



**COOTAMUNDRA-
GUNDAGAI REGIONAL
COUNCIL**

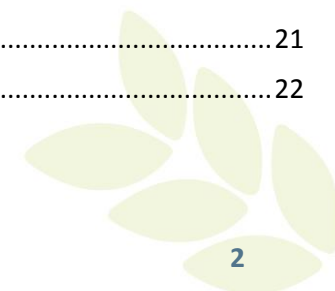
Quarterly Budget Review Statement

31 December 2017



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Commentary

The purpose of this budget review statement is to present a summary of Council's financial position at the end of the December 2017 quarter and to report on progress made against the original budget adopted by Council in its 2017-18 Operational Plan.

This 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.

The process for integrating the financial information from the two financial systems has been to reorganise both budgets in to one structure, grouping Council's functional areas based on the adopted organisational structure.

Council is currently in the process of implementing one, integrated financial system, to properly align budgets and expenditure.

Due to the differences in the way the two former council's organised their financial reporting structures, the budget line items do not always align well. There are differences in the levels that the two former 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.

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.

Budgeted Operating Result

The Council's Income and Expenses, and Net Operating Result are reported on page 6 of this Review Statement.

The revised estimated net operating result for the year to 30 June 2018 is a deficit of \$1,373,000 (original budget was a deficit of \$4,747,000) and the revised estimated result before capital grants and contributions is a \$5,921,000 deficit (original \$5,462,000 deficit).

The deficit budget result in the 2017-18 Operational Plan is affected by significant timing differences which should be taken in to account when considering the budgeted financial results.

Net operating result excluding capital grants	(1,373)
<i>Adjusted for timing differences:</i>	
50% Financial Assistance Grant amount paid early	2,419
Merger implementation funds budgeted for expenditure	1,492
Adjusted net operating result excluding capital grants	2,538

Budget Variations to the Operating Result

The budget adjustments recommended to Council for approval in this report result in a net change to the operating result of \$330,000.

The material variations from the original budget for the year to date are attributed to:

Favourable variations

- There was a timing difference in the receipt of National Stronger Regions Capital Grant funding, and an additional \$183,093 is expected to be received in the current financial year, more than budgeted. This grant funding relates to the Gundagai main street redevelopment.
- The Financial Assistance Grant has been announced, and Council's share has increased by 4.39% on the previous financial year, and \$55,377 more

than budgeted.

- State Government funding of up to \$10m for the replacement of the sewerage treatment plant in Gundagai has been announced. Of the total, \$1 million has so far been allocated against expenditure that will be incurred in the current financial year.
- The Roads and Maritime Authority have approved capital funding of \$2,380,306 for flood damage repair work to be undertaken on local and regional roads.
- The Stronger Communities Foundation announced \$1,778,938 in funding for community projects in Gundagai, Cootamundra, Nangus, Stockinbingal and Wallendbeen. It is estimated that approximately \$240,000 will be expended on these projects in the current financial year, with the remainder to be completed next financial year.
- The Rural Fire Service advised that \$80,000 had been allocated to station upgrades in the council area. This is partially offset by reductions of \$73,261 in funding to other activities conducted in partnership with the RFS.
- When the first set of financial statements was prepared for the new Council, an accounting policy argument was made to write out the assets legally vested in Council that are maintained, managed and used by the NSW Rural Fire Service. Council had budgeted a depreciation expense associated with these assets in the amount of \$73,500; and this amount should be removed from the Council's budget.
- An agreement has been reached to sell 9,356.5sqm of land in Yass Road, Cootamundra. The sale is expected to generate proceeds of \$359,260, and the property had been valued at \$120,000, a profit of \$239,260.

Unfavourable variations

- Council had budgeted works in the previous financial year, and the budgets were not fully expended. The unexpended budget items were reported to the October Council meeting, and Council resolved to carry these budgets forward in accordance with the report. The additional budget expense in the current financial year is \$556,475.

