



Report 05.468
Date 2 September 2005
File WS/08/05/01

Committee Rural Services and Wairarapa
Author Stephen Hill, Divisional Accountant

Financial Report for the Twelve Months to 30 June 2005

1. Purpose

To inform the Committee of the Wairarapa Division's financial performance to budget for the last financial year.

2. Financial Performance

Wairarapa Division Financial Performance Statement 12 Months Ended 30 June 2005	FY Actual \$ 000	FY Budget \$ 000	FY Var \$ 000	
Rates & Levies	9,083	9,084	(0)	U
Government Grants & Subsidies	7	0	7	F
External Revenue	7,938	9,454	(1,516)	U
Investment Revenue	134	112	22	F
Internal Revenue	5,369	5,473	(103)	U
TOTAL INCOME	22,532	24,122	(1,590)	U
<i>less:</i>				
Personnel Costs	6,078	6,328	250	F
Materials, Supplies & Services	1,841	1,879	38	F
Travel & Transport Costs	305	313	8	F
Contractor & Consultants	6,106	7,446	1,340	F
Grants and Subsidies Expenditure	20	85	65	F
Internal Charges	5,778	5,884	106	F
Total Direct Expenditure	20,127	21,935	1,807	F
Financial Costs	736	729	(7)	U
Bad Debts	(4)	0	4	F
Corporate & Department Overheads	1,062	1,062	0	F
Depreciation	462	519	57	F
Loss (Gain) on Sale of Assets	173	(79)	(251)	U
TOTAL EXPENDITURE	22,556	24,166	1,610	F
OPERATING SURPLUS/(DEFICIT)	(24)	(44)	20	F
Funding Statement 12 Months Ended 30 June 2005				
Operating Surplus (Deficit)	(24)	(44)	20	F
Add Back Depreciation	462	519	(57)	U
Book (Gain)/Loss on Sale of Assets	173	(79)	251	F
Funds from Operations	611	396	214	F
Asset Disposals	62	79	(17)	U
New Loans	1,199	1,291	(92)	U
Transfer from Reserves	1,438	645	794	F
TOTAL FUNDS RECEIVED	3,310	2,410	900	F
<i>less:</i>				
Asset Acquisitions	510	502	(8)	U
Capital Projects	922	590	(332)	U
Investment Additions	269	197	(72)	U
Loan/Debenture Repayments	570	573	4	F
Reserve Interest Received	92	75	(17)	U
Transfer to Reserves	1,765	349	(1,416)	U
TOTAL FUNDS APPLIED	4,127	2,285	(1,841)	U
NET FUNDS SURPLUS (DEFICIT)	(817)	125	(942)	U

3. Comment

Total revenue for the year was \$1,590,000 below budget and total operating expenditure was \$1,610,000 below budget; a favourable variation of \$20,000.

At the end of June the Division's funding position was \$942,000 over budget, principally because of the \$880,000 contribution to the Flood Contingency Reserve from the Council surplus at year end. All of the appropriate accounting entry was placed against the Division.

Net capital expenditure at June was \$357,000 over budget due to the development of new flood protection measures for River Schemes as part of the flood damage repair work undertaken during the year.

Significant components of this favourable variance are as follows:

(1) *Land & River Operations \$1,060,000 Unfavourable*

River Management was \$946,000 unfavourable largely because of the \$880,000 flood contingency contribution referred to above.

(2) *Biosecurity \$100,000 Favourable*

Net savings of \$177,000 for Bovine Tb control and \$129,000 for Pest Plant control. Pest Animals expenditure was \$165,000 over budget due to increased activity and contract costs.

4. Recommendations

That the Committee:

1. *Receives the report.*
2. *Notes the content of the report.*

Report prepared by:

Report approved by:

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