

***Ashburton District Council
Preliminary
Financial Variance Report
for the period ending
30 June 2021***

This report is a preliminary only.

At the time of producing this report there are year-end procedures yet to be completed.

These include:

- Final overhead cost centre allocations and separate reserve allocations
- Work in Progress expensed or capitalised for infrastructural assets
- Revaluations for Infrastructural assets, Forestry, and Investment Properties
- Final interest recognition on special and separate reserves
- Lending requirements (internal) are yet to be finalised
- End of year accruals

The above items are scheduled to be completed as part of normal year end procedures, hence this report being preliminary only.

Variances greater than \$100,000 are highlighted in **red bold**. If the variance is permanent an explanation is provided.

F (favourable variance) means that either actual revenue is greater than budget or actual expenditure is less than budget.

U (unfavourable variance) is **when** actual revenue is less than budget or actual expenditure is greater than budget.

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Income and Expenditure - Overview

For period ending 30 June 2021

\$76.18 M Actual YTD Operating Income	\$72.30 M Forecast Full Year Operating Income	-\$3.87 M Variance Operating Income	105% % of Forecast Operating Income
\$60.36 M Actual YTD Operating Expenditure	\$66.61 M Forecast Full Year Operating Expenditure	\$6.25 M Variance Operating Expenditure	91% % of Forecast Operating Expenditure
\$46.44 M Actual YTD Capital Income	\$29.72 M Forecast Full Year Capital Income	-\$16.71 M Variance Capital Income	156% % of Forecast Capital Income
\$37.55 M Actual YTD Capital Expenditure	\$63.01 M Forecast Full Year Capital Expenditure	\$25.46 M Variance Capital Expenditure	60% % of Forecast Capital Expenditure
\$43.60 M Actual YTD Loans Repaid	\$4.25 M Forecast Full Year Loans Repaid	-\$39.34 M Variance Loans Repaid	1025% % of Forecast Loans Repaid

Income and Expenditure – Summary

For period ending 30 June 2021

	Actual YTD	Full Year Forecast	Variance	Percentage of Forecast
Revenue				
Rates	37,584,844	37,519,966	64,878	100%
Fees and Charges	8,874,423	9,407,491	(533,068)	94%
Subsidies and Grants	14,976,030	10,485,274	4,490,756	143%
Finance Income	330,747	268,693	62,054	123%
Other Revenue	4,967,111	4,979,477	(12,366)	100%
Other Sales	1,480,736	1,170,051	310,685	127%
Development / Financial Contributions	593,299	530,850	62,449	112%
Gain on Sale of Assets	5,240,306	3,893,500	1,346,806	135%
Vested Assets	2,129,580	4,048,000	(1,918,420)	53%
Total Revenue	76,177,075	72,303,303	3,873,773	105%
Operating Expenditure				
Payments to Staff and Suppliers	42,431,794	48,698,200	(6,266,406)	87%
Finance Costs	1,628,156	1,731,849	(103,692)	94%
Other Expenses	263,233	184,306	78,927	143%
Depreciation	16,032,189	15,994,610	37,579	100%
Total Expenditure	60,355,373	66,608,965	(6,253,592)	91%
Net operating surplus (deficit)	15,821,703	5,694,338	10,127,365	278%
Capital Income				
Loans Raised	38,600,001	24,523,706	14,076,295	157%
Land Sales	7,837,449	5,100,000	2,737,449	154%
Other Asset Sales & Disposals	0	100,000	(100,000)	0%
Total Capital Income	46,437,449	29,723,706	(16,713,743)	156%
Capital Expenditure				
Infrastructural Assets	13,664,010	18,596,985	(4,932,975)	73%
Cyclic Renewals	11,996,850	12,941,670	(944,820)	93%
Land	448,011	0	448,011	0%
Plant	319,689	375,840	(56,151)	85%
Additions/Alterations	8,390,795	22,089,271	(13,698,476)	38%
Other Assets	2,727,195	9,006,242	(6,279,047)	30%
Total capital expenditure	37,546,549	63,010,008	(25,463,459)	60%
Loan Repayments	43,596,353	4,251,471	39,344,882	1025%
Total capital to be funded	34,705,453	37,537,773	30,595,167	92%

Note: The majority of Loans Raised and Loan Repayments net off against each other due to loans being moved from Internal to external lending.

Transportation – Income & Expenditure Report

For period ending 30 June 2021

	Actual YTD	Forecast Full Year	Variance	Percentage of Forecast	Permanent Variance
Operating Income					
Footpaths	1,405,662	1,718,051	(312,389)	82%	Yes
Roading	16,807,405	17,455,952	(648,547)	96%	Yes
	18,213,066	19,174,003	(960,937)	95%	
Operating Expenditure					
Footpaths	1,172,796	1,294,554	(121,758)	91%	Yes
Roading	13,404,470	13,254,007	150,463	101%	Yes
	14,577,267	14,548,561	28,706	100%	
Capital Income					
Footpaths	0	20,897	(20,897)	0%	Yes
Roading	287,000	3,649,010	(3,362,010)	8%	
	287,000	3,669,907	(3,382,907)	8%	
Capital Expenditure					
Footpaths	1,800,215	2,007,814	(207,599)	90%	Yes
Roading	12,066,705	18,335,180	(6,268,475)	66%	Yes
	13,866,920	20,342,994	(6,476,074)	68%	
Loan Repayments					
Footpaths	0	59,086	(59,086)	0%	No
Roading	287,000	62,000	225,000	463%	
	287,000	121,086	165,914	237%	
<i>The above financials include the following:</i>					
Development Contributions	0	0	0	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	824,013	1,325,000	(500,987)	62%	

The above financials do not include appropriations - to and from activities

Note: Loans Raised and Loan Repayments net off against each other due to loans being moved from Internal to external lending.

Transportation – Operating Income

Footpaths

\$312,389U

Reason for variance

At time of setting budgets it was expected that the majority of the Ashburton Town Centre upgrade would have been completed by 30 June 2021. However work is 70% complete with a corresponding decrease in subsidy.

Roading

\$648,547U

Reason for variance

As for footpaths CBD work is behind original schedule resulting in less than budgeted subsidy income. Petroleum tax return is \$20k lower than expected however sundry income and contributions are \$70K higher.

Transportation – Operating Expenditure

Footpaths

\$121,758F

Reason for variance

Footpath maintenance was \$52k less than budgeted as a result of contractor involvement in flood damage repair for June and general overheads charged were less than budgeted.

Roading

\$150,463U

Reason for variance

The total Maintenance, Operations and Renewals programme was fully expended as at 30th June. Maintenance was over expended with renewals under budget. All work other than the completion of the CBD upgrade was completed and as a result of the May flood unsealed road metalling planned for June will be delayed until the next financial year.

