



DIRECTOR CORPORATE SERVICES SUPPLEMENTARY REPORT

9th May 2006

DCS9 SUPP.	FINANCIAL STATEMENT FOR THE PERIOD TO 31st MARCH 2006 FILE: 321 APC (NRN) {Folio No. 320795}
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SUMMARY:

Reporting that the Budget Review for the period ending 31 March 2006 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 [\(Appendix D - Part 1, Part 2, Part 3, Part 4 and Part 5\)](#).

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 September quarter is as follows:

Fund	Adopted Budget 2005/06	December Budget Review	March Budget Review
General	3,078 (S)	32,625 (S)	16,863 (S)
Water	1,665 (S)	124,849 (D)	148,634 (D)
Sewer	198,662 (D)	290,540 (D)	355,698 (D)

General Fund

The Budget review shows a deficit for the quarter of \$15,762.

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

Increased Income

Waste Depot	\$89,026
Sale Land	\$20,000

Decreased Income:

Rates	\$30,000
CivicView Dividend	\$60,000

Increased Expenditure:

Waste Depot Expenses	\$115,366 (Funded in part by \$40,000 from Environmental Reserve)
Parks Maintenance	\$30,013
Advances Surf Club	\$25,000

Decreased Expenditure

ASS Management	\$23,861
Human Resource	\$44,850

Working Funds

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.

The estimated working fund balance as at 30 June 2006 is \$438,351.

As indicated in the notes accompanying the Budget Review, staff resignations have impacted upon the balance available within the Employees Leave Entitlement Reserve. The estimated balance of the reserve at 30 June is \$219,000, this amount is insufficient and it is recommended that the proceeds from the sale of the Akubra Place property be credited to the reserve.

Water Fund

The review reveals a deficit of \$23,785 for the quarter.

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

Decreased Income

Water Access Charges	\$22,060
Water Connection Fees	\$35,000

Increased Expenditure

Mains Maintenance	\$42,000
Administration	\$50,500

Decreased Expenditure

Augmentation/Works Reserve	\$65,000
Water Treatment	\$27,500

The estimated Working Fund balance as at 30 June 2006 is \$337,504.

Sewerage Fund

The review shows a deficit for the quarter of \$65,158.

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

Increased Income

Sewer Usage Charges	\$34,849
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Increased Expenditure

Administration Charges	\$50,500
Treatment Works maintenance & operation	\$74,326
Pumping Stations maintenance & operation	\$51,000

Decreased Expenditure

Sewer Rehabilitation	\$75,000
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The estimated Working Fund balance as at 30 June 2006 is \$593,579.

Report Implications:

Environmental

Nil

Social

Nil

Financial

The financial implications of the following recommendation would be a reduction in the General Fund surplus of \$15,762 whilst there would be an increase in the deficit of both the Water Fund \$23,785 and Sewer Fund \$65,158.

Policy or Statutory

Nil

Directors Review

The Recommendation is supported.

RECOMMENDATION:

That the Budget Review for the period ended 31 March 2006 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