



**COOTAMUNDRA-
GUNDAGAI REGIONAL
COUNCIL**

Quarterly Budget Review

31 March 2017



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Commentary

The purpose of this report is to present a summary of Council's financial position at the end of the March 2017 quarter and to report on progress made against the original budget adopted by Council in its 2016-17 Operational Plan.

This third quarterly budget review has been produced from the two separate financial systems that currently exist at Cootamundra and Gundagai, and the accuracy of the information is dependent on the internal controls in place in those two systems.

Council's first operational plan was adopted on 25 July 2016, and included the two separate budgets of the former Councils. Staff have now integrated these adopted budgets in to one, to form the basis of this budget review.

The process for integrating the two budgets has been to reorganise both budgets in to one structure, grouping Council's functional areas based on the adopted organisational structure. Line items has been transferred exactly as they were adopted by the former Cootamundra and Gundagai Shire Councils.

This Quarterly Budget Review is a high level document. The full detail of previous budget statements has also been made publically available on Council's website, and includes numerical references to the two adopted budget documents, to allow for direct comparison.

Due to the differences in the way the two former council's prepared their budgets, the budget items do not always align well. There are differences in the levels that the councils reported to, and differences in the way they split their functional areas. Therefore, it is recognised that this budget review is limited, and will continue to develop and be improved upon. The budget will be further developed to simplify the level of reporting, reviewing budget line items and correcting any that may not have been translated correctly.

The next step in the process to prepare a single budget will be the continuation of the ongoing service review process. We are systematically reviewing each of Council's Service Units, looking for potential efficiency gains through cost savings or improved service delivery.

For the purpose of the presentation of this quarterly budget review, Council's

internally restricted reserves have been combined, except where reserves are specifically for one town or one system. Staff will conduct a thorough review of Council's reserves in the coming months.

Staff have conducted a high level review of the integrated budget and have identified several items that should be adjusted to reflect current expectations. The budget variations detailed in this report have been recommended to Council.

The revised estimated net operating result for the financial period to 30 June 2017 is a surplus of \$11,859,000 (original budget was a surplus of \$13,144,000) and the revised estimated result before capital grants and contributions is a \$790,000 deficit (original \$1,497,000 surplus).

The net movement in the current quarter is \$2,418,000. The material variations from the original budget for the year to date are attributed to:

- The Federal Government has announced early payment of the Financial Assistance Grants, causing a timing difference to Council's income. Council will receive \$2,419,096 of next year's income early, this year.
- Council has received \$1,002,000 in capital grants and contributions.
- Council has contributed \$1,109,237 to 46 community groups for a range of community projects, through the NSW Stronger Communities Funding program. This amount is treated as a budget expense.
- Originally adopted income budget estimates were overstated, and have been adjusted down, by \$61,000.
- Originally adopted depreciation budget estimates were understated. Council is going through a process to thoroughly review and consolidate its register of assets in order to prepare a more accurate depreciation estimate, however, based on the most recent audited financial statements, the depreciation budget was increased by \$2,286,000.



Report by Responsible Accounting Officer

The following statement is made in accordance with Clause 203(2) of the Local Government (General) Regulations 2005:

It is my opinion that the quarterly budget review statement for Cootamundra-Gundagai Regional Council for the quarter ended 31 March 2017 indicates that Council's projected financial position as at 30 June 2017 will be satisfactory, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.



Signed:

