

Appendix C - Financial Performance

Financial Summary

Account	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Operating revenue (ABS)	888	1,460	(572)	6,224	6,224
Operating revenue (LDI)	0	5	(5)	21	21
Operating expenditure (ABS)	5,383	5,545	162	22,277	22,327
Operating expenditure (LDI)	440	236	(204)	1,961	1,906
Operating expenditure (LGS)	274	274	0	1,097	1,097
Net Cost of Service	5,210	4,590	(619)	19,090	19,085
Subsidies and grants for capital expenditure	0	0	0	0	0
Capital expenditure	3,136	2,426	(710)	15,614	36,291

The Henderson Massey Local Board has invested \$3.1m in capital expenditure and \$5.2m net operating expenditure for the first quarter ended 30 September 2016.

The majority of the capital investment has been in planning development activity around Westgate and in our Parks activity on development work at Royal Reserve playground and completion of Te Rangi Hiroa Youth Park.

Net cost of service for the quarter ended 30 September 2016 is \$619k over budget and is explained in the following pages. The main cause of the variance is lower revenue at West Wave Leisure centre.

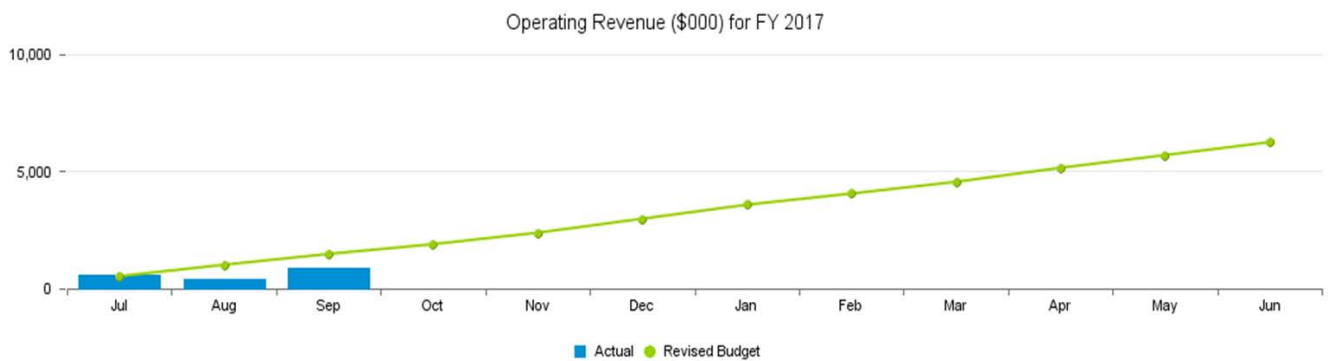
A prospective Funding Impact Statement (FIS) is incorporated in your Local board agreement for the year to meet our legislative requirements. To monitor progress throughout the year and subsequently within our Annual report we have included a Funding Impact Statement for the quarter ended 30th September within the financial appendix.

Since adoption of the Annual plan a review on delivery of capital projects for the year has been made including unspent budget from previous year. The revised budget reflects these changes. The major projects contributing to the change are:

- a) Deferral to next year of multi- purpose Library/ Community centre at Westgate.(\$15.5m)
- b) Deferral to next year of Open space acquisition at Westgate.(\$4.4m)
- c) Deferral to next year of Stormwater Totara ponds (\$1.9m)

The operational expenditure has been revised to reflect the LDI opex approved to be carried forward of \$55k.

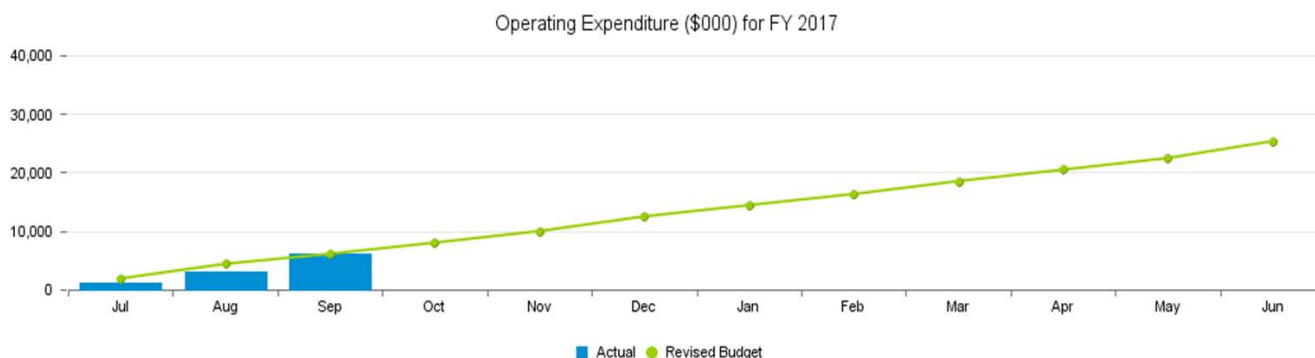
Operating Revenue



Activity	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local community services	101	93	8	377	377
Local parks, sport and recreation	787	1,372	(585)	5,868	5,868
Total Operating Revenue	888	1,465	(577)	6,245	6,245

