

## Local Board Financial Performance - Hibiscus and Bays as at June 2017

### Financial Summary

| Activity                    | Year To Date (\$000) |                |              | Full Year (\$000) |               |
|-----------------------------|----------------------|----------------|--------------|-------------------|---------------|
|                             | Actual               | Revised Budget | Variance     | Revised Budget    | Annual Plan   |
| Operating revenue (ABS)     | 2,493                | 3,282          | (789)        | 3,282             | 3,282         |
| Operating revenue (LDI)     | 2                    | 0              | 2            | 0                 | 0             |
| Operating expenditure (ABS) | 14,698               | 14,707         | 9            | 14,707            | 14,843        |
| Operating expenditure (LDI) | 1,114                | 1,575          | 461          | 1,575             | 1,460         |
| Operating expenditure (LGS) | 1,300                | 1,300          | 0            | 1,300             | 1,300         |
| <b>Net Cost of Service</b>  | <b>14,617</b>        | <b>14,300</b>  | <b>(317)</b> | <b>14,300</b>     | <b>14,321</b> |

|                            |              |              |            |              |              |
|----------------------------|--------------|--------------|------------|--------------|--------------|
| <b>Capital expenditure</b> | <b>9,608</b> | <b>9,943</b> | <b>335</b> | <b>9,943</b> | <b>9,526</b> |
|----------------------------|--------------|--------------|------------|--------------|--------------|

Hibiscus and Bays Local Board has invested \$9.6m in capital expenditure and \$14.6m net operating expenditure for the year ending 30 June 2017.

The majority of capital investment for the year has been in local parks, sport and recreation activity totalling \$8.3m, with community services contributing \$1.4m.

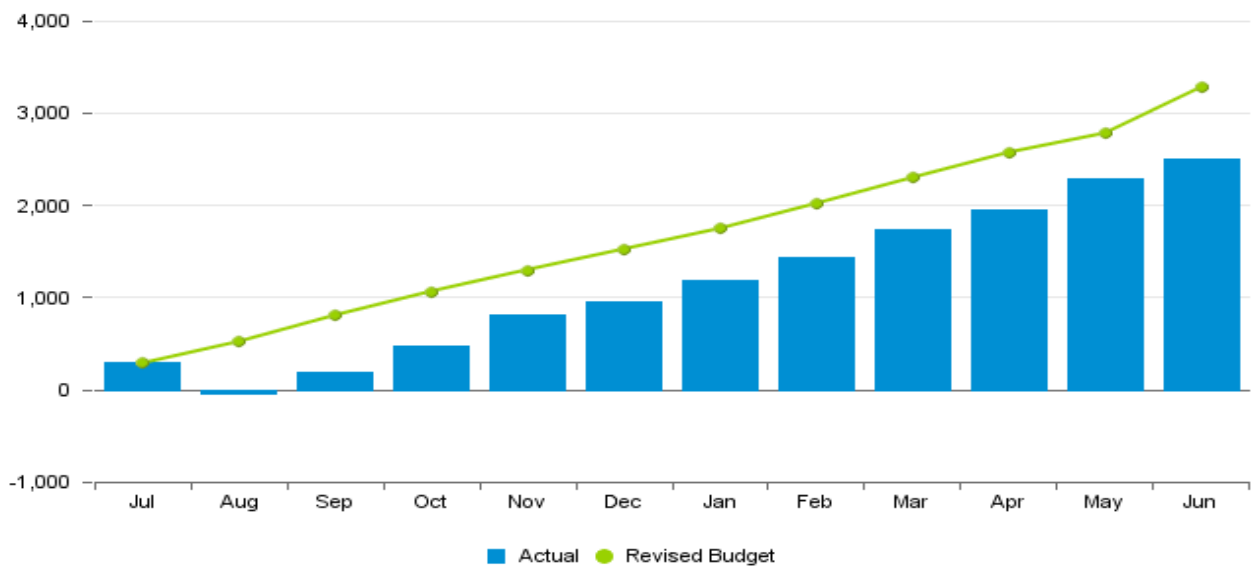
The operating net cost of service is over budget due to lower operating revenue and a number of Locally Driven Initiative projects being carried forward to 2017/18.

