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**Report 02.110**

28 February 2002

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Report to the Rural Services and Wairarapa Committee  
from Stephen Hill, Divisional Accountant, Wairarapa

**Financial Report for the Six Months to 31 December 2001**

**1. Purpose**

To inform the Committee of the Division's financial performance to budget.

**2. Operating Performance**

|                                    | YTD<br>Actual<br>\$000's | YTD<br>Budget<br>\$000's | YTD<br>Variance<br>\$000'S | FY<br>Forecast<br>\$000's | FY<br>Budget<br>\$000's |
|------------------------------------|--------------------------|--------------------------|----------------------------|---------------------------|-------------------------|
| Rates & Levies                     | 3,786                    | 3,789                    | 3U                         | 7,567                     | 7,578                   |
| Grants & Subsidies                 | 0                        | 0                        | 0F                         | 0                         | 0                       |
| External Revenue                   | 3,068                    | 3,210                    | 142U                       | 6,971                     | 7,698                   |
| Investment Revenue                 | 65                       | 60                       | 5F                         | 120                       | 120                     |
| Internal Revenue                   | 1,470                    | 1,145                    | 325F                       | 2,364                     | 2,194                   |
| <b>Total Revenue</b>               | <b>8,389</b>             | <b>8,204</b>             | <b>185F</b>                | <b>17,022</b>             | <b>17,590</b>           |
| Personnel Costs                    | 2,666                    | 2,965                    | 299F                       | 5,683                     | 5,931                   |
| Materials                          | 1,186                    | 993                      | 193U                       | 1,999                     | 2,114                   |
| Travel & Transport                 | 149                      | 165                      | 16F                        | 341                       | 348                     |
| Contractor & Consultants           | 1,936                    | 2,034                    | 98F                        | 4,699                     | 4,518                   |
| Grants & Subsidies                 | 39                       | 39                       | 0F                         | 128                       | 112                     |
| Internal Charges                   | 1,487                    | 1,351                    | 136U                       | 2,632                     | 2,607                   |
| <b>Total Direct Expenditure</b>    | <b>7,463</b>             | <b>7,547</b>             | <b>84F</b>                 | <b>15,482</b>             | <b>15,630</b>           |
| Financial Costs                    | 282                      | 288                      | 6F                         | 586                       | 586                     |
| Bad Debts                          | 9                        | 0                        | 9U                         | 0                         | 0                       |
| Net Corporate Overheads            | 345                      | 345                      | 0F                         | 689                       | 690                     |
| Depreciation                       | 133                      | 138                      | 5F                         | 265                       | 276                     |
| Loss(Gain) on Assets               | (31)                     | (77)                     | 46U                        | (69)                      | (77)                    |
| <b>Total Indirect Expenditure</b>  | <b>738</b>               | <b>694</b>               | <b>44U</b>                 | <b>1,471</b>              | <b>1,475</b>            |
| <b>Total Operating Expenditure</b> | <b>8,201</b>             | <b>8,241</b>             | <b>40F</b>                 | <b>16,953</b>             | <b>17,105</b>           |
| <b>Operating Surplus/(Deficit)</b> | <b>188</b>               | <b>( 37)</b>             | <b>225F</b>                | <b>69</b>                 | <b>485</b>              |
| Net Capital Expenditure            | 195                      | 225                      | 30F                        | 225                       | 225                     |

### 3. Comment

At the end of December the Division overall was \$225,000 under budget with revenue being \$185,000 above budget and operating expenditure \$40,000 below budget. Capital expenditure at December was \$30,000 below budget.

Significant components of this favourable variance are as follows:

(1) *Biosecurity Department \$90,000 Favourable*

Bovine Tb operational savings due to a reduction in control area because of lower pest densities.

(2) *Operations Department \$69,000 Favourable*

River Management was \$279,000 favourable due to the timing of scheme maintenance, District Council revenue and shingle royalty income. Net logging revenue for Reserve Forests was \$177,000 below budget. Net expenditure for Soil Conservation was \$31,000 over budget.

(3) *Planning & Resources Department \$78,000 Favourable*

Due to savings in personnel, materials and contract expenditure.

(4) *Support Services Department \$12,000 Unfavourable*

Reduced rate penalties.

### 4. Recommendation

*That the report be received and the contents noted.*

Report prepared by:

Approved for submission by:

Stephen Hill  
Divisional Accountant

Colin Wright  
Divisional Manager, Wairarapa