

# DIRECTOR CORPORATE AND COMMUNITY SERVICES REPORT

11<sup>th</sup> May 2004

**DCCS10 FINANCIAL STATEMENT FOR THE PERIOD TO 31 MARCH 2004**  
**FILE: A2-22 APC**

## SUMMARY:

Reporting that the Budget Review for the period ending 31 March 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 [\(Appendix E\)](#).

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 March quarter is as follows:

<b>Fund</b>	<b>Adopted Budget</b>	<b>December 2003 Budget Review</b>	<b>March 2004 Budget Review</b>
General	2,733 (S)	64 (S)	5,037 (D)
Water	8,799 (D)	10,738 (S)	12,241 (S)
Sewer	53,995 (D)	4,060 (D)	16,844 (S)

## General Fund

The Budget review shows a deficit for the quarter of \$5,101.

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

### Increased Expenditure:

Stormwater Drainage	\$19,500	Includes \$13,500 for River St drainage approved by Council
Parks & Sports Field Maintenance	\$33,005	
Private Works Expenditure	\$76,500	Offset by increased income of \$96,000

Thompson Street Depot Maintenance Operation	\$23,000	Offset by other fund contributions of \$9,000
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### **Decreased Expenditure**

Laboratory Operation	\$15,500
Salaries EH&D	\$30,000

### **Increase Income:**

Private Works	\$96,000
Development Fees	\$24,250
Investment Interest	\$20,000
Floodplain Grant	\$58,300

### **Decreased Income:**

Tip Fees	\$20,000
Property Development	\$50,000
Dividend – Civicview	\$25,000

### **Working Funds**

Working funds comprise uncommitted funds held by Council's from surplus generated in previous years, by nature working funds are convertible to cash in the short term. Council attempts to maintain a level of approximately \$650,000 as its working funds balance.

The estimated working fund balance as at 30 June 2004 is set out below:

Unrestricted Working Funds	\$334,105
Provision: Civicview	\$125,000
Provision: Statewide Mutual Liability	\$167,667
Total	\$626,772

### **Provisions**

The following provisions currently impact upon Council's working funds balance:

- Council is a member of Statewide Mutual, a mutual scheme providing public liability insurance to local government. Statewide Mutual has advised that Council that its proportion of the operational deficit as at 30 June 2003 is estimated to be \$167,667 (\$245,619 as at 30/6/2002). Statewide anticipate a further surplus of \$5 million in the 2003/04 year thus supporting previous actuarial projections that the deficit would be fully funded by June 2004 from surpluses generated by the scheme.
- Council is a partner in Civicview, Civicview is a local government computer software development company whose software is currently used by seven Council's. As at 30 June 2003 Council was owed \$262,755 by Civicview, a payment of \$20,000 was received in October. Settlement of the debtor is dependent upon the generation of sales income from the entity. Civicview continues to actively develop and market its product.

I remain confident that the provisions created will not be required and that the level of working funds will not be adversely impacted in the medium term.

## **Water Fund**

The review reveals a budget surplus of \$1,503 for the quarter.

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

### **Increased Income**

Connection Fees	\$45,000
Sale Scrap Metal	\$14,986

### **Decreased Income**

Late Payment Fees	\$35,000
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### **Increased Expenditure**

Service Connections	\$40,000
Electricity Pump Stations	\$25,000
Borefield's Fencing	\$11,000

### **Decreased Expenditure**

Pump Station Maintenance	\$26,000
Mains Maintenance	\$39,500

The estimated Working Fund balance as at 30 June 2004 is \$546,116.

## **Sewerage Fund**

The review reveals a budget surplus of \$20,904 for the quarter.

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

### **Increased Income**

Drainage Application Fees	\$10,000
Sewer Charges	\$25,000

### **Increased Expenditure**

Treatment Works Operation	\$14,000
Safety Training	\$ 6,000

### **Decreased Expenditure**

Sewer Maintenance	\$15,500
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The estimated Working Fund balance as at 30 June 2004 is \$814,310.

## ***Financial Implications***

*The financial implications of the following recommendation would be a reduction in the surplus in General Fund \$5,101, whilst the surplus in the Water Fund and Sewer Fund would increase by \$1,503 and \$16,844 respectively.*

**RECOMMENDATION**

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

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**T I Hannam**  
**DIRECTOR CORPORATE AND COMMUNITY SERVICES**