Revenue is \$577k below budget. This is due to a prior year adjustment in the period as a result of overstated revenue in prior years at West Wave leisure centre. The revenue forecast for the year is expected to be below budget by a similar margin.

Operating Expenditure



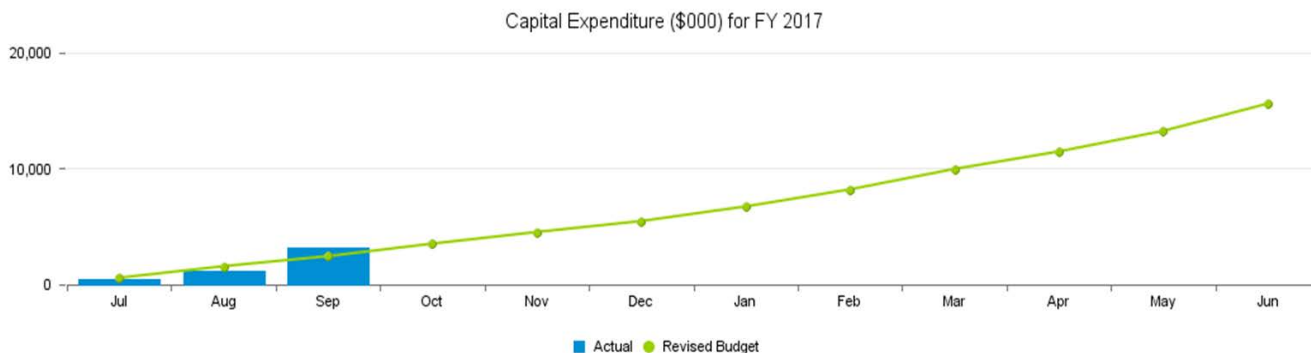
Activity	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local community services	2,155	2,114	(41)	8,635	8,625
Local environmental management	56	55	0	244	244
Local governance	274	274	0	1,097	1,097
Local parks, sport and recreation	3,145	3,144	(1)	13,310	13,315
Local planning and development	468	468	0	2,049	2,049
Total Operating Expenditure	6,098	6,056	(42)	25,335	25,330

Operating expenditure is \$42k over budget.

Locally driven initiatives (LDI) is \$204k over budget. This is mainly due to grants processed earlier than anticipated for capacity building programmes, youth and neighbourhood development initiatives.

This is offset by Assed based services (ABS) of \$162k below budget and relates mainly to lower library administrative costs.

Capital Expenditure



Activity	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local community services	209	316	107	786	392
Local environmental management	1	0	(1)	0	0
Local parks, sport and recreation	1,397	1,159	(238)	8,046	5,291
Local planning and development	1,432	951	(481)	6,782	30,608
Total Capital Expenditure	3,039	2,426	(613)	15,614	36,291

Capital expenditure to date is \$3.1m which is \$0.7m over budget. This is due to progression with provision of consultancy and design services on Open spaces development at Westgate adjacent to the mall, advancement of stormwater project (Totara ponds) and development of Royal Reserve playground footpath carpark.

LDI Expenditure – All Projects

Net Cost of Service	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local community services					
ACE LDI Staff allocation	51	51	0	204	204
ANZAC	0	0	0	15	15
Capacity building programme	154	0	(154)	383	383
Community Arts Programmes	0	5	5	18	18
Community response operating fund	0	40	40	159	160
Community safety	13	33	19	130	130
Fees and charges subsidy	0	0	0	1	0
Local civic functions	1	0	(1)	10	10
Local community grants	12	0	(12)	124	124
Local events fund	97	67	(29)	270	270
Local job opportunities/skill devel	10	0	(10)	20	20
Neighbourhood development	27	0	(27)	120	65
West Recruitment	7	0	(7)	50	50
Youth connections across Auckland	0	11	11	42	42
Youth development initiatives	22	0	(22)	60	60
Total Local community services	393	206	(187)	1,605	1,550
Local environmental management					
Eco City activation	25	25	0	110	110
Environmental action plan	0	0	0	5	5
Total Local environmental management	25	25	0	115	115
Local parks, sport and recreation					
LDI Programme Events in local parks	1	0	(1)	30	30
LDI Volunteers parks	6	0	(6)	38	38
Sports and recreation investigation	0	0	0	7	7
Whau walkway-planning and design	15	0	(15)	50	50
Total Local parks, sport and recreation	22	0	(22)	125	125
Local planning and development					
Henderson BID establishment	0	0	0	25	25
Henderson implementation plan initiatives	0	0	0	40	40
Planning support	0	0	0	30	30
Total Local planning and development	0	0	0	95	95
TOTAL	440	231	(209)	1,940	1,885

