



# AGENDA ATTACHMENTS

## Finance, Policy, Operations and Legislation Committee

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Wednesday, 22 January 2020, 6.00 pm

**FPOL2002-5          BUDGET REVIEW – FEBRUARY 2020**

**ATTACHMENT 1 - Rate Setting Statement – By Nature and Type Net Current Assets Report**

**RATE SETTING STATEMENT - BY NATURE AND TYPE  
FOR THE PERIOD ENDED 31 JANUARY 2020**

	2019/20 Adopted Budget (a)	2019/20 Amended Budget (b)	2019/20 Predicted Budget (c)	2019/20 YTD Actual (d)	Available Budget (c) - (d)	Budget Amendment (c)-(b)
	\$	\$	\$	\$	\$	%
<b>Net current assets at start of financial year - surplus/(deficit)</b>	1,939,727	3,419,824	3,756,497	3,756,497	-	336,673
<b>Revenue from operating activities (excluding rates)</b>						
Rates - Specified Area	161,975	161,975	161,975	161,988	(13)	-
Service Charges (Underground Power)	11,919	11,919	11,919	8,472	3,447	-
Operating Grants, Subsidies and Contribution	3,694,141	3,246,053	3,188,383	1,713,701	1,474,682	(57,670)
Fees and Charges	23,181,589	23,081,589	23,069,456	14,026,571	9,042,885	(12,133)
Interest Earnings	1,435,662	1,435,662	1,335,662	961,437	374,225	(100,000)
Profit on Sale of Assets	86,076	86,076	86,076	11	86,065	-
Reimbursement Income	948,176	948,176	721,291	506,803	214,488	(226,885)
Other Revenue	190,000	490,000	576,000	182,084	393,916	86,000
	29,709,538	29,461,450	29,150,762	17,561,067	11,589,695	(310,688)
<b>Expenditure from operating activities</b>						
Employee Costs	(38,036,280)	(38,036,280)	(37,587,016)	(21,632,033)	(15,954,983)	449,264
Employee costs - Agency Labour	(506,500)	(506,500)	(895,948)	(733,348)	(162,600)	(389,448)
Materials and Contracts	(27,108,395)	(27,861,560)	(28,417,399)	(13,795,514)	(14,621,885)	(555,839)
Depreciation on Non Current Assets	(7,044,027)	(7,044,027)	(7,044,027)	(4,132,995)	(2,911,032)	-
Interest Expenses	(737,581)	(737,581)	(298,555)	(160,310)	(138,245)	439,026
Utility Charges (gas, electricity, water)	(2,111,650)	(2,111,650)	(1,977,770)	(956,302)	(1,021,468)	133,880
Loss on Sale of Assets	(7,155,295)	(7,155,295)	(5,475,209)	-	(5,475,209)	1,680,086
Insurance Expenses	(867,732)	(867,732)	(867,732)	(797,686)	(70,046)	-
Other Expenditure	(2,512,498)	(2,517,498)	(2,550,498)	(1,518,714)	(1,031,784)	(33,000)
	(86,079,958)	(86,838,123)	(85,114,154)	(43,726,903)	(41,387,251)	1,723,969
<b>Operating activities excluded from budget</b>						
(Profit)/Loss on Asset Disposals	7,069,219	7,069,219	5,389,133	(11)	5,389,144	(1,680,086)
Depreciation on Assets	7,044,027	7,044,027	7,044,027	4,132,995	2,911,032	-
Non Current Rates Debtors Movement	-	-	-	40,726	(40,726)	-
<b>Amount attributable to operating activities</b>	<b>(40,317,447)</b>	<b>(39,843,603)</b>	<b>(39,773,735)</b>	<b>(18,235,629)</b>	<b>(21,538,106)</b>	<b>69,868</b>
<b>Investing Activities</b>						
<b>Capital Revenue</b>						
Capital Grants and Subsidies/ Contributions for the development of Assets	4,101,932	4,179,346	11,290,195	2,853,847	8,436,348	7,110,849
Proceeds from Disposal of Assets	7,517,688	7,517,688	7,620,236	2,386,846	5,233,390	102,548
	11,619,620	11,697,034	18,910,431	5,240,693	13,669,738	7,213,397
<b>Capital Expense</b>						
Purchase Investment Land and Buildings	(30,653)	(30,653)	(30,653)	(29,659)	(994)	-
Purchase Community Land and Buildings	(48,723,832)	(48,297,935)	(55,136,615)	(11,127,257)	(44,009,358)	(6,838,680)
Purchase Infrastructure - Roads	(1,774,128)	(2,040,313)	(2,022,162)	(813,242)	(1,208,920)	18,151
Purchase Infrastructure - Parks	(3,042,601)	(2,920,791)	(2,800,373)	(519,987)	(2,280,386)	120,418
Purchase Infrastructure - Other	(1,185,000)	(1,044,140)	(729,140)	(10,434)	(718,706)	315,000
Purchase Plant and Equipment	(590,853)	(629,853)	(1,280,459)	(202,387)	(1,078,072)	(650,606)
Purchase Furniture and Fittings	(1,278,928)	(1,325,976)	(1,325,976)	(577,741)	(748,235)	-
	(56,625,995)	(56,289,661)	(63,325,378)	(13,280,707)	(50,044,671)	(7,035,717)
<b>Amount attributable to investing activities</b>	<b>(45,006,375)</b>	<b>(44,592,627)</b>	<b>(44,414,947)</b>	<b>(8,040,014)</b>	<b>(36,374,933)</b>	<b>177,680</b>
<b>Financing Activities</b>						
Repayment of Debentures	(1,689,565)	(1,689,565)	(1,689,565)	(1,240,259)	(449,306)	-
Proceeds from New Debentures	20,000,000	20,000,000	20,000,000	-	20,000,000	-
	18,310,435	18,310,435	18,310,435	(1,240,259)	19,550,694	-
<b>Reserve Transfers</b>						
Transfer to Reserves (Restricted) - Capital	(7,433,188)	(7,433,188)	(7,535,736)	(2,386,846)	(5,148,890)	(102,548)
Transfer to Reserves (Restricted) - Operating	(67,541)	(67,541)	(67,541)	(64,094)	(3,447)	-
Transfer from Reserves (Restricted) - Capital	27,555,884	26,638,292	26,493,292	7,704,711	18,788,581	(145,000)
Transfer from Reserves (Restricted) - Operatin	176,919	176,919	176,919	18,853	158,066	-
<b>Transfer to/from reserves</b>	<b>20,232,074</b>	<b>19,314,482</b>	<b>19,066,934</b>	<b>5,272,624</b>	<b>13,794,310</b>	<b>(247,548)</b>
<b>Amount attributable to financing activities</b>	<b>38,542,509</b>	<b>37,624,917</b>	<b>37,377,369</b>	<b>4,032,365</b>	<b>33,345,004</b>	<b>(247,548)</b>
Budgeted deficiency before general rates	(46,781,313)	(46,811,313)	(46,811,313)	(22,243,278)	(24,568,035)	-
General rates estimated to be raised	(46,811,313)	(46,811,313)	(46,811,313)	(46,732,959)	(78,354)	-
<b>Closing Funding Surplus (Deficit)</b>	<b>30,000</b>	<b>-</b>	<b>-</b>	<b>24,489,681</b>	<b>(24,489,681)</b>	<b>-</b>
System Rates	46,811,313	46,811,313	46,811,313	46,732,959	78,354	-

