



## DIRECTOR CORPORATE SERVICES REPORT

14<sup>th</sup> February 2006

**DCS8 FINANCIAL STATEMENT FOR THE PERIOD TO  
31<sup>st</sup> DECEMBER 2005  
FILE: \* APC**

### SUMMARY:

Reporting that the Budget Review for the period ending 31 December 2005 has been prepared for all funds.



### DESCRIPTION:

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 [\(Appendix E Part 1, Part 2, Part 3\)](#).

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 2005/06	September Budget Review	December Budget Review
General	3,078 (S)	48,288 (S)	32,625 (S)
Water	1,665 (S)	29,610 (D)	124,849 (D)
Sewer	198,662 (D)	182,395 (D)	290,540 (D)

### General Fund

The Budget review shows a deficit for the quarter of \$15,663.

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

**Increased Expenditure:**

Waste Depot Expenses	\$29,400
Sports Fields Maintenance	\$26,118
Advances	\$13,000

**Decreased Expenditure**

Salaries – Sustainable Development	\$50,000
SWR Boatmans Cottage Improvements	\$30,500
Flood Mitigation Maintenance.	\$16,000

**Decreased Income:**

Building & Development Fees	\$60,000
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**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 \$454,113

There has been a significant impact on Council's revenue streams over the last eighteen months due to the decline in the property market within the shire. Council will continue to closely monitor fees from development; any further decline will have to be met by a reduction in Council's programs.

**Water Fund**

The review reveals a deficit for the quarter of \$95,239 for the quarter.

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

**Increased Expenditure**

Meter Reading	\$ 20,000
Bellbrook Water Supply	\$140,000

**Decreased Expenditure**

Tariff Equalisation Reserve	\$80,000
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The estimated Working Fund balance as at 30 June 2006 is \$361,289.

**Sewerage Fund**

The review shows a deficit for the quarter of \$108,145.

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

### **Increased Expenditure**

Treatment Works maintenance & operation	\$63,000
Water Charges & Rates (Pump Stations)	\$57,621

The estimated Working Fund balance as at 30 June 2006 is \$658,737.

### **REPORT IMPLICATIONS**

- *Environmental*

*Nil*

- *Social*

*Nil*

- *Financial*

*The financial implications of the following recommendation would be a reduction in the General Fund surplus of \$15,663 whilst there would be an increase in the deficit of both the Water Fund \$95,239 and Sewer Fund \$108,145.*

- *Policy or Statutory*

*Nil*

- *Director's Review*

*As per Report.*

### **RECOMMENDATION**

**That the Budget Review for the period ended 31 December 2005 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**