



**Report:** 03.30  
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**Committee:** Rural Services and Wairarapa  
**Author:** Stephen Hill, Divisional Accountant

## Financial Report for the Seven Months to 31 January 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	4,423	4,420	3F	7,579	7,577
External Revenue	3,057	3,792	735U	7,093	7,402
Investment Revenue	95	99	4U	169	170
Internal Revenue	1,563	1,463	100F	2,643	2,479
<b>Total Revenue</b>	<b>9,138</b>	<b>9,774</b>	<b>636U</b>	<b>17,484</b>	<b>17,628</b>
Personnel Costs	3,083	3,329	246F	5,869	5,706
Materials	1,034	1,038	4F	1,789	1,837
Travel & Transport	155	217	62F	344	372
Contractors	1,659	2,039	380F	4,280	4,914
Consultants	277	272	5U	465	465
Grants & Subsidies	59	59	OU	102	102
Internal Charges	1,746	1,672	74U	3,081	2,779
<b>Total Direct Expenditure</b>	<b>8,013</b>	<b>8,626</b>	<b>613F</b>	<b>15,930</b>	<b>16,175</b>
Financial Costs	359	361	2F	598	618
Bad Debts	43	0	43U	0	0
Net Corporate Overheads	454	454	0F	777	778
Depreciation	239	137	102U	407	235
Loss (Gain) on Assets	(32)	(70)	38U	(80)	(70)
<b>Total Indirect Expenditure</b>	<b>1,063</b>	<b>882</b>	<b>181U</b>	<b>1,702</b>	<b>1,561</b>
<b>Total Operating Expenditure</b>	<b>9,076</b>	<b>9,508</b>	<b>432F</b>	<b>17,632</b>	<b>17,736</b>
<b>Operating Surplus/(Deficit)</b>	<b>62</b>	<b>266</b>	<b>204U</b>	<b>(148)</b>	<b>(108)</b>
Net Capital Expenditure	161	190	29F	190	190

### 3. Comment

At the end of January the Division overall was \$204,000 above budget with revenue being \$636,000 below budget and operating expenditure \$432,000 below budget. Capital expenditure at January was \$29,000 below budget.

Significant components of this unfavourable variance are as follows:

(1) *Land & River Operations Department \$196,000 Unfavourable*

River management was \$243,000 ahead of budget because of minor flood repairs, very good progress with Scheme maintenance programs and additional unbudgeted depreciation on infrastructure assets.

(2) *Planning & Resources Department \$63,000 Unfavourable*

Reduced consent revenue.

(3) *Support Services Department \$64,000 Favourable*

Timing savings for materials and permanent savings for personnel costs.

### 4. Recommendation

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

Report prepared by:

Report approved by:

**Stephen Hill**  
Divisional Accountant

**Colin Wright**  
Divisional Manager, Wairarapa