Capital Expenditure – all projects

Project Name	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
ACE - Community house and centre renewals	194	252	58	416	104
ACE - Leases renewals	28	50	22	249	221
ACE - Art facility renewals	0	7	7	67	67
Community facility (Glendene)	(15)	5	20	48	0
Library build (Ranui)	2	2	0	5	0
Community house renewals (Ranui)	1	0	(1)	0	0
Total Local community services	210	316	106	785	392
Project Twin Streams	1	0	(1)	0	0
Total Local environmental management	1	0	(1)	0	0
Recreation centre (Te Rangi Hiroa)	306	271	(35)	271	0
Leisure facility building renewals	265	251	(14)	666	70
Parks - Asset renewals	145	208	63	1,443	1,406
General park restoration (SH16/20)	28	200	172	1,976	1,803
Parks - Sports fields renewals	8	89	81	840	840
Community centre (Massey North)	158	60	(98)	2,401	0
Locally driven initiatives (LDI Capex)	24	43	19	412	1,174
General park development	407	38	(369)	38	0
Greenway and walkway development	1	0	(1)	0	0
Sport development	56	0	(56)	0	0
Sports and Local park development	(2)	0	2	0	0
Total Local parks, sport and recreation	1,396	1,160	(236)	8,047	5,293
Open spaces (Massey North)	781	609	(172)	4,422	8,849
Stormwater PC15 (Totara ponds)	595	204	(391)	1,466	3,407
Stormwater PC14 (Waiarohia ponds)	51	138	87	894	429
Community centre (Massey North)	0	0	0	0	7,649
Library build (Westgate NorSGA)	0	0	0	0	10,275
Town square PC15 (Massey North)	4	0	(4)	0	0
Total Local planning and development	1,431	951	(480)	6,782	30,609
TOTAL	3,039	2,426	(613)	15,614	36,291
Subsidies and grants for capital expenditure	0	0	0	0	0

Funding Impact Statement
Henderson-Massey
For the 3 months ended 30 September 2016

\$000	Notes	Actual	Annual Plan	Revised	Annual Plan
		Sep-16	Sept 2016	Budget Sept Sep-16	2017
Sources of operating funding:					
General rates, UAGC, rates penalties		22,627	22,472	22,472	22,472
Targeted rates		80	82	82	82
Subsidies and grants for operating purposes		38	106	106	130
Fees and charges	1	814	1,317	1,317	5,945
Local authorities fuel tax, fines, infringement fees and other receipts		35	42	42	170
Total operating funding		23,594	24,019	24,019	28,799
Applications of operating funding:					
Payment to staff and suppliers		5,308	5,623	5,232	21,752
Finance costs		743	743	743	3,255
Internal charges and overheads applied		989	946	946	3,784
Other operating funding applications		-	-	-	-
Total applications of operating funding		7,040	7,312	6,921	28,791
Surplus (deficit) of operating funding		16,554	16,707	17,098	8
Sources of capital funding:					
Subsidies and grants for capital expenditure		-	2	2	9
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		(13,418)	(7,635)	(14,673)	36,274
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding		(13,418)	(7,633)	(14,671)	36,283
Applications of capital funding:					
Capital expenditure:					
- to meet additional demand		2,303	7,243	1,292	28,969
- to improve the level of service		164	861	235	3,442
- to replace existing assets		669	970	900	3,880
Increase (decrease) in reserves		-	-	-	-
Increase (decrease) in investments		-	-	-	-
Total applications of capital funding	2	3,136	9,074	2,427	36,291
Surplus (deficit) of capital funding		(16,554)	(16,707)	(17,098)	(8)
Funding balance		-	-	-	-

Variance explanation Actual 2016 to Revised Budget 2016:

1 Fees and charges are below budget due to impact of prior year adjustment relating to West Wave leisure centre.

2.Capital expenditure is over budget due to progression with provision of consultancy and design services on Open spaces development at Westgate adjacent to the mall, advancement of stormwater project (Totara ponds) and development of Royal Reserve playground footpath carpark.