

Financial Information Roads and Stormwater

FINANCIAL SUMMARY FOR THE YEAR ENDED 30 JUNE 2012

	NOTE	ACTUAL 2012 \$000s	COUNCIL BUDGET 2012 \$000s	VARIANCE \$000s
Income				
Rates income	1	17,399	16,316	1,084
Other income	2	20,477	19,322	1,155
Total operating income		37,876	35,638	2,238
Expenditure				
Direct costs	3	22,481	14,635	(7,846)
Indirect costs	4	501	967	466
Activity expenditure		22,982	15,602	(7,380)
Depreciation	5	15,155	14,980	(175)
Interest payable		1,259	1,870	611
Total operating expenditure		39,397	32,452	(6,945)
Net operating surplus/(deficit)		(1,520)	3,186	(4,706)
Capital statement				
Net operating surplus		(1,520)	3,186	(4,706)
Loans		950	1,731	(780)
Other funding		15,594	16,610	(1,016)
Total funding		15,025	21,527	(6,502)
New work	6	4,979	5,784	805
Renewal works	6	13,005	14,429	1,424
Loan repayments		5,251	1,314	(3,937)
Total capital expenditure		23,235	21,527	(1,708)
NET SURPLUS/(DEFICIT)		(8,210)	0	(8,210)

VARIANCE TO THE ANNUAL PLAN 2011/12

1. Rates income is showing a favourable variance of \$1,084k predominantly due to:
 - a. An increase in penalty rate income of \$917k; and
 - b. General rates are showing a favourable variance of \$153k and targeted rates are showing a favourable variance of \$14k.
2. Other income is showing a favourable variance of \$1,155k predominantly due to:
 - a. Central government subsidies are above budget by \$826k largely due to emergency works resulting from weather events;
 - b. Development contribution income is below budget by \$175k due to a reduction in applications;
 - c. A specific contribution of \$120k was not received as the Waipapa roundabout project did not commence; and
 - d. Vested assets of \$616k were received and these were unbudgeted.
3. Direct costs are showing an unfavourable variance of \$7,846k predominantly due to:
 - a. Expenditure on contractor & professional fees are above budget by \$1,697k due to a series of storm events which required emergency repairs to the roading network;
 - b. Loss on disposal on property, plant & equipment of \$5,553k;
 - c. Direct allocations are under budget by \$114k;
 - d. Valuation costs, contract work annual and power expenses combined to produce a favourable variance of \$115k; and
 - e. Bad debt provisions exceeded budget by \$573k due to increased penalty charges.
4. Indirect costs are under budget \$466k due to:
 - a. Decrease in corporate allocations \$466k.
5. Depreciation is showing an unfavourable variance of \$175k.
6. Capital expenditure is showing a favourable variance of \$2,229k predominantly due to a reduced roading programme.



**KEY CAPITAL PROJECTS
FOR THE YEAR ENDED 30 JUNE 2012**

	ACTUAL 2012 \$000s	COUNCIL BUDGET 2012 \$000s	VARIANCE \$000s
New Works			
Urban stormwater	1,148	550	(598)
Roading operations	1,978	3,765	1,787
Emergency works	691	0	(691)
Safety services	1,162	1,469	307
Total new works	4,979	5,784	805
Renewals			
Urban stormwater	20	300	280
Roading operations	12,958	13,762	804
Ferries	27	0	(27)
Safety services	0	367	367
Total renewals	13,005	14,429	1,424

SIGNIFICANT ACQUISITIONS OR REPLACEMENTS OF ASSETS FOR 2011/12

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 2012 \$000s	ACTUAL 2012 \$000s
Sealed road resurfacing		
Ongoing replacement of the top surface of an existing road base	2,782	3,893
Unsealed road metalling		
Renewal of metal on unsealed roads	2,930	3,334
Pavement rehabilitation		
Repairing and replacing road base course and replacement of top surface	5,113	2,969
January 2011 storm event		
Roading network recovery following storm	0	691
Cycleway project		
Part of the cycleway project being funded by central government	2,000	825

VARIANCE TO THE ANNUAL PLAN 2011/12

- Pavement rehabilitation
This work was in line with the programme and the subsidy levels agreed with NZTA.
- January 2011 storm event
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.