 Kate Monaghan 28 May 2017
Chief Financial Officer



Quarterly Budget Review Statement

for the quarter ended 31st March 2017

Income & Expenses Budget Review

	Original Budget	Approved changes			Revised Budget	Recommended changes for Council resolution \$'000	Notes	Projected Budget	Actual YTD
	2017 \$'000	extra 7 weeks \$'000	Sept QBR \$'000	Dec QBR \$'000	2017 \$'000			2017 \$'000	2017 \$'000
Income from continuing operations									
Rates and annual charges	12,565	-	-	-	12,565	(580)	1	11,985	11,258
User charges and fees	5,572	161	(61)	-	5,672	580	1	6,252	4,130
Interest and investment revenue	710	0	-	-	711	(5)	2	706	919
Other revenues	383	32	-	-	415	-		415	262
Grants and contributions - operating	13,255	29	9	149	13,442	2,501	3	15,943	10,015
Grants and contributions - capital	11,647	-	500	514	12,661	(13)	4	12,648	11,414
Net gain from the disposal of assets	90	-	-	-	90	-		90	-
Total Income	44,222	223	448	663	45,556	2,484		48,040	37,998
Expenses from continuing operations									
Employee benefits and on-costs	9,424	615	-	-	10,038	(32)	5	10,006	8,985
Borrowing costs	188	-	-	-	188	-		188	95
Materials and contracts	8,357	404	4	1,225	9,989	103	6	10,092	5,763
Depreciation and amortisation	5,205	420	2,286	-	7,911	-		7,911	5,864
Other expenses	7,904	70	-	14	7,989	(6)	7	7,983	2,780
Net loss from the disposal of assets	-	-	-	-	-	-		-	-
Total Expenses	31,078	1,509	2,290	1,239	36,115	66		36,181	23,487
Net Operating Result	13,144	(1,286)	(1,842)	(575)	9,441	2,418		11,859	14,511
Net operating result before grants and contributions provided for capital purposes	1,497	(1,286)	(2,342)	(1,089)	(3,220)	2,430		(790)	3,097

Quarterly Budget Review Statement

for the quarter ended 31st March 2017

**Development and Community Services
Budget Income Statement**

	Original Budget	Approved changes			Revised Budget	Recommended changes for Council resolution \$'000	Projected Budget	Actual YTD
	2017 \$'000	extra 7 weeks \$'000	Sept QBR \$'000	Dec QBR \$'000	2017 \$'000		2017 \$'000	2017 \$'000
Income from continuing operations								
Development and Building	372	53	-	-	425	(13)	413	318
Regulatory Services	298	43	-	14	355	(16)	339	277
Economic Development	-	-	-	35	35	-	35	58
Community Services	18	-	-	151	169	-	169	163
Libraries	73	2	5	-	79	1	81	16
Tourism	190	17	-	101	308	-	308	197
Total Income	951	115	5	301	1,373	(27)	1,345	1,028
Expenses from continuing operations								
Development and Building	698	75	-	-	772	(25)	747	576
Regulatory Services	774	70	-	14	857	(32)	825	608
Economic Development	141	12	-	35	187	-	187	134
Community Services	30	14	-	-	44	-	44	37
Libraries	708	54	4	-	766	1	767	536
Tourism	576	29	-	77	682	-	682	406
Total Expenses	2,927	253	4	126	3,310	(56)	3,254	2,296
Net Operating Result	(1,976)	(138)	2	175	(1,937)	29	(1,909)	(1,269)

**Corporate Services
Budget Income Statement**

	Original Budget	Approved changes			Revised Budget	Recommended changes for Council resolution \$'000	Projected Budget	Actual YTD
	2017 \$'000	extra 7 weeks \$'000	Sept QBR \$'000	Dec QBR \$'000	2017 \$'000		2017 \$'000	2017 \$'000
Income from continuing operations								
Civic Leadership	-	-	-	-	-	-	-	4
Corporate Management	75	-	-	-	75	-	75	44
Information Technology	40	-	(40)	-	-	-	-	-
Customer Service and Office Administration	11	-	-	-	12	-	12	2
Communications and Engagement	1	-	-	-	1	-	1	-
Financial Management	10,536	9	4	-	10,549	1,663	12,212	10,111
Internal Allocation of Overhead Costs	-	-	-	-	-	-	-	-
Total Income	10,662	10	(36)	-	10,636	1,663	12,299	10,161
Expenses from continuing operations								
Civic Leadership	203	12	-	-	215	-	215	164
Corporate Management	2,247	201	-	-	2,449	-	2,449	1,800
Information Technology	661	-	-	-	661	-	661	415
Customer Service and Office Administration	364	40	-	-	404	-	404	301
Communications and Engagement	156	5	-	14	175	-	175	119
Financial Management	830	90	-	-	920	-	920	699
Internal Allocation of Overhead Costs	(1,047)	-	-	-	(1,047)	-	(1,047)	(487)
Total Expenses	3,415	348	-	14	3,777	-	3,777	3,011
Net Operating Result	7,247	(338)	(36)	(14)	6,859	1,663	8,522	7,150

