



Cook Islands Government

Quarterly Financial Report

June 2014

Prepared by the Ministry of Finance and Economic Management
www.mfem.gov.ck

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Introduction

The June 2014 Quarterly Financial Report contains more information than the previous quarters as it intends to capture financial information for the whole of the 2013/14 financial year.

The Ministry of Finance and Economic Management provides this information to inform the public on the general state of the Crown's finances as at the end of the 2013/14 financial year. It is not intended to be a replacement for the final 2013/14 audited accounts.

Key Points

It should be noted that the figures contained within the Quarterly Financial Report are unaudited and are subject to change. The net operating balance of the General Government Sector as at 30 June 2014 was a surplus of \$5.0 million.

- Operating revenue was \$119.1 million; and
- Operating expenditure was \$114.1 million.

The overall fiscal balance which excludes depreciation, but includes capital was a deficit of \$3.6 million which incorporated activities financed through the ADB-ERSP loan and the China loan.

Table 1
Net Operating Balance General Government – June 2014

2012/13 Actual ('000)		2013/14 Budget ('000)	2013/14 Actual ('000)	Variance	
				('000)	%
115,125	Operating Revenue	120,505	119,141	(1,364)	(1)
107,205	Operating Expenditure	117,753	114,127	(3,625)	(3)
7,919	Net Operating Balance	2,752	5,013	2,262	82

Table 2
Fiscal Balance of General Government – June 2014

2012/13 Actual ('000)		2013/14 Budget ('000)	2013/14 Actual ('000)	Variance	
				('000)	%
7,919	Net Operating Balance	2,752	5,013	2,262	82
2,648	Add Crown Depreciation	5,070	2,156	(2,914)	(57)
13,506	Less Capital Expenditure	9,371	10,804	1,433	15
(2,939)	Fiscal Balance	(1,550)	(3,635)	2,085	(135)

Total revenue collections for 2013/14 were lower than the Budget estimate and were mainly attributable to lower than estimated tax revenues for reasons detailed in the General Government Revenue Analysis section.

Total operating expenses for 2013/14 were lower than the Budget estimate and are largely attributed to lower expenditure the TOA profit guarantee (14 per cent) and lower levels of spending by agencies (2 per cent).

Note that all 2013/14 Budget figures are based on the original budget passed by Parliament in June 2013. In some cases, expenditures were incurred as a result of Executive Council Orders.

Summary of the Financial Position of the General Government

The net operating surplus of the General Government sector for 2013/14 was \$5.0 million, representing an increase of \$2.3 million on the 2013/14 Budget estimates.

Overall, revenue was \$1.4 million lower than the 2013/14 Budget estimates and operating expenditure was lower by \$3.6 million than the 2013/14 Budget estimates.

This statement has been prepared on an accruals basis as far as practical and outlines income and expenses incurred which may not been necessarily received or paid.

Table 3
Net Operating Balance as at 30 June 2014

2012/13 Actual ('000)		2013/14 Budget ('000)	2013/14 Actual ('000)	Variance ('000)
<u>Operating Revenue</u>				
97,005	Taxation Revenue	99,653	97,174	(2,479)
8,994	Other Crown Receipts	9,092	8,757	(335)
5,880	Trading Revenue	5,452	6,357	905
-	EU Budget Support	1,600	1,564	(36)
37	Interest on Loans to Subsidiaries	335	707	372
1,167	Dividends	2,561	2,484	(77)
2,042	Interest on Funds	1,812	2,098	286
115,125	Total Operating Revenue	120,505	119,141	(1,364)
<u>Operating Expenditure</u>				
60,160	Ministry Expenditure Outputs	63,519	63,805	(286)
37,944	Payments on Behalf of the Crown	43,229	42,140	1,089
2,150	Airport Authority	2,048	2,048	-
182	Bank of Cook Islands	181	146	35
350	Te Aponga Uira	350	249	101
200	Ports Authority	-	-	-
1,800	Asset Management	1,800	1,800	-
164	Contingency Funds - Operating Crown Infrastructure	100	309	(209)
3,478	Depreciation	5,070	2,156	2,914
-	ADB Share Capital	27	23	4
770	Debt Service Interest	1,429	1,441	(12)
8	Bank Fees	-	11	(11)
107,205	Total Operating Expenditure	117,753	114,127	(3,625)
7,919	Net Operating Balance	2,752	5,013	2,262

<u>Key Balance Sheet Items in General Government:</u>	
Cash and Equivalents	53,850
Committed Cash	(37,781)
Net Cash Reserve	16,069
Gross General Government Borrowings	90,851
Net General Government Borrowings	47,652

The gross borrowings by the Crown was \$90.9 million, net borrowings by the General Government Sector (excluding loan reserves and borrowings by SOEs) was \$47.7 million. The net cash reserve which is essentially unencumbered decreased to \$16.1 million since last quarter.

General Government Revenue Analysis

General Government sector revenue as at 30 June 2014 was lower than the Budget estimate by \$1.4 million or 1 per cent. This was mainly attributed to tax revenues and other crown revenues not performing to budget for respective reasons detailed below.

Table 4

General Government Revenue Summary – June 2014 YTD

2012-13 Actual ('000)		2013-14 Budget ('000)	2013-14 Actual ('000)	Variance	
				('000)	%
38,074	Value-added Tax	39,095	42,365	3,270	8
24,934	Income Tax	27,734	22,442	(5,292)	(19)
11,342	Company Tax	10,812	11,781	969	9
15,053	Import Levies	13,207	11,999	(1,208)	(9)
1,501	Withholding Tax	600	966	366	61
6,101	Departure Tax	8,205	7,621	(584)	(7)
5,880	Trading Revenue	5,452	6,357	905	17
-	EU Budget Support	1,600	1,564	(36)	(2)
12,240	Other Revenue	13,800	14,046	246	2
115,125	Total Revenue	120,505	119,141	(1,364)	(1)

Value Added Tax

Actual VAT revenue collected in 2013/14 was \$3.3 million above the final 2013/14 Budget estimate (8 per cent) due to the increase in the rate of VAT from 12.5% to 15% from 1 April 2014 and the increase in commercial activity.

Income Tax

Actual Income tax collected in 2013/14 was \$5.3 million below the final 2013/14 Budget estimate (-19 per cent) due to the reduction in personal tax rates on 1 January 2014 and lower than expected income growth.

Company Tax

Actual Company tax collected in 2013/14 was \$0.9 million above the final 2013/14 Budget estimate (9 per cent). Improved efforts in tax collection compliance are believed to be assisting in the performance of this tax type.

Import Levies

Actual Import levies collected in 2013/14 were \$1.2 million below the final 2013/14 Budget estimate (-9 per cent). The bulk importing of tobacco products by big importers in June 2013 (prior to the increase in levies on 1 July 2013) is believed to be attributable to the decrease in levies received this year.

Withholding Tax

Actual Withholding tax collections were \$0.4 million above the final 2013/14 Budget estimate (61 per cent) due to extra tax collected as a result of audits by RMD.

Departure Tax

Departure tax collections were \$0.6 million below the final 2013/14 Budget estimate (-7 per cent). The decrease is attributable to slower than expected growth in tourism arrivals for 2013/14.

Trading Revenue

This will be discussed in the next section (Appropriation Analysis).

Other Crown Revenue

Other Crown Revenue was \$0.2 million above the final 2013/14 Budget estimate (2 per cent). This is predominantly due to the increase collection of Fishing Catch Revenue (69 per cent) as a result of increased revenue collected from the operators who wish to purchase unutilised quota from within the total allowable catches (TACs).

