

Financial Information Roads and Footpaths



FINANCIAL SUMMARY FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	ACTUAL 2013 \$000s	COUNCIL BUDGET 2013 \$000s	VARIANCE \$000s
Income				
Rates income (excluding targeted water supply rates)	1	15,904	15,583	321
Fees, charges & targeted water supply rates	2	685	792	(107)
Development & financial contributions	3	110	0	110
Subsidies & grants	4	14,998	15,383	(385)
Other income	5	2,256	624	1,632
Total operating income		33,953	32,383	1,570
Expenditure				
Direct costs	6	12,468	13,585	1,117
Indirect costs	7	660	883	223
Activity expenditure		13,128	14,468	1,340
Depreciation	8	15,855	14,549	(1,306)
Interest payable		673	961	287
Total operating expenditure		29,656	29,977	321
Net operating surplus/(deficit)		4,297	2,405	1,892
Capital statement				
Net operating surplus		4,297	2,405	1,892
Loans		911	2,943	(2,032)
Other funding		13,809	14,462	(653)
Total funding		19,017	19,811	(794)
New work	9	6,287	6,406	119
Renewal works	9	12,095	12,795	700
Loan repayments		767	610	(157)
Total capital expenditure		19,149	19,811	662
NET SURPLUS/(DEFICIT)		(132)	0	(132)

NOTE:

A favourable variance is shown as a positive number and an unfavourable variance is shown as a negative number.

The direct and indirect budgets shown in the table do not individually agree to those published in the LTP due to a difference in allocation. The total activity expenditure, however, does agree to the total published in the LTP.

VARIANCE TO THE LONG TERM PLAN 2012/13

1. Rates income is showing a favourable variance of \$321k predominantly due to:
 - a. An increase in penalty rate income of \$1,122k; and
 - b. General rates are showing an unfavourable variance of \$808k.
2. Fees and charges are showing an unfavourable variance of \$107k predominantly due to:
 - a. A shortfall in fees associated with the ferry of \$80k;
 - b. A shortfall in rent income of \$23k.
3. Development and financial contributions are showing a favourable variance due to:
 - a. Ratepayer contributions to seal extensions of \$77k were received and were not budgeted in the LTP;
 - b. Development contribution income of \$34k was received.
4. Subsidies and grants are showing an unfavourable variance of \$385k largely due to variations in work on the Cycleway. Milestones are under review and work will continue in 2013/14.

5. Other income is showing a favourable variance of \$1,632k predominantly due to the receipt of vested assets which are not budgeted in the LTP.
6. Direct costs are showing a favourable variance of \$1,117k predominantly due to:
 - a. Expenditure on contractor & professional fees are below budget by \$1,445k;
 - b. Loss on disposal on property, plant & equipment of \$164k;
 - c. Gain on valuation of roading assets \$813k, offset against a prior loss for footpaths;
 - d. Bad debt provisions exceeded budget by \$1,013k due to increased penalty charges.
7. Indirect costs are under budget \$223k due to a decrease in corporate allocations.
8. Depreciation is showing an unfavourable variance of \$1,306k.
9. Capital expenditure is showing a favourable variance of \$819k predominantly due to a reduced roading programme

KEY CAPITAL PROJECTS

FOR THE YEAR ENDED 30 JUNE 2013

	ACTUAL 2013 \$000s	COUNCIL BUDGET 2013 \$000s	VARIANCE \$000s
New works			
Footpaths	566	434	(132)
Roading operations	2,725	5,093	2,368
Emergency works	1,727	0	(1,727)
Safety services	1,269	879	(390)
Total new works	6,287	6,406	119
Renewals			
Footpaths	172	385	213
Roading operations	11,887	11,593	(294)
Ferries	13	230	217
Safety services	23	586	563
Total renewals	12,095	12,795	700

SIGNIFICANT ACQUISITIONS OR REPLACEMENTS OF ASSETS FOR 2012/13

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 2013 \$000s	ACTUAL 2013 \$000s
Sealed road resurfacing		
Ongoing replacement of the top surface of an existing road base	3,338	2,060
Unsealed road metalling		
Renewal of metal on unsealed roads	3,047	5,345
Pavement rehabilitation		
Repairing and replacing road base course and replacement of top surface	2,844	2,049
Storm events: Roading network recovery following storm		
December 2011	0	678
July 2012	0	438
September 2012	0	548
Cycleway project		
Part of the Cycleway project being funded by Central Government	2,519	544

VARIANCE TO THE ANNUAL PLAN 2012/13

- Pavement rehabilitation, unsealed road metalling and sealed road resurfacing:
The work completed was in line with the programme and the subsidy levels agreed with NZTA. Some modifications were made to the work schedules as a result of unplanned work required as a result of damage made to the network by the increased number of logging trucks.
- Storm events – December 2011 and July/September 2012
Work on storm damage is not budgeted but is eligible for emergency works subsidy at variable rates.
- Cycleway project
This project is part of the Government funded Cycleway and is fully subsidised.