Operations
Budget Income Statement

	Original Budget	Approved changes			Revised Budget	Recommended changes for Council resolution \$'000	Projected Budget	Actual YTD
	2017 \$'000	extra 7 weeks \$'000	Sept QBR \$'000	Dec QBR \$'000	2017 \$'000		2017 \$'000	2017 \$'000
Income from continuing operations								
Aerodrome	10	-	-	-	10	-	10	10
Saleyards	262	20	-	-	282	-	282	164
Civil Works	6,677	24	500	50	7,251	751	8,003	3,154
Plant Management	1,120	10	-	-	1,130	-	1,130	233
Buildings and Property Management	123	12	-	-	135	-	135	128
Noxious Weeds	70	-	-	-	70	-	70	330
Recreation Facilities	188	3	-	313	504	-	504	451
Waste Management	2,198	28	(21)	-	2,205	77	2,282	2,408
Total Income	10,648	98	479	363	11,588	829	12,416	6,876
Expenses from continuing operations								
Aerodrome	159	16	-	-	175	-	175	112
Saleyards	312	26	-	-	337	-	337	211
Civil Works	7,374	542	2,286	-	10,202	25	10,227	8,146
Plant Management	763	(10)	-	-	753	-	753	138
Buildings and Property Management	613	48	-	-	660	-	660	493
Noxious Weeds	236	12	-	-	249	-	249	153
Recreation Facilities	1,919	116	-	(10)	2,024	-	2,024	1,653
Waste Management	1,977	158	-	-	2,135	77	2,212	1,289
Total Expenses	13,353	908	2,286	(10)	16,536	102	16,638	12,194
Net Operating Result	(2,704)	(809)	(1,807)	373	(4,948)	726	(4,222)	(5,318)

Quarterly Budget Review Statement

for the quarter ended 31st March 2017

**Asset Management
Budget Income Statement**

	Original Budget	Approved changes			Revised Budget	Recommended changes for Council resolution \$'000	Projected Budget	Actual YTD
	2017 \$'000	extra 7 weeks \$'000	Sept QBR \$'000	Dec QBR \$'000	2017 \$'000		2017 \$'000	2017 \$'000
Income from continuing operations								
Asset Management Planning	-	-	-	-	-	-	-	-
Land Development	90	-	-	-	90	-	90	-
Water Management	3,400	-	-	-	3,400	-	3,400	2,504
Sewerage Management	2,571	-	-	-	2,571	-	2,571	1,839
Road Safety	-	-	-	-	-	-	-	-
Emergency Services	361	-	-	-	361	19	380	242
Gundagai Main Street Project	538	-	-	-	538	-	538	316
Council Amalgamation Project	15,000	-	-	-	15,000	-	15,000	15,032
Total Income	21,960	-	-	-	21,960	19	21,979	19,933
Expenses from continuing operations								
Asset Management Planning	33	-	-	-	33	-	33	-
Land Development	39	-	-	-	39	-	39	51
Water Management	3,348	-	-	-	3,348	-	3,348	2,282
Sewerage Management	1,967	-	-	-	1,967	-	1,967	1,202
Road Safety	34	-	-	-	34	-	34	24
Emergency Services	704	-	-	-	704	19	723	484
Gundagai Main Street Project	109	-	-	-	109	-	109	56
Council Amalgamation Project	5,150	-	-	1,109	6,259	-	6,259	1,886
Total Expenses	11,384	-	-	1,109	12,493	19	12,512	5,986
Net Operating Result	10,576	-	-	(1,109)	9,467	-	9,467	13,948

Income & Expenses Budget Review
Budget variations being recommended include the following material items:
Notes Details

1	580,000	Council budgeted to receive \$2.469 million in Sewer Rates and Annual Charges. Upon review, a portion of this income is the Sewerage Usage charge, and should be reallocated to Fees and User Charges income. There is no net budget adjustment.
2	(4,719)	Council has received dividend income from Southern Phone Company, being \$4,719 less than budgeted. Council holds a \$2 share in Southern Phone, along with 34 other Local Council shareholders.
3	77,210	Council has been granted \$85,789 (excluding GST) from the NSW Environmental Trust, to implement a food waste collection service for residents in Cootamundra. The project will commence in the current financial year, with full implementation by 30 June 2018. Council will receive grant income of \$77,210 in the current financial year.
	19,391	Council has been granted \$93,399 to prepare a floodplain risk management study and plan for Gundagai. The project will commence in the current year, and be concluded by May 2018, with \$19,391 grant income to be received in the current financial year.
	1,136	The Cootamundra Library has received grant funding of \$2,273 over two years, to continue to run the "Tech Savvy Seniors Program".
	(16,000)	The former Cootamundra Shire Council had made provision in the current year budget for its participation in the NSW Health Program offering Aboriginal Environmental Health Officer traineeships. Under the program, Council would have been eligible to receive a subsidy of 50% of the cost of employment. However, Council was unable to successfully recruit a candidate that met the conditions of the program. It is recommended that Council no longer pursue the opportunity, but instead, include provision for a qualified Environmental Health Officer in its 2017-18 budget.
	2,419,096	The Federal Government has announced the early payment of 50% of the financial assistance grant that it uses to share a small component of Australia's tax revenue with the local government sector. This grant funding is used by Council to fund its general operations, so the early payment is required to be set aside for use in its 2017-18 budget for which it was intended. However, the early payment will appear as additional income in the current financial year.
	2,500,833	