Table 5

General Government Other Revenue Summary - June 2014 YTD

2012-13 Actual ('000)		2013-14 Budget ('000)	2013-14 Actual ('000)	Variance ('000)	%
279	FSC Fees	290	303	13	4
528	Immigration Fees	968	663	(305)	(32)
76	Court Services	40	51	11	28
39	Instant Fines	65	34	(31)	(48)
2,777	Fishing Licences	2,440	2,049	(391)	(16)
-	Fisheries Catch Rev	1,700	2,877	1,177	69
1,419	Fisheries US Treaties	750	577	(173)	(23)
-	Research Fees	1	1	-	-
-	Permits	66	15	(51)	(77)
-	Banana Court -Dividends	10	10	-	-
311	BCI -Dividends	466	429	(37)	(8)
724	Te Aponga Uira-Dividends	875	875	-	-
-	Extraordinary SOE-Dividends	60	20	(40)	(67)
1,167	Telecom-Dividends	1,150	1,150	-	-
351	Numismatic Revenue	450	274	(176)	(39)
557	Drivers Licenses	700	447	(253)	(36)
764	Motor Vehicle Registrations	675	382	(293)	(43)
2,042	Interest on balances	1,812	2,098	286	16
37	Interest on loans to subsidiaries	335	707	372	111
16	Foreign Investment Fees	21	28	7	33
356	Upper Air Management Agreement	476	460	(16)	(3)
70	Shipping Reg/Licenses	107	56	(51)	(48)
15	Intl Shipping Licenses	15	10	(5)	(33)
26	Liquor Licensing	26	31	5	19
142	Tattslotto Grants	137	142	5	4
8	Censorship Fees	10	6	(4)	(40)
230	Circulating Currency- Coins	75	264	189	252
23	Employers Liability	75	14	(61)	(81)
-	Motor Vehicle Dealers	5	7	2	40
-	IMO Subscription - Maritime CI	-	66	66	100
283	Other Misc Revenue	-	-	-	-
12,240		13,800	14,046	246	2

Figure 1
General Government Revenue – 2012/13 Actual and 2013/14 Budget and Actual (\$000)

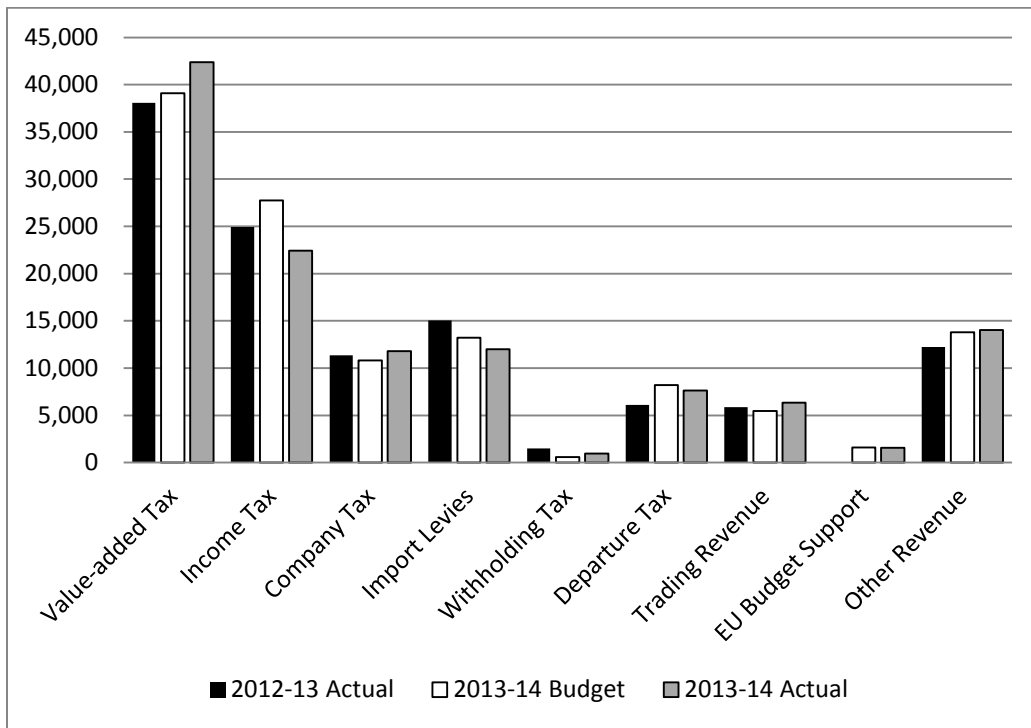
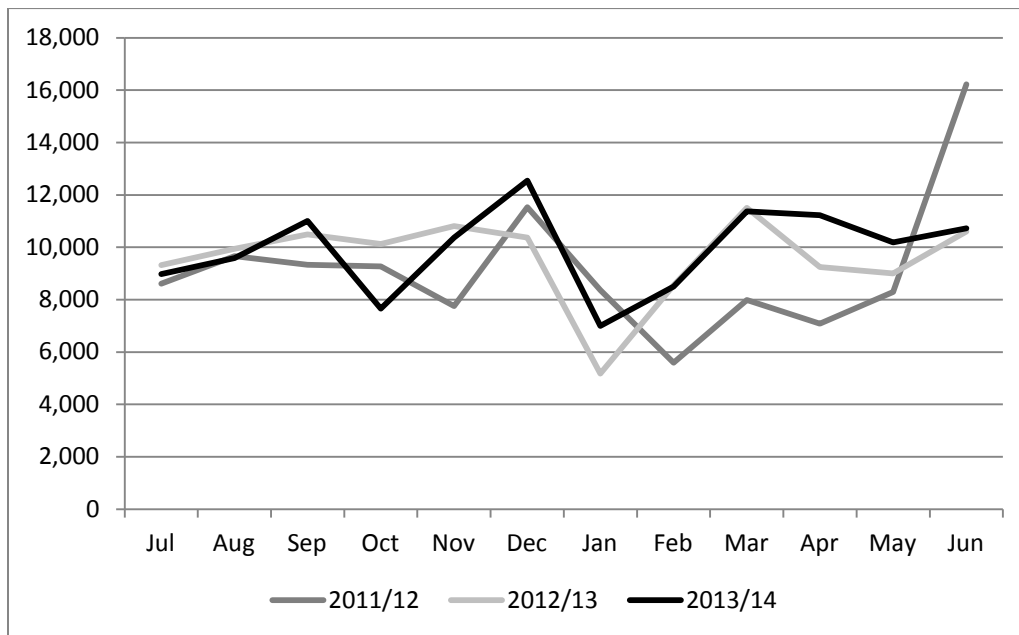


Figure 2
Net Operating Revenue Trends

Figure 2 demonstrate the trends over the previous two financial years of operating revenue.



General Government Expenditure Analysis

Payments on Behalf of Crown (POBOCs)

Table 6

Payments on Behalf of Crown – 2013/14

2012/13 Actual ('000)		2013/14 Budget ('000)	2013/14 Actual ('000)	Variance ('000)	%
9,454	Air New Zealand Underwrite	12,600	11,102	1,498	12
1,449	Apex (Toa) Profit Support	1,500	1,294	206	14
12,555	Welfare Payment	13,584	14,430	(846)	(6)
195	Social Responsibility Fund	195	185	10	5
2,429	Civil List	2,324	2,350	(26)	(1)
11,862	Other POBOCs	13,026	12,779	247	2
37,944	Total POBOCs	43,229	42,140	1,089	3

The overall savings in POBOC expenditure (3 per cent) was mainly attributed to the Air New Zealand underwrite of the Sydney (\$4.856 million) and Los Angeles (\$6.246 million) routes.

Welfare payments were above budget by 6 per cent as a result of the accrual of taxes on local old age pensions.

Table 7

Welfare Payments for 2013/14

2012/13 Actual ('000)		2013/14 Budget ('000)	2013/14 Actual ('000)	Variance ('000)	%
Legislated Payments					
2,507	Child Benefit	2,570	2,651	(80)	(3)
292	New Born Allowance	310	235	75	24
8,268	Old Age Pension	8,988	9,982	(994)	(11)
403	Destitute & Infirm Persons Payment	414	424	(10)	(2)
38	Maternity Leave	192	81	111	58
Non-legislated Welfare Payments					
294	Caregiver's Allowance	306	260	46	15
285	Christmas Bonus	300	280	20	7
147	Funeral Allowance	170	217	(47)	(28)
79	Power Subsidy	86	76	11	12
99	Special Assistance	100	95	5	5
143	BCI Transaction Fee	147	128	19	13
12,555	Total Welfare Payments	13,584	14,430	(846)	(6)

Other POBOCs expenditure was down against 2013/14 final Budget estimate by 2 per cent.

Appropriation Analysis

Table 8

Ministries, Agencies & Ministerial Office Appropriation Analysis – June 2014 YTD

2012/13 Actual ('000)		2013/14 Budget ('000)	2013/14 Actual ('000)	Variance ('000)	%
35,556	Personnel	39,229	38,137	1,092	3
14,542	Operating	12,870	14,364	(1,494)	(12)
1,576	Depreciation	2,797	1,956	841	30
4,721	Trading Revenue	4,292	5,061	769	18
46,953	Net Appropriation	50,604	49,396	(1,208)	(2)

There was an overall savings of 3 per cent in the net appropriations of Crown-funded agencies at the end of the 2013/14 financial year, amounting to approximately \$1.2 million. It should be noted that these variances relate to the comparison of actual expenditure against the original Budget tabled in Parliament in June 2013.

