

ITEM 13.18 QUARTERLY BUDGET REVIEW TO 31 MARCH 2017

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File: F12/1970

PURPOSE

Reporting that the Budget Review for the quarter ending 31 March 2017 has been prepared for all funds.

RECOMMENDATION

That the Budget Review for the period ending 31 March 2017 is adopted and the variations contained therein are approved and financed from the sources as indicated.

BACKGROUND

The Budget Review has been prepared for the quarter to 31 March 2017.

In preparing the budget review every effort has been made to maintain the underlining budgeted cash result which was adopted by Council in the 2016/2017 Operational Plan.

The following documents are presented for Council's information as [\(Appendix CC - Page 373\)](#):

- Report by the Responsible Accounting Officer that the quarterly budget review statement indicates that Council's projected financial position will be satisfactory at year end.
- Budget Review Income and Expenses Statement which includes reference to a notes section detailing significant budget variances.
- Budget Review Capital Budget.
- Budget Review Cash and Investment Position.
- Budget Review Key Performance Indicators (KPI). KPIs incorporated within the annual Financial Statements have been included within Council's Budget Review documentation.
- Contracts Statement detailing any contracts entered into within the quarter.

BUDGET SUMMARY

A comparison of the estimated financial result of each fund for the quarter is as follows:

Fund	Original Budget	March Budget Review	Variation
General	Nil	\$38,344 (D)	\$38,344(D)
Water	Nil	\$0	\$0
Sewer	Nil	\$0	\$0

General Fund

The 31 March 2017 Budget Review reveals no change to the deficit of \$38,344 for the General Fund.

A comprehensive list of major variations is included in [Appendix CC - Page 373](#).

Surplus Variations

Increased Income:

Contribution of \$200,000 from new waste contractor Cleanaway for education and advertising of changes to waste services.

Advice received from RMS that Council will receive additional \$270,000 in Regional Roads Grant in 2016/2017.

Decreased Expenditure

Landfill budgets decreased by \$489,587. This has been offset by reduced Landfill income budgets.

Budgets of \$213,265 for Organisational Review, \$130,000 OHS Incentive Rebate Program, and \$100,000 Performance Management System transferred to Corporate Reserve to fund projects in 2017/2018 budget.

Budgets for Local Growth Management Strategy Rezoning and Heritage Study Implementation transferred to Corporate Reserve, \$34,602, to fund projects in 2017/2018 budget.

Original budget was based on the Visitor Information Centre transferring to the Slim Dusty Centre. This did not occur and Council is required to provide \$59,000 to fund the operation of the Centre.

Deficit Variations

Decreased Income:

Landfill income budgets reduced by \$1,054,800 due to lower than anticipated revenue in response to the finalisation of Highway construction works in the Shire.

Reduced income from Interest on Investments of \$71,000 due to lower than anticipated returns on Councils investment portfolio.

Reduced grant funding for Contaminated Land Management. Investigation works completed however there is insufficient time to complete remediation work in this round of funding. Funds returned to EPA. This has been offset by reduced expenditure \$75,000.

Increased Expenditure:

Budget for education and advertising for changes to domestic waste services and charges has been increased by \$200,000. This has been offset by a contribution from Cleanaway.

Budget for works of Regional Roads increased by \$270,000. This has been in response to additional grant funding from RMS.

Additional budget of \$111,000 for Rates legal expenditure has been included to fund higher than budgeted debt recovery action.

Corporate Reserve established to collate savings in programs across the organisation. Total of \$872,547 transferred to this Reserve. Funds are to be used to projects in the 2017/2018 budget.

General Fund – Accumulated Surplus (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.

Council's current working fund balance is:

Balance as at 1/7/2016	\$1,230,535
2016/2017 Budgeted (D)	\$ -38,344
Balance 30 June 2017	\$1,192,191

Water Fund

The review reveals the budget remains in balance with no changes.

The accumulated fund surplus as at 30 June 2017 is estimated to be \$523,669.

Sewerage Fund

The review reveals no changes within the Sewerage Fund.

The accumulated fund surplus as at 30 June 2017 is estimated to be \$839,752.