

Local Board Financial Performance - Waiheke as at June 2018

Financial Summary

| Activity | Year To Date (\$000) | | | Full Year (\$000) | |
|--|----------------------|----------------|-------------|-------------------|--------------|
| | Actual | Revised Budget | Variance | Revised Budget | Annual Plan |
| Operating revenue (ABS) | 208 | 221 | (13) | 221 | 221 |
| Operating expenditure (ABS) | 3,596 | 4,116 | 520 | 3,934 | 3,238 |
| Operating expenditure (LDI) | 569 | 720 | 151 | 720 | 720 |
| Operating expenditure (Local governance) | 935 | 935 | 0 | 935 | 935 |
| Net Cost of Service | 4,892 | 5,550 | 658 | 5,550 | 4,672 |
| Capital expenditure | 1,234 | 1,191 | (43) | 1,191 | 1,635 |

The Waiheke Local Board invested \$1.2 million in capital expenditure and \$4.9 million in net operating expenditure* for the financial year ended 30 June 2018.

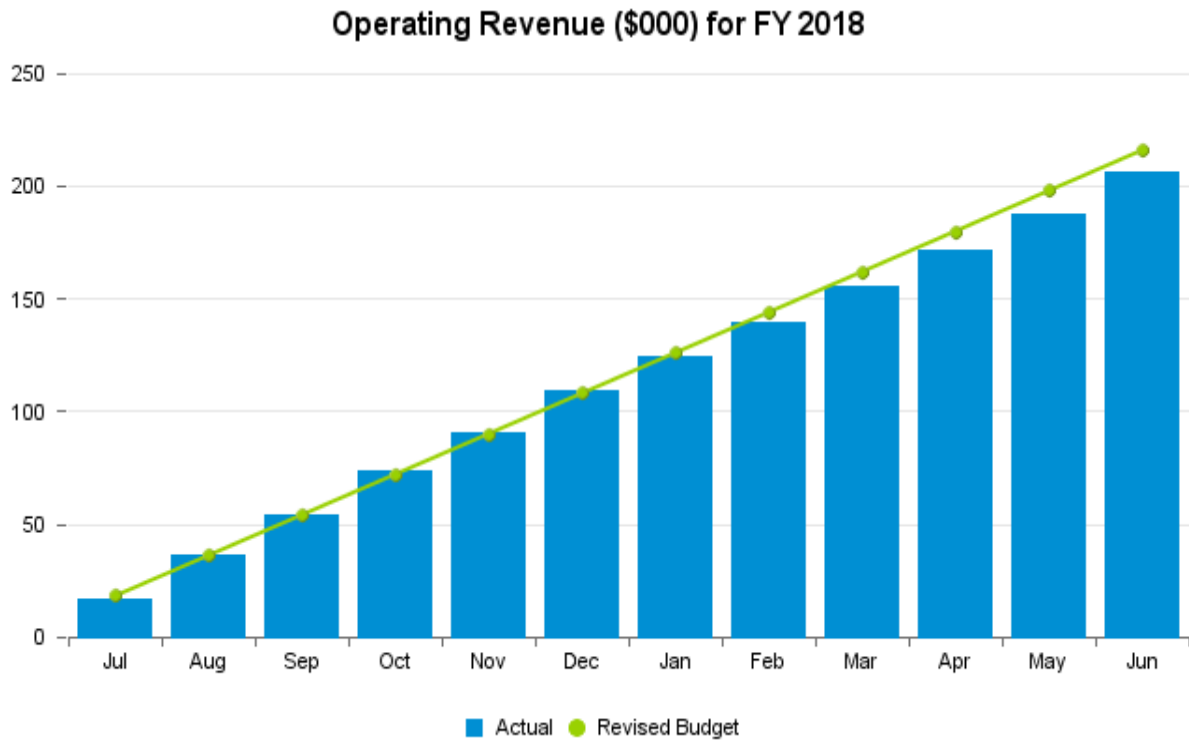
*(Net operating expenditure or Net Cost of Service = Operating expenditure – Operating revenue)

The Net Cost of Service is \$658,000 under budget due to an underspend of \$520,000 in asset-based services (ABS) budget and \$151,000 underspend in Locally Driven Initiatives (LDI) budget. The underspend in the ABS budget is related to projects in the Local parks, sports and recreation activity. The underspend in LDI relates to the carry-forward of \$151,000 of the LDI budget from 2017/18 to 2018/19.

Overall capital expenditure of \$1.23 million is more than what was budgeted for. The majority of the spend (\$1 million) was in the Local Parks Sports and Recreation activity.

Detailed financial report is provided in the next few pages.