Personnel

Personnel expenditure in 2013/14 was \$1.1 million lower than the 2013/14 Budget estimate (3 per cent). The contributing factors to the budget variance were a number of vacancies which continued to exist across the public sector. The Cook Islands Audit Office (\$0.17 million), Office of the Prime Minister (\$0.77 million), Ministry of Police (\$0.14 million) and the Ministry of Foreign Affairs (\$0.17 million) were the main contributors to these savings. Twenty two ministries had personnel savings resulting from vacancies to be filled whilst ten exceeded their personnel budgets due to Cabinet Minute (13) 0278 shifting of the government pay periods from Thursday – Wednesday to Monday – Friday and the increase of the minimum wage from \$5 to \$6 from 1 April 2014 through the Employment Relations (Minimum Rate of Pay) Regulation 2014. Agencies were able in some cases to transfer funds from savings in operating expenditure to cover the over expenditure.

Operating

Operating expenditure in 2013/14 was \$1.5 million higher than the 2013/14 Budget estimate (12 per cent). The Ministry of Education (\$0.15 million), Ministry of Foreign Affairs (\$0.21 million), Ministry of Justice (\$0.11 million), Officer of the Prime Minister (\$0.75 million), Cook Islands Tourism (\$0.26 million) and Aitutaki Power (\$0.12 million) were the main contributors to the overspend. A total of twenty three ministries overspent their operating budgets.

Depreciation

Depreciation expenditure was \$0.84 million lower than the 2013/14 Budget (30 per cent). The Ministry of Health and Police continue to be the major contributors to this as a result of a large number of fixed assets which already have a zero salvage value. In total twenty six ministries had savings to budget while only six exceeded their budget due to unbudgeted donated assets. It should be noted that whilst depreciation is appropriated by Parliament these funds are not actually provided to agencies.

Trading Revenue

Trading revenue in 2013/14 was \$0.77 million higher than the 2013/14 Budget estimate (18 per cent). This was due to the higher than anticipated revenue collections by the Ministry of Finance and Economic Management (MFEM) \$0.26 million, Ministry of Health \$0.16 million, Ministry of Justice \$0.10 million and Aitutaki Power Supply \$0.04 million. Of sixteen ministries that are appropriated to collect trading revenue 9 ministries exceeded their trading revenue budgets.

Table 9**Pa Enuā (Outer Islands) Appropriation Analysis – June 2014 YTD**

2012/13 Actual		2013/14 Budget	2013/14 Actual	Variance	
('000)		('000)	('000)	('000)	%
5,159	Personnel	5,736	5,860	(124)	(2)
2,255	Operating	1,870	2,450	(580)	(31)
1,072	Depreciation	1,017	1,038	(21)	(2)
1,159	Trading Revenue	1,160	1,296	136	12
7,327	Net Appropriation	7,463	8,052	589	8

It is worth noting that a number of outer islands failed to produce a full years' financial report and as a result their numbers have been accrued on the basis of their estimated monthly cash flow requirements. These islands were Atiu (last financial report September 2013) and Rakahanga (last financial report December 2013).

Personnel

Personnel expenditure for the June 2014 quarter was \$0.12 million higher than Budget estimates (2 per cent) as a result of Cabinet Minute (13) 0278 shifting of the government pay periods from Thursday – Wednesday to Monday – Friday and the increase of the minimum wage from \$5 to \$6 from 1 April 2014 through the Employment Relations (Minimum Rate of Pay) Regulation 2014.

Operating

Operating expenditure for the June 2014 quarter was \$0.58 million higher than the Budget estimates (31 per cent). The overspending can be attributed to the bulk purchasing of fuel and oil of \$0.10 million by Aitutaki, Pukapuka, Manihiki and Mauke; and the use of Operating Funding of \$0.02 million by Aitutaki to build a shed & office for the Agriculture division. Other overspends in cleaning supplies (\$0.01 million) and Freight & Postage (\$0.02 million).

Depreciation

Depreciation expenditure was \$0.02 million higher than the June 2014 Budget (2 per cent). This overspending is mainly caused by a severely understated Budget estimate for the Island of Penrhyn of \$0.08 million.

Trading Revenue

Trading revenue in the June 2014 quarter was \$0.14 million higher than the Budget estimate (12 per cent). This was attributed to increased revenue in Aitutaki as a result of the Vaimaru Project \$0.03 million, proper power readings in Mauke \$0.05 million, the Harbour Project in Mangaia \$0.02 million and power billings in Penrhyn \$0.03 million.

Other General Government Operating Expenditure

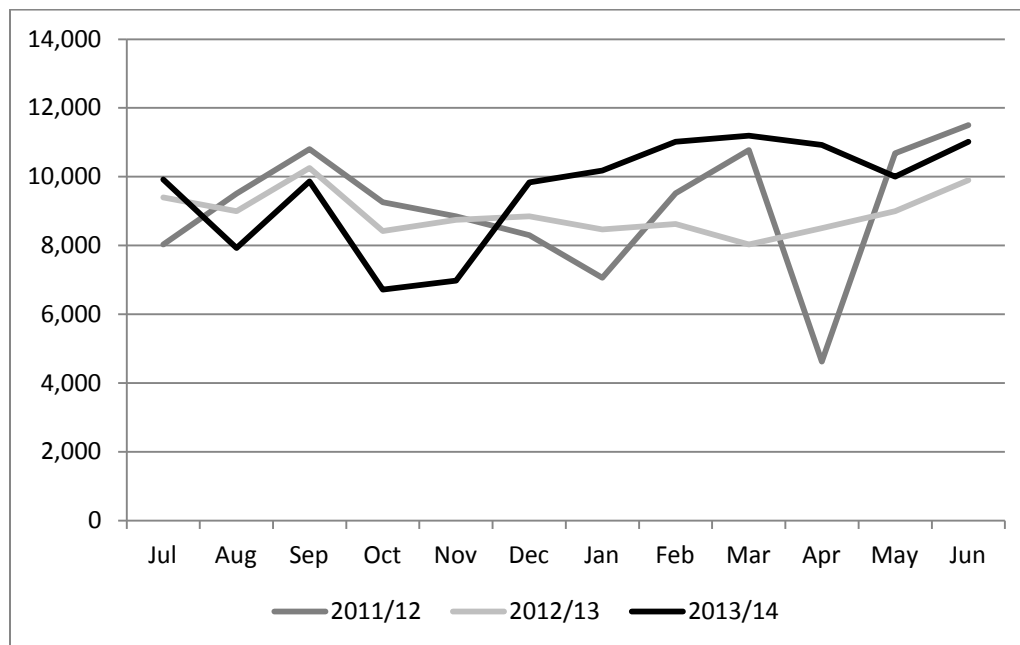
Table 10
Other General Government Operating Expenditure

2012/13 Actual ('000)		2013/14 Budget ('000)	2013/14 Actual ('000)	Variance ('000)	%
2,150	Airport Authority	2,048	2,048	-	-
181	Bank of Cook Islands	181	146	35	19
350	Te Aponga Uira	350	249	101	29
150	Ports Authority	-	-	-	-
1,800	Asset Management	1,800	1,800	-	-
770	Debt Servicing Interest	1,429	1,441	(12)	(1)
164	Contingency Funds - Operating	100	309	(209)	(209)
3,478	Crown Infrastructure Depreciation	5,070	2,156	2,914	57
-	ADB Share Capital	27	23	4	14
9,043	Total Other Operating	11,004	8,171	2,833	26

Other operating costs for the General Government sector are 26 per cent under the 2013/14 Budget. The most significant variation contributing to this is the decrease in Crown Infrastructure Depreciation as a result of lower than estimated asset transfers from agencies.

Figure 3
Net Operating Expenditure Trends

Figure 2 demonstrate the trends over the previous two financial years of operating expenditure.



State Owned Entities (SOEs) Quarterly Reporting

All SOEs are now required to report financial performance to MFEM on a quarterly basis.

The table below summarises the June 2014 quarter performances of Cook Islands Investment Corporation (CIIC), Airport Authority, the Bank of the Cook Islands, Ports Authority and Te Aponga Uira. It should be noted that the budget figures below represent the respective internal budgets of the SOEs. The appropriations approved to SOEs by Parliament are the social responsibility contributions of government.

Table 11
SOE Quarterly Reporting - June 2014

	Budget	Actual	Variance	
	('000)	('000)	('000)	%
Personnel	9,337	9,000	336	4
Operating	21,898	22,178	(279)	(1)
Depreciation	5,684	6,978	(1,294)	(23)
Trading Revenue	37,459	39,681	2,221	6
Net Activity	(541)	(1,525)	(984)	182

Personnel

Personnel expenditure for the June 2014 quarter was \$0.34 million lower than Budget estimates (-4 per cent). This was mainly due to the delayed filling of new/ vacant positions and restructuring due to staff movements at Te Aponga Uira (\$0.47 million) offset against a number of minor excesses to budget.