Income & Expenses Budget Review
Budget variations being recommended include the following material items:
Notes Details

4	(12,500)	The former Cootamundra Shire Council had made provision in the current year budget for a net contribution of \$12,500 to the cost of preparing a Heritage Study and Conservation plan for the former WWII inland fuel depot site. It is intended that the site be opened to the public as a WWII historical attraction. However, Council has been unsuccessful in receiving grant funding, as the site is still owned by Caltex while it is being rehabilitated. It is recommended that the budget for income and expenditure be removed from the current year budget, and allocated in a future year.
5	(32,000)	The former Cootamundra Shire Council had made provision in the current year budget for appointment of an Environmental Health Officer Trainee. However, Council was unable to successfully recruit a candidate that met the conditions of the traineeship program. It is recommended that Council no longer pursue the opportunity, but instead, include provision for a qualified Environmental Health Officer in its 2017-18 budget.
6	77,210	Council has been granted \$85,789 (excluding GST) from the NSW Environmental Trust, to implement a food waste collection service for residents in Cootamundra. The project will commence in the current financial year, with implementation by 30 June 2018, and expenditure to be spread over the two financial years.
	1,136	The Cootamundra Library has received grant funding of \$2,273 over two years, to continue to run the "Tech Savvy Seniors Program".
	25,000	In its original budget, Council included allowance for \$25,000 capital works for the Coolac Rd bypass. Upon review, it has been noted that this budget allocation is not for capital works, but for ongoing pothole repairs that are required, and the budget should be treated as an expense, rather than as capital.
	103,346	
7	19,391	Council has been granted \$93,399 to prepare a floodplain risk management study and plan for Gundagai. The project will commence in the current year, and be concluded by May 2018, with \$19,391 grant income to be received in the current financial year.
	(25,000)	The former Cootamundra Shire Council had made provision in the current year budget for a the cost of preparing a Heritage Study and Conservation plan for the former WWII inland fuel depot site. It is intended that the site be opened to the public as a WWII historical attraction. However, Council has so far been unsuccessful in receiving 50:50 grant funding through the State Government Heritage conservation program, and it is recommended that the budget for income and expenditure be removed from the current year budget, and allocated in a future year.
	(5,609)	

