



## GENERAL MANAGER'S REPORT

14<sup>th</sup> August 2007

<b>GM7</b>	<b>FINANCIAL STATEMENT FOR THE PERIOD ENDING 30<sup>TH</sup> JUNE 2007</b>
<b>FILE: 321</b>	<b>JCC {Folio No. *}</b>

### SUMMARY:

Reporting that a Draft Budget Review for the year ending 30 June 2007 has been prepared for all funds.

◇◇◇◇◇◇

### DESCRIPTION:

The Local Government (General) Regulation 2005 requires that a budget review statement be submitted to Council not later than 2 months after the end of each quarter.

Council's financial year ends on 30<sup>th</sup> June. It is not possible to complete the Annual Financial Statements of Accounts within this short period. Consequently this **draft** report is submitted to comply with the Regulation.

A final report will be submitted on completion of the Financial Statements.

The Budget Review Summary is attached at ([Appendix E - Page K29 PART 1, PART 2, PART 3, PART 4](#)).

The Budget Review Summary incorporates a note's section outlining major variations for the quarter.

A listing detailing required revotes, some of which have been previously approved by Council, is also attached for the information at ([Appendix F - Page K54](#)). This listing includes items now presented to Council for the revote of unexpended balances of funds for works in progress.

A comparison of the draft financial result of each fund for the June quarter is as follows: -

<b>Fund</b>	<b>Adopted Budget 2006 / 07</b>	<b>March Budget Review</b>	<b>June Budget Review</b>
General	69,979 (S)	39,306 (S)	396,414 (S)
Water	10,890 (S)	37,565 (S)	707,753 (S)
Sewer	5,832 (S)	58,427 (D)	225,852 (S)

## General Fund

The Draft Review shows a surplus for the year prior to revotes of \$396,414. Anticipated revenue funded revotes total \$254,820, resulting in a net surplus of \$141,594. This surplus has been allocated to improve Council's 'Working Funds' position. The level of Working Funds and Employee Leave Entitlements will be reported to Council on completion of audit of the final financial reports.

The significant variations in revenue funded items contributing to the \$357,108 improvement in the quarter are set out below. (Note: The reported variations are exclusive of requested revotes.): -

### Surplus Variations

#### Increased Income

Trade Waste Charges	14,001
Building Control Incomes	16,646
Saleyards operating Income	21,576

#### Decreased Expenditure

Public Privies / Civic Maintenance	18,419
Domestic Waste Operating Costs / Reserve Transfers	34,151
Parks & Sporting Fields	59,079
Net Community Service Costs	27,575
Tourist Information	43,154
Community Buildings – Capital	35,766
Net Environmental Control Programs	60,665
Net Strategic Planning Programs	83,844
Ranger Services Expenditures	15,321
Net Economic Development Costs	64,568
Library – Upgrade Lighting	32,000
Net Administrative Services Costs	47,034
Net Information Technology Services Costs	43,030
Human Resources Expenses	116,254
Customer Services Costs	45,463
Elected Members Costs	13,346
Employments Overheads	227,896

### Deficit Variations

#### Decreased Income

Private Works	44,510
Domestic Waste Management Charges	34,151
Rubbish Tip Charges	71,766
Cemetery Incomes	22,096
Community Building Rentals	21,887
Laboratory Income	15,899
Vehicles on Beaches Permit Fees	46,099
Food Surveillance Fees	13,797
Net Rental Property Capital Income	41,000

#### Increased Expenditure

Roads Infrastructure Expenditures	7,988
Library Operating Costs	20,887
Cemetery Operating Costs	10,854
Shire Services Strategy – Employment Costs	20,006
Shire Services Works – Employment Costs	21,177
Fringe Benefits Tax	26,464
Transfer to E.L.E. Reserve (Includes additional transfer of \$150,000)	278,701

## **Water Fund**

The review results in a surplus for the year of \$707,753. (Requested revenue revotes (As per ([Appendix F - Page K54](#))) total \$709,750).

Significant variations in revenue funded items that contributed to the result in the quarter are as reported below: -

### **Deficit Variations**

#### **Decreased Income**

Government Grants (Finalised Schemes)	74,312
Water Connection Fees	73,937
Sundry Income	27,936

#### **Increased Expenditure**

Maintenance and Operating Expenses	113,630
Finalisation – Completed Subsidised Schemes	21,143
Main Renewal – West Street	19,348
Meter Replacement Program	20,200

### **Surplus Variations**

#### **Decreased Expenditure**

Other Operating Costs	73,968
Interest on Loans	20,308
Service Connections	19,804
Fluoride Investigation	27,936
Demand Management Program	72,857
Groundwater Source Monitoring and Augmentation	256,000
Renewals Program	351,935
Raymonds Lane Watermain (Revenue Portion)	90,000
Kempsey CBD Throttling Removal	75,000
Transfer to Augmentation Reserve	94,500

#### **Increased Income**

Water Consumption Charges	20,773
---------------------------	--------

## **Sewerage Fund**

The review results in a surplus for the year of \$225,852. (Requested revenue revotes (As per ([Appendix F - Page K54](#))) total \$114,583).

Significant variations in revenue funded items that contributed to the result in the quarter are as reported below: -

## **Deficit Variations**

### **Decreased Income**

Government Grants (Finalised Schemes)	47,242
Liquid Trade Waste Charges	10,854
Interest on Investments	25,000

### **Increased Expenditure**

Maintenance and Operating Expenses	38,582
Finalisation – Completed Subsidised Schemes	21,520
Mains Renewals	19,841
Backup Generators	19,350

## **Surplus Variations**

### **Decreased Expenditure**

Other Operating Costs	45,374
Interest on Loans	164,571
WK STW – Replacement Options Study	19,804
SWR Mains Renewals	47,586
SWR STP – Shed Refit & Fencing	10,000
Loan Principal Repayments	133,279
Plant & Equipment	8,718
Other Renewals	7,080
Radtel Major Upgrades	8,362
Chemical Storage – Shade Shelters	6,418

### **Increased Income**

Sewerage Charges	28,805
------------------	--------

## ***REPORT IMPLICATIONS***

- ***Environmental***

***Nil***

- ***Social***

***Nil***

- ***Economic (Financial)***

***As previously reported this financial report is presented to comply with the regulations. The figures included in the report are of a preliminary nature only. A final report is to be submitted on completion of the annual financial statements.***

***The financial implications of the report as presented are:-***

- a. an improvement in the General Fund budgeted 2006 / 07***

*result of \$326,435;*

- b. an improvement in the Water Fund budgeted 2006 / 07 result of \$696,863;*
- c. an improvement in the Sewerage Fund budgeted 2006 / 07 result of \$220,020;*
- d. a revote for uncompleted works for General Fund of \$1,070,066 of which \$184,730 is funded from revenue;*
- e. a revote for uncompleted works for Water Fund of \$424,376 of which \$87,065 is funded from revenue; and,*
- f. a revote for uncompleted works for Sewerage Fund of \$443,049 of which \$114,583 is funded from revenue.*

- *Policy of Statutory*

*Nil*

- *Director's Review*

*The report is of a preliminary nature only. Other than to consider the revote of unexpected budget balances for uncompleted works and reviewing the levels of income and expenditure included in the report the information should be noted. Council will have a further opportunity to review the 2006 / 07 results following completion of the Statements of Account.*

**RECOMMENDATION:**

**That the allocation of funds for uncompleted works as included in the report be carried forward and funded from the sources as detailed.**

.....  
**A V Burgess**  
**GENERAL MANAGER**