Operating

Operating expenditure for the June 2014 quarter was \$0.28 million higher than the Budget estimates (1 per cent). This was mainly attributed to BCI (\$0.31 million) as a result of unbudgeted costs associated with their new overseas board member and high provision for doubtful debts.

Depreciation

Depreciation expenditure was \$1.29 million higher than the June 2014 Budget (23 per cent). This was mainly driven by Te Aponga Uira's assets revaluations and the adjustment of depreciation rates (\$2.17 million).

Trading Revenue

Trading revenue in the June 2014 quarter was \$2.2 million higher than the Budget estimate (6 per cent). Te Aponga Uira reported \$1.22 million more than budget as a result of increases in energy consumption for the quarters and Airport Authority reported \$0.35 million more than budget as a result of extra flights and higher sale of concessionaires. The other SOEs reported increases against budget due to increase in commercial activity.

Crown Borrowings

The Crown's gross borrowing for the June 2014 quarter was \$90.85 million, a decrease of \$7.13 million from the March 2014 quarter. This decrease was attributable to:

- a favourable movement in exchange rates against the New Zealand Dollar (NZD) of \$7.19 million;
- further repayment of principal of \$0.84 million during the quarter;
- offset by revaluation and drawdown adjustments of \$0.90 million.

The exchange rates movement for this quarter are shown in the following table:

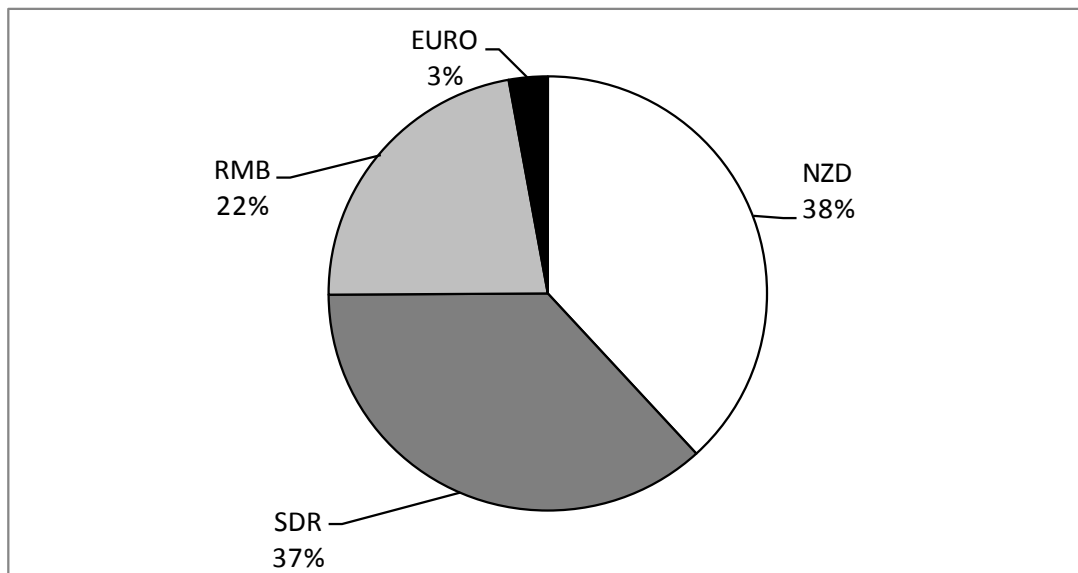
Table 12
Average Exchange Rates Used

Foreign Exchange Currency	31 March 2014 Average	30 June 2014 Average	Changes
EUR	0.6160	0.6432	0.0272
USD	0.8517	0.8776	0.0259
CNY	5.2550	5.4574	0.2024
SDR	0.5509	0.5677	0.0168

The unrealised foreign exchange gain of \$7.19 million is largely the effect of the positive movement in the Special Drawing Rights (SDR) as about 37 per cent of the total government borrowing is denominated in SDR as illustrated in Figure 4.

Net borrowings by the General Government for this quarter were \$47.65 million, a \$6.52 million decrease from the March 2014 quarter. This decrease is made up of \$5.76 million foreign exchange adjustment, \$0.76 million in principal repayment.

Figure 4
Composition of Crown Debt by Currency



Managing the exchange risk is an ongoing task for the Crown. Working closely with local banks over the global exchange rates movement to accommodate its annual debt servicing plan is paramount to the Crown.

Table 13 below summarised Crown's estimated debt position for June 2014 quarter.

Table 13
Crown Borrowings –June 2014 YTD

Loan	Source (Currency)	Original Loan Amount in Currency (‘000)	Loan Start Date	Loan Finalisation Date	March 14 Balance (‘000)	Principal Payments (‘000)	FOREX Adjustment (‘000)	Revaluation/ Draw Down Adjustments	June 14 Balance (‘000)	Change March 14 Qtr (‘000)
New Zealand GSF Loan	NZD	5,849	Nov-80	Jun-13	0	-	-	-	-	-
Caisse Francais Development Loans	EURO	5,413	Jan-99	Sep-18	2,995	(231)	(208)	-	2,556	(439)
Import-Export Bank of China	CNY	67,260	Aug-08	Aug-28	13,614	(421)	(1,663)	-	11,530	(2,084)
China - Rarotonga Water Ring Project	CNY	118,000	Dec-12	Dec-13	8,351	-	(625)	-	7,726	(625)
ADB 461 Multi Project Loan	SDR	1,000	Nov-80	Aug-20	667	-	(63)	-	604	(63)
ADB 567 01st CIDB Loan	SDR	1,500	Jul-82	Apr-22	635	-	(90)	-	545	(90)
ADB 849 2nd Multi-Project Loan	SDR	2,067	Dec-87	Aug-27	2,093	-	(192)	-	1,901	(192)
ADB 1031 TCI Loan	SDR	3,541	Oct-90	Aug-30	4,888	-	(447)	-	4,441	(447)
ADB 1155 2nd CIDB Loan	SDR	939	Mar-92	Dec-31	1,260	(33)	(112)	-	1,115	(145)
ADB 1171 TCI Emergency Loan	SDR	291	Aug-92	Jun-32	433	(11)	(39)	-	383	(50)
ADB 1309 Pearl Loan	SDR	336	Dec-94	Aug-34	462	-	(41)	-	421	(41)
ADB 1317 Education Loan	SDR	1,836	Feb-95	Aug-34	2,820	-	(254)	-	2,566	(254)
ADB 1380 3rd CIDB Loan	SDR	1,538	Jan-96	Sep-35	2,334	-	(210)	-	2,124	(210)
ADB 1466 Economic Restructuring Loan	SDR	3,430	Sep-96	Sep-36	5,155	-	(463)	-	4,692	(463)
ADB 1588 Cyclone Emergency Rehab Loan	SDR	1,895	Jun-05	Jun-45	863	-	(77)	-	786	(77)
ADB 1832 Waste Management Loan	SDR	1,695	Dec-01	Jun-33	2,486	(60)	(222)	-	2,204	(282)
ADB 2174 Cyclone Emergency Assist Loan	SDR	1,895	Jun-05	Jun-45	3,429	-	(306)	-	3,123	(306)
ADB 2472 Avatiu Port Development	NZD	10,309	Sep-09	Nov-33	10,058	(83)	-	-	9,975	(83)
ADB 2473 Avatiu Port Development	SDR	4,524	Sep-09	Nov-40	7,720	-	(671)	902	7,951	231
ADB 2739 Amend Avatiu Port Development	NZD	5,322	Dec-11	Nov-35	6,078	-	(756)	-	5,322	(756)
ADB 2946 Economic Restructuring Loan 2	NZD	7,250	Dec-12	Dec-28	7,250	-	-	-	7,250	-
ADB 2565 Economic Restructuring Loan 1	NZD	11,053	Jan-10	Oct-24	11,302	-	(751)	-	10,551	(751)
ANZ - Airport Authority	NZD	8,100	Apr-11	Apr-16	3,085	-	-	-	3,085	-
Total Gross Borrowings					97,978	(839)	(7,190)	902	90,851	(7,127)
<i>Total Loans with ADB</i>					69,933	(187)	(4,694)	902	65,954	(3,979)
<i>Total Loans with Other Sources</i>					28,045	(652)	(2,496)	-	24,897	(3,148)
Total Gross Borrowings					97,978	(839)	(7,190)	902	90,851	(7,127)
Less Loan Reserve					16,866	-	-	-	16,866	-
Net Borrowing by the Crown					81,112	(839)	(7,190)	902	73,985	(7,127)
Less Avatiu Port Development					23,856	(83)	(1,427)	902	23,248	(608)
Less ANZ - Airport Authority					3,085	-	-	-	3,085	-
Net Borrowing by the General Government					54,171	(756)	(5,763)	-	47,652	(6,519)

General Government Cash Reserves

General government cash reserves at the June 2014 quarter were \$16.07 million, decrease of \$4.43 million from the March 2014 quarter resulting from increased outward cashflow payments for general government expenses.