- Council has resolved to donate \$30,000 towards the preparation of a business plan and interpretive plan for the Australian Road Transport Heritage Centre project.
- Council has been levied \$424,757 as its annual contribution to the State Government Emergency Services. The amount is \$45,985 more than was allowed in the current year budget.
- Quotes for building works planned by the Cootamundra SES have exceeded grant funding for the project by \$15,000.

Budget Cash Flows

The Council's Cashflow and Reserve Movements are reported on pages 19, 20 and 21 of this Review Statement.

The revised estimated net cash movement over the year is a cash decrease of \$10,138,000 (original budget was for a cash decrease of \$7,449,000).



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 December 2017 indicates that Council's projected financial position as at 30 June 2018 will be satisfactory, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.



Signed: Tim Swan 9 February 2018
Finance Manager



Income & Expenses Budget Review	Original Budget	Approved Changes	Revised Budget	Recommended changes for Council resolution \$'000	Notes	Projected Budget	Actual YTD
	2018 \$'000	Sept QBR \$'000	2018 \$'000			2018 \$'000	2018 \$'000
Income from continuing operations							
Rates and annual charges	12,332	-	12,332	-		12,332	10,413
User charges and fees	5,548	-	5,548	(3)	1	5,545	2,487
Interest and investment revenue	690	-	690	-		690	163
Other revenues	358	50	408	(16)	2	393	142
Operating grants and contributions	5,694	129	5,823	25	3	5,848	3,769
Capital grants and contributions	715	3,621	4,337	211	4	4,548	284
Net gain from the disposal of assets	50	-	50	239	5	289	-
Total Income	25,388	3,801	29,188	457		29,645	17,259
Expenses from continuing operations							
Employee benefits and on-costs	11,657	5	11,661	-		11,661	6,260
Borrowing costs	161	-	161	-		161	39
Materials and contracts	5,864	698	6,562	70	6	6,632	5,310
Depreciation and amortisation	8,104	-	8,104	(74)	7	8,031	2,648
Other expenses	4,348	54	4,402	130	8	4,533	1,249
Net loss from the disposal of assets	-	-	-	-		-	-
Total Expenses	30,134	757	30,891	127		31,018	15,505
Net Operating Result	(4,747)	3,044	(1,703)	330		(1,373)	1,754
Net operating result before grants and contributions provided for capital purposes	(5,462)	(578)	(6,040)	119		(5,921)	1,469



Budget Income Statement	Original Budget 2018 \$'000	Approved Changes Sept QBR \$'000	Revised Budget 2018 \$'000	Recommended changes for Council resolution \$'000	Projected Budget 2018 \$'000
Income by function					
Executive Office	-	-	-	-	-
Civic Leadership	1	-	1	-	1
Human Resources	74	-	74	-	74
Community Engagement	-	-	-	-	-
Project Management Office	-	-	-	-	-
Total Income	74	-	74	-	74
Expenses by function					
Executive Office	416	-	416	-	416
Civic Leadership	328	(21)	307	-	307
Human Resources	1,210	85	1,295	-	1,295
Community Engagement	99	-	99	-	99
Project Management Office	2,028	-	2,028	-	2,028
Total Expenses	4,081	64	4,146	-	4,146
Net Operating Result	(4,007)	(64)	(4,071)	-	(4,071)



Budget Income Statement	Original Budget 2018 \$'000	Approved Changes Sept QBR \$'000	Revised Budget 2018 \$'000	Recommended changes for Council resolution \$'000	Projected Budget 2018 \$'000
Income from continuing operations					
Development and Building	306	-	306	-	306
Regulatory Services	267	-	267	-	267
Tourism and Economic Development	95	50	145	-	145
Community Services	4	-	4	-	4
Libraries	75	-	75	-	75
Total Income	747	50	797	-	797
Expenses from continuing operations					
Development and Building	567	-	567	-	567
Regulatory Services	855	29	884	-	884
Tourism and Economic Development	610	160	770	5	775
Community Services	32	4	36	-	36
Libraries	607	-	607	-	607
Total Expenses	2,671	193	2,864	5	2,869
Net Operating Result	(1,923)	(143)	(2,067)	(5)	(2,072)