Transportation – Capital Income

Roading

\$3,362,010U

Reason for variance

Due to progress of the CBD Revitalisation Project, capital subsidy income will be approximately \$1.7m lower than budgeted. Also loan income of \$2.267m has not had to be actioned.

Transportation – Capital Expenditure

Footpaths

\$207,599F

Reason for variance

New footpaths originally budgeted for Rakaia, Methven and Rural of \$130k were deferred once confirmation of Regional Land Transport Plan funding was obtained from NZTA.

Ashburton CBD upgrade also had a reduction in funding from what was originally budgeted as NZTA reduced overall Low Cost Low Risk total.

Roading

\$6,268,475F

Reason for variance

The Ashburton Second Urban Bridge Detailed Business Case has not been completed with \$117,300 spent of the \$258,697 allocation and will be subject to a carryover request.

\$63k was available for Walking & Cycling Strategy but only \$11.5k expended.

Renewal under expenditure was offset by the maintenance over expenditure (see Roothing Operating expenditure above).

Work at KiwiRail crossings amounted to \$65.5k of the \$200k budget.

Line Road realignment did not meet value for money requirement to obtain subsidy resulting in \$100k reduction in expenditure.

Access way construction of \$50k has been delayed owing to a lack of resource from maintenance contractor. These funds have been requested as part of the carry forward request to NZTA.

CBD Upgrade requires approximately \$4m to complete work originally budgeted for completion by 30th June 2021. Original budgets were completed prior to final tender award and an understanding of what could be subsidised. We allowed for a worst case scenario and hence budgeted costs would be higher than expected actual. Throughout construction there has been agreed increased costs (Traffic Signal installation, Lighting, Shared path extension, Temporary Traffic management and expected costs associated with removal of coal tar containment).

Drinking Water – Income & Expenditure Report

For period ending 30 June 2021

	Actual YTD	Forecast Full Year	Variance	Percentage of Forecast	Permanent Variance
Operating Income					
Group Water Supplies	4,981,723	4,696,088	285,634	106%	Yes
Methven/Springfield Water Supply	213,000	223,104	(10,104)	95%	
Montalto Water Supply	183,335	195,770	(12,435)	94%	
Lyndhurst Water Supply	18,492	18,604	(111)	99%	
Barhill Water Supply	4,823	5,203	(380)	93%	
	5,401,373	5,138,768	262,605	105%	
Operating Expenditure					
Group Water Supplies	4,617,247	4,565,843	51,404	101%	
Methven/Springfield Water Supply	196,908	225,923	(29,015)	87%	
Montalto Water Supply	224,601	198,558	26,043	113%	
Lyndhurst Water Supply	8,774	5,556	3,219	158%	
Barhill Water Supply	2,573	1,778	795	145%	
	5,050,103	4,997,658	52,445	101%	
Capital Income					
Group Water Supplies	7,674,095	2,678,140	4,995,955	287%	Yes
Methven/Springfield Water Supply	95,361	422,473	(327,112)	23%	Yes
Lyndhurst Water Supply	159,540	0	159,540	0%	No
Barhill Water Supply	49,302	0	49,302	0%	
	7,978,298	3,309,908	4,668,390	241%	
Capital Expenditure					
Group Water Supplies	1,009,238	3,940,651	(2,931,413)	26%	Yes
Methven/Springfield Water Supply	0	578,202	(578,202)	0%	Yes
Montalto Water Supply	0	209,295	(209,295)	0%	Yes
	1,009,238	4,728,148	(3,718,910)	21%	
Loan Repayments					
Group Water Supplies	7,674,095	478,806	7,195,289	1603%	No
Methven/Springfield Water Supply	95,361	25,699	69,662	371%	
Montalto Water Supply	0	11,020	(11,020)	0%	
Lyndhurst Water Supply	159,540	13,048	146,492	1223%	No
Barhill Water Supply	45,655	3,425	42,230	1333%	
	7,974,651	531,998	7,442,653	1499%	

The above financials include the following:

Development Contributions	219,773	150,423	69,350	146%
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The above financials do not include the following:

Vested Assets	143,291	402,000	(258,709)	36%
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The above financials do not include appropriations - to and from activities

Note: The majority of Loans Raised and Loan Repayments net off against each other due to loans being moved from Internal to external lending.

Drinking Water – Capital Income

Group Water Supplies

\$285,634F

Reason for variance

The majority of the favourable variance lies in Capital Service Contributions (~\$70,000) and Connection Fees (~\$70,000) which is considered to be reflective of the increased development which is currently being experienced in the District. There is also a favourable variance in Sales (~\$130,000), which has been attributed to increased vigilance around unmetered commercial connections.

Drinking Water – Capital Income

Group Water Supplies

\$4,995,955F

Reason for variance

This shows a favourable variance due loans being moved from internal to external lending during the year. Expenditure on asset additions report below forecast. This is due to the reasons outlined below under Capital Expenditure Group Water Supplies. As a result loans budgeted to be raised in this financial year will be lower than originally budgeted.

Methven/Springfield Water Supply

\$327,112U

Reason for variance

Expenditure on asset additions report below forecast. This is due to the reasons outlined below under Capital Expenditure Methven/Springfield Water Supply. As a result loans required to be raised in this financial year will be lower than originally budgeted.

Drinking Water – Capital Expenditure

Group Water Supplies

\$2,931,413F

Reason for variance

This is due to the deferral of the raw water trunk main renewal (\$578,000) in Methven pending a final decision on the upgrade path (as previously reported); rescheduling of the asset renewal programme and uncompleted carryovers (\$780,000 + \$500,000 respectively) due primarily to the diversion of resources to the Town Centre Revitalisation project and other key capital projects; and the delayed commencement of the Methven Reservoir (\$999,000), a tender for which is about to awarded. The trunkmain project has been rebudgeted in 2021/22, the other projects may be the subject of a request for carryover funding.

Methven/Springfield Water Supply**\$578,202F*****Reason for variance***

Due to a decision to re-scope and re-budget the treatment upgrade project as part of the draft LTP(\$362,000), and asset renewals (\$205,000) which have now been impacted by the response to the May flood event and ongoing recovery works. The asset renewals will be the subject of a request for carryover funding.

Montalto Water Supply**\$209,295F*****Reason for variance***

Due to decision to re-scope and re-budget the treatment upgrade project as part of the draft LTP, \$210,000 will be unspent at 30 June.