## ATTACHMENT 2

### ADJUSTED NET CURRENT ASSETS FOR THE PERIOD ENDED 31 JANUARY 2020

Ref Note	31-Jan-2020 (a)	30-Jun-2019 (b)	Movement (c) = (a) - (b)
	\$	\$	\$
<b>Current Assets</b>			
Cash Unrestricted	27,981,399	15,112,185	12,869,214
Cash Restricted	24,062,199	29,334,823	(5,272,624)
Rates Outstanding	7,762,049	502,473	7,259,576
Sundry debtors	548,879	577,185	(28,305)
GST Receivable	283,964	314,688	(30,724)
Land held for sale		2,386,725	
Accrued income	230,554	426,127	(195,574)
Inventories	105,262	105,106	157
	60,974,305	48,759,312	12,214,994
<b>Less: Current Liabilities</b>			
Trade and other payables	(6,627,462)	(6,244,049)	(383,413)
Long term borrowings	(839,003)	(1,689,564)	850,562
Provisions	(5,794,963)	(5,794,963)	-
	(13,261,428)	(13,728,577)	467,149
<b>Unadjusted Net Current Assets</b>	<b>47,712,878</b>	<b>35,030,735</b>	<b>12,682,143</b>
<b>Adjustments and exclusions permitted by FM Reg 32</b>			
Add: Loan Repayments (Current)	839,003	1,689,564	(850,562)
Less: Cash - Reserves - Restricted	(24,062,199)	(29,334,823)	5,272,624
Less: Land held for sale	-	(2,386,725)	-
<b>Adjusted Net Current Assets</b>	<b>24,489,681</b>	<b>4,998,751</b>	<b>17,104,205</b>

#### SIGNIFICANT ACCOUNTING POLICIES

Please see Information attachment on significant accounting policies relating to Net Current Assets.

#### KEY INFORMATION

The amount of the adjusted net current assets at the end of the period represents the actual surplus (or deficit if the figure is a negative) as presented on the Rate Setting Statement. Prior year varies from RSS opening balance due to Contract Liability, which has been mandated by the updated accounting standards.