Table 14
Cash Reserves – June 2014 YTD

	Dec 13 Qtr ('000)	March 14 Qtr ('000)	June 14 Qtr ('000)	Change March 14 Qtr ('000)
Total Term Deposit at the Bank				
Westpac	3,120	3,126	3,151	25
ANZ	35,374	33,119	28,641	(4,478)
ANZ - ADB USD 10 million	3,907	3,920	3,930	10
BCI	17,752	18,010	18,128	118
Total Term Deposit at the Bank	60,153	58,175	53,850	(4,325)
Committed:				
Trust Fund General Reserve	2,911	2,911	2,911	
Disaster Response Trust ¹	468	468	536	68
Loan Reserve Fund ²	19,076	16,866	16,866	
ADB Economic Recovery loan - Project pending ³	11,157	11,170	11,180	10
Trust Account Deposit ⁴	2,766	2,766	2,788	22
Carry Forward Contingency – OPEX ⁵	500	500	500	-
Working Capital ⁶	3,000	3,000	3,000	-
Total Commitment for this year	39,878	37,681	37,781	100
Estimated General Cash Reserve	20,275	20,494	16,069	(4,425)

* - This does not include cash balances on the Ministry Operating Bank Accounts.

¹ Disaster Response Trust – funds set aside for emergency response in the event of disasters

² Loan Reserve Fund – established in 2001 to hold SOE loan repayments to the Crown

³ ADB USD 10 million loan – ADB Economic Recovery Support Program loan funds used to fund Project City

⁴ DCD NZAID Project Fund – NZ Aid project funds invested to earn interest until ready to be expended by projects

⁵ Trust Account Deposit – funds held on behalf of Land Trust and Workers Compensation Trust

⁶ Carry Forward Contingency – funds tagged for any carry forwards of operating expenditure

⁷ Working Capital – funds tagged to cover overall Government cash flow requirements

Agency Spending 2013/14

The Cook Islands Government operates a decentralized financial management system. MFEM relies on agencies to provide verifiable and accurate financial information. Agencies have submitted their unaudited financials to MFEM for 2013/14. MFEM has done initial vetting of the financials but this will only be finally undertaken when the audit process is completed.

It should be noted that Agencies are not provided with funds for depreciation. Agencies are able to transfer funds within year between personnel and operating with the authorisation of the Minister. The financial performance of a Ministry should exclude depreciation.

Table 15
Agency Expenditure - 2013/14

		Personnel	Operating	Depreciation	Gross Appro	Trading Revenue	Net Appro
Ministry of Agriculture	Budget (\$)	823	88	5	915	141	775
	Executive Order (\$)	793	88	5	885	141	745
	Actual (\$)	781	68	6	854	80	774
	Budget Variance (\$)	42	20	(1)	61	60	1
	Budget Variance (%)	5	23	(13)	7	43	0
	Exec Ord Variance (\$)	12	20	(1)	31	60	(29)
	Exec Ord Variance (%)	1	23	(13)	4	43	(4)
Cook Islands Audit Office	Budget (\$)	894	104	27	1,025	179	847
	Executive Order (\$)	844	104	27	975	179	797
	Actual (\$)	715	170	14	899	235	665
	Variance (\$)	179	(66)	12	126	(56)	182
	Variance (%)	20	(63)	47	12	(31)	21
	Exec Ord Variance (\$)	129	(66)	12	76	(56)	132
	Exec Ord Variance (%)	15	(63)	47	8	(31)	17
Business Trade and Investment Board	Budget (\$)	414	267	22	703	102	600
	Executive Order (\$)	404	267	22	693	102	590
	Actual (\$)	418	275	14	708	16	692
	Variance (\$)	(4)	(9)	7	(5)	86	(91)
	Variance (%)	(1)	(3)	33	(1)	84	(15)
	Exec Ord Variance (\$)	(14)	(9)	7	(15)	86	(101)
	Exec Ord Variance (%)	(3)	(3)	33	(2)	84	(17)
Crown Law	Budget (\$)	493	146	6	645	-	645
	Actual (\$)	500	150	6	656	-	656
	Variance (\$)	(7)	(4)	0	(11)	-	(11)
	Variance (%)	(1)	(3)	2	(2)	-	(2)
Ministry of Culture	Budget (\$)	496	254	97	847	175	672
	Actual (\$)	474	255	39	768	149	619
	Variance (\$)	22	(1)	58	79	26	53
	Variance (%)	4	(0)	60	9	15	8
Ministry of Education	Budget (\$)	9,618	1,003	341	10,962	-	10,962
	Executive Order (\$)	9,618	1,212	341	11,171	-	11,171
	Actual (\$)	9,722	1,157	387	11,266	-	11,266
	Variance (\$)	(104)	(154)	(46)	(305)	-	(305)
	Variance (%)	(1)	(15)	(14)	(3)	-	(3)
	Exec Ord Variance (\$)	(104)	55	(46)	(96)	-	(96)
	Exec Ord Variance (%)	(1)	5	(14)	(1)	-	(1)
National Environment Service	Budget (\$)	790	171	30	991	35	956
	Actual (\$)	778	191	10	978	23	955
	Variance (\$)	12	(21)	21	12	12	0
	Variance (%)	2	(12)	69	1	34	0

		Personnel	Operating	Depreciation	Gross Appro	Trading Revenue	Net Appro
Ministry of Finance and Economic Management	Budget (\$)	2,590	601	123	3,314	504	2,811
	Executive Order (\$)	2,582	626	123	3,331	504	2,828
	Actual (\$)	2,832	622	76	3,530	762	2,768
	Variance (\$)	(241)	(21)	47	(216)	(259)	43
	Variance (%)	(9)	(4)	38	(7)	(51)	2
	Exec Ord Variance (\$)	(249)	4	47	(199)	(259)	60
	Exec Ord Variance (%)	(10)	1	38	(6)	(51)	2
Financial Services Development Authority	Budget (\$)	235	179	8	422	-	422
	Actual (\$)	208	175	10	393	-	393
	Variance (\$)	27	4	(2)	29	-	29
	Variance (%)	12	2	(27)	7	-	7
Ministry of Foreign Affairs and Immigration	Budget (\$)	1,097	601	78	1,775	8	1,767
	Executive Order (\$)	1,092	646	78	1,815	20	1,795
	Actual (\$)	923	813	72	1,808	14	1,794
	Variance (\$)	173	(212)	6	(32)	(6)	(27)
	Variance (%)	16	(35)	8	(2)	(74)	(2)
	Exec Ord Variance (\$)	168	(167)	6	8	6	1
	Exec Ord Variance (%)	15	(26)	8	0	31	0
Head of State	Budget (\$)	185	34	15	234	-	234
	Actual (\$)	176	76	14	266	-	266
	Variance (\$)	10	(42)	1	(32)	-	(32)
	Variance (%)	5	(123)	5	(13)	-	(13)
Ministry of Health	Budget (\$)	8,207	1,756	812	10,775	400	10,375
	Actual (\$)	8,314	1,841	473	10,628	557	10,070
	Variance (\$)	(106)	(84)	339	148	(157)	305
	Variance (%)	(1)	(5)	42	1	(39)	3
Ministry of Infrastructure and Planning	Budget (\$)	1,509	264	233	2,006	246	1,760
	Actual (\$)	1,574	333	165	2,072	324	1,748
	Variance (\$)	(65)	(69)	68	(66)	(78)	13
	Variance (%)	(4)	(26)	29	(3)	(32)	1
Ministry of Internal Affairs	Budget (\$)	945	118	21	1,084	6	1,078
	Actual (\$)	937	131	14	1,082	10	1,072
	Variance (\$)	8	(13)	7	3	(4)	6
	Variance (%)	1	(11)	34	0	(60)	1
Ministry of Justice	Budget (\$)	1,465	407	105	1,977	468	1,509
	Actual (\$)	1,510	520	108	2,138	572	1,566
	Variance (\$)	(45)	(113)	(3)	(162)	(104)	(57)
	Variance (%)	(3)	(28)	(3)	(8)	(22)	(4)
Ministry of Marine Resources	Budget (\$)	1,096	303	57	1,456	15	1,441
	Executive Order (\$)	1,081	303	57	1,441	15	1,426
	Actual (\$)	1,074	277	34	1,385	6	1,380
	Variance (\$)	21	27	23	71	9	62
	Variance (%)	2	9	40	5	61	4
	Exec Ord Variance (\$)	6	27	23	56	9	47
	Exec Ord Variance (%)	1	9	40	4	61	3
Office of the Ombudsman	Budget (\$)	210	54	6	270	-	270
	Actual (\$)	198	65	6	268	-	268
	Variance (\$)	13	(11)	-	2	-	2
	Variance (%)	6	(21)	-	1	-	1
Parliament	Budget (\$)	473	84	25	581	8	572
	Actual (\$)	471	86	25	582	6	575
	Variance (\$)	2	(2)	0	(1)	2	(3)
	Variance (%)	0	(3)	0	(0)	26	(1)
Cook Islands Pearl Authority	Budget (\$)	208	237	21	466	-	466
	Actual (\$)	208	187	22	417	-	417
	Variance (\$)	0	50	(1)	49	-	49
	Variance (%)	0	21	(3)	11	-	11