Budget Balance Sheet
Assets

Current Assets

Cash and cash equivalents

Receivables

Inventories

Other

Total Current Assets

Non-Current Assets

Receivables

Inventories

Infrastructure, property, plant and equipment

Total Non-Current Assets

Total Assets
Liabilities

Current Liabilities

Payables

Borrowings

Provisions

Total Current Liabilities

Non-Current Liabilities

Borrowings

Provisions

Total Non-Current Liabilities

Total Liabilities
Net Assets
Equity

Retained Earnings

Revaluation Reserves

Total Equity

	Actual 12-May-16 \$'000	Original budget movement \$'000	Original Budget 30-Jun-17 \$'000	Approved changes			Revised Budget 30-Jun-17 \$'000	Recommended changes for Council resolution \$'000	Projected Budget 30-Jun-17 \$'000
				extra 7 weeks \$'000	Sept QBR \$'000	Dec QBR \$'000			
Assets									
Current Assets									
Cash and cash equivalents	27,693	(4,219)	23,474	(866)	(56)	(62)	22,491	11,155	33,645
Receivables	6,188	-	6,188	-	-	-	6,188	-	6,188
Inventories	1,072	-	1,072	-	-	-	1,072	-	1,072
Other	57	-	57	-	-	-	57	-	57
Total Current Assets	35,010	(4,219)	30,791	(866)	(56)	(62)	29,808	11,155	40,962
Non-Current Assets									
Receivables	5	-	5	-	-	-	5	-	5
Inventories	826	-	826	-	-	-	826	-	826
Infrastructure, property, plant and equipment	377,463	17,225	394,688	(420)	(1,786)	(514)	391,968	(8,737)	383,232
Total Non-Current Assets	378,294	17,225	395,519	(420)	(1,786)	(514)	392,799	(8,737)	384,063
Total Assets	413,304	13,006	426,310	(1,286)	(1,842)	(575)	422,607	2,418	425,025
Liabilities									
Current Liabilities									
Payables	3,794	-	3,794	-	-	-	3,794	-	3,794
Borrowings	392	-	392	-	-	-	392	-	392
Provisions	3,558	-	3,558	-	-	-	3,558	-	3,558
Total Current Liabilities	7,744	-	7,744	-	-	-	7,744	-	7,744
Non-Current Liabilities									
Borrowings	966	2,470	3,436	-	-	-	3,436	-	3,436
Provisions	28	115	143	-	-	-	143	-	143
Total Non-Current Liabilities	994	2,585	3,579	-	-	-	3,579	-	3,579
Total Liabilities	8,738	2,585	11,323	-	-	-	11,323	-	11,323
Net Assets	404,566	10,421	414,987	(1,286)	(1,842)	(575)	411,284	2,418	413,702
Equity									
Retained Earnings	161,580	13,144	174,724	(1,286)	(1,842)	(575)	171,021	2,418	173,439
Revaluation Reserves	240,375	-	240,375	-	-	-	240,375	-	240,375
Total Equity	401,955	13,144	415,099	(1,286)	(1,842)	(575)	411,396	2,418	413,814

Capital Budget Review Statement

	Original Budget	Approved changes			Revised Budget	Recommended changes for Council resolution	Notes	Projected Budget	Actual YTD
	2017	extra 7 weeks	Sept QBR	Dec QBR	2017			2017	2017
Capital expenditure - by class									
Plant and equipment	2,780,900	-	-	10,445	2,791,345	-		2,791,345	924,437
Office equipment	67,750	-	-	-	67,750	-		67,750	51,015
Buildings	2,141,000	-	-	(488,520)	1,652,480	209,000	1	1,861,480	472,748
Land improvements	-	-	-	-	-	-		-	-
Other structures	125,000	-	-	-	125,000	(30,000)	2	95,000	235,791
Roads, bridges and footpaths	6,489,321	-	500,000	50,000	7,039,321	(25,000)	3	7,014,321	3,334,855
Stormwater drainage	230,000	-	-	-	230,000	-		230,000	27,116
Water supply network	1,014,018	-	-	-	1,014,018	-		1,014,018	121,362
Sewerage network	1,057,400	-	-	-	1,057,400	-		1,057,400	1,627,492
Other assets	450,000	-	-	23,800	473,800	-		473,800	49,483
Stronger communities fund	9,000,000	-	-	(109,237)	8,890,763	(8,890,763)	4	-	-
Total	23,355,389	-	500,000	(513,512)	23,341,877	(8,736,763)		14,605,114	6,844,300
Capital expenditure - by type									
New	1,260,000	-	-	(705,883)	554,117	(30,000)		524,117	329,605
Upgrade	3,442,565	-	-	50,000	3,492,565	(465,000)		3,027,565	1,351,764
Renewal	18,652,824	-	500,000	142,371	19,295,195	(8,241,763)		11,053,432	5,162,931
Total	23,355,389	-	500,000	(513,512)	23,341,877	(8,736,763)		14,605,114	6,844,300
Capital funding									
Rates and other untied funding	1,766,650	-	-	57,780	1,824,430	209,000		2,033,430	407,914
Capital grants and contributions	13,222,421	-	500,000	(571,292)	13,151,129	(8,890,763)		4,260,366	2,845,890
Loans	1,600,000	-	-	-	1,600,000	-		1,600,000	479,653
Externally restricted reserves	2,531,418	-	-	-	2,531,418	-		2,531,418	1,762,735
Internally restricted reserves	4,234,900	-	-	-	4,234,900	(55,000)		4,179,900	1,348,107
Total	23,355,389	-	500,000	(513,512)	23,341,877	(8,736,763)		14,605,114	6,844,300

Capital Budget Review
Budget variations being recommended include the following material items:
Notes Details