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Wastewater – Income & Expenditure Report

For period ending 30 June 2021

	Actual YTD	Forecast Full Year	Variance	Percentage of Forecast	Permanent Variance
Operating Income					
Ashburton Wastewater	8,337,376	4,204,619	4,132,757	198%	Yes
Methven Wastewater	292,719	290,755	1,964	101%	
Rakaia Wastewater	294,963	299,134	(4,171)	99%	
	8,925,058	4,794,509	4,130,549	186%	
Operating Expenditure					
Ashburton Wastewater	3,603,542	3,920,760	(317,218)	92%	Yes
Methven Wastewater	274,416	284,707	(10,291)	96%	
Rakaia Wastewater	271,895	300,397	(28,502)	91%	
	4,149,853	4,505,864	(356,011)	92%	
Capital Income					
Ashburton Wastewater	6,184,759	5,164,666	1,020,093	120%	No
Methven Wastewater	271,669	8,268	263,401	3286%	No
Rakaia Wastewater	141,312	0	141,312	0%	No
	6,597,740	5,172,934	1,424,806	128%	
Capital Expenditure					
Ashburton Wastewater	7,697,287	7,617,371	79,916	101%	Yes
Methven Wastewater	0	167,016	(167,016)	0%	
Rakaia Wastewater	0	77,955	(77,955)	0%	
	7,697,287	7,862,342	(165,055)	98%	
Loan Repayments					
Ashburton Wastewater	6,184,759	758,511	5,426,248	815%	No
Methven Wastewater	271,669	12,112	259,557	2243%	No
Rakaia Wastewater	141,312	45,818	95,494	308%	
	6,597,740	816,441	5,781,299	808%	
<i>The above financials include the following:</i>					
Capital Services Contribution	427,168	316,897	110,271	135%	
<i>The above financials do not include the following:</i>					
Vested Assets	181,294	1,551,000	(1,369,706)	12%	

The above financials do not include appropriations - to and from activities

Note: Loans Raised and Loan Repayments net off against each other due to loans being moved from Internal to external lending.

Wastewater – Operating Income

Ashburton Wastewater

\$4,132,757F

Reason for variance

During November a grant of \$3,990,000 (excl. GST) was received from Department of Internal Affairs as an incentive for Three Waters Reform. This is the first of 2 grants to be spent on the Ashburton Wastewater Relief Sewer project. There is also a favourable variance in Capital Services Contribution (~\$110,000) is considered reflective of the increased development which is currently being experienced in the District.

Wastewater – Operating Expenditure

Ashburton Wastewater

\$317,218F

Reason for variance

There are two key contributors to the favourable variance, the first being Electricity (~\$138,000), which could be due to lower flows through the treatment systems throughout the year; and Maintenance Contracts (~\$85,000) which also could be due to lower flows in the network i.e. less surcharging and therefore less blockages.

Wastewater – Capital Expenditure

Methven Wastewater

\$167,016F

Reason for variance

Due to diversion of resources to the CBD project, a number of projects on the wider renewal programme (non-CBD) were not progressed. The affected projects may be the subject of a request for carryover funding and combined with the 2021/22 programme.

Stormwater – Income & Expenditure Report

For period ending 30 June 2021

	Actual YTD	Forecast Full Year	Variance	Percentage of Forecast	Permanent Variance
Operating Income					
Ashburton Stormwater	1,095,369	1,080,038	15,331	101%	
Methven Stormwater	61,675	63,665	(1,990)	97%	
Rakaia Stormwater	15,614	18,589	(2,974)	84%	
Hinds Stormwater	2,460	2,885	(425)	85%	
Rural Stormwater	51,847	50,000	1,847	104%	
	1,226,966	1,215,176	11,789	101%	
Operating Expenditure					
Ashburton Stormwater	794,133	1,089,864	(295,730)	73%	Yes
Methven Stormwater	55,788	64,230	(8,442)	87%	
Rakaia Stormwater	15,718	18,799	(3,081)	84%	
Hinds Stormwater	4,544	2,885	1,659	158%	
Rural Stormwater	2,660	50,000	(47,340)	5%	
	872,844	1,225,777	(352,934)	71%	
Capital Income					
Ashburton Stormwater	1,931,852	547,182	1,384,670	353%	No
Methven Stormwater	161,953	0	161,953	0%	No
	2,093,805	547,182	1,546,623	383%	
Capital Expenditure					
Ashburton Stormwater	840,085	755,817	84,268	111%	
	840,085	755,817	84,268	111%	
Loan Repayments					
Ashburton Stormwater	1,931,852	241,760	1,690,092	799%	No
Methven Stormwater	161,953	7,539	154,414	2148%	No
	2,093,805	249,299	1,844,506	840%	
<i>The above financials include the following:</i>					
Development Contributions	0	0	0	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	155,829	770,000	(614,171)	20%	

The above financials do not include appropriations - to and from activities

Note: Loans Raised and Loan Repayments net off against each other due to loans being moved from Internal to external lending.

Stormwater – Operating Expenditure

Ashburton Stormwater

\$295,730F***Reason for variance***

The majority of the favourable variance rest in the Operations Recoveries (~\$190,000) which may ultimately reduce during the end of year reconciliation. There is also a favourable variance in the Maintenance Contracts (~\$65,000), which may reflect less reactive works required during the year.

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Stockwater – Income & Expenditure Report

For period ending 30 June 2021

	Actual YTD	Forecast Full Year	Variance	Percentage of Forecast	Permanent Variance
Operating Income					
Stockwater	1,101,292	1,186,700	(85,408)	93%	
	1,101,292	1,186,700	(85,408)	93%	
Operating Expenditure					
Stockwater	1,194,435	1,187,404	7,031	101%	
	1,194,435	1,187,404	7,031	101%	
Capital Income					
Stockwater	0	340,010	(340,010)	0%	Yes
	0	340,010	(340,010)	0%	
Capital Expenditure					
Stockwater	100,049	377,010	(276,961)	27%	Yes
	100,049	377,010	(276,961)	27%	
Loan Repayments					
Stockwater	0	9,174	(9,174)	0%	
	0	9,174	(9,174)	0%	
The above financials include the following:					
	0	0	0	0%	
The above financials do not include the following:					
	0	0	0	0%	

The above financials do not include appropriations - to and from activities

Stockwater - Capital Income

Stockwater

\$340,010F

Reason for variance

Expenditure on asset additions report below forecast due to the reasons outlined below. As a result loans required to be raised in this financial year will be lower than originally budgeted.

Stockwater – Capital Expenditure

Stockwater**\$276,961F*****Reason for variance***

The project relates to the construction of fish-screens on four Stockwater intakes. We are continuing to explore options to close the relevant intakes and avoid the need for these structures. Note: Due to changes in the fish-screening requirements, the budget requirements for a compliant structure, if ultimately required, will be significantly greater than the budget indicated here. This is expected to remain a favourable variance at 30 June.

