



Report 03.547
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File Y/21/1

Committee Rural Services and Wairarapa
Author Stephen Hil, Accountant

Financial Report for the Two Months to 31 August 2003

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	1,411	1,411	0F	8,467	8,467
External Revenue	584	1,244	660U	8,076	8,076
Investment Revenue	15	23	8U	140	140
Internal Revenue	522	477	45F	2,719	2,719
Total Revenue	2,532	3,155	623U	19,402	19,402
Personnel Costs	910	984	74F	5,994	5,994
Materials	340	397	57F	1,924	1,924
Travel & Transport	33	52	19F	314	314
Contractors	469	799	330F	5,634	5,634
Consultants	70	94	24F	530	530
Grants & Subsidies	11	17	6F	101	101
Internal Charges	550	562	12F	3,046	3,046
Total Direct Expenditure	2,383	2,905	522F	17,543	17,543
Financial Costs	103	111	8F	669	669
Bad Debts	(4)	0	4F	0	0
Net Corporate Overheads	171	171	0F	1,025	1,025
Depreciation	68	33	35U	195	195
Loss (Gain) on Assets	(4)	(19)	15U	(66)	(66)
Total Indirect Expenditure	334	296	38U	1,823	1,823
Total Operating Expenditure	2,717	3,201	484F	19,366	19,366
Operating Surplus/(Deficit)	(185)	(46)	139U	36	36
Net Capital Expenditure	73	65	8U	349	349

3. Comment

At the end of August the Division overall was \$139,000 over budget with revenue being \$623,000 below budget and operating expenditure \$484,000 below budget. Capital expenditure at August was \$8,000 above budget.

Significant components of this favourable variance are as follows:

(1) Biosecurity Department \$200,000 Unfavourable

The Bovine Tb vector control programme is progressing behind budget so far this year. However, the accrued revenue estimate from the Animal Health Board for August was \$168,000 too low. This will be corrected for the September Financial Statements.

(2) Land & River Operations \$116,000 Unfavourable

River Scheme maintenance programmes were \$85,000 over budget due to the timing of protection works and the revenue contributions from District Councils. Reserve Forests was \$40,000 behind budget because of delays to commencing logging at Tauanui.

(3) Planning & Resources Department \$151,000 Favourable

Consent processing revenue was \$34,000 ahead of budget. Internal revenue for Iwi projects and gravel licensing was \$79,000 ahead of budget. Personnel costs were \$24,000 below budget.

(4) Support Services \$26,000 Favourable

The variance related to the timing of collection and payment of funds for the Fernridge water supply scheme.

4. Recommendation

That the report be received and the contents noted.

Report prepared by:

Report approved by:

Stephen Hill
Accountant

Colin Wright
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