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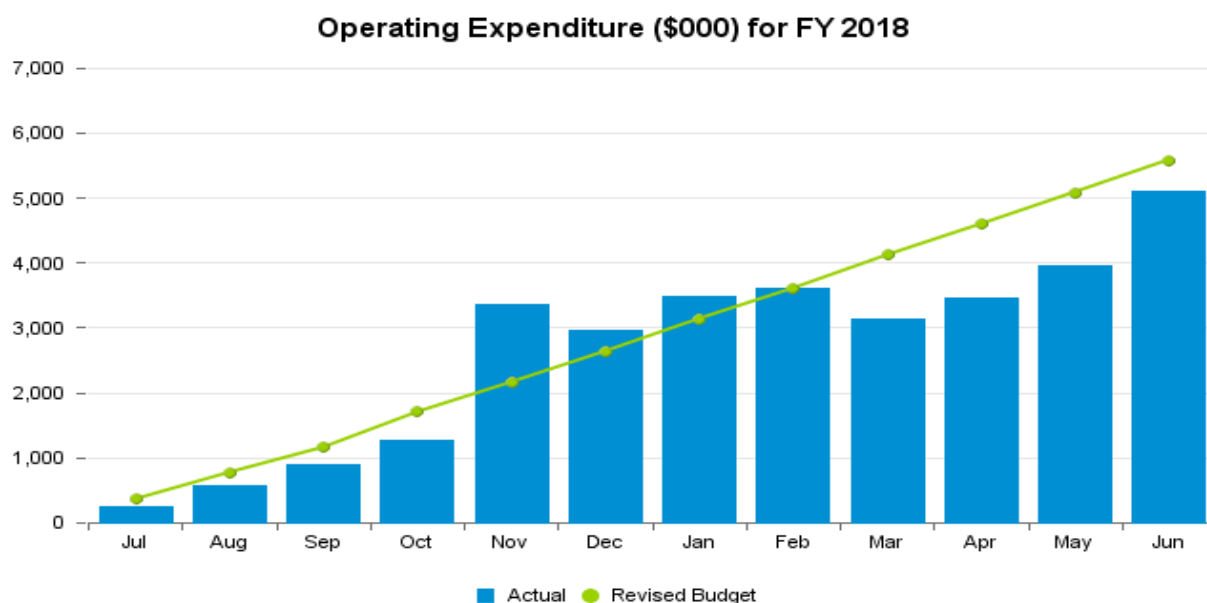


Operating Revenue

| Activity | Year To Date (\$000) | | | Full Year (\$000) | |
|--------------------------------|----------------------|----------------|-------------|-------------------|-------------|
| | Actual | Revised Budget | Variance | Revised Budget | Annual Plan |
| Local community services | 208 | 221 | (13) | 221 | 221 |
| Total Operating Revenue | 208 | 221 | (13) | 221 | 221 |

Revenue is almost at par with budget (under budget by 6%). We have not received any revenue from Ostend War Memorial Hall since it moved to community-led model during 2017/18. Also, lesser than anticipated number of people receiving citizenship during the current financial year has affected actual revenue.

Local Board Financial Performance - Waiheke as at June 2018



Operating Expenditure

| Activity | Year To Date (\$000) | | | Full Year (\$000) | |
|------------------------------------|----------------------|----------------|------------|-------------------|--------------|
| | Actual | Revised Budget | Variance | Revised Budget | Annual Plan |
| Local community services | 1,433 | 1,508 | 75 | 1,508 | 1,503 |
| Local environmental management | 68 | 69 | 1 | 69 | 93 |
| Local governance | 935 | 935 | 0 | 935 | 935 |
| Local parks, sport and recreation | 2,644 | 3,240 | 596 | 3,240 | 2,342 |
| Local planning and development | 20 | 20 | 0 | 20 | 20 |
| Total Operating Expenditure | 5,100 | 5,772 | 672 | 5,772 | 4,893 |

All of the \$151,000 LDI budget carried forward to 2018/19, is from the Local parks, sport and recreation activity. The carry forwards include the entire \$50,000 of the Matiatia - Longer term implementation of Matiatia Gateway masterplan budget, \$93,000 from the Feasibility study for swimming pool budget and \$7500 from the Parks strategic fund. All the other projects funded from the 2017/18 Waiheke LDI budget have been completed.

The remaining underspend in the Local parks, sport and recreation is due to the variances in the Full Facilities contract accounts. The budget allocation to the local board in Annual Plan was not aligned to the new contracts. The remapping of the assets during the year has resulted in variances against local board accounts. The underspend in local community services is mainly due to lower than expected administration costs at the Waiheke library and other centres in the local board area.

