

4. Financial Statement (Budget Review) for 31 December 2008

The Financial Statement (Budget Review) for 31 December 2008 has been completed.

Finance Manager

BACKGROUND

Budget review statements are presented to Council quarterly in accordance with the requirements of Clause 203 of the Local Government (General) Regulation 2005.

In accordance with these requirements the budget review statement for 31 December 2008 has been completed and distributed to Councillors.

LEGAL

Clause 203 of the Local Government (General) Regulation 2005 sets out the following requirements concerning budget review statements and revision of estimates:-

- (1) Not later than 2 months after the end of each quarter, the responsible accounting officer must prepare and submit to Council a budget review statement that shows, by reference to the estimate of expenditure and income set out in the management plan, a revised estimate of income and expenditure for the year.
- (2) A budget review statement must include or be accompanied by:-
 - (a) a report as to whether or not the responsible officer believes the statement indicates that the financial position of Council is satisfactory, having regard to the original estimate of income and expenditure, and
 - (b) if that position is unsatisfactory, recommendations for remedial action.
- (3) A budget review statement must also include any information required by the Code to be included in such a statement.

FINANCIAL

The financial position of Council is satisfactory, having regard to the original estimate of income and expenditure for the period.

Explanations provided in support of significant variations (>\$100,000) in the budget review, excluding those that have corresponding offsets, are attached for the Committee's consideration.

The following table compares the revised working capital balances at 30 June 2009 with balances estimated at the time the 2008/09 Budget was adopted.

Fund	Original Estimated Working Capital Balances at 30.6.09	Revised Estimated Working Capital Balances at 30.6.09	Variation
General	1,136,427	1,156,478	20,051
Water	699,486	739,223	39,737
Sewerage	721,942	854,233	132,291

The General Fund incorporates the Waste Fund balances. All revised estimated working capital balances at 30 June 2009 exceed the minimum levels set at the time the 2008/09 Budget was adopted – for General Fund \$1,136,000 and for Water and Sewer Funds \$686,000.

40 This review also incorporates \$840,000 uncommitted funds for General Fund reported to Council in conjunction with the September budget review. The distribution of these funds is as resolved by Council on 11 November 2008 and as follows – Merimbula Jetty (\$200,000), Tathra Ring Road (\$160,000), Eden Port Plan Memorandum of Understanding (\$100,000), Bermagui Community Centre Modifications (\$30,000), Asset Management Plan/Register (\$100,000), Merimbula Traffic Strategy (\$50,000) and General Fund Asset Management Reserve (\$200,000).

An amendment to these distributions was made following Council's meeting on 23 December 2008 with \$260,000 allocated to Pambula pool refurbishments offset by reductions in Tathra Ring Road (\$110,000), General Fund Asset Replacement Reserve (\$100,000) and Rotary Park Merimbula (\$50,000).

50 This review also incorporates and fully funds the following items referred to the budget review process by recent resolutions of Council:

- Peer Review of Pambula Pool Business Case - \$10,000
- Additional Contribution to Senior Citizen's Week - \$3,500
- Library, Art Gallery and Lobby Improvement Works - \$29,000
- Bermagui Blue Pool Stairs and Handrails - \$50,000
- Additional Funds for Toilets at Bermagui Surf Lifesaving Club - \$50,000.

CONCLUSION

Adoption of the recommendation will ensure Council complies with budget review statements and revision of estimates reporting requirements of the Local Government Act 1993.

60

RECOMMENDATION

That the budget review for 31 December 2008 as submitted on 10 February 2009 be adopted and the votes adjusted by those amounts in the variation column.

Comments on Variances in Excess of \$100,000
(excluding those having corresponding offsets)

Budget Review	Description	Amount
GENERAL FUND		
#102010 10 0860	S94 Contributions to Rural Roads Lower than anticipated development in rural areas has resulted in reduced income from this source. Because this reduced income is offset by reduced transfer to restricted investments there is no impact on the current budget. However, this does result in reduced funds available to fund works in future budgets.	\$115,000
#1150 90 9040	Zane Grey Caravan Park Capital Works The budget item is not required and the funds returned to the Bermagui Park Reserve account. These Reserve funds have subsequently been utilised to fund an additional \$50,000 for toilets at the Bermagui Surf Lifesaving Club and \$50,000 for stairs and handrails at the Bermagui Blue Pool. The balance remains unallocated within the Reserve account.	(\$143,000)
SEWER FUND		
#0750 90 3900	Bega Valley Sewerage Program	\$5,279,000
TO		
#0750 90 4040	This additional expenditure is a result of the overall work required to be undertaken to meet the objectives of the program being greater than initially anticipated. This additional expenditure is fully funded by additional subsidy (\$3,973,000), Asset Replacement Reserve (\$652,206), Headworks Contributions (\$652,207) and vehicle leaseback fees (\$1,587).	