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Waste Reduction & Recycling – Income & Expenditure Report

For period ending 30 June 2021

	Actual YTD	Forecast Full Year	Variance	Percentage of Forecast	Permanent Variance
Operating Income					
Refuse Collection	2,444,087	2,413,495	30,593	101%	
Refuse Management	3,978,691	4,348,529	(369,838)	91%	Yes
	6,422,778	6,762,024	(339,245)	95%	
Operating Expenditure					
Refuse Collection	2,384,308	2,413,495	(29,187)	99%	
Refuse Management	4,086,686	4,348,529	(261,843)	94%	Yes
	6,470,994	6,762,024	(291,030)	96%	
Capital Income					
Refuse Collection	0	37,777	(37,777)	0%	
Refuse Management	232,532	206,457	26,075	113%	Yes
	232,532	244,234	(11,702)	95%	
Capital Expenditure					
Refuse Collection	82,745	126,519	(43,774)	65%	
Refuse Management	4,986	348,588	(343,602)	1%	Yes
	87,730	475,107	(387,377)	18%	
Loan Repayments					
Refuse Collection			0	0%	
Refuse Management	232,532	35,183	197,349	661%	No
	232,532	35,183	197,349	661%	
<i>The above financials include the following:</i>					
Development Contributions	0	0	0	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	0	0	0	0%	

The above financials do not include appropriations - to and from activities

Note: Loans Raised and Loan Repayments net off against each other due to loans being moved from Internal to external lending.

Waste Reduction & Recycling – Operating Income

Refuse Management

\$369,838U

Reason for variance

This variance is a combination of the Transwaste transport equalisation amount which is still to be confirmed and debtor income to be accrued.

Waste Reduction & Recycling – Operating Expenditure

Refuse Management

\$261,843F

Reason for variance

The under spend in operating expenditure relates to the cost of handling and disposal of hazardous wastes. These include paints, oils, herbicides, pesticides and electronic wastes. These materials are only shipped off site periodically once sufficient volumes have been collected.

This year the timing of the last shipments have fallen into the following financial year. We have also been able to divert a small volume of electronic waste by tag testing and re-selling through the re-use shop.

Waste Reduction & Recycling – Capital Income

Refuse Management

\$26,075F

Reason for variance

The loan repayments net off against the capital income as a result of the loans moving from internal to external lending. Therefore the actual capital income variance is \$206,457. Due to the delay in capital expenditure details below no loan funding was required this financial year.

Waste Reduction & Recycling – Capital Expenditure

Refuse Management

\$343,602F

Reason for variance

Work on two projects has been held up due to supply and time delay issues falling out of Covid impacts on suppliers. Wet weather has also been a factor in holding up onsite works. Both projects are underway, but will not be completed until late August. These are the Cardboard Bunker Roof and the new Hinds Recycling Drop off yard. Both projects will be subject to a carryover request.

Recreation Facilities – Income & Expenditure Report

For period ending 30 June 2021

	Actual YTD	Forecast Full Year	Variance	Percentage of Forecast	Permanent Variance
Operating Income					
Ashburton Museum	1,236,766	1,240,211	(3,444)	100%	
Library	1,348,737	1,341,781	6,956	101%	
Recreation Facilities and Services	6,682,952	6,229,670	453,282	107%	Yes
	9,268,455	8,811,661	456,793	105%	
Operating Expenditure					
Ashburton Museum	1,072,657	1,290,720	(218,063)	83%	Yes
Library	1,365,275	1,341,883	23,392	102%	
Recreation Facilities and Services	6,171,887	6,560,500	(388,612)	94%	Yes
	8,609,820	9,193,103	(583,283)	94%	
Capital Income					
Recreation Facilities and Services	128,000	170,000	(42,000)	75%	
	128,000	170,000	(42,000)	75%	
Capital Expenditure					
Ashburton Museum	5,101	13,080	(7,979)	39%	
Library	136,078	137,645	(1,568)	99%	
Recreation Facilities and Services	142,307	247,000	(104,693)	58%	Yes
	283,485	397,725	(114,240)	71%	
Loan Repayments					
Recreation Facilities and Services	128,000	13,386	114,614	956%	No
	128,000	13,386	114,614	956%	
<i>The above financials include the following:</i>					
Development Contributions	0	0	0	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	0	0	0	0%	

The above financials do not include appropriations - to and from activities

Note: Loans Raised and Loan Repayments net off against each other due to loans being moved from Internal to external lending.

Recreation Facilities – Operating Income

Recreation Facilities and Services

\$453,282F

Reason for variance

In an effort to offset the anticipated reduction in attendance and revenue due to COVID-19 the team implemented new programming which resulted in an increase in revenue.

Recreation Facilities – Operating Expenditure

Ashburton Museum

\$218,063F

Reason for variance

Salary and wages are down \$118,000 for the year (which includes \$50,000 of carryovers). The remaining variance is spread evenly over other expenses.

Recreation Facilities and Services

\$388,612F

Reason for variance

The most significant area of underspend is electricity down \$120,000, learn to swim grants down \$60,000 and conference expense down \$17,000 on budget. The remaining difference is timing related.

Recreation Facilities – Capital Expenditure

Recreation Facilities and Services

\$104,693F

Reason for variance

The cyclic renewal project, replacement of the bookings and membership software system was delayed due to COVID-19 and now has a “go live” date of 13th July 2021. A carry forward will be requested for this.

Recreation & Community Services – Income & Expenditure Report

For period ending 30 June 2021

	Actual YTD	Forecast Full Year	Variance	Percentage of Forecast	Permanent Variance
Operating Income					
Public Conveniences	553,176	512,232	40,944	108%	
Elderly Persons Housing	530,274	521,897	8,377	102%	
Memorial Halls	303,308	308,180	(4,872)	98%	
Reserves and Camping Grounds	720,797	741,485	(20,688)	97%	
Reserve Boards	584,387	659,954	(75,567)	89%	
Community Safety	294,577	294,001	576	100%	
	2,986,520	3,037,750	(51,230)	98%	
Operating Expenditure					
Public Conveniences	570,932	543,608	27,324	105%	
Elderly Persons Housing	774,156	690,955	83,201	112%	
Memorial Halls	630,692	692,330	(61,638)	91%	
Reserves and Camping Grounds	783,038	841,485	(58,448)	93%	
Reserve Boards	629,657	657,297	(27,640)	96%	
Community Safety	288,043	294,001	(5,958)	98%	
	3,676,517	3,719,676	(43,159)	99%	
Capital Income					
Public Conveniences	0	173,558	(173,558)	0%	No
Reserves and Camping Grounds	0	30,000	(30,000)	0%	
	0	203,558	(203,558)	0%	
Capital Expenditure					
Public Conveniences	251,938	303,328	(51,390)	83%	
Elderly Persons Housing	5,998	95,000	(89,002)	6%	
Memorial Halls	71,164	0	71,164	0%	
Reserves and Camping Grounds	30,914	130,000	(99,086)	24%	
Reserve Boards	20,217	10,649	9,568	190%	
	380,231	538,977	(158,746)	71%	
Loan Repayments					
Reserve Boards	0	40,000	(40,000)	0%	
	0	40,000	(40,000)	0%	
<i>The above financials include the following:</i>					
Development Contributions	591	0	591	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	242,141	0	242,141	0%	