		Personnel	Operating	Depreciation	Gross Appro	Trading Revenue	Net Appro
Police	Budget (\$)	2,911	459	219	3,588	69	3,519
	Actual (\$)	2,768	464	127	3,359	60	3,299
	Variance (\$)	143	(6)	92	229	9	220
	Variance (%)	5	(1)	42	6	13	6
Office of the Prime Minister	Budget (\$)	937	198	36	1,171	-	1,171
	Executive Order (\$)	927	198	36	1,161	-	1,161
	Actual (\$)	169	944	19	1,132	-	1,132
	Variance (\$)	768	(746)	17	38	-	38
	Variance (%)	82	(377)	46	3	-	3
	Exec Ord Variance (\$)	758	(746)	17	28	-	28
Exec Ord Variance (%)	82	(377)	46	2	-	2	
Public Service Commission	Budget (\$)	396	55	49	501	-	501
	Executive Order (\$)	388	55	49	493	-	493
	Actual (\$)	298	110	4	412	-	412
	Variance (\$)	98	(55)	45	89	-	89
	Variance (%)	25	(99)	91	18	-	18
	Exec Ord Variance (\$)	90	(55)	45	81	-	81
Exec Ord Variance (%)	23	(99)	91	16	-	16	
Tourism Cook Islands	Budget (\$)	1,427	2,709	16	4,151	-	4,151
	Executive Order (\$)	1,427	2,962	16	4,405	254	4,151
	Actual (\$)	1,395	2,971	11	4,377	253	4,124
	Variance (\$)	32	(262)	5	(225)	(253)	28
	Variance (%)	2	(10)	33	(5)	(100)	1
	Exec Ord Variance (\$)	32	(9)	5	28	1	28
Exec Ord Variance (%)	2	(0)	33	1	0	1	
Ministry of Transport	Budget (\$)	489	139	39	667	36	631
	Actual (\$)	408	200	29	636	36	600
	Variance (\$)	82	(61)	10	31	0	31
	Variance (%)	17	(44)	27	5	0	5
Aitutaki	Budget (\$)	966	449	158	1,573	48	1,525
	Actual (\$)	991	470	144	1,605	94	1,510
	Variance (\$)	(25)	(21)	14	(32)	(46)	15
	Variance (%)	(3)	(5)	9	(2)	(96)	1
Atiu	Budget (\$)	655	395	139	1,189	224	964
	Actual (\$)	668	383	127	1,178	221	956
	Variance (\$)	(13)	12	12	11	3	8
	Variance (%)	(2)	3	9	1	1	1
Mangaia	Budget (\$)	775	534	205	1,513	301	1,212
	Actual (\$)	785	603	192	1,580	324	1,257
	Variance (\$)	(10)	(70)	12	(67)	(23)	(45)
	Variance (%)	(1)	(13)	6	(4)	(7)	(4)
Manihiki	Budget (\$)	601	172	92	866	136	729
	Actual (\$)	544	194	125	863	130	733
	Variance (\$)	58	(22)	(33)	3	7	(4)
	Variance (%)	10	(13)	(36)	0	5	(1)
Mauke	Budget (\$)	616	204	81	901	114	788
	Actual (\$)	631	320	81	1,031	172	859
	Variance (\$)	(14)	(115)	0	(130)	(58)	(72)
	Variance (%)	(2)	(57)	0	(14)	(51)	(9)
Mitiaro	Budget (\$)	463	65	55	584	59	525
	Actual (\$)	464	59	39	561	69	492
	Variance (\$)	(0)	6	16	22	(10)	33
	Variance (%)	(0)	9	30	4	(18)	6
Pukapuka	Budget (\$)	700	146	141	987	74	913
	Actual (\$)	742	126	109	977	63	914
	Variance (\$)	(42)	20	32	10	11	(1)
	Variance (%)	(6)	14	23	1	15	(0)

		Personnel	Operating	Depreciation	Gross Appro	Trading Revenue	Net Appro
Penhryn	Budget (\$)	342	200	52	595	84	511
	Actual (\$)	414	155	136	704	114	590
	Variance (\$)	(71)	45	(83)	(110)	(30)	(79)
	Variance (%)	(21)	22	(159)	(18)	(36)	(16)
Palmerston	Budget (\$)	243	64	42	349	21	328
	Actual (\$)	251	63	48	362	26	336
	Variance (\$)	(7)	0.44	(6)	(13)	(5)	(8)
	Variance (%)	(3)	1	(15)	(4)	(26)	(2)
Rakahanga	Budget (\$)	372	91	53	515	99	416
	Actual (\$)	371	77	38	486	82	404
	Variance (\$)	1	13	15	29	17	12
	Variance (%)	0	15	28	6	17	3
Aitutaki Power Supply	Budget (\$)	265	1,597	349	2,211	1,901	310
	Actual (\$)	251	1,714	227	2,192	1,945	246
	Variance (\$)	14	(117)	122	20	(44)	64
	Variance (%)	5	(7)	35	1	(2)	21
Prime Minister Support Office	Budget (\$)	304	111	11	425	-	425
	Actual (\$)	320	105	9	433	-	433
	Variance (\$)	(16)	6	2	(8)	-	(8)
	Variance (%)	(5)	5	22	(2)	-	(2)
DPM Heather	Budget (\$)	132	85	6	223	-	223
	Actual (\$)	123	62	11	196	-	196
	Variance (\$)	9	23	(6)	27	-	27
	Variance (%)	7	27	(98)	12	-	12
DPM Marsters	Budget (\$)	28	9	0.47	37	-	37
	Actual (\$)	28	9	0.47	37	-	37
	Variance (\$)	-	-	-	-	-	-
	Variance (%)	-	-	-	-	-	-
Minister Brown Support Office	Budget (\$)	187	82	7	276	-	276
	Actual (\$)	175	85	7	268	-	268
	Variance (\$)	12	(4)	-	8	-	8
	Variance (%)	6	(5)	-	3	-	3
Minister Glassie Support Office	Budget (\$)	103	78	12	193	-	193
	Actual (\$)	84	92	10	187	-	187
	Variance (\$)	18	(14)	2	6	-	6
	Variance (%)	18	(17)	14	3	-	3
Minister Bishop Support Office	Budget (\$)	47	96	5	148	-	148
	Actual (\$)	47	96	5	148	-	148
	Variance (\$)	-	-	-	-	-	-
	Variance (%)	-	-	-	-	-	-
Minister Ioane Support Office	Budget (\$)	8	37	1	45	-	45
	Actual (\$)	15	17	1	32	-	32
	Variance (\$)	(7)	20	0	13	-	13
	Variance (%)	(87)	54	29	29	-	29
Minister Turepu Support Office	Budget (\$)	97	48	11	156	-	156
	Actual (\$)	99	42	3	144	-	144
	Variance (\$)	(2)	6	8	12	-	12
	Variance (%)	(0)	12	76	8	-	8
Leader of the Opposition Support Office	Budget (\$)	150	48	7	205	-	205
	Actual (\$)	147	46	0.46	194	-	194
	Variance (\$)	3	2	6	11	-	11
	Variance (%)	2	4	93	6	-	6

Capital and Development Expenditure 2013/14

A total of \$10.8 million was spent on capital during 2013/14, of this, \$7.1 million was funded by the Cook Islands Government and \$3.7 million was funded through the Asian Development Bank Economic Recovery Support Program (ADB-ERSP) Loan and China loan.