Revenue decreases are predominantly in leisure (\$880k) which includes a one-off accounting adjustment required to correct prior year revenue recognition for Stanmore Bay Leisure Centre (\$522k).

Operational expenditure variance includes Locally Driven Initiatives (LDI) budgets carried forward to 2017/18 in Planning (\$163K), Parks, Sports and Recreation (\$148k) and Community Services (\$70k).

Details are outlined in the capital projects and LDI projects tables.

### Operating Revenue (\$000) for FY 2017

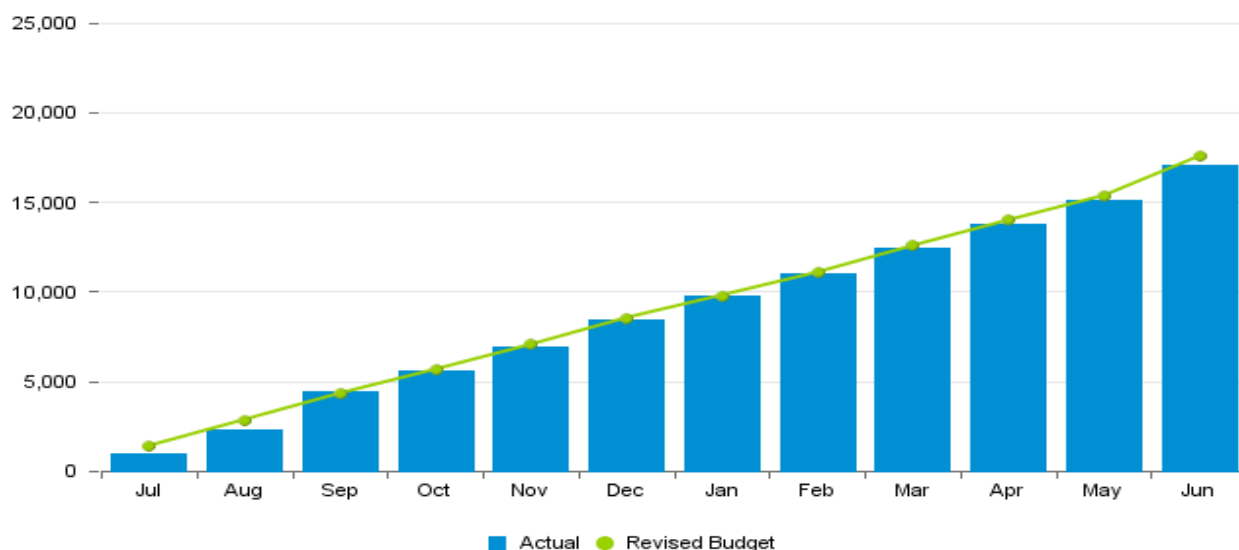


### Operating Revenue

| Activity                          | Year To Date (\$000) |                |              | Full Year (\$000) |              |
|-----------------------------------|----------------------|----------------|--------------|-------------------|--------------|
|                                   | Actual               | Revised Budget | Variance     | Revised Budget    | Annual Plan  |
| Local community services          | 105                  | 91             | 14           | 91                | 91           |
| Local parks, sport and recreation | 2,390                | 3,192          | (802)        | 3,192             | 3,192        |
| <b>Total Operating Revenue</b>    | <b>2,495</b>         | <b>3,283</b>   | <b>(788)</b> | <b>3,283</b>      | <b>3,283</b> |

The deficit in revenue is partly due to a one-off accounting GST prior period adjustment for Stanmore Bay Leisure Centre (\$522k). There is also a substantial deficit to budget in Early Childhood revenue (\$252k).

