

# Financial Information Roads and Stormwater

## FINANCIAL SUMMARY FOR THE YEAR ENDED 30 JUNE 2011

	NOTE	ACTUAL 2011 \$000s	COUNCIL BUDGET 2011 \$000s	VARIANCE \$000s
<b>Income</b>				
Rates Income	1	16,291	15,884	407
Other Income	2	22,202	25,580	(3,378)
<b>Total Operating Income</b>		<b>38,493</b>	<b>41,464</b>	<b>(2,971)</b>
<b>Expenditure</b>				
Direct Costs	3	17,131	14,971	(2,160)
Indirect Costs	4	1,181	659	(522)
<b>Activity Expenditure</b>		<b>18,312</b>	<b>15,630</b>	<b>(2,682)</b>
Depreciation	5	14,838	14,568	(270)
Interest Payable		1,302	1,855	553
<b>Total Operating Expenditure</b>		<b>34,452</b>	<b>32,052</b>	<b>(2,400)</b>
<b>Net Operating Surplus/(Deficit)</b>		<b>4,041</b>	<b>9,412</b>	<b>(5,371)</b>
<b>Capital Statement</b>				
Net Operating Surplus		4,041	9,412	(5,371)
Loans		1,289	3,041	(1,752)
Other Funding		13,823	16,518	(2,695)
<b>Total Funding</b>		<b>19,153</b>	<b>28,971</b>	<b>(9,818)</b>
New Work	6	8,552	13,943	5,391
Renewal Works	6	10,766	14,100	3,333
Loan Repayments		0	928	928
<b>Total Capital Expenditure</b>		<b>19,318</b>	<b>28,971</b>	<b>9,652</b>
<b>NET SURPLUS/(DEFICIT)</b>		<b>(165)</b>	<b>0</b>	<b>(165)</b>

### VARIANCE TO THE ANNUAL PLAN 2010/11

1. Rates Income is showing a favourable variance of \$407k predominantly due to:
  - a. An increase in penalty rate income of \$582k
  - b. General Rates are showing an unfavourable variance of \$187k
2. Other income is showing an unfavourable variance of \$3,378k predominantly due to:
  - a. Central government subsidies are below budget by \$2,168k due to a reduced Rooding programme.
  - b. Development contribution income is below budget by \$370k due to a reduction in applications during the year.
  - c. Other income is below budget by \$785k as a result of unsettled recovery claims and reduced ferry income.
3. Direct Costs are showing an unfavourable variance of \$2,160k predominantly due to:
  - a. Expenditure on contractor & professional fees are above budget by \$1,571k due to the recovery costs associated with Cylone Wilma in January 2011.
  - b. Personnel costs have an unfavourable variance of \$132k due to changes in personnel.
4. Indirect costs are above budget \$522k due predominantly to a change in presentation for the provision of bad debts on rates penalty income. In previous years this has been netted off against income.
  - a. Increased provision for doubtful debts to offset additional income \$455k
  - b. Increase in corporate allocations \$67k
5. Depreciation is showing an unfavourable variance of \$270k.
6. Capital Expenditure is showing a favourable variance of \$9,652k predominantly due to a reduced Rooding programme, delays and transfers of projects to a future year.



## KEY CAPITAL PROJECTS

FOR THE YEAR ENDED 30 JUNE 2011

	NOTE	ACTUAL 2011 \$000s	COUNCIL BUDGET 2011 \$000s	VARIANCE \$000s
<b>New Works</b>				
Urban Stormwater		1,063	1,487	424
Roading Operations		5,261	10,950	5,689
Emergency Works		568	80	(488)
Safety Services		1,659	1,426	(233)
<b>Total New Works</b>		<b>8,552</b>	<b>13,943</b>	<b>5,391</b>
<b>Renewals</b>				
Urban Stormwater		12	300	288
Roading Operations		10,717	13,333	2,616
Ferries		36	110	74
Safety Services		2	356	354
<b>Total Renewals</b>		<b>10,766</b>	<b>14,100</b>	<b>3,333</b>

## SIGNIFICANT ACQUISITIONS OR REPLACEMENTS OF ASSETS FOR 2010/11

The Local Government Act 2002 requires Councils to provide information regarding any significant assets acquired or replaced during the year. Council's significance Policy does not specify a value but does identify the following assets as significant:

ROADING NETWORK	BUDGET 2011 \$000s	ACTUAL 2011 \$000s
<b>Rawhiti Road Sealing</b>		
Proposed seal extension	752	431
<b>Fairburn/Peria Road</b>		
Proposed seal extension	1,050	0
<b>RDF Pavement Rehabilitation</b>		
Project proposed in NZTA plan but did not proceed	709	0
<b>Sealed Road Resurfacing</b>		
Ongoing replacement of the top surface of an existing road base	2,782	3,053
<b>Unsealed Road Metalling</b>		
Renewal of metal on unsealed roads	2,930	2,936
<b>Pavement Rehabilitation</b>		
Repairing and replacing road base course and replacement of top surface	5,113	2,641
<b>Waipapa Road Widening and Waipapa Road Stage 3</b>		
Upgrade of the road width to accommodate increased traffic including cyclists	0 967	1,350 1,034
<b>Cycle-way Project</b>		
Part of the Coast to Coast cycle-way project funded by central Government	2,800	1,389

## VARIANCE TO THE ANNUAL PLAN 2010/11

- Rawhiti Road Sealing, Fairburn/Peria Road, RDF Pavement Rehabilitation  
This work was in the original New Zealand Transport Agency programme but priorities and subsidy approvals changed during the year and these projects were unable to proceed.
- Pavement Rehabilitation  
This work was in line with the programme and the subsidy levels agreed with New Zealand Transport Agency
- Waipapa Road Widening  
Work on this project was delayed due to the drought last year and was therefore carried forward to 2010/11 for completion
- Cycle-way Project  
This project is part of the Government funded Coast to Coast cycle-way and is fully subsidised.