1	115,000	At the March Council meeting, Council resolved to allocate an additional \$115,000 to the Gundagai library extension work, to enable the necessary major excavation work for a retaining wall, required before the building work can be commenced.
	94,000	The former Gundagai Shire Council was granted \$84,000 in May 2015 for an extension to the library building. The total project budget was \$94,000, with Council having allocated \$10,000 in the 2015-16 year. The building works were not completed during this period, and Council has been granted a final extension for completion by 30 June 2017. The total unexpended budget has been reallocated, from the prior financial year, with funds coming from Council's reserve balance.
	209,000	
2	(30,000)	At the March Council meeting, Council resolved to allocate an additional \$115,000 to the Gundagai library extension work, and to remove other capital works to enable the increased budget allocation for the library building. The village entry signs were identified as being able to be removed from the budget, with these signs now being part of the Council's re-branding project, able to be funded from the State Government's amalgamation funding.
3	(25,000)	In its original budget, Council included allowance for \$25,000 capital works for the Coolac Rd bypass. Upon review, it has been noted that this budget allocation is not for capital works, but for ongoing pothole repairs that are required, and the budget should be treated as an expense, rather than as capital.
	(465,000)	The former Gundagai Shire Council has budgeted \$844,423 for its Roads to Recovery Program in the current year, and of the total, it has allowed for \$465,000 to be allocated to the Sheridan St upgrade. There is no net affect on the budget. Any unspent amount at year end will be reported to Council for reallocation in to the 2017-18 budget.
	465,000	The former Gundagai Shire Council has budgeted \$844,423 for its Roads to Recovery Program in the current year, and of the total, it has allowed for \$465,000 to be allocated to the Sheridan St upgrade. There is no net affect on the budget. Any unspent amount at year end will be reported to Council for reallocation in to the 2017-18 budget.
	(25,000)	

Capital Budget Review

Budget variations being recommended include the following material items:

Notes Details

4	(8,890,763)	During the current reporting period, Council received \$10,000,000 from the NSW Government as part of the merger package, for community grants and major infrastructure projects. Of the total, Council has allocated \$1,109,237 to community groups for a range of community projects. The remaining amount of \$8,890,763 remains for expenditure on major infrastructure renewal projects. Council will begin consultation shortly on the proposed projects, and the total budget should be moved to reserve to be available for allocation in the next financial year, once the projects have been decided.
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Budget Cash-Flow Statement
Cash flows from operating activities

Receipts:

	Original Budget	Approved changes			Revised Budget	Recommended changes for Council resolution \$'000	Projected Budget
	2017 \$'000	extra 7 weeks \$'000	Sept QBR \$'000	Dec QBR \$'000	2017 \$'000		2017 \$'000
Rates and annual charges	12,565	-	-	-	12,565	(580)	11,985
User charges and fees	5,572	161	(61)	-	5,672	580	6,252
Investment and interest revenue received	710	0	-	-	711	(5)	706
Grants and contributions	24,902	29	509	663	26,103	2,488	28,591
Other	383	32	-	-	415	-	415

Payments:

Employee benefits and on-costs	(9,539)	(615)	-	-	(10,153)	32	(10,121)
Materials and contracts	(8,357)	(404)	(4)	(1,225)	(9,989)	(103)	(10,092)
Borrowing costs	(188)	-	-	-	(188)	-	(188)
Other	(7,904)	(70)	-	(14)	(7,989)	6	(7,983)

Net cash provided (or used in) operating activities

18,144 (866) 444 (575) 17,147 2,418 19,565

Cash flows from investing activities

Receipts:

Sale of infrastructure, property, plant and equipment	1,015	-	-	-	1,015	-	1,015
Deferred debtors receipts	-	-	-	-	-	-	-

Payments:

Purchase of property, plant and equipment	(23,355)	-	(500)	514	(23,342)	8,737	(14,605)
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Net cash provided (or used in) investing activities

(22,340) - (500) 514 (22,327) 8,737 (13,590)

Cash flows from financing activities

Receipts:

New loans	400	-	-	-	400	-	400
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Payments:

Repayment of borrowings and advances	(423)	-	-	-	(423)	-	(423)
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Net cash provided (or used in) investing activities

(23) - - - (23) - (23)