### Operating Expenditure (\$000) for FY 2017



### Operating Expenditure

| Activity                           | Year To Date (\$000) |                |            | Full Year (\$000) |               |
|------------------------------------|----------------------|----------------|------------|-------------------|---------------|
|                                    | Actual               | Revised Budget | Variance   | Revised Budget    | Annual Plan   |
| Local community services           | 4,207                | 4,329          | 122        | 4,329             | 4,336         |
| Local environmental management     | 113                  | 128            | 15         | 128               | 128           |
| Local governance                   | 1,300                | 1,300          | 0          | 1,300             | 1,300         |
| Local parks, sport and recreation  | 10,942               | 11,067         | 125        | 11,067            | 11,081        |
| Local planning and development     | 551                  | 758            | 207        | 758               | 758           |
| <b>Total Operating Expenditure</b> | <b>17,113</b>        | <b>17,582</b>  | <b>469</b> | <b>17,582</b>     | <b>17,603</b> |

**Operating Expenditure** delivered 97% of budget to the year ended 30 June 2017.

In community services a number of grants were given to support community arts, community events and various community groups. The variance is due to a number of locally driven initiative (LDI) projects being carried forward to the 2017/18 year including Capacity building (\$45k), community grants (\$41k) and Youth initiatives (\$20k).

Environmental management LDI initiatives were 87% delivered.

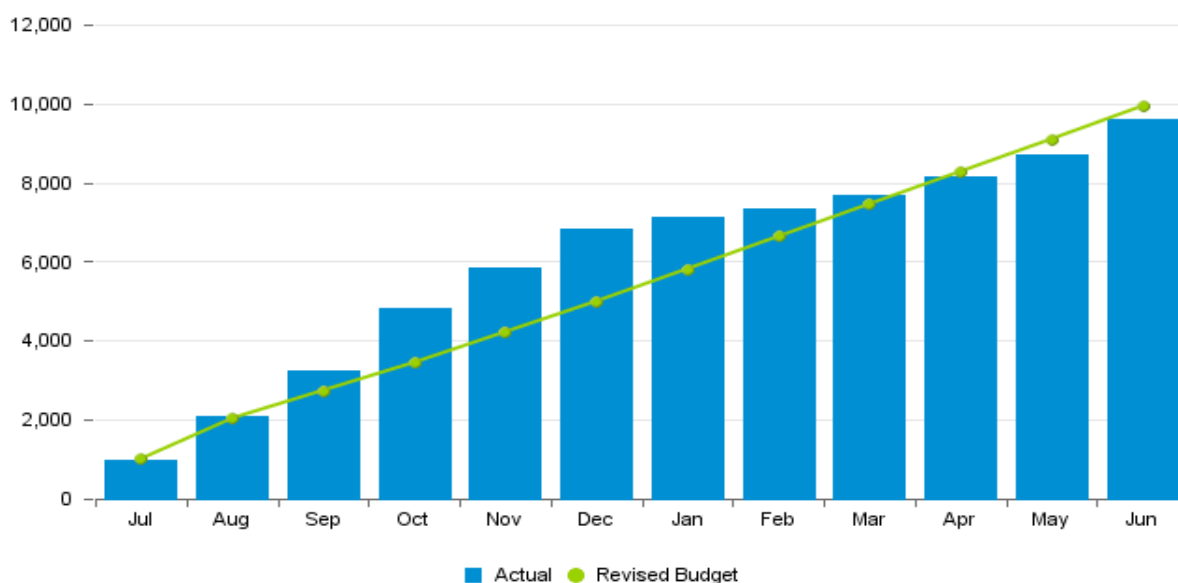
In parks, sport and recreation forward planning for facilities at Metropark and Sherwood reserve has commenced. The variance is again due to LDI projects being deferred until 2017/18 being Greenways plans (\$84k), Reserve management plans (\$25k) and Sherwood Toilet planning (\$34k). Asset Based Services (ABS) costs are consistent with anticipated budget with some trade-offs between projects.

In planning and development, Actions from centre plans (\$151k) is being carried forward to 2017/18. The remaining variance relates to predominantly to budgets allocated to parks.

