



DIRECTOR CORPORATE SERVICES SUPPLEMENTARY REPORT

10th May 2005

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| DCS8 SUPP | FINANCIAL STATEMENT FOR THE PERIOD TO 31st MARCH 2005 FILE: A2-22 APC |
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SUMMARY:

Reporting that the Budget Review for the period ending 31 March 2005 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 [\(Appendix "F, Part 1, Part 2, Part 3, Part 4, Part 5, Part 6, Part 7, Part 8, Part 9, Part 10, Part 11"\)](#).

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 | December 2004 Budget Review | March 2005 Budget Review |
|-------------|-----------------------|------------------------------------|---------------------------------|
| General | 1,279 (S) | 123,653 (D) | 176,782 (D) |
| Water | 15,357 (S) | 39,605 (D) | 48,299 (S) |
| Sewer | 3,771 (S) | 17,476 (D) | 10,689 (S) |

General Fund

The Budget review shows a deficit for the quarter of \$53,129.

The major factors contributing to the deficit is the decline in revenue from building and development fees.

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

Increased Expenditure:

| | |
|-------------------------------------|-----------|
| Legal Expenses | \$ 25,000 |
| Trade Waste Collection Wages | \$ 20,000 |
| Parks & Sporting Fields Maintenance | \$ 65,034 |
| Redundancies | \$ 51,684 |

Decreased Expenditure:

| | |
|---------------------------|-----------|
| Unpaved Footpaths | \$ 18,000 |
| Street Cleaning | \$ 20,000 |
| Transfer to Works Reserve | \$ 50,000 |

Increase Income:

| | |
|------------------------------|-----------|
| Investment Income | \$ 75,000 |
| Crescent Head Waste Depot | \$ 78,600 |
| Legal Expenses Contributions | \$ 55,000 |

Decreased Income:

| | |
|-----------------------------|-----------|
| 149 Certificates | \$ 0,000 |
| 603 Certificates | \$ 18,000 |
| Building & Development Fees | \$129,500 |
| Cemeteries | \$ 20,000 |

Working Funds

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

| | |
|----------------------------|-----------|
| Unrestricted Working Funds | \$375,410 |
| Provision: Civicview | \$125,000 |
| Total | \$500,410 |

Working Funds comprise those uncommitted funds held by Council from surpluses generated in previous years, by nature working funds are readily convertible to cash in the short term. The working funds provide Council with a buffer against the impact of significant unbudgeted financial imposts. It is considered prudent to maintain the level of working funds at approximately \$650,000.

As at 1 July 2004 Council's working funds balance was \$678,471. During the 2004/05-year the following factors have had a significant impact upon Council's working funds balance:

- \$234,000 reduction in estimated income from development and building

- \$80,000 reduction in 149 and 603 certificate fees, the certificates are required upon the sale of real estate.
- \$121,812 increased costs in respect of the change in the management structure of Council's swimming pools

The current working funds balance of \$500,410 given the impact of budgetary factors as outlined above is considered adequate.

It is recommended that Council when considering any application for revotes at the 30 June; look to restore the working funds balance to a minimum of \$600,000.

Water Fund

The review reveals a budget surplus of \$87,904 for the quarter.

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

Increased Expenditure

| | |
|----------------------------------|----------|
| McIntyre Dam House Refurbishment | \$28,000 |
|----------------------------------|----------|

Decreased Expenditure

| | |
|------------------------------------|----------|
| Maintenance & Operational Expenses | \$79,227 |
| Loan Interest | \$16,535 |
| Network Analysis | \$18,868 |

The estimated Working Fund balance as at 30 June 2005 is \$603,630

Sewerage Fund

The review reveals a budget surplus of \$28,165 for the quarter.

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

Increased Expenditure

| | |
|------------------|----------|
| Treatment Plant | \$18,229 |
| Pumping Stations | \$37,000 |

Decreased Expenditure

| | |
|-----------------------|----------|
| Sewers Maintenance | \$31,970 |
| Procedure Development | \$18,415 |
| Loan Interest | \$16,935 |

The estimated Working Fund balance as at 30 June 2005 is \$995,574

REPORT IMPLICATIONS:

Environmental

Nil.

Social

Nil.

Financial

The financial implications of the following recommendation would be an increased deficit in General Fund \$53,129 whilst the Water Fund and Sewer Fund would have a surplus result of \$87,904 and \$28,165 respectively.

Policy or Statutory

Nil.

Directors Review

Council's Budget is subject to continuous review. The Working Funds balance in General Fund needs consideration when actual performance to end of June 2005 is known and proposals for re-voting of unspent monies to 2005/06 are considered.

RECOMMENDATION:

That the Budget Review for the period ended 31 March 2005 is 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**