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Report 02.374

25 June 2002

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

Financial Report for the Eleven Months to 31 May 2002

1. Purpose

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

2. Operating Performance

	YTD Actual \$000's	YTD Budget \$000's	YTD Variance \$000's	FY Forecast \$000's	FY Budget \$000's
Rates & Levies	6,940	6,946	6U	7,568	7,578
Grants & Subsidies	10	0	10F	0	0
External Revenue	5,215	6,905	1,690U	5,997	7,698
Investment Revenue	121	110	11F	120	120
Internal Revenue	2,336	1,988	348F	2,485	2,194
Total Revenue	14,622	15,949	1,327U	16,170	17,590
Personnel Costs	4,957	5,437	480F	5,377	5,931
Materials	1,766	1,917	151F	1,879	2,114
Travel & Transport	279	317	38F	291	348
Contractor & Consultants	3,512	4,059	547F	4,250	4,518
Grants & Subsidies	84	106	22F	102	112
Internal Charges	2,517	2,366	151U	2,730	2,607
Total Direct Expenditure	13,115	14,202	1,087F	14,629	15,630
Financial Costs	532	527	5U	586	586
Bad Debts	(1)	0	1F	0	0
Net Corporate Overheads	632	632	0F	689	690
Depreciation	246	254	8F	265	276
Loss(Gain) on Assets	(35)	(77)	42U	(56)	(77)
Total Indirect Expenditure	1,374	1,336	38U	1,484	1,475
Total Operating Expenditure	14,489	15,538	1,049F	16,113	17,105
Operating Surplus/(Deficit)	133	411	278U	57	485
Net Capital Expenditure	241	225	16U	225	225

3. Comment

At the end of May the Division overall was \$278,000 over budget with revenue being \$1,327,000 below budget and operating expenditure \$1,049,000 below budget. Capital expenditure at May was \$16,000 above budget.

Significant components of this favourable variance are as follows:

- (1) *Biosecurity Department \$16,000 Favourable*
- (2) *Operations Department \$371,000 Unfavourable*

Net logging revenue for Reserve Forests was \$341,000 below budget because of lower volumes and access problems. Akura Conservation Centre was \$64,000 unfavourable because of reduced sales of poles and protectors.

- (3) *Planning & Resources Department \$82,000 Favourable*

Due to savings in personnel, materials, internal charges and the timing of the Coastal Strategy Study.

- (4) *Support Services Department \$5,000 Unfavourable*

4. Recommendation

That the report be received and the contents noted.

Report prepared by:

Approved for submission:

STEPHEN HILL
Divisional Accountant

IAN GUNN
Acting Divisional Manager, Wairarapa