### Locally Driven Initiatives (Operating Expenditure)

| Net Cost of Service                            | Year To Date (\$000) |                |            | Full Year (\$000) |              |
|------------------------------------------------|----------------------|----------------|------------|-------------------|--------------|
|                                                | Actual               | Revised Budget | Variance   | Revised Budget    | Annual Plan  |
| ACE LDI Staff allocation                       | 94                   | 94             | 0          | 94                | 94           |
| ANZAC                                          | 17                   | 15             | (2)        | 15                | 15           |
| Capacity building programme                    | 121                  | 166            | 45         | 166               | 166          |
| CDAC Facility assessment                       | 0                    | 5              | 5          | 5                 | 0            |
| Community development                          | 35                   | 35             | 0          | 35                | 0            |
| Community wellbeing programmes                 | 0                    | 0              | 0          | 0                 | 5            |
| Estuary Arts top up                            | 50                   | 50             | 0          | 50                | 50           |
| Event partnership                              | 60                   | 64             | 4          | 64                | 54           |
| Local civic functions                          | 15                   | 20             | 5          | 20                | 20           |
| Local community grants                         | 307                  | 350            | 43         | 350               | 360          |
| Youth Panels Initiatives                       | 0                    | 20             | 20         | 20                | 10           |
| <b>Total Local community services</b>          | <b>699</b>           | <b>819</b>     | <b>120</b> | <b>819</b>        | <b>774</b>   |
| Environmental management programmes            | 105                  | 120            | 15         | 120               | 120          |
| <b>Total Local environmental management</b>    | <b>105</b>           | <b>120</b>     | <b>15</b>  | <b>120</b>        | <b>120</b>   |
| Centennial                                     | 10                   | 10             | 0          | 10                | 10           |
| Greenways plans                                | 6                    | 90             | 84         | 90                | 50           |
| LDI Volunteers parks                           | 69                   | 70             | 1          | 70                | 70           |
| Metropark changing room                        | 15                   | 20             | 5          | 20                | 20           |
| Reserve management plans opex                  | 5                    | 30             | 25         | 30                | 0            |
| Sherwood toilet planning                       | 16                   | 50             | 34         | 50                | 50           |
| Small enhancement Initiatives (H and B)        | 64                   | 36             | (28)       | 36                | 36           |
| <b>Total Local parks, sport and recreation</b> | <b>185</b>           | <b>306</b>     | <b>121</b> | <b>306</b>        | <b>236</b>   |
| Actions from centre plans                      | 126                  | 299            | 173        | 299               | 299          |
| Economic initiatives                           | 11                   | 0              | (11)       | 0                 | 0            |
| Local board discretionary fund                 | (7)                  | 0              | 7          | 0                 | 0            |
| Silverdale and Whangaparaoa BIDs               | (14)                 | 0              | 14         | 0                 | 0            |
| Town centre revitalisation concept plan        | 2                    | 0              | (2)        | 0                 | 0            |
| Visitor promotion                              | 0                    | 15             | 15         | 15                | 15           |
| World Masters Games                            | 4                    | 15             | 11         | 15                | 15           |
| Young Enterprise Scheme                        | 1                    | 1              | 0          | 1                 | 1            |
| <b>Total Local planning and development</b>    | <b>123</b>           | <b>330</b>     | <b>207</b> | <b>330</b>        | <b>330</b>   |
| <b>Total</b>                                   | <b>1,112</b>         | <b>1,575</b>   | <b>463</b> | <b>1,575</b>      | <b>1,460</b> |

### Capital Expenditure (\$000) for FY 2017



### Capital Expenditure

| Activity                          | Year To Date (\$000) |                |            | Full Year (\$000) |              |
|-----------------------------------|----------------------|----------------|------------|-------------------|--------------|
|                                   | Actual               | Revised Budget | Variance   | Revised Budget    | Annual Plan  |
| Local community services          | 1,372                | 1,499          | 127        | 1,499             | 1,035        |
| Local governance                  | 7                    | 0              | (7)        | 0                 | 0            |
| Local parks, sport and recreation | 8,229                | 8,444          | 215        | 8,444             | 8,491        |
| <b>Total Capital Expenditure</b>  | <b>9,608</b>         | <b>9,943</b>   | <b>335</b> | <b>9,943</b>      | <b>9,526</b> |

Capital investment of \$9.6m was \$335k below budget however, Locally Driven Initiatives projects (LDI) have for the most part been carried forward into the next financial year (\$544k).