The above financials do not include appropriations - to and from activities

Economic Development – Income & Expenditure Report

For period ending 30 June 2021

	Actual YTD	Forecast Full Year	Variance	Percentage of Forecast	Permanent Variance
Operating Income					
Commercial Property	8,477,685	6,498,264	1,979,421	130%	Yes
Business & Economic Development	653,939	480,353	173,585	136%	Yes
District Promotion	270,725	264,509	6,216	102%	
Forestry	224,268	333,786	(109,518)	67%	Yes
	9,626,616	7,576,912	2,049,704	127%	
Operating Expenditure					
Commercial Property	5,135,906	5,344,669	(208,763)	96%	Yes
Business & Economic Development	591,131	602,913	(11,782)	98%	
District Promotion	368,340	264,510	103,830	139%	Yes
Forestry	299,473	359,765	(60,291)	83%	
	6,394,850	6,571,856	(177,005)	97%	
Capital Income					
Commercial Property	27,135,266	14,741,550	12,393,716	184%	Yes
	27,135,266	14,741,550	12,393,716	184%	
Capital Expenditure					
Commercial Property	8,740,855	18,558,150	(9,817,295)	47%	Yes
	8,740,855	18,558,150	(9,817,295)	47%	
Loan Repayments					
Commercial Property	14,297,818	2,113,154	12,184,664	677%	No
	14,297,818	2,113,154	12,184,664	677%	
<i>The above financials include the following:</i>					
Development Contributions	0	0	0	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	0	0	0	0%	

The above financials do not include appropriations - to and from activities

Note: Loans Raised and Loan Repayments net off against each other due to loans being moved from Internal to external lending.

Economic Development – Operating Income

Commercial Property

\$1,979,421F

Reason for variance

There is permanent positive difference expected to operating income as a result of sales and rental income being higher than anticipated.

Business & Economic Development

\$173,585F

Reason for variance

The variance shown in Economic Development is a timing issue, monies were received in the current fiscal year need to be carried forward into the following year.

Forestry

\$109,518U

Reason for variance

The Council is undertaking unbudgeted log sales following wind storm damage to trees near Fairton. It was assessed that clear felling of the affected plantation was required. The approximate proceeds from these sales in the 2020/21 financial year are expected to be \$120,000, a favourable variance will therefore result at year end for log sales. This will be offset by income from interest which will be well below budget levels meaning total forestry will report an overall unfavourable variance.

Economic Development – Operating Expenditure

Commercial Property

\$208,763F

Reason for variance

Costs for expenditure were less than anticipated in particular in the areas of Repairs and Maintenance and Interest.

District Promotion

\$103,830U

Reason for variance

In February 2021 Council agreed to the wind up of Experience Mid Canterbury Trust. As a result a write of \$95,265 relating to an Advance was required.

Economic Development – Capital Income

Commercial Property

\$12,393,716F

Reason for variance

Property Sales of \$3.5 million have been delayed and therefore gain on sales is delayed until these sales are completed.

Loans required to be raised in this financial year will be lower than originally budgeted. This due to the reasons outlined below under Capital Expenditure Commercial Property.

Economic Development – Capital Expenditure

Commercial Property

\$9,817,295F

Reason for variance

Council has set aside \$1 million for the further development of a commercial property which will see this occur in the 2021-22 year along with \$2 million for work on the Art Gallery/Museum which is yet to be completed in full. It was expected that \$6.4 million would be spent on the New Library and Civic Building before the end of this financial year. This may not occur due to a later building start than was originally anticipated as well as a reprogramming of works due to delays in getting some materials. This will be subject to a carryover request.

Parks & Open Spaces – Income & Expenditure Report

For period ending 30 June 2021

	Actual YTD	Forecast Full Year	Variance	Percentage of Forecast	Permanent Variance
Operating Income					
Cemeteries	461,143	453,533	7,610	102%	
Parks and Recreation	4,330,404	3,922,303	408,101	110%	Yes
	4,791,547	4,375,836	415,712	110%	
Operating Expenditure					
Cemeteries	358,645	417,093	(58,447)	86%	
Parks and Recreation	3,520,876	3,521,603	(727)	100%	
	3,879,522	3,938,696	(59,174)	98%	
Capital Income					
Cemeteries	1,605,448	50,496	1,554,952	3179%	No
Parks and Recreation	0	1,173,927	(1,173,927)	0%	Yes
	1,605,448	1,224,423	381,025	131%	
Capital Expenditure					
Cemeteries	53,863	89,496	(35,633)	60%	
Parks and Recreation	2,130,041	2,988,757	(858,716)	71%	Yes
	2,183,904	3,078,253	(894,349)	71%	
Loan Repayments					
Cemeteries	1,605,448	2,121	1,603,327	75693%	No
Parks and Recreation	0	33,724	(33,724)	0%	
	1,605,448	35,845	1,569,603	4479%	
<i>The above financials include the following:</i>					
Development Contributions	400	0	400	0%	
<i>The above financials do not include the following:</i>					
Vested Assets	0	0	0	0%	

The above financials do not include appropriations - to and from activities

Note: Loans Raised and Loan Repayments net off against each other due to loans being moved from Internal to external lending.

Parks & Open Spaces – Operating Income

Parks and Recreation

\$408,101F

Reason for variance

Reserve Contributions are \$120k above budget due to higher than budgeted items like sub-divisions during the year. There is an Unbudgeted Donation of \$20k for the Chinese Garden and Unbudgeted Grants – \$26k from MBIE; \$65k for Rakaia Salmon Site. Add to this additional sundry income of \$18k all contributes to the overall favourable variance.

Parks & Open Spaces – Capital Income

Parks and Recreation

\$1,173,927U

Reason for variance

Expenditure on asset additions report below forecast, due to the reasons outlined below under Capital Expenditure. As a result the majority of the budgeted lending will not be required this financial year.

