

Financial Report For the period ending 31 May 2007

Catchment Division Funding Impact Statement 11 Months Ended 31 May 2007	YTD Actual \$000	YTD Budget \$000	YTD Var \$000	FY Forecast \$000	FY Budget \$000	FY Var \$000
Rates & levies	13,692	13,692	0 U	14,937	14,937	0 U
Government grants & subsidies	0	0	0 U	0	0	0 U
External revenue	6,776	6,301	475 F	7,859	7,158	701 F
Investment revenue	440	393	47 F	428	428	0 U
Internal revenue	4,502	4,503	-1 U	5,193	5,149	44 F
TOTAL REVENUE	25,410	24,889	521 F	28,417	27,672	745 F
Personnel costs	6,322	6,291	-31 U	6,797	6,863	66 F
Materials, supplies & services	2,868	2,137	-731 U	3,163	2,408	-755 U
Travel & transport costs	400	323	-77 U	437	355	-82 U
Contractors	4,788	3,940	-848 U	5,450	4,252	-1,198 U
Consultants	1,218	888	-330 U	1,176	1,106	-70 U
Grants and subsidies	62	81	19 F	105	103	-2 U
Internal charges	4,889	4,717	-172 U	5,466	5,383	-83 U
TOTAL DIRECT EXPENDITURE	20,547	18,377	-2,170 U	22,594	20,470	-2,124 U
TOTAL INDIRECT EXPENDITURE	3,801	3,709	-92 U	4,201	4,055	-146 U
TOTAL EXPENDITURE	24,348	22,086	-2,262 U	26,795	24,525	-2,270 U
OPERATING SURPLUS/(DEFICIT)	1,062	2,803	-1,741 U	1,622	3,147	-1,525 U
Add back non cash items	975	747	228 F	1,086	823	263 F
Less capital expenditure	-2,766	-4,776	2,010 F	-4,240	-6,554	2,314 F
Less investments movements	-254	-251	-3 U	-335	-335	0 U
Less debt repayments	-1,715	-1,744	29 F	-1,885	-1,902	17 F
Plus debt additions	2,273	4,294	-2,021 U	3,100	5,643	-2,543 U
Plus reserve movements	-662	-645	-17 U	103	-775	878 F
FUNDING SURPLUS/(DEFICIT)	-1,087	428	-1,515 U	-549	47	-596 U

2. Comment

At the end of May the Division's funding position was \$1,515,000 over budget with revenue being \$521,000 above budget and operating expenditure \$2,262,000 above budget. Capital expenditure at May was \$2,010,000 below budget because of delays with several flood protection works; Chrystalls extended stopbank, Whirinaki Crescent stopbank, Ava Rail stopbank, and the Lower Wairarapa Valley Development scheme.

The forecast year-end funding deficit for BioWorks has been increased to \$585,000 (from \$335,000). The full-year forecasts for the remaining Catchment Departments have not changed significantly since the March quarterly review, although the Division is trying to reduce the projected year end deficits by as much as possible.

Significant changes in Departmental funding variances since March are as follows:

- (1) *Biosecurity funding movement \$97,000 Unfavourable*

Due to additional expenditure on Bovine Tb vector control. Expenditure and income was approximately \$0.5m above budget at May.

- (2) *BioWorks funding movement \$500,000 Unfavourable*

The BioWorks funding position has deteriorated since March as operating costs have significantly exceeded budget on some control contracts.

- (3) *Land Management funding movement \$28,000 Favourable*

Small improvement in funding since March due to the timing of work programmes.

- (4) *Flood Protection funding movement \$17,000 Favourable*

The year-end position remains favourable once the reserve drawdowns are made to cover the flood damage costs.

Stephen Hill
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