The majority of investment was in parks, sport and recreation activity (\$8.2m) with significant deliveries being the development and equipment renewal of Stanmore Bay Leisure Centre (\$2.1m), Murrays Bay Wharf (\$826k), the Murrays Bay Beach and Waiake Beach toilet renewals (\$1.04m), and boat ramp renewals and seawall fortification (\$589k). MetroPark development has progressed including lighting, walkways, turf and drainage (\$1.13m).

The community services activity also delivered the improvements to Stoney Homestead (\$832k).

## Capital Expenditure: All Projects

| Project Name                                        | Year To Date (\$000) |                |            | Full Year (\$000) |              |
|-----------------------------------------------------|----------------------|----------------|------------|-------------------|--------------|
|                                                     | Actual               | Revised Budget | Variance   | Revised Budget    | Annual Plan  |
| Improvements (Stoney Homestead)                     | 879                  | 843            | (36)       | 843               | 547          |
| Local library renewals                              | 140                  | 348            | 208        | 348               | 267          |
| ACE - Community house and centre renewals           | 79                   | 133            | 54         | 133               | 126          |
| Hall upgrade (Stillwater)                           | 78                   | 65             | (13)       | 65                | 0            |
| ACE - Leases renewals                               | 0                    | 60             | 60         | 60                | 46           |
| ACE - Art facility renewals                         | 78                   | 49             | (29)       | 49                | 49           |
| Estuary arts extension                              | 34                   | 0              | (34)       | 0                 | 0            |
| Library furniture and fitting renewals              | 15                   | 0              | (15)       | 0                 | 0            |
| Orewa Community Centre renewals                     | 70                   | 0              | (70)       | 0                 | 0            |
| <b>Community services (GoA)</b>                     | <b>1,372</b>         | <b>1,499</b>   | <b>127</b> | <b>1,499</b>      | <b>1,035</b> |
| Small local improvement projects (North)            | 7                    | 0              | (7)        | 0                 | 0            |
| <b>Governance (GoA)</b>                             | <b>7</b>             | <b>0</b>       | <b>(7)</b> | <b>0</b>          | <b>0</b>     |
| HBC Leisure Centre extension                        | 1,676                | 1,785          | 109        | 1,785             | 1,760        |
| Parks - Asset renewals                              | 2,385                | 1,701          | (684)      | 1,701             | 1,538        |
| Parks - Coastal asset renewals                      | 1,208                | 1,341          | 133        | 1,341             | 1,326        |
| Playscape development                               | 500                  | 1,300          | 800        | 1,300             | 0            |
| Greenway and walkway development                    | 212                  | 705            | 493        | 705               | 0            |
| Locally driven initiatives (LDI Capex)              | 20                   | 564            | 544        | 564               | 1,076        |
| Sport development                                   | 757                  | 327            | (430)      | 327               | 2,440        |
| Parks - Sports fields renewals                      | 134                  | 204            | 70         | 204               | 204          |
| General park development                            | 138                  | 196            | 58         | 196               | 0            |
| Replace toilet (Western Reserve)                    | 98                   | 123            | 25         | 123               | 0            |
| Browns Bay parking upgrades                         | 0                    | 66             | 66         | 66                | 66           |
| Access coastal protection nourishment (Orewa beach) | 325                  | 50             | (275)      | 50                | 0            |
| Leisure facility building renewals                  | 44                   | 49             | 5          | 49                | 49           |
| Mairangi Bay parking upgrades                       | 3                    | 33             | 30         | 33                | 33           |
| Foundation infrastructure                           | 22                   | 0              | (22)       | 0                 | 0            |
| Leisure facility equipment renewals                 | 338                  | 0              | (338)      | 0                 | 0            |
| Local park coastal structures renewals              | (29)                 | 0              | 29         | 0                 | 0            |
| Local park walkway and cycleway renewals            | (2)                  | 0              | 2          | 0                 | 0            |
| Sportsfield (Metropark)                             | 415                  | 0              | (415)      | 0                 | 0            |
| Sportsfield renewals                                | (14)                 | 0              | 14         | 0                 | 0            |
| <b>Parks sport and recreation (GoA)</b>             | <b>8,229</b>         | <b>8,444</b>   | <b>215</b> | <b>8,444</b>      | <b>8,491</b> |
| <b>Total</b>                                        | <b>9,608</b>         | <b>9,943</b>   | <b>335</b> | <b>9,943</b>      | <b>9,526</b> |

