

ITEM WITHOUT NOTICE

QUARTERLY BUDGET REVIEW – DECEMBER 2019

Council Meeting:	25 February 2020
Report Date:	24 February 2020
Author:	Finance Manager
File #:	SC133
Approval:	General Manger

EXECUTIVE SUMMARY

Attached is the Quarterly Budget Review for the period to 31 December 2019, including a Statement of Financial Performance, a proposed balance sheet, a Statement of Cash Flows for each Fund, an income and expenditure statement by function, a forecast capital budget review by function and a variation report.

Included also are a budget review of the cash and investment position, a budget review of key performance indicators, a budget review of contract and other expenses and a budget review of consultancy and legal expenses as required by the updated Code of Accounting Practice and Financial Reporting in accordance with clause 203(3) of the Regulations.

RECOMMENDATION

That the report be noted and variances to the budgets, as outlined in the attachment, be approved.

BACKGROUND

The Statement of Financial Performance indicates a surplus from ordinary activities of \$6,419,527, compared to the previous estimated surplus amount of \$7,994,677. With the exclusion of capital grants income, the Statement of Financial Performance indicates a deficit of \$1,949,780.

This variation results from a reassessment of the estimates for depreciation of transport infrastructure following the revaluation of assets during the previous financial year, with an increased variation of \$1,533,000 being recognised.

The forecast Statement of Cash Flows for the General Fund indicates a decrease of cash held of \$17,737,742, a decline of \$217,727 from the previous estimate.

This variation results substantially from the deferral of the proposed income from sales of residential property, not likely to be finalised within the current financial year.

The Sewer Fund cash flow indicates a decrease in funds held of \$539,574, being a further decrease of \$49,670 from the original budget estimates, resultant from additional capital works projects being undertaken.

The Water Fund cash flow indicates a reduction of cash in the amount of \$344,492, a further decrease of \$49,970 from the original budget estimates, due to additional capital projects being undertaken.

OFFICER COMMENT

It is my opinion that the Quarterly Budget Review Statement for Murrumbidgee Council for the quarter ended 31 December 2019 indicates that Council's projected financial position at 30 June 2020 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

Vicki Sutton
Responsible Accounting Officer
Murrumbidgee Council

Date

SUSTAINABILITY

N/A

STATUTORY COMPLIANCE/POLICY

Made in accordance with Clause 203(2) of the Local Government (General) Regulations 2005.

FINANCIAL

The full list of the variances to the budgeted figures can be viewed at pages 27-29 of the attachment.

As noted earlier in the report, a nett amount of \$1,533,000 is attributable to additional depreciation costs.

Variations to Stronger Communities Funding, in the amount of \$593,349, is due to some projects being funded by alternative grant sources.

Provision has been made to transfer \$30,000 from the Contributions Levy Reserve, and an additional \$403,951 from the Plant Replacement Reserve.

INTEGRATED PLANS

The above report addresses the current Operational Plan, together with variances noted therein.

RISK MANAGEMENT

It is quite likely that a number of projects within the Stronger Communities Fund may not be completed prior to financial year end.

CONSULTATION / ENGAGEMENT

Management Group

ATTACHMENTS

Attachment - Quarterly Budget Review