Capital expenditure funded by Government was \$1.6 million below the final 2013/14 Budget (19 per cent). This was due to a number of planned purchases not eventuating during the year as a result of delays in the tender process which has subsequently led to the carry forward of some of these capital purchases into the next financial year.

Table 16
Capital and Development Expenditure – 2013/14

MINISTRY	Budget (000)	Actual (000)	Variance (000)	%
EDUCATION				
Fund to be Prioritised by Education	110	110	-	-
Fire Damage Replacement Furniture	0	88	(88)	(100)
TOTAL	110	198	(88)	(80)
FOREIGN AFFAIRS				
Auckland Consulate Office Fit-out (Manukau)	45	36	9	19
TOTAL	45	36	9	19
HEALTH				
Fund to be Prioritised by Health for Technical Equipment	275	341	(66)	(24)
Gastro Scope Machine	-	114	(114)	(100)
Ambulance	150	36	114	76
TOTAL	425	491	(66)	(15)
INFRASTRUCTURE COOK ISLANDS (ICI)				
Bridges & Drainage	1,000	145	855	86
Road Network Maintenance	430	364	66	15
Water Network Maintenance	500	263	237	47
Manihiki Harbour	2,000	2,040	(40)	(2)
Vaimaru Water Upgrade	200	195	5	2
Rakahanga Harbour Improvement	120	-	120	100
Water Pumps	26	26	-	-
Penryhn-Feasibility Coastal Protection	20	20	-	-
Tereora/Tepuka Enviro-Flow	40	12	28	70
Pukapuka Bobcat	50	2	48	95
Mangaia Water and Roads	180	-	180	100
Climate Adaptation - Mangaia Harbour	-	70	(70)	(100)
Manihiki Generators	-	139	(139)	(100)
Mangaia Excavator	-	75	(75)	(100)
Mauke Manea Games	-	85	(85)	(100)
Capital and Equipment for Mauke Island/ Mauke Hiab Truck	-	183	(183)	(100)
Pukapuka Airport Repairs/ Upgrade	-	355	(355)	(100)
Mitiaro Airport Repairs/ Upgrade	-	97	(97)	(100)
Atiu Airport Repairs/ Upgrade	-	68	(68)	(100)
Turangi Clean-up	-	60	(60)	(100)
ICI upgrades	-	28	(28)	(100)
Education building completion	-	110	(110)	(100)
TOTAL	4,566	4,335	231	5

Aitutaki Island Council				
Fuel Storage Facility	90	-	90	100
Water Pumps (Vaipeka, Tautu, Vaipae)	26	19	7	27
Mini Transformers	96	83	13	14
TOTAL	212	102	110	52
POLICE				
Life Rafts	10	6	4	44
TOTAL	10	6	4	44
OFFICE OF THE PRIME MINISTER				
Rakahanga generator control panels and powerhouse	95	-	95	100
Atiu Power Distribution	264	41	223	85
Renewable Management Project Management and Support	150	109	41	27
Community Capital Development Fund	150	125	25	16
Mitiaro Generator, Powerhouse Relocation	280	-	280	100
TOTAL	939	275	664	71
COOK ISLANDS INVESTMENT CORPORATION				
National Education Renewal Programme	671	373	298	44
National Health Renewal Program	840	352	488	58
Renovations Cook Islands High Commission (Wellington)	53	9	44	83
Pukapuka Cyclone Centre	60	57	3	5
Nassau Machinery Shelture	80	77	3	4
Mauke Cargo Shed Improvements	50	21	29	59
Mitiaro Cargo Shed Improvements	50	49	1	1
Pa Enea Renewable Energy Projects-Land Acquisition	500	262	238	48
Orongo Development Master Plan (Ports Authority)	275	125	150	55
TOTAL	2,579	1,325	1,254	49
MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT				
Government IT Network	175	111	64	37
RMS Web Lodgement System	-	22	(22)	(100)
TOTAL	175	133	42	24
MINISTRY TOTAL				
	9,061	6,901	2,160	168
CAPITAL FUNDS ADMINISTERED BY MFEM				
Capital Distribution Fund	200	132	68	34
Outer Islands Small Capital Fund	110	91	19	17
TOTAL	310	223	87	28
TOTAL GOVERNMENT FUNDED	9,371	7,124	2,247	24
Aid Funded by Grants & Loans				
MFEM				
Rarotonga Water Tanks - ADB ERSP	-	1,746	(1,746)	(100)
Te Mato Vai - China Funded	-	23	(23)	(100)
	-	1,768	(1,768)	(100)
Infrastructure Cook Islands (ICI)				
Development of Punanga Nui Coastal Area - ADB ERSP	-	11	(11)	(100)
Project City Stage 1 - ADB ERSP	-	311	(311)	(100)
Project City Stage 2 - ADB ERSP	-	489	(489)	(100)
Project City Stage 3 - ADB ERSP	-	1,100	(1,100)	(100)
	-	1,912	(1,912)	(100)
TOTAL GRANTS & LOANS	-	3,680	(3,680)	(100)
GRAND TOTAL	9,371	10,804	1,433	15

Official Development Assistance

The Development Coordination Division (DCD) of MFEM administers all international development assistance. It is estimated that ODA accounts for 14 per cent of the national economy and 30 per cent of the national budget in 2013/14.

This chapter has been amended to incorporate the COFOG classifications required for GFS reporting purposes.

The Education Sector is funded by NZ Aid twice during the financial year. The 2nd and Last Tranche of funds were disbursed in the 3rd quarter for the full financial year.

The Economic Affairs variance relates to good spending in the Tourism Industry and the Pearl Revitalization program funded by NZ Aid. It also includes funds from the European Union for TCF PE3 and the Public Sector Reform TA and the Asset Management TA funded by ADB. However there are delays in the spending on the FAO projects.

The under expenditure in the General Public Service is due to delays in the contracting of the renewable energy installation in the Northern Cook Islands, the payment of the EU Budget Support and delays to contracting with regards to Te Mato Vai.

The Environmental Protection variance is due to 3rd party expenses under the PAC project (Mangaia Harbor) not being included in previous spends and to lesser extent expenditure on SRIC was also slower than expected (Southern Group Water Tanks).

Community Activities are over budget due to timing differences in the approval and expenditure on India Funded projects.

Health variance is due to 3rd party expenses under the WHO (TA) projects not being included in previous spends and UNFPA (HIV Aids) project was delayed as a result of contracts just being signed.

All ADB projects have now been signed off by ADB and put into "actual" for last quarter, even though they reflect the full year actual. The Public Sector Strengthening (\$900k) has been postponed until 2015 while the National Infrastructure Investment Plan project was added within the overall Public Sector TA budget. The Japan Fund for Poverty Reduction project should an over expenditure that was due to disbursement date changes, but this is within the overall budget from fund. There were also some delays with Asset Management cost and timeframes.

Table 17
ODA Expenditure 2013/2014

	General Public Service	Defence	Public Order & Safety	Economic Affairs	Environ Protection	Housing & Community Amenities	Health	Recreation, Culture & Religion	Education	Social Protection	TOTAL DONOR
<u>ADB</u>											
YTD Budget	1,818	-	-	1,475	-	-	-	-	-	683	3,975
YTD Actual	1,266	-	-	72	-	-	-	-	-	613	1,951
\$ Variance	552	-	-	1,403	-	-	-	-	-	70	2,025
% Variance	30	-	-	95	-	-	-	-	-	10	51
<u>NZAID</u>											
YTD Budget	22,974	120	-	28,421	-	-	500	-	3,364	1,500	56,879
YTD Actual	3,453	-	-	18,046	-	93	390	-	3,351	449	25,781
\$ Variance	19,521	120	-	10,375	-	(93)	110	-	12	1,051	31,097
% Variance	85	100	-	37	-	-	22	-	0	70	55
<u>UNDP</u>											
YTD Budget	-	-	-	277	2,776	40	615	-	-	-	3,708
YTD Actual	-	-	-	65	492	15	396	-	-	-	967
\$ Variance	-	-	-	212	2,284	25	219	-	-	-	2,740
% Variance	-	-	-	76	82	63	36	-	-	-	74
<u>AusAID</u>											
YTD Budget	610	-	-	-	89	-	-	-	-	137	835
YTD Actual	-	-	-	-	186	-	-	-	-	45	232
\$ Variance	610	-	-	-	(98)	-	-	-	-	91	604
% Variance	100	-	-	-	-	-	-	-	-	-	72
<u>China</u>											
YTD Budget	11,020	-	-	1,027	-	-	-	-	-	-	12,047
YTD Actual	-	-	-	-	-	-	-	-	-	-	-
\$ Variance	11,020	-	-	1,027	-	-	-	-	-	-	12,047
% Variance	100	-	-	100	-	-	-	-	-	-	100
<u>India</u>											
YTD Budget	-	-	-	-	-	150	-	-	-	-	150
YTD Actual	-	-	-	-	-	241	-	-	-	-	241
\$ Variance	-	-	-	-	-	(91)	-	-	-	-	(91)
% Variance	-	-	-	-	-	(61)	-	-	-	-	(61)