**Funding Impact Statement**  
**Hibiscus and Bays**  
**For the year ended 30 June 2017**

| \$000                                                                   | Notes | Actual<br>2017 | Revised<br>Budget<br>2017 | Annual Plan<br>2017 | Long Term<br>Plan<br>2016 |
|-------------------------------------------------------------------------|-------|----------------|---------------------------|---------------------|---------------------------|
| <b>Sources of operating funding:</b>                                    |       |                |                           |                     |                           |
| General rates, UAGC, rates penalties                                    |       | 16,755         | 16,553                    | 16,553              | 16,879                    |
| Targeted rates                                                          |       | 428            | 428                       | 428                 | 368                       |
| Subsidies and grants for operating purposes                             |       | 227            | 380                       | 380                 | 162                       |
| Fees and charges                                                        |       | 2,238          | 2,879                     | 2,879               | 1,973                     |
| Local authorities fuel tax, fines, infringement fees and other receipts |       | 30             | 24                        | 24                  | 229                       |
| <b>Total operating funding</b>                                          |       | <b>19,678</b>  | <b>20,264</b>             | <b>20,264</b>       | <b>19,611</b>             |
| <b>Applications of operating funding:</b>                               |       |                |                           |                     |                           |
| Payment to staff and suppliers                                          |       | 15,045         | 15,598                    | 15,619              | 15,002                    |
| Finance costs                                                           |       | 1,863          | 1,863                     | 1,863               | 1,534                     |
| Internal charges and overheads applied                                  |       | 2,709          | 2,709                     | 2,709               | 2,684                     |
| Other operating funding applications                                    |       | -              | -                         | -                   | -                         |
| <b>Total applications of operating funding</b>                          |       | <b>19,617</b>  | <b>20,170</b>             | <b>20,191</b>       | <b>19,220</b>             |
| <b>Surplus (deficit) of operating funding</b>                           |       | <b>61</b>      | <b>94</b>                 | <b>73</b>           | <b>391</b>                |
| <b>Sources of capital funding:</b>                                      |       |                |                           |                     |                           |
| Subsidies and grants for capital expenditure                            |       | -              | -                         | -                   | -                         |
| Development and financial contributions                                 |       | -              | -                         | -                   | -                         |
| Increase (decrease) in debt                                             |       | 9,547          | 9,833                     | 9,453               | 15,457                    |
| Gross proceeds from sale of assets                                      |       | -              | -                         | -                   | -                         |
| Lump sum contributions                                                  |       | -              | -                         | -                   | -                         |
| Other dedicated capital funding                                         |       | -              | -                         | -                   | -                         |
| <b>Total sources of capital funding</b>                                 |       | <b>9,547</b>   | <b>9,833</b>              | <b>9,453</b>        | <b>15,457</b>             |
| <b>Applications of capital funding:</b>                                 |       |                |                           |                     |                           |
| Capital expenditure:                                                    |       |                |                           |                     |                           |
| - to meet additional demand                                             |       | 2,777          | 3,200                     | 3,039               | 2,124                     |
| - to improve the level of service                                       |       | 1,650          | 1,758                     | 1,534               | 8,091                     |
| - to replace existing assets                                            |       | 5,181          | 4,969                     | 4,953               | 5,633                     |
| Increase (decrease) in reserves                                         |       | -              | -                         | -                   | -                         |
| Increase (decrease) in investments                                      |       | -              | -                         | -                   | -                         |
| <b>Total applications of capital funding</b>                            |       | <b>9,608</b>   | <b>9,927</b>              | <b>9,526</b>        | <b>15,848</b>             |
| <b>Surplus (deficit) of capital funding</b>                             |       | <b>(61)</b>    | <b>(94)</b>               | <b>(73)</b>         | <b>(391)</b>              |
| <b>Funding balance</b>                                                  |       | <b>-</b>       | <b>-</b>                  | <b>-</b>            | <b>-</b>                  |