

Financial Goals and Objectives:Optimise Expense Management and Efficiency

Monitor and control spending across all programmes and initiatives to maximise member value while ensuring that resources are allocated effectively.

Maintain Financial Stability and Long-Term Sustainability

Maintain a balanced budget by aligning expenditures with projected income while setting aside reserves for future initiatives

Protect the Organisation from Financial Risks

Implement regular financial audits and contingency planning, to mitigate potential financial and operational risks.

Budget Approval

The budget approval process is a vital component of financial management for Silverdale Business.

Our process begins with the General Manager drafting the budget, which is then presented to the board for input and refinement. This ensures that financial resources are allocated efficiently and in alignment with our goals.

Final budgets for the upcoming year are approved at the AGM, typically held in October, and cannot be altered without convening an extraordinary general meeting. Budgets are set with the best intent, drawing on historical data and projected forecasts to allocate sufficient financial resources. However, in volatile economic conditions, financial variances may occur, requiring the organisation to adapt accordingly.

Regular variance analysis is conducted to compare actual financial performance with the approved budget. Any significant discrepancies are thoroughly investigated and addressed to maintain financial integrity and ensure our resources are used effectively.

Financial Performance

This is a summary of key elements in the financial statements. The accounts have been audited and a clean report issued.

Income

Revenue from the BID levy was \$500,000 which was collected by Auckland Council via rates notices.

Revenue of \$3,446 was also received from Associate members who do not occupy a premise in the BID area and pay \$350 per annum.

Interest earned was \$3,278 due to the funds being received in a few large amounts but spent on a more even basis.

Expenses

Expenses are a crucial component of the financial report as they directly impact the organisation's financial health and liquidity. Silverdale Business is proud to inform our members that the majority of the category expenses were kept within budget for the financial year.

- Employee costs were \$180,258 being 36% of the BID amount.
- Member programmes and services were \$109,682 being 22% of the BID amount.

However, a couple of notable variances include the following:

- The surplus for the year was \$120,066 on an accrual's basis. On a cash basis the surplus was \$78,633. This surplus has \$41,120 earmarked for the Pioneer Village and River Pathway projects. The balance was due to the Marketing role not being filled until later in the year but was budgeted to be filled early in the year. This will be used to complete the branding signage rollout for the remaining two precincts.

Capital expenditure was \$57,028 for office equipment.

The total cost of installing the security system so far was \$16,184.43, with a depreciated value of \$2,384.39. These security assets are categorised under "Office Equipment" in the Depreciation Schedule and listed as part of "Property, Plant & Equipment" in the Statement of Financial Position.

The bank balance at year end was \$72,212.

Conclusion

The Board, Treasurer, General Manager, and external bookkeeper have played a pivotal role in overseeing the financials of Silverdale Business. As this was our first year, we adopted a cautious approach, particularly with the significant costs involved in setting up the office, staffing, and systems during the 2023/2024 financial year. Despite these initial expenses, I believe we have maintained a strong financial position through effective cash flow management and prudent expense control.

The organisation remains vigilant in monitoring and managing financial risks amidst ongoing economic challenges. We are confident that the decisions and recommendations made will strengthen the organisation's financial health and contribute to its long-term success.