

Interim Treasurer's Report (to accompany April accounts)

Dear committee

Attached are Management Accounts for the association for the 10 months to 30 April 2016.

Please review those accounts. Here are some highlights;

P&L with YTD tab

The month of April saw a small net surplus of \$569, reducing the financial year-to-date loss to \$5,943.

In the month of April work was well underway on the Upper Elsie St steps. We have brought to account the full value of the invoices from TEC for construction of the steps, as well as the invoices from SIOCS for the provision of bush regen volunteers. The impact on April net results is neutral because an amount equal to those invoices was brought to account as funding income. Its likely that the original CBP grant of \$20,000 will be sufficient to cover 100% of the Elsie St steps expenses.

P&L by activity tab

Emergency Water continues to show a year-to-date near break-even result for the association, and that is with the assumption of a 10% of turnover management fee 'charged' by SIRA. The original draft 2017 budget assumed no increase in the amount that we charge residents for water. My feeling is that if the association is to avoid repeating the current trading loss, then it's necessary to raise the per kL price of water by \$1 from the current price of \$4. The \$4 price was set when the cost of SIRA purchasing the water was around \$1.70, and it is now \$2.276. A price of \$5 per kL would give greater assurance of a break-even, and allow for a small contribution to reserves. Reserves are important to meet the costs of repairs and replacements. As the pipelines and joins age, the maintenance costs are likely to increase.

P&L with last year tab

This tab shows how we are tracking in the 10 months to April compared to the full 12 months' results in the year ended 30 June 2015. You'll notice that if we exclude the transactions relating to community vehicle for the 2015 financial year, the overall result would have again been close to break-even or perhaps a loss. So it would appear that 2016 is not an aberration. The association does need to re-think its spendings and earnings.

Balance sheet tab

SIRA enjoys a strong asset situation (net assets of \$128,000), although the TEC invoice will be paid this month and that will reduce cash reserves by \$14,000. We will also receive the next quarterly water bill shortly. Quarterly water is about \$9,000.

Regards

Boyd Attewell