	-29,763.18	4,668,040.22
Disaster & Self-insurance Funds	3,718,308.76	0.00	202,308.00	-10,410.25	3,910,206.51
District Endowment Fund	1,579,896.03	28,280.94	0.00	-67,361.42	1,540,815.55
District Library Endowment Fund	165,500.00	3,007.66	0.00	-1,631.06	166,876.60
District Resource Management Act Financial Contributions Fund	792,518.04	14,620.19	66,348.69	-47,992.30	825,494.62
Emergency Services Upgrade/Renewal Fund	19,797.45	361.40	0.00	0.00	20,158.85
Forestry Planting	1,070,002.43	19,533.03	0.00	0.00	1,089,535.46
Gallery Bequest Fund	5,543.29	101.19	0.00	0.00	5,644.48
Gallery Lift Appeal	11,417.45	208.42	0.00	0.00	11,625.87
Hakataramea Bridge proceeds	7,743.20	0.00	0.00	0.00	7,743.20
Harbour Endowment Fund	122,248.46	2,221.64	0.00	-1,204.80	123,265.30
Harbour Enhancement - Canterbury Spinners	0.00	0.00	0.00	0.00	0.00
Harbour Projects Fund	0.00	0.00	0.00	0.00	0.00
Haven Street Reserve	61,924.74	0.00	0.00	0.00	61,924.74
Library Acclimatisation Fund	5,000.00	90.87	0.00	-49.28	5,041.59
Mulligan Bequest	91,866.48	1,677.04	0.00	0.00	93,543.52
Museum Bequest Fund	125,944.90	2,299.13	0.00	0.00	128,244.03
Oamaru Gardens Bequest Fund	189,111.16	3,452.24	0.00	0.00	192,563.40
Oamaru Gardens / Heritage Buildings / Sports Facilities	99,961.68	1,824.82	0.00	0.00	101,786.50
Oamaru Library Bequest Fund	0.00	0.00	0.00	0.00	0.00
Oamaru Library Book Fund	2,056.40	37.54	0.00	0.00	2,093.94
Oamaru Opera House Bequest Fund	0.00	88.18	10,601.74	0.00	10,689.92
Oamaru Township Beautification	36,515.85	666.61	0.00	0.00	37,182.46
Otago Power Shares	23,102.13	419.82	0.00	-227.67	23,294.28
Omarama Hall Fund	0.00	0.00	0.00	0.00	0.00
Palmerston Library Book Donation	2,525.21	46.10	0.00	0.00	2,571.31
Palmerston Reserve	112,481.93	2,053.37	0.00	0.00	114,535.30
Plan Review Reserve	259,512.96	0.00	3,385.00	0.00	262,897.96
Refuse Disposal, Landfill & Hazardous Sites	104,555.46	0.00	0.00	0.00	104,555.46
RSA Rose Garden Bequest	3,679.38	67.17	0.00	0.00	3,746.55
Sports Ground Improvement Fund	999.55	18.25	0.00	0.00	1,017.80
Street Tree Fund	61,555.97	1,123.72	0.00	0.00	62,679.69
Valley Boat Ramps Fund	66,921.17	0.00	0.00	0.00	66,921.17
Waitaki Heritage Fund	255,068.94	4,656.31	0.00	0.00	259,725.25
Council Special Funds and Reserves	14,232,694.29	183,573.13	446,684.37	-158,677.35	14,704,274.44
Waitaki Heritage Fund Loans	3,600.00	0.00	0.00	0.00	3,600.00
Loan Funds	1,040.37	0.00	0.00	0.00	1,040.37
Creative Communities Grants scheme	91.64	0.00	10,289.50	-385.86	9,995.28
SPARC Regional Travel scheme	0.00	0.00	0.00	0.00	0.00
Funds held by Council in trust for distribution	4,732.01	0.00	10,289.50	-385.86	14,635.65
Totals	14,237,426.30	183,573.13	456,973.87	-159,063.21	14,718,910.09

It should be noted that transfers of \$202,308 to the Disaster and Self-insurance funds which appear in the above table are rate-funded, but the transfers are not reflected in operating expenses. For that reason, the rate funding element is a component of each year's budgeted surplus or deficit.

Appendix (d) – Internal Loans

The Financial Report for Period 6/Quarter 2 presented to the Committee's meeting on 1 March 2017 included, as part of the Quarterly Treasury Report, a summary of the internal loan position at the end of the First Quarter.

The position at 31 December 2016 has now been finalized, and is presented in the table below:

	Interest Expense \$000	Balance 1 July 2016 \$000	Increased Borrowing \$000	Principal Repaid \$000	Balance 31 Dec 2016 \$000
Roads and Footpaths	10	534	-	(33)	501
Waste Water	6	313	8	(32)	289
Stormwater Damage	-	11	-	(3)	8
Water Supply	174	9,416	147	(340)	9,223
Waste Management and minimisation	10	554	-	(59)	495
Arts, Heritage and Culture	-	7	11	-	18
Parks and Recreation	14	709	173	(60)	822
Community amenities	2	107	6	(6)	107
Oamaru Harbour and Historic Precinct	28	1,528	2	(50)	1,480
Commercial and Development Activities	200	10,764	1,016	(678)	11,102
Environmental Regulation and Safety	-	-	-	-	-
Support Services	(444)	-	-	-	-
	-	23,943	1,363	(1,261)	24,045

