

## Financial Report

### For the period ending 31 March 2008

<b>Catchment Division Funding Impact Statement 9 Months Ended 31 March 2008</b>	<b>YTD Actual \$000</b>	<b>YTD Budget \$000</b>	<b>YTD Var \$000</b>	<b>FY Forecast \$000</b>	<b>FY Budget \$000</b>	<b>FY Var \$000</b>
Rates & levies	11,852	11,852	0 U	15,803	15,803	0 U
Government grants & subsidies	0	0	0 U	0	0	0 U
External revenue	4,175	5,221	-1,046 U	6,124	7,647	-1,523 U
	224	281	-57 U	375	375	-0 U
	143	134	9 F	178	178	0 U
Investment revenue	367	415	-48 U	553	553	0 U
Internal revenue	2,851	3,158	-307 U	4,177	4,890	-713 U
<b>TOTAL REVENUE</b>	<b>19,245</b>	<b>20,646</b>	<b>-1,401 U</b>	<b>26,657</b>	<b>28,893</b>	<b>-2,236 U</b>
Personnel costs	4,650	5,444	794 F	6,263	7,248	985 F
Materials, supplies & services	1,585	1,960	375 F	2,239	2,556	317 F
Travel & transport costs	265	286	21 F	376	383	7 F
Contractors	2,741	3,429	688 F	4,419	4,407	-12 U
Consultants	949	747	-202 U	1,217	1,258	41 F
Grants and subsidies	57	78	21 F	76	103	27 F
Internal charges	3,090	3,365	275 F	4,384	5,096	712 F
<b>TOTAL DIRECT EXPENDITURE</b>	<b>13,337</b>	<b>15,309</b>	<b>1,972 F</b>	<b>18,974</b>	<b>21,051</b>	<b>2,077 F</b>
<b>TOTAL INDIRECT EXPENDITURE</b>	<b>3,620</b>	<b>3,556</b>	<b>-64 U</b>	<b>4,740</b>	<b>4,781</b>	<b>41 F</b>
<b>TOTAL EXPENDITURE</b>	<b>16,957</b>	<b>18,865</b>	<b>1,908 F</b>	<b>23,714</b>	<b>25,832</b>	<b>2,118 F</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>2,288</b>	<b>1,781</b>	<b>507 F</b>	<b>2,943</b>	<b>3,061</b>	<b>-118 U</b>
Add back non cash items	898	772	126 F	1,085	1,068	17 F
Less capital expenditure	-4,908	-5,018	110 F	-6,480	-7,689	1,209 F
Less investments movements	-292	-284	-8 U	-378	-378	0 U
Less debt repayments	-1,483	-1,502	19 F	-1,982	-2,002	20 F
Plus debt additions	4,285	4,493	-208 U	5,590	6,777	-1,187 U
Plus reserve movements	-458	-652	194 F	-807	-786	-21 U
<b>FUNDING SURPLUS/(DEFICIT)</b>	<b>330</b>	<b>-410</b>	<b>740 F</b>	<b>-29</b>	<b>51</b>	<b>-80 U</b>

The Division's funding position at the end of March was \$740,000 favourable due to the timing of flood protection programmes, bovine Tb contracts, and some flood reserve transfers that will be processed at June 2008. Total revenue was \$1,401,000 below budget and total operating expenditure \$1,972,000 below budget.

Western Flood Protection maintenance work is expected to track closer to budget by the end of the financial year. Progress on the 2007/08 bovine Tb programme has improved significantly during the March quarter and most operations are now expected to be completed within approved timeframes.

Capital expenditure was \$110,000 below budget at the close of March. The full year CAPEX position is expected to be \$1.2m under budget due to construction savings on the Chrystalls extended stopbank project, land acquisition delaying the South Waitohu stopbank project, and timing of the commencement of flood improvement works in the Waiwhetu project.

The year end forecast for the Catchment Division is for a small funding deficit assuming completion of work programmes, in particular in Flood Protection. All departments will closely review expenditure to year end with the aim of reducing the forecast Divisional deficit.