	General Public Service	Defence	Public Order & Safety	Economic Affairs	Environ Protection	Housing & Community Amenities	Health	Recreation, Culture & Religion	Education	Social Protection	TOTAL DONOR
<u>EU</u>											
YTD Budget	1,600	-	-	142	490	-	-	-	-	-	2,232
YTD Actual	1,850	-	-	97	374	-	-	-	-	-	2,321
\$ Variance	(250)	-	-	45	116	-	-	-	-	-	(89)
% Variance	(16)	-	-	32	24	-	-	-	-	-	(4)
<u>PEC (Japan)</u>											
YTD Budget	1,260	-	-	-	-	-	-	-	-	-	1,260
YTD Actual	49	-	-	-	-	-	-	-	-	-	49
\$ Variance	1,211	-	-	-	-	-	-	-	-	-	1,211
% Variance	96	-	-	-	-	-	-	-	-	-	96
<u>GEF</u>											
YTD Budget	-	-	-	57	1,354	-	195	-	-	-	1,606
YTD Actual	-	-	-	-	209	-	39	-	-	-	248
\$ Variance	-	-	-	57	1,145	-	156	-	-	-	1,358
% Variance	-	-	-	100	85	-	80	-	-	-	85
<u>UNESCO</u>											
YTD Budget	-	-	-	-	-	-	-	57	64	-	121
YTD Actual	-	-	-	-	-	-	-	51	79	-	131
\$ Variance	-	-	-	-	-	-	-	6	(16)	-	(10)
% Variance	-	-	-	-	-	-	-	10	(25)	-	(8)
<u>TOTAL</u>											
<u>COFOG</u>											
YTD Budget	39,282	120	-	31,399	4,709	190	1,310	57	3,427	2,319	82,813
YTD Actual	6,619	-	-	18,280	1,261	349	825	51	3,431	1,107	31,922
\$ Variance	32,663	120	-	13,120	3,448	(159)	485	6	(3)	1,212	50,891
% Variance	83	100	-	42	73	(84)	37	10	(0)	52	61

Glossary

Below are a list of terms which are mentioned at various points in this report and what they are for the purposes of this report:

Revenue

Revenue is measured at fair value of the consideration received or receivable.

Revenue Levied Through the Crown's Sovereign Power

Payment of tax does not of itself entitle a taxpayer to an equivalent value of services or benefits; such revenue is received through the exercise of the Crown's sovereign power. Revenue arising through taxes is recognised when the taxable event occurs and when the criteria for recognition of an asset are met.

<i>Revenue Type</i>	<i>Revenue Recognition Point</i>
Individual Income Tax	When an individual earns income that is subject to PAYE or provisional tax. This also includes withholding taxes.
Company Income Tax	When the corporate community earns taxable income.
Value Added Tax	When the liability to the Crown is incurred. For example, the liability arising from sales in June being paid in July however recognised as revenue in June.
Customs levies	When goods liable to duty are assessed, except for Oil Companies which are accounted for when the liability to the Crown is incurred.
Departure Tax	When airlines remit the departure tax component of tickets sold.
Other Revenue	When the debt to the Crown arises.

Expenses

Expenses are recognised when incurred and are reported in the financial period to which they relate.

Foreign Currencies

Transactions in foreign currencies are translated into New Zealand dollar using the exchange rate on the date of the transaction. Foreign exchange gain and losses arising from these transactions are included in the Statement of Financial Performance.

Any monetary assets and monetary liabilities held at year end are translated at the exchange rate at the balance sheet date.

Aid Expenses

Expenses are recognised when incurred on approved projects and are reported in the financial period to which they relate.

Appropriation

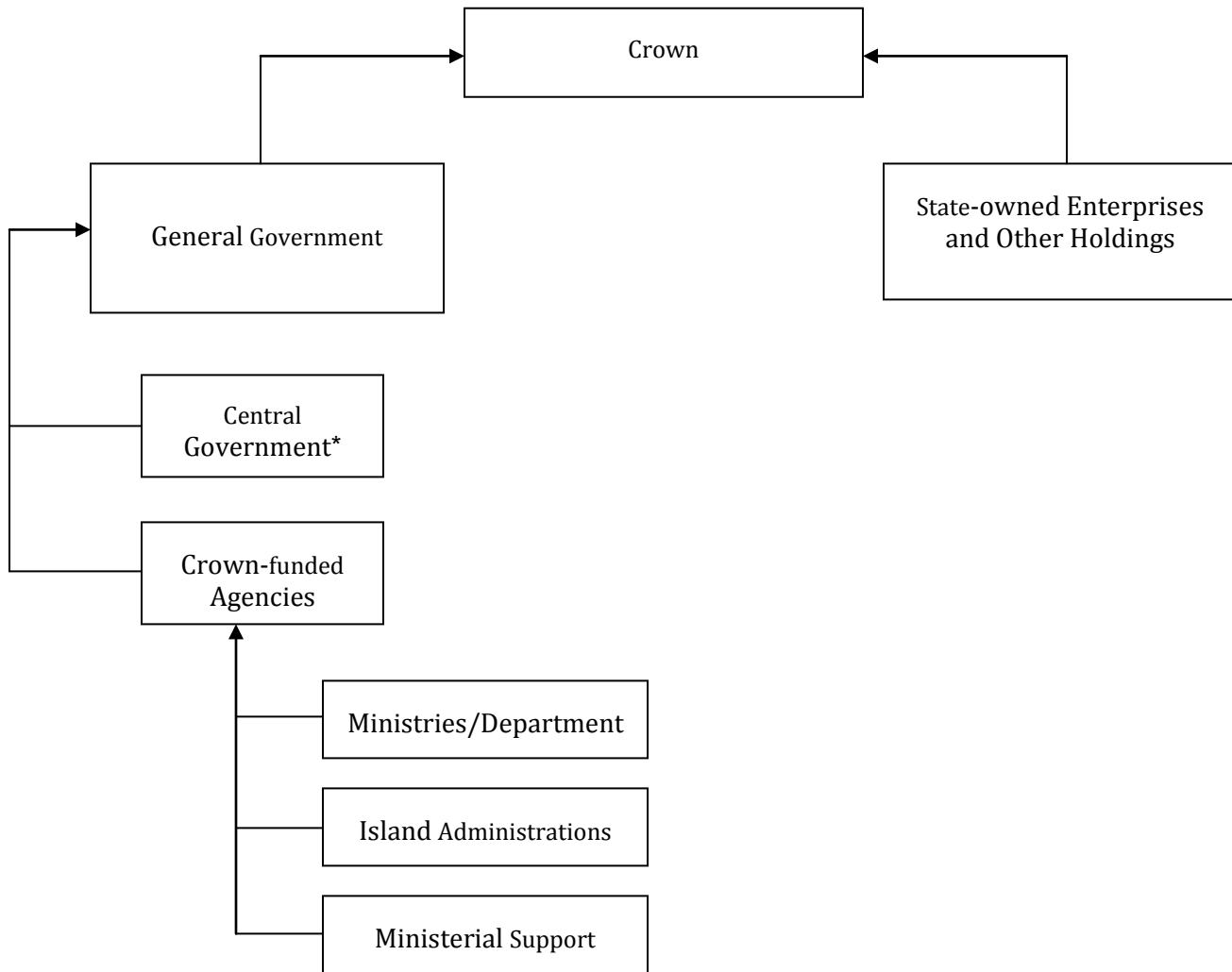
Appropriations are the funding-source provided by the Crown (as a Central Government entity) to allow the recipients (Crown-funded Agencies – see term below) to carry out their purposed operations.

Crown-funded Agencies/Agencies

These are recipients of funding via an appropriation. Crown-funded Agencies refer to ministries/departments, island administrations, and ministerial support offices.

General Government

General Government consists of Central Government and Crown-funded Agencies. It does not include State-Owned Enterprises or holdings in other entities (eg. Telecom). The diagram below shows how all relate.



* Parliament and the Head of State are included in the Central Government section