Budget Income Statement	Original Budget 2018 \$'000	Approved Changes Sept QBR \$'000	Revised Budget 2018 \$'000	Recommended changes for Council resolution \$'000	Projected Budget 2018 \$'000
Income from continuing operations					
Governance and Business Systems	-	-	-	-	-
Information Technology	-	-	-	-	-
Customer Service	12	-	12	-	12
Finance	9,969	55	10,024	-	10,024
Internal Allocation of Overhead Costs	(108)	-	(108)	-	(108)
Total Income	9,873	55	9,929	-	9,929
Expenses from continuing operations					
Governance and Business Systems	557	-	557	-	557
Information Technology	591	-	591	-	591
Customer Service	273	-	273	-	273
Finance	758	-	758	-	758
Internal Allocation of Overhead Costs	(1,382)	-	(1,382)	-	(1,382)
Total Expenses	797	-	797	-	797
Net Operating Result	9,077	55	9,132	-	9,132



Budget Income Statement	Original Budget 2018	Approved Changes Sept QBR	Revised Budget 2018	Recommended changes for Council resolution	Projected Budget 2018
	\$'000	\$'000	\$'000	\$'000	\$'000
Income from continuing operations					
Infrastructure	4,237	2,380	6,617	-	6,617
Plant Management	333	-	333	-	333
Buildings and Property Management	455	-	455	-	455
Noxious Weeds	71	-	71	-	71
Recreation Facilities	183	58	241	214	455
Waste Management	2,237	-	2,237	-	2,237
Total Income	7,517	2,438	9,955	214	10,169
Expenses from continuing operations					
Infrastructure	9,672	-	9,672	-	9,672
Plant Management	197	-	197	-	197
Buildings and Property Management	1,634	28	1,662	-	1,662
Noxious Weeds	303	-	303	-	303
Recreation Facilities	1,847	41	1,888	-	1,888
Waste Management	2,014	85	2,099	70	2,169
Total Expenses	15,667	154	15,821	70	15,891
Net Operating Result	(8,151)	2,285	(5,866)	144	(5,722)



Budget Income Statement	Original Budget 2018 \$'000	Approved Changes Sept QBR \$'000	Revised Budget 2018 \$'000	Recommended changes for Council resolution \$'000	Projected Budget 2018 \$'000
Income from continuing operations					
Asset Management	-	-	-	-	-
Land Development	50	-	50	239	289
Water and Sewer	6,230	1,000	7,230	-	7,230
Emergency Management	365	74	439	3	443
Major Projects	531	183	714	-	714
Total Income	7,176	1,257	8,433	242	8,676
Expenses from continuing operations					
Asset Management	700	-	700	-	700
Land Development	50	-	50	-	50
Water and Sewer	5,331	660	5,991	-	5,991
Road Safety	35	-	35	-	35
Emergency Management	710	141	852	52	904
Major Projects	93	(456)	(363)	-	(363)
Total Expenses	6,918	346	7,264	52	7,316
Net Operating Result	258	911	1,169	191	1,360



Income & Expenses Budget Review

Budget variations being recommended include the following material items:

