

Environmental Management Group Financial Information

Financial Summary

FOR THE YEAR ENDED 30 JUNE 2014

	NOTE	ACTUAL 2014 \$000s	COUNCIL BUDGET 2014 \$000s	VARIANCE \$000s
INCOME				
Rates income (excluding targeted water supply rates)	1	7,273	6,617	655
Fees, charges & targeted water supply rates	2	3,473	3,162	311
Other income		163	0	163
Total Operating Income		10,909	9,780	1,129
EXPENDITURE				
Direct costs	3	12,148	8,695	(3,453)
Indirect costs	4	673	819	146
Activity Expenditure		12,821	9,514	(3,307)
Depreciation		52	145	93
Interest expense		22	121	99
Total Operating Expenditure		12,895	9,780	(3,115)
Net Operating Surplus/(Deficit)		(1,986)	0	(1,986)
CAPITAL STATEMENT				
Net operating surplus		(1,986)	0	(1,986)
Other funding		23	26	(3)
Total Funding		(1,963)	26	(1,989)
New works		3	0	(3)
Loan repayments		23	26	3
Total Capital Expenditure		26	26	0
NET SURPLUS/(DEFICIT)		(1,989)	0	(1,989)

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 Annual Plan 2013/14

- Rates Income is showing a favourable variance due to:
 - An increase in penalty rate income of \$476k; and
 - An increase in general rate income of \$179k.
- Fees and charges are showing a favourable variance of \$311k predominantly due to:
 - Regulatory service fees & charges are ahead of budget by \$332k as a result of increased consent values;
 - PIM's are showing an unfavourable variance of \$106k;
 - Other income of \$163k is due to a recoveries against weathertight homes claims.
- Direct Costs are showing an unfavourable variance of \$3,453k predominantly due to:
 - Settlement of weathertight home claims that were unbudgeted \$3,575k;
 - Salaries are showing a favourable variance of \$303k;
 - Bad debt provisions exceeded budget by \$538k due to increased penalty charges.
- Indirect costs are below budget \$146k due to a decrease in corporate allocations.