Net increase / (decrease) in cash

(4,219) (866) (56) (62) (5,202) 11,155 5,952

Cash at the beginning of the year

27,693 27,693 27,693

Cash at the end of the year

23,474 22,491 33,645

	Actual	Original	Original	Approved changes			Revised	Recommended changes for Council resolution	Notes	Projected year end result
	12-May-16	Budget Cashflows	Budget 30-Jun-17	extra 7 weeks	Sept QBR	Dec QBR	Budget 30-Jun-17			
Cash & Investments										
Externally restricted cash & investments										
Section 94 Contributions	3,126	20,000	23,126	-	-	-	23,126	-		23,126
Section 94A Contributions	66,654	25,000	91,654	-	-	-	91,654	-		91,654
Specific Purpose Unexpended Grants & Contributions	947,779	-	947,779	-	-	-	947,779	(84,000)	1	863,779
Cootamundra Water Supply	1,620,388	(606,438)	1,013,950	-	-	-	1,013,950	-		1,013,950
Gundagai Water Supply	2,498,483	151,500	2,649,983	-	-	-	2,649,983	-		2,649,983
Cootamundra Wastewater Scheme	3,103,855	204,513	3,308,368	-	-	-	3,308,368	-		3,308,368
Gundagai Wastewater Scheme	1,271,393	(42,050)	1,229,343	-	-	-	1,229,343	-		1,229,343
Sheridan Street loan funds	1,515,000	(1,200,000)	315,000	-	-	-	315,000	-		315,000
Domestic Waste Management	476,565	49,401	525,966	(112,443)	(21,000)	-	392,524	-		392,524
Merger Implementation Fund	-	-	-	-	-	-	-	-		-
Stronger Communities Fund - Council Projects	-	-	-	-	-	-	-	8,890,763	2	8,890,763
Stormwater infrastructure renewal	161,057	-	161,057	-	-	-	161,057	-		161,057
Town Improvement District Rate	635,493	(211,910)	423,583	-	-	-	423,583	-		423,583
Total externally restricted	12,299,793	(1,609,985)	10,689,809	(112,443)	(21,000)	-	10,556,366	8,806,763		19,363,129
Internally restricted cash & investments										
Aerodrome Bitumen Resurfacing	308,291	(250,000)	58,291	-	-	-	58,291	-		58,291
Financial Assistance Grants	-	-	-	-	-	-	-	2,419,096	3	2,419,096
Bradman's Birthplace	13,288	-	13,288	-	-	-	13,288	-		13,288
Caravan Park	56,686	1,394	58,079	-	-	-	58,079	-		58,079
Cemetery Improvements	9,078	(13,321)	(4,243)	-	-	-	(4,243)	-		(4,243)
Council Election Reserve	-	-	-	-	-	-	-	-		-
Depot Consolidation	552,132	(502,093)	50,039	-	-	-	50,039	-		50,039
Development	459,594	290,334	749,928	-	-	-	749,928	-		749,928
Employee Leave Entitlements	1,560,979	(120,000)	1,440,979	-	-	-	1,440,979	-		1,440,979

	Actual	Original	Original	Approved changes			Revised	Recommended changes for Council resolution	Notes	Projected year end result
	12-May-16	Budget Cashflows	Budget 30-Jun-17	extra 7 weeks	Sept QBR	Dec QBR	Budget 30-Jun-17			
Cash & Investments										
Heritage Centre	3,295	-	3,295	-	-	-	3,295	-		3,295
Incomplete Works	1,064,721	51,233	1,115,954	-	-	-	1,115,954	2,500	4	1,118,454
Infrastructure replacement	91,092	-	91,092	-	-	-	91,092	-		91,092
Local Works	883,350	(16,350)	867,000	-	-	-	867,000	-		867,000
Office Equipment	164,026	(50,000)	114,026	-	-	-	114,026	-		114,026
Plant Replacement	2,118,457	(1,168,808)	949,649	88,458	-	-	1,038,108	-		1,038,108
Quarries & Pit Restoration	79,375	900	80,275	-	-	-	80,275	-		80,275
Saleyards	269,673	(39,171)	230,502	-	-	-	230,502	-		230,502
Special Projects	386,560	24,956	411,516	-	-	-	411,516	-		411,516
Swimming Pool Pump & Equipment	3,288	3,000	6,288	-	-	-	6,288	-		6,288
Tree Management	132,188	-	132,188	-	-	-	132,188	-		132,188
Waste	1,706,306	(116,508)	1,589,798	-	-	-	1,589,798	-		1,589,798
Security Bonds Deposits & Retentions	144,384	-	144,384	-	-	-	144,384	-		144,384
Showground	-	5,000	5,000	-	-	-	5,000	-		5,000
Property	438	(2,000)	(1,562)	-	-	-	(1,562)	-		(1,562)
Bourke Estate	180	16,100	16,280	-	-	-	16,280	-		16,280
Coolac Bypass	103,810	(25,000)	78,810	-	-	-	78,810	-		78,810
Total internally restricted	10,111,191	(1,910,334)	8,200,858	88,458	-	-	8,289,316	2,421,596		10,710,912
Unrestricted cash & investments	5,282,076	(698,874)	4,583,202	(841,569)	(34,867)	(61,727)	3,645,039	(73,719)	5	3,571,320
Total cash & investments	27,693,060	(4,219,192)	23,473,869	(865,553)	(55,867)	(61,727)	22,490,721	11,154,640		33,645,361