Notes Details

1	(3,060)	The original budget for RFS income and expenditure was based on the sum of the budgets of the two former Councils, and included income budget allocations for sundry income and RFS reimbursements classified as Other Revenues, and Fees and Charges. The RFS has now provided information about the setup of the new South West Slopes Zone, and the budget allocations for RFS payments administered by Council. The net decrease to RFS reimbursements categorised as Fees and Charges is \$3,060.
2	(15,510)	The original budget for RFS income and expenditure was based on sum of the budgets for the two former Councils. The RFS have now notified Council of the actual budget allocations for RFS payments administered by Council. The net decrease to RFS reimbursements categorised as Other Revenues is \$15,510.
3	40,000	The NSW Rural Fire Service have advised that the Coolac Station will receive a \$40,000 upgrade. Previously grants associated with RFS buildings had been treated as capital, however when the first set of financial statements was prepared for the new Council, an accounting policy argument was made that as the assets legally vested in Council are maintained, managed and used by the NSW Rural Fire Service, these funds should be treated as operating grants.
	10,000	The NSW Rural Fire Service have advised that the Gobarralong Station will receive a \$10,000 upgrade. Previously grants associated with RFS buildings had been treated as capital, however when the first set of financial statements was prepared for the new Council, an accounting policy argument was made that as the assets legally vested in Council are maintained, managed and used by the NSW Rural Fire Service, these funds should be treated as operating grants.
	30,000	The NSW Rural Fire Service have advised that the Nangus Station will receive a \$30,000 upgrade. Previously grants associated with RFS buildings had been treated as capital, however when the first set of financial statements was prepared for the new Council, an accounting policy argument was made that as the assets legally vested in Council are maintained, managed and used by the NSW Rural Fire Service, these funds should be treated as operating grants.
	(54,691)	The RFS has now confirmed the amount of maintenance and repair funding that is to be administered for the South West Slopes Zone, that now incorporates the new local government area. The RFS has also confirmed that Program Reimbursements, that were previously made to councils to partly offset the RFS levy amount paid, have been discontinued. The net decrease to budgeted operating grant income is \$54,691.
	25,309	
4	25,000	The Cootamundra SES successfully applied for a \$25,000 SES Unit Building Grant for the construction of a training room and office in Barrett St. Quotes for the project total approximately \$40,000, leaving a shortfall of \$15,000. It is recommended that Council contribute this amount.
	30,000	The Stronger Country Communities Foundation has funded \$300,000 for the construction of a Playground and Fitness Centre at Carberry Park. It is estimated that 10% of the project will be completed in the current financial year.
	10,000	The Stronger Country Communities Foundation has funded \$40,000 for the construction of a Playground at Stockinbingal. It is estimated that 25% of the project will be completed in the current financial year.

Income & Expenses Budget Review

Budget variations being recommended include the following material items:

Notes Details

4	18,550	The Stronger Country Communities Foundation has funded \$74,200 for the construction of a BMX Track at Stockinbingal. It is estimated that 25% of the project will be completed in the current financial year.
	11,625	The Stronger Country Communities Foundation has funded \$46,500 for the construction of Fitness Equipment at Wallendbeen. It is estimated that 25% of the project will be completed in the current financial year.
	22,875	The Stronger Country Communities Foundation has funded \$91,500 for the construction of a playground at Wallendbeen. It is estimated that 25% of the project will be completed in the current financial year.
	10,000	The Stronger Country Communities Foundation has funded \$40,000 for the construction of a playground at Nangus. It is estimated that 25% of the project will be completed in the current financial year.
	20,848	The Stronger Country Communities Foundation has funded \$83,393 for the construction of a Rage Cage (Multisport Facility suitable for wheelchair and able-bodied use) at Wallendbeen. It is estimated that 25% of the project will be completed in the current financial year.
	90,517	The Stronger Country Communities Foundation has funded \$603,445 for the construction of fitness infrastructure for community groups. It is estimated that 15% of the project will be completed in the current financial year.
	(3,500)	The RFS has rearranged it's South West Slopes Zone which incorporates the local government area, and have confirmed that budgeted non-cash capital contributions valued at \$3,500 will not be made this year. The net decrease to budgeted income is \$3,500.
	(25,000)	When the first set of financial statements was prepared for the new Council, an accounting policy argument was made to write out the assets legally vested in Council that are maintained, managed and used by the NSW Rural Fire Service. Previously grants associated with these assets had been budgeted for as capital, and had included \