In early May, the board reallocated a total of \$12,500 of its unspent LDI to its Local Grants budget giving the board a total of \$22,400 to be paid out during the final Grants round. Subsequently, in the final grants round held in May the board granted \$23,600 as grants to the community, taking the full year grants allocation to \$73,700.

Detailed LDI expenditure by project for the period to 30 June 2018 is reflected in the following schedule.

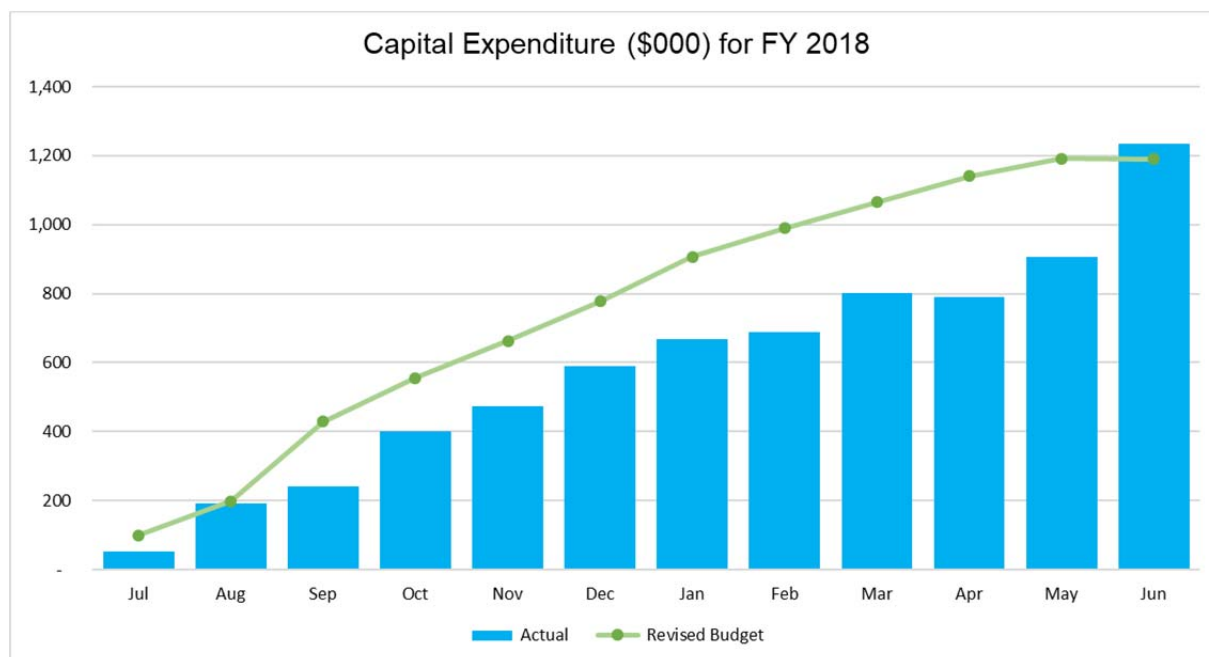
Local Board Financial Performance - Waiheke as at June 2018

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 | 96 | 96 | 0 | 96 | 96 |
| ANZAC | 1 | 1 | 0 | 1 | 1 |
| Artworks needs assessment | 15 | 15 | 0 | 15 | 15 |
| Christmas events | 16 | 17 | 1 | 17 | 17 |
| Community and Social Economic Development | 10 | 10 | 0 | 10 | 10 |
| Community housing | 20 | 20 | 0 | 20 | 20 |
| Community response operating fund | 34 | 35 | 1 | 35 | 39 |
| Local civic functions | 1 | 3 | 2 | 3 | 3 |
| Local community grants | 67 | 60 | (7) | 60 | 60 |
| Local events fund | 14 | 15 | 1 | 15 | 15 |
| Supporting Maori outcomes and events | 15 | 15 | 0 | 15 | 15 |
| Volunteers day | 1 | 2 | 1 | 2 | 2 |
| Youth Council | 15 | 15 | 0 | 15 | 15 |
| Total Local community services | 305 | 304 | (1) | 304 | 308 |
| Coastal assessment for wildlife on coastal walkway | 4 | 5 | 1 | 5 | 0 |
| Little Oneroa action plan implementation | 24 | 24 | 0 | 24 | 24 |
| Pest management - community delivered | 40 | 40 | 0 | 40 | 40 |
| Total Local environmental management | 68 | 69 | 1 | 69 | 64 |