Cash and Investments Budget Review**Comment on cash and investments position**

The Cash and Investments position has been adjusted to reflect the budget adjustments detailed in this report.

Investments

Investments have been invested in accordance with the former Councils' investment policies.

Cash

The cash at bank amount is reconciled daily (work days) to Council's physical bank statements.

The balance in the Council's General Bank Account was \$52,593 as at 31 March 2017.

Reconciliation

The YTD Cash & Investment figure, reconciled to the actual balances held, is made up of:

Investments on Hand	40,892,268
Cash at Bank	52,593
Reconciled cash at bank and investments	<u>40,944,860</u>

Cash and Investments Budget Review
Budget variations being recommended include the following material items:
Notes Details

1	(84,000)	The former Gundagai Shire Council was granted \$84,000 in May 2015 for an extension to the library building. The building works were not commenced during the prior period, and the amount should be allocated to the current year's budget, from Council's unexpended grants reserve.
2	8,890,763	During the current reporting period, Council received \$10,000,000 from the NSW Government as part of the merger package, for community grants and major infrastructure projects. Of the total, Council has allocated \$1,109,237 to community groups for a range of community projects. The remaining amount of \$8,890,763 remains for expenditure on major infrastructure renewal projects. Council will begin consultation shortly on the proposed projects, and the total budget should be moved to reserve to be available for allocation in the next financial year, once the projects have been decided.
3	2,419,096	The Federal Government has announced the early payment of 50% of the financial assistance grant that it uses to share a small component of Australia's tax revenue with the local government sector. This grant funding is used by Council to fund its general operations, so the early payment is required to be set aside in Council's Reserve Funds, to be reallocated in the 2017-18 budget for which it was intended.
4	(10,000)	The former Gundagai Shire Council was granted \$84,000 in May 2015 for an extension to the library building. The total project budget was \$94,000, with Council having allocated \$10,000 in the 2015-16 year. Council is now needing to commence the project, and the \$10,000 budget should be reallocated to the current financial year, with the amount coming from Council's incomplete works reserve.
	12,500	The former Cootamundra Shire Council had made provision in the current year budget for a net contribution of \$12,500 to the cost of preparing a Heritage Study and Conservation plan for the former WWII inland fuel depot site. It is intended that the site be opened to the public as a WWII historical attraction. However, Council has been unsuccessful in receiving grant funding, and it is recommended that the budget for income and expenditure be removed from the current year budget, and be kept aside in reserve available for allocation in a future year, once Council's grant funding application is successful.
	2,500	

Cash and Investments Budget Review

Budget variations being recommended include the following material items:

Notes Details

5	(4,719)	Council has received dividend income from Southern Phone Company, being \$4,719 less than budgeted. Council holds a \$2 share in Southern Phone, along with 34 other Local Council shareholders.
	(85,000)	At the March Council meeting, Council resolved to allocate an additional \$115,000 to the Gundagai library extension work, and to remove other capital works to enable the increased budget allocation for the library building. A budget of \$30,000 for village entry signs has subsequently been recommended for removal, with the remaining budget now being allocated from general revenues. Staff will continue to review Council's capital budget in the former Gundagai area for capital works that are a lower priority and that can be recommended for removal.
	16,000	The former Cootamundra Shire Council had made provision in the current year budget for its participation in the NSW Health Program offering Aboriginal Environmental Health Officer traineeships. Under the program, Council would have been eligible to receive a subsidy of 50% of the cost of employment. However, Council was unable to successfully recruit a candidate that met the conditions of the program. It is recommended that Council no longer pursue the opportunity, but instead, include provision for a qualified Environmental Health Officer in its 2017-18 budget.
	(73,719)	

COOTAMUNDRA-GUNDAGAI REGIONAL COUNCIL

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