

Roading and Footpaths 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	16,219	15,700	519
Fees, charges & targeted water supply rates	2	652	731	(79)
Development & financial contributions	3	245	0	245
Subsidies & grants	4	14,838	14,157	681
Other income	5	689	644	45
Total operating income		32,643	31,232	1,411
EXPENDITURE				
Direct costs	6	22,345	13,394	(8,951)
Indirect costs	7	618	700	82
Activity expenditure		22,963	14,094	(8,869)
Depreciation		15,877	15,907	31
Interest expense		700	872	172
Total operating expenditure		39,540	30,875	(8,666)
Net operating surplus/(deficit)		(6,897)	357	(7,254)
CAPITAL STATEMENT				
Net operating surplus		(6,897)	357	(7,254)
Loans		1,435	1,385	50
Other funding		19,111	16,052	3,059
Total funding		13,649	17,795	(4,145)
New work	8	3,884	3,637	(247)
Renewal works	8	12,113	13,464	1,351
Loan repayments		816	694	(122)
Total capital expenditure		16,813	17,795	982
NET SURPLUS/(DEFICIT)		(3,164)	0	(3,164)

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

1. Rates income is showing a favourable variance of \$519k predominantly due to:
 - a. An increase in penalty rate income of \$1,221k; and
 - b. General rates are showing an unfavourable variance of \$702k.
2. Fees and charges are showing a unfavourable variance of \$79k predominantly due to:
 - a. A shortfall in fees associated with the ferry of \$53k;
 - b. A shortfall in rent income of \$24k.
3. Development and financial contributions are showing a favourable variance due to:
 - a. Development contribution income of \$244k was received.
4. Subsidies and grants are showing a favourable variance of \$681k largely due to:
 - a. Increased operational subsidy of \$535k relating to emergency works \$355k and ferry operations \$157k
 - b. Increased new works subsidy of \$380k. This is a combination of increased subsidy for the cycleway \$876, increased subsidy for emergency works \$292k and decreased subsidy for roading network projects of \$798k
5. Other income is showing a favourable variance of \$45k predominantly due to increased petrol tax income.
6. Direct costs are showing a unfavourable variance of \$8,951k predominantly due to:
 - a. Salary related costs have exceeded budget by \$56k due to a change in allocation of time for the cycleway and the payment of outstanding leave balances upon resignation of staff;
 - b. Expenditure on external services is showing an unfavourable variance of \$1,386k predominantly due to increased expenditure on network maintenance;
 - c. Expenditure on contract work annual is showing an unfavourable variance of \$97k due to increased ferry costs;
 - d. The roading professional services unit under recovered \$105k against budget
 - e. Loss on disposal on property, plant & equipment of \$1,795k;
 - f. Loss on valuation of land under roading assets \$4,458k;
 - g. Bad debt provisions exceeded budget by \$1,078k due to increased penalty charges.
7. Indirect costs are under budget \$82k due to a decrease in corporate allocations.
8. Capital expenditure is showing a favourable variance of \$982k predominantly due to a reduced roading programme.

Key Capital Projects

FOR THE YEAR ENDED 30 JUNE 2014

	ACTUAL 2014 \$000s	COUNCIL BUDGET 2014 \$000s	VARIANCE \$000s
NEW WORKS			
Footpaths	418	525	107
Roading operations	2,852	2,584	(268)
Emergency works	51	0	(51)
Ferries	158	0	(158)
Roads	57	44	(13)
Safety services	350	485	135
Total new works	3,884	3,637	(247)
RENEWALS			
Footpaths	192	491	299
Roading operations	11,007	12,550	1,543
Emergency works	32	0	(32)
Ferries	13	100	87
Safety services	869	323	(546)
Total renewals	12,113	13,464	1,351

Significant Acquisitions or Replacements of Assets for 2013/14

The Local Government Act 2002 requires councils to provide information regarding any significant assets acquired or replaced during the year.

	BUDGET 2014 \$000s	ACTUAL 2014 \$000s
ROADING NETWORK		
Sealed road resurfacing - Ongoing replacement of the top surface of an existing road base	3,471	3,197
Unsealed road metalling - Renewal of metal on unsealed roads	3,169	3,764
Pavement rehabilitation - Repairing and replacing road base course and replacing top surface	3,588	2,361
Footpath renewals	492	192

Variance To The Annual Plan 2013/14

- 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.
- Footpath renewals – a range of footpath projects were not completed during the year. These were all small value projects across all three wards.