Parks & Open Spaces – Capital Expenditure

Parks and Recreation

\$858,716F

Reason for variance

As at the end of June the favourable variance is a combination of not yet spent funds on the Domain Upgrade project, only commencing now. And the New Library and Civic Centre development costs yet to be expended. These projects will be the subject of a carry forward request.

Community Governance & Decision Making– Income & Expenditure Report

For period ending 30 June 2021

	Actual YTD	Forecast Full Year	Variance	Percentage of Forecast	Permanent Variance
Operating Income					
Council	2,408,202	2,405,643	2,560	100%	
Methven Community Board	102,895	98,929	3,967	104%	
Youth Council	73,790	56,087	17,703	132%	
Community Grants Funding	2,058,051	2,075,733	(17,683)	99%	
Water Zone Committee	239,134	213,502	25,632	112%	
	4,882,072	4,849,893	32,179	101%	
Operating Expenditure					
Council	2,242,284	2,405,846	(163,562)	93%	Yes
Methven Community Board	88,278	118,413	(30,134)	75%	
Youth Council	72,158	56,087	16,072	129%	
Community Grants Funding	1,466,359	1,469,603	(3,244)	100%	
Water Zone Committee	97,400	360,502	(263,102)	27%	Yes
	3,966,480	4,410,450	(443,970)	90%	
Capital Income					
Water Zone Committee	379,360	0	379,360	0%	No
	379,360	0	379,360	0%	
Capital Expenditure					
Methven Community Board	1,057	0	1,057	0%	
	1,057	0	1,057	0%	
Loan Repayments					
Community Grants Funding	0	130,996	(130,996)	0%	No
Water Zone Committee	379,360	18,000	361,360	2108%	No
	379,360	148,996	230,364	255%	
<i>The above financials include the following:</i>					
Development Contributions	470,000	490,000	(20,000)	96%	
<i>The above financials do not include the following:</i>					
Vested Assets	0	0	0	0%	

The above financials do not include appropriations - to and from activities

Note: Loans Raised and Loan Repayments net off against each other due to loans being moved from Internal to external lending.

Community Governance & Decision Making – Operating Expenditure

Council

\$163,562F

Reason for variance

Salary and wages are down compared to budget by approximately \$58,000. Other areas of underspend include conference expenses down \$27,000 and legal fees down \$10,000. The remaining variance relates to overhead variances.

Water Zone Committee (District Water Management)

\$263,102F

Reason for variance

This budget area includes investigations to support actions under the Surface Water Strategy. The staff resource identified to progress actions under the strategy has been redirected toward addressing a number of outstanding and complex race closures. This favourable variance will be the subject for a request for carry over funding.

Environmental Services – Income & Expenditure Report

For period ending 30 June 2021

	Actual YTD	Forecast Full Year	Variance	Percentage of Forecast	Permanent Variance
Operating Income					
Environmental Health	529,889	505,478	24,410	105%	
Building Regulation	1,966,110	2,240,418	(274,308)	88%	Yes
Emergency Management	197,230	197,089	141	100%	
Liquor Licensing	240,065	191,317	48,748	125%	
Land Information Memorandum	182,569	118,046	64,523	155%	
Parking	306,193	328,857	(22,664)	93%	
Animal Control	471,034	460,306	10,728	102%	
Resource Consents	642,412	626,463	15,949	103%	
Planning	595,222	592,231	2,991	101%	
	5,130,724	5,260,205	(129,481)	98%	
Operating Expenditure					
Environmental Health	474,503	505,516	(31,013)	94%	
Building Regulation	2,078,514	2,240,557	(162,043)	93%	Yes
Emergency Management	198,880	197,096	1,784	101%	
Liquor Licensing	159,044	191,316	(32,272)	83%	
Land Information Memorandum	118,582	118,046	536	100%	
Parking	259,181	328,870	(69,689)	79%	
Animal Control	423,622	460,319	(36,698)	92%	
Resource Consents	704,632	593,820	110,811	119%	Yes
Planning	392,756	496,840	(104,084)	79%	Yes
	4,809,714	5,132,381	(322,667)	94%	
Capital Expenditure					
Emergency Management	12,400	14,000	(1,600)	89%	
Parking	23,511	52,034	(28,523)	45%	
Animal Control	341	0	341	0%	
	36,252	66,034	(29,782)	55%	
Loan Repayments					
Animal Control	0	8,800	(8,800)	0%	
Planning	0	128,109	(128,109)	0%	No
	0	136,909	(136,909)	0%	

The above financials include the following:

Development Contributions	0	0	0	0%
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The above financials do not include the following:

Vested Assets	0	0	0	0%
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The above financials do not include appropriations - to and from activities

Environmental Services – Operating Income

Building Regulation

\$274,308U

Reason for variance

There is a lag between consents being worked on and invoicing. At the end of the financial year, there were 87 consents that had work done on them with an approximate value of \$242,030 to be charged once they are compliant and ready for issue.

Environmental Services – Operating Expenditure

Building Regulation

\$162,043F

Reason for variance

For a portion of the financial year we were under our allocated FTE's. Also the lag in charging and consents being worked on affects our levies that are payable (they become due upon the month following issue of a consent). For this month the value is \$42,800.

Resource Consents

\$118,300U

Reason for variance

A significant proportion of this variance arises from valuation fees and consultancy costs, which are recovered from applicants. This figure represents a figure of \$58,000. Other variances arise from unexpected staff cost including those related to appointments \$20,000 and the use of consultants to assist with higher than expected workloads) at approximately \$20,000.

Planning

\$104,084F

Reason for variance

This variance occurs due to the existence of an unstaffed policy planner position. This is offset by the use of consultants to undertake policy projects including the Plan Change 4 to the District Plan, and the Housing and Building Assessment work undertaken by Lincoln University.

