



DIRECTOR CORPORATE SERVICES REPORT

8th February 2005

**DCS6 FINANCIAL STATEMENT FOR THE PERIOD TO 31
DECEMBER 2004
FILE A2-22**

SUMMARY:

Reporting that the Budget Review for the period ending 31 December 2004 has been prepared for all funds.



In preparing the review every effort has been made to contain costs within the approved budgetary allocation for the respective Council activities.

The Budget Review Summary is attached at [\(Appendix E Part 1, Part 2, Part 3, Part 4, Part 5 and Part 6\)](#).

The Budget review summary incorporates a note's section outlining major variations for the quarter.

A comparison of the estimated financial result of each fund for the December quarter is as follows:

	Fund Adopted Budget	September 2004 Budget Review	December 2004 Budget Review
General	1,279 (S)	70,917 (D)	123,653 (D)
Water	15,357 (S)	30,122 (D)	39,605 (D)
Sewer	3,771 (S)	3,771 (S)	17,476 (D)

General Fund

The Budget review shows a deficit for the quarter of \$52,736.

The major factors contributing to the deficit is the decline in revenue associated with building fees and certificates issued upon the sale of properties.

The budget review contains a number of changes in terms of the allocation of administrative and technical staff salaries as a result of the organizational restructure that took effect from 1 January 2005. The changes in salary reallocation are cost neutral to Council.

The significant variations in revenue-funded items that contributed to the deficit result in the quarter are set out below:

Increased Expenditure:

Bridge Maintenance	\$19,457	
Trade Waste Service	\$25,000	
Crescent Head Waste Depot	\$50,000	(Offset by increased income of \$69,000)
Thompson Street Depot Operation	\$30,000	(Offset by charges to other Council Functions)
Akubra Place Building Modification	\$20,000	(Approved by Council at December meeting)

Decreased Expenditure:

Frederickton Cemetery Improvements \$52,117

Increase Income:

Investment Income	\$50,000
Crescent Head Waste Depot	\$69,000

Decreased Income:

149 Certificates	\$15,000
603 Certificates	\$12,500
Building & Development Fees	\$51,000
Private Works	\$29,000

Working Funds

The estimated working fund balance as at 30 June 2005 is set out below:

Unrestricted Working Funds	\$428,539
Provision: Civicview	\$125,000
Total	\$553,539

Whilst the projected balance of \$553,539 is considered acceptable a working fund balance of approximately \$650,000 is considered preferable.

Water Fund

The review reveals a budget deficit of \$9,453 for the quarter.

The significant variations in revenue-funded items that contributed to the result in the quarter are set out below:

Increased Expenditure

Water Treatment Operation	\$26,000
Mains Maintenance & Renewal	\$50,249

Decreased Expenditure

Pump Station Operation & Maintenance	\$75,000
Service Connections	\$35,000 (Offset by a reduction in income)

Decreased Income:

Service Connections	\$45,000
Access Charges	\$25,000

The estimated Working Fund balance as at 30 June 2005 is \$515,726.

Sewerage Fund

The review reveals a budget deficit of \$21,247 for the quarter.

The significant variations in revenue-funded items in the quarter are set out below:

Increased Expenditure

Treatment Plant	\$26,500
Sewers Maintenance & Repairs	\$62,000
Loan Repayments	\$24,063

Increased Income

Sewer Charges	\$91,900
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The estimated Working Fund balance as at 30 June 2005 is \$968,409

REPORT IMPLICATIONS

- ***Environmental***

Nil

- ***Social***

Nil

- *Financial*

The financial implications of the following recommendation would be an increased deficit in General Fund \$52,736, Water Fund \$9,453, and Sewer Fund \$21,247.

- *Policy or Statutory*

Nil

- *Director's Review*

Nil

RECOMMENDATION

That the Budget Review for the period ended 31 December 2004 be adopted and the variations contained therein be approved and financed from the sources as indicated.

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G B Snape
DIRECTOR CORPORATE SERVICES