Significant increased borrowings for the first six months include

Interest compounded to property loans	\$158k
To fund development of the cultural facility	\$71k
Penguin colony upgrade	\$415k
Public Toilet accessibility upgrades	\$90k
RSA building asbestos removal	\$34k
RSA building improvements	\$135k
Services for Observatory Village development	\$180k
To fund work on Otematata drinking water upgrade	\$70k
To fund work on Omarama drinking water upgrade	\$45k
To fund work on Hampden Public Toilets	\$62k
To fund work on Oamaru Courthouse	\$23k
To fund work on Oamaru Cemetery extension	\$21k

Finance, Audit and Risk Committee Memorandum

From Chief Financial Officer

Date 15 March 2017

Omarama Airfield Limited Half Yearly Report


Recommendation

That the Finance, Audit and Risk Committee receive the information.

Purpose and Summary

To provide the Committee with the Omarama Airfield Limited half-yearly report for the period ending 31 December 2016.

A copy of the half-yearly report is enclosed.



Paul Hope
Chief Financial Officer

Attachment

Omarama Airfield Limited Half-Yearly Report

2nd March 2017

Mr Michael Ross
Chief Executive
Waitaki District Council
Private Bag 50058
OAMARU 9444

Dear Michael

OMARAMA AIRFIELD LIMITED SIX MONTH REPORT TO 31 DECEMBER 2016

The Directors of Omarama Airfield Limited have pleasure in presenting the six months accounts for the first half of the 2016-17 financial year and would like to take this opportunity to make some explanation on some of the figures for the Council's benefit.

General Timing and Budgets

These accounts reflect the early part of the gliding season prior to the main Christmas break and annual gliding camps held at Omarama in January. The budgets shown are for the six month and in many cases are simply half of the annual budgets which may not align fully with the timing of some activities.

Revenue

The Landing Fees, operator fees, rates and interest are above or close to budget, the largest change was a reduction in the expected Turnover Percentage as there appears to have been a slow start to the year for commercial gliding. We hope this recovers with the inclusion of the summer activity and the National Gliding Championships held once again at Omarama in January.

The total revenue is down some 6% to 7% on last year and budget respectively.

Expenditure

Overall the expenses were below budget and last year's figures because of containing costs for accounting, employees, fuel and electricity. Unfortunately, Rates, Insurance and repairs and maintenance have continued to rise. We are also expecting a larger electricity bill for the irrigation and because of low estimated accounts to date.

Forecast

If the weather and commercial activity picks up during the summer we expect that while we may not achieve the full budgeted surplus, there will be sufficient to maintain operations and provide for capital expenditure.

Financial Position

The Company remains in a good position and has been able to spend capital on the expensive road sealing around the terminal building and plan for future works to continue improvements for the airfield.

In conclusion the Directors wish to thank the Council for their ongoing support of the Omarama Airfield and look forward to working with the Council in the future.

Yours faithfully

Bill Gordon
Chairman
Omarama Airfield Limited

OMARAMA AIRFIELD LTD

Financial Performance

For 6 months ending 31 December 2016

	Actual 2017	Budget 2017	Actual 2016
Revenue			
Turnover percent	21,366	28,500	26,157
Landing fees	14,989	14,500	18,136
Operator fees	4,524	4,600	4,524
Other operating income	-	-	-
Rents & leases	29,402	29,000	24,466
Donations received	-	-	1,315
Interest received	424	600	1,165
<i>Total revenue</i>	<i>70,705</i>	<i>77,200</i>	<i>75,762</i>
Expenses			
Accountancy	6,463	7,500	7,574
Audit	-	-	-
Bad debts	-	-	-
Depreciation	-	-	-
Employee related costs	12,334	13,000	11,868
Fuel	1,316	1,500	1,616
General expenses	711	750	776
Insurance	5,551	5,500	5,281
Power	2,729	4,250	3,558
Professional fees	-	-	-
Rates	12,201	12,000	11,971
Repairs & maintenance	6,950	5,000	3,338
Terminal expenses	2,316	1,750	874
Travel	-	-	-
<i>Total expenses</i>	<i>50,572</i>	<i>51,250</i>	<i>46,856</i>
Surplus/(deficit) before tax	20,132	25,950	28,907
Income tax expense	-	-	-
Surplus/(deficit) after tax	20,132	25,950	28,907

OMARAMA AIRFIELD LTD

Financial Position

As at 31 December 2016

	Actual 2017	Actual 2016
Assets		
Current assets		
Bank accounts & cash	84,570	98,363
Debtors & prepayments	22,858	24,191
<i>Total current assets</i>	107,428	122,554
Non-current assets		
Property, plant & equipment	1,311,546	1,292,139
<i>Total non-current assets</i>	1,311,546	1,292,139
Total assets	1,418,974	1,414,692
Liabilities		
Current liabilities		
Creditors & accrued expenses	5,649	10,378
Loans	-	-
<i>Total current liabilities</i>	5,649	10,378
Non-current liabilities		
Loans	23,660	25,000
<i>Total non-current liabilities</i>	23,660	25,000
Total liabilities	29,309	35,378
Total assets less total liabilities	1,389,665	1,379,314
Company equity		
Share capital	418,706	418,706
Capital reserve	798,570	798,570
Accumulated surpluses	172,389	162,038
Total company equity	1,389,665	1,379,314