| Net Cost of Service | Year To Date (\$000) | | | Full Year (\$000) | |
|--|----------------------|----------------|------------|-------------------|-------------|
| | Actual | Revised Budget | Variance | Revised Budget | Annual Plan |
| Ecological restoration in partnership with community | 150 | 150 | 0 | 150 | 150 |
| Feasibility study for swimming pool | 7 | 100 | 93 | 100 | 100 |
| LDI Volunteers parks | 7 | 8 | 1 | 8 | 8 |
| Matiatia - Longer term implementation of Matiatia Gateway masterplan | 0 | 50 | 50 | 50 | 50 |
| Parks strategic fund | 13 | 20 | 7 | 20 | 20 |
| Total Local parks, sport and recreation | 176 | 328 | 152 | 328 | 328 |
| Walking and Cycling promotion | 20 | 20 | 0 | 20 | 20 |
| Total Local planning and development | 20 | 20 | 0 | 20 | 20 |
| Total | 569 | 720 | 151 | 720 | 720 |

Local Board Financial Performance - Waiheke as at June 2018



Capital Expenditure

| Activity | Year To Date (\$000) | | | Full Year (\$000) | |
|-----------------------------------|----------------------|----------------|-------------|-------------------|--------------|
| | Actual | Revised Budget | Variance | Revised Budget | Annual Plan |
| Local community services | 195 | 183 | (12) | 183 | 270 |
| Local parks, sport and recreation | 1,039 | 1,008 | (31) | 1,008 | 1,365 |
| Total Capital Expenditure | 1,234 | 1,191 | (43) | 1,191 | 1,635 |

Capital expenditure for the financial year 2017/18 in the Waiheke Local Board area was \$1.2 million, which was \$43,000 more than what was budgeted for through revised budget.

Within the Local community services activity \$6,000 additional was spend on the renewals of the leased Art facility and \$5,000 was spend on the installation of the water tanks on the Golf course, which was not budgeted for. In Local parks, sport and recreation activity LDI project (Picnic Bay Reserve seawall installation) of \$55,000 was brought forward to 2017/18, offset by \$22,000 underspend in parks assets renewals.

Major capital projects include:

- (i) Artworks Theatre - renew waterproofing - Finalising procurement management plan. Next steps: Waiting for dry weather to start the project.
- (ii) Onetangi Domain - develop lighting on field 2 - Project has been pushed out a few years for delivery.
- (iii) Picnic Bay Reserve - install rock revetment seawall - work in progress.

Major projects on hold or delayed:

(i) Te Ara Hura - Pearl Bay to Orapiu Road - improve tracks - stage 1 - Project has been placed on hold because legal issues with proposed easement is unresolved.

(ii) Te Whau Esplanade Reserve - renew Hitapa track - Seeking additional funds to complete the full track renewal.

(iii) Catherine Mitchell Cultural Society - install drainage - Project is placed on hold until Auckland Transport's kerb and channel works are completed. The current budget is insufficient to progress a design.

Local Board Financial Performance - Waiheke as at June 2018

Capital Expenditure: All Projects

| Project Name | Year To Date (\$000) | | | Full Year (\$000) | |
|---|----------------------|----------------|-------------|-------------------|--------------|
| | Actual | Revised Budget | Variance | Revised Budget | Annual Plan |
| ACE - Art facility renewals | 169 | 183 | 14 | 183 | 270 |
| ACE - Leases renewals | 26 | 0 | (26) | 0 | 0 |
| Community services (Group of Activity) | 195 | 183 | (12) | 183 | 270 |
| Parks - Asset renewals | 827 | 849 | 22 | 849 | 800 |
| Greenway and walkway development | 35 | 76 | 41 | 76 | 0 |
| Locally driven initiatives (LDI Capex) | 118 | 63 | (55) | 63 | 357 |
| Off-street parking upgrades | 0 | 14 | 14 | 14 | 0 |
| Parks - Sports fields renewals | 0 | 7 | 7 | 7 | 7 |
| Local improvement projects (LIPS) ¹ | 15 | 0 | (15) | 0 | 0 |
| Local park walkway and cycleway renewals | (2) | 0 | 2 | 0 | 0 |
| Minor Fixed Asset ² | 42 | 0 | (42) | 0 | 0 |
| Open space development | 1 | 0 | (1) | 0 | 0 |
| Sport development | 0 | 0 | 0 | 0 | 200 |
| Sports Field Capacity | 3 | 0 | (3) | 0 | 0 |
| Parks sport and recreation (Group of Activity) | 1,039 | 1,008 | (31) | 1,008 | 1,365 |
| Total | 1,234 | 1,192 | (43) | 1,191 | 1,635 |

1 - Ostend Domain edging and rehabilitation

2 - Minor capital works on various locations across Waiheke, including \$18,000 on Onetangi Sports Park and \$9,000 on ANZAC Reserve.