Miscellaneous, Dividends & Internal Overheads – Income & Expenditure Report

For period ending 30 June 2021

	Actual YTD	Forecast Full Year	Variance	Percentage of Forecast	Permanent Variance
Operating Income					
Non Allocated	1,565,718	186,916	1,378,802	838%	No
Dividends	(368,057)	0	(368,057)	0%	Yes
New Library and Civic Centre	447,148	574,185	(127,037)	78%	No
Leadership Team	1,512,437	1,510,905	1,532	100%	
People & Capability	846,494	989,081	(142,587)	86%	No
Information Systems	3,278,325	3,114,860	163,465	105%	No
Customer Services	545,961	567,026	(21,064)	96%	
Treasury	1,101,385	1,274,208	(172,823)	86%	No
Rates	606,829	697,909	(91,080)	87%	
Community Relations	666,767	759,795	(93,028)	88%	
Communications	608,599	615,601	(7,002)	99%	
Property Administration	1,091,585	1,162,049	(70,464)	94%	
Service Delivery	4,216,638	3,443,217	773,421	122%	No
Parks Administration	2,863,593	3,194,989	(331,396)	90%	No
Plant Operations	835,758	973,920	(138,162)	86%	No
	19,819,180	19,064,661	754,519	104%	
Operating Expenditure					
Non Allocated	181,535	186,916	(5,381)	97%	
New Library and Civic Centre	447,148	574,011	(126,863)	78%	No
Leadership Team	1,512,437	1,510,905	1,532	100%	
People & Capability	846,493	991,305	(144,812)	85%	No
Information Systems	3,278,325	3,276,278	2,046	100%	
Customer Services	545,962	567,437	(21,476)	96%	
Treasury	1,101,385	1,274,694	(173,309)	86%	No
Rates	696,509	697,935	(1,426)	100%	
Community Relations	666,767	765,171	(98,404)	87%	
Communications	608,599	615,652	(7,053)	99%	
Property Administration	1,091,585	1,162,150	(70,565)	94%	
Service Delivery	4,216,638	3,443,509	773,129	122%	No
Parks Administration	2,863,593	3,195,357	(331,764)	90%	No
Plant Operations	946,216	973,920	(27,703)	97%	
	19,003,192	19,235,242	(232,049)	99%	
Capital Income					
Plant Operations	0	100,000	(100,000)	0%	Yes
	0	100,000	(100,000)	0%	
Capital Expenditure					
New Library and Civic Centre	11,473	10,000	1,473	115%	
Information Systems	417,090	1,010,000	(592,910)	41%	Yes
Service Delivery	51,650	0	51,650	0%	
Plant Operations	291,047	761,451	(470,404)	38%	Yes
	771,260	1,781,451	(1,010,191)	43%	

The above financials include the following:

Development Contributions	0	0	0	0%
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The above financials do not include the following:

Vested Assets	0	0	0	0%
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The above financials do not include appropriations - to and from activities

Miscellaneous, Dividends & Internal Overheads – Operating Income

Dividends

\$368,057U

Reason for variance

Ashburton Contracting Limited dividend income will be down \$200,000 as at 30 June compared to budget due to the impact of COVID-19. Transwaste Dividend income is up \$143,000 however we are still waiting on the final Transport Equalisation adjustment. The remaining variance of \$311,057 relates to Internal Interest income. At this stage we are still to make an end of year adjustment allocating internal interest to account for loan repayments during the year. The interest income will still be below budgeted levels because the interest rate the budget was originally forecast at has decreased.

Miscellaneous, Dividends & Internal Overheads – Capital Income

Plant Operations

\$100,000U

Reason for variance

This budgeted amount is for Capital Income from plant sales and relates to the vehicle replacements outlined below under Plant Operations Capital Expenditure. As a result of delayed vehicle purchases, vehicle sales could not take place this year.

Miscellaneous, Dividends & Internal Overheads - Capital Expenditure

Information Systems

\$592,910F

Reason for variance

Completion of planned works has taken longer than anticipated, which has had a knock-on effect to other works and will remain unspent at 30 June 2021. These works cover telephony, network security, desktop hardware renewal and application software. Commitments (on order) currently stand at \$153,554 covering expenditure for network and desktop hardware which will be due in the new financial year.

Plant Operations

\$470,404F

Reason for variance

Due to delays obtaining new vehicles this will remain unspent at 30 June 2021, however this spend has been committed (i.e. we have ordered the vehicles). As such, the variance in the plant operations capital expenditure will be subject to a carryover request.

Loan Repayments

For period ending 30 June 2021

	Actual YTD	Forecast Full Year	Variance	Percentage of Forecast	
Loan Repayments	43,596,353	4,251,471	39,344,882	1025%	<i>No</i>

Note: Loans Raised and Loan Repayments net off against each other due to loans being moved from Internal to external lending.

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Balance Sheet

As at 30 June 2021

	YTD Actual	2020 Actual
Public Equity		
Ratepayers Equity	476,998,794	461,136,000
Revaluation Reserves	251,921,301	250,814,000
Funds and Reserves	58,151,014	58,203,000
	787,071,108	770,153,000
Non-Current Liabilities		
External Loans	70,735,696	42,135,695
Other Term Liabilities	3,729,525	4,410,997
	74,465,221	46,546,692
Current Liabilities		
Trade Creditors	918,522	8,813,000
GST	(636,319)	(584,060)
Deposits & Bonds	1,034,308	842,719
Other Current Liabilities	586,198	585,649
Accrued Liabilities	1,823,488	3,752,000
	3,726,197	13,409,308
Total Equity & Liabilities	865,262,527	830,109,000
Fixed Assets	146,062,704	149,787,113
Infrastructural Assets	627,672,257	640,130,966
Work in Progress	50,965,495	16,514,412
Advances	86,285	181,550
Shares	8,192,015	7,342,015
Current Assets		
Cash & Bank	24,659,747	7,346,000
Cash Investments	1,000,000	2,137,000
Receivables	4,074,712	4,368,544
Provision for Doubtful Debts	(94,321)	(94,321)
Stock	69,507	70,461
Accruals	1,927,829	1,602,777
Other Current Assets	646,297	722,483
	32,283,771	16,152,944
Total Assets	865,262,527	830,109,000

Net Debt and Borrowings

As at 30 June 2021

Net Debt

70.60 M External Loans	-	25.66 M Liquid Assets	=	44.94 M Net Debt
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External Borrowing

	Year to Date Amount	Yield %		Maturity
Local Government Funding				
LGFA 2017	5,000,000	0.92	Floating	15-Apr-23
LGFA 2018	2,000,000	0.81	Floating	17-Jan-22
LGFA 2020	5,000,000	0.87	Floating	14-Apr-22
LGFA 2020 Coupon	5,000,000	0.83	Floating	15-Apr-24
LGFA 2020 Coupon	5,000,000	1.23	Fixed	15-Apr-27
LGFA 2020	10,000,000	0.91	Floating	15-Apr-26
LGFA 2020 Coupon	5,000,000	0.97	Fixed	15-Apr-27
LGFA 2021	10,000,000	0.54	Floating	15-Oct-21
LGFA 2021	7,000,000	0.72	Floating	15-Apr-25
LGFA 2021 Coupon	16,600,000	2.01	Fixed	15-May-28
	<hr/> 70,600,000			
Total External Funding	70,600,000			
Debt Premium / Discount	135,695			
Total External Debt	70,735,695			

Borrowing by Activity

As at 30 June 2021

Activity	External Borrowing	Internal Borrowing
Community Facilities & Support		276,688
Commercial Property	35,115,864	4,105,474
Wastewater	17,392,940	-
Drinking Water	9,435,991	-
Environmental Services	146,201	960,623
Stormwater	3,025,603	-
Cemeteries	1,605,448	-
Water Resources	379,360	-
Arts & Culture	2,376,000	-
Refuse and Recycling	523,594	-
Stockwater	184,000	-
Roading	287,000	788,000
Footpaths	-	803,336
Recreation Facilities	128,000	20,898
Civic Building	-	43,794
Reserve Boards	-	770,000
Total	70,600,001	7,768,812

Council Investments

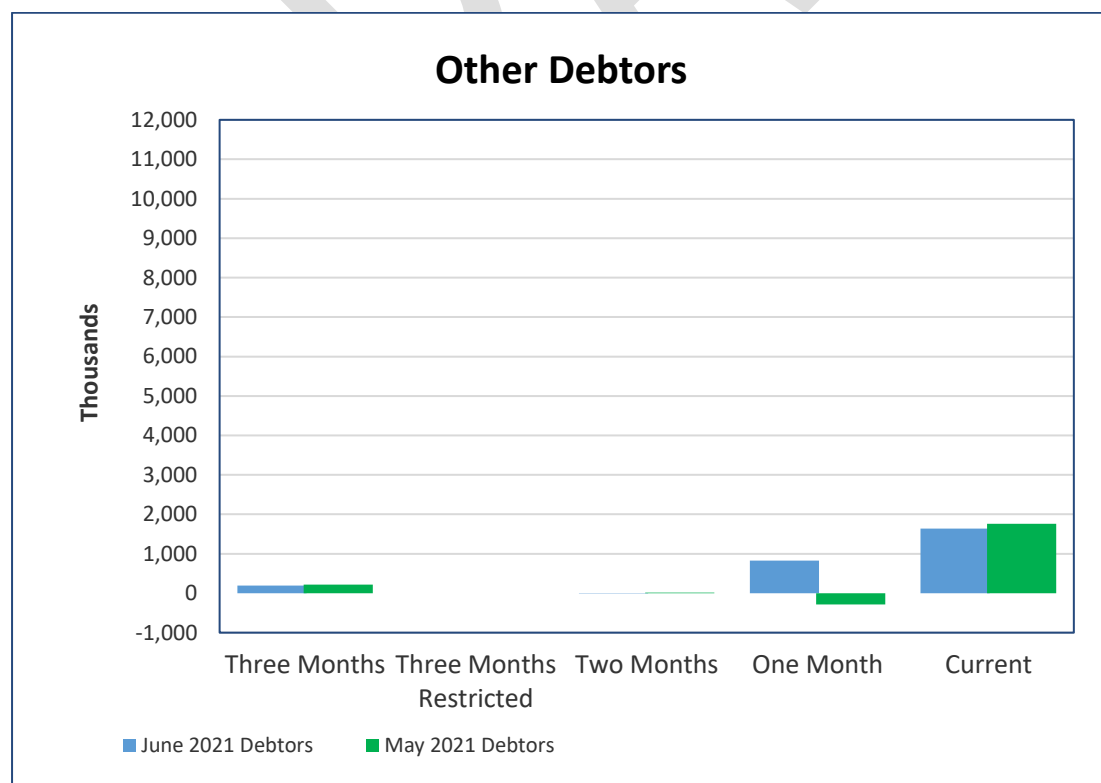
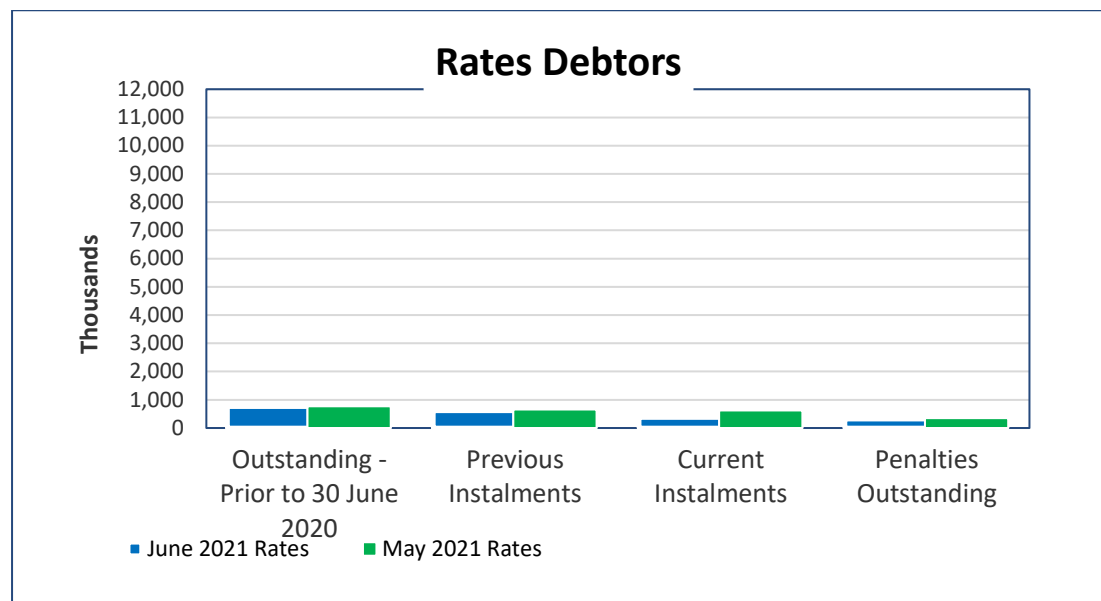
As at 30 June 2021

Listed below are the current significant investments held by Council.

Local Authority Stock and Bonds	Principal	Coupon Rate	Yield (when purchased)	Maturity
Bonds				
Bank of New Zealand	1,000,000	4.10%	4.10%	15-Jun-23
	1,000,000			
Advances				
Eastfield Investments	86,285			
	86,285			
Shares				
Ashburton Contracting Ltd	4,500,000			
NZ Local Govt Co-op Shares	53,215			
RDR Management	30,000			
Transwaste Canterbury Ltd	480,000			
ATS	500			
Electricity Ashburton Rebates	1,300			
LGFA Equity	1,362,000			
Eastfield Investments	1,765,000			
	8,192,015			

Receivables Summary (Including Prior Month Comparative)

As at 30 June 2021



The credit balance in Current Other Debtors relates to revenue that is yet to have a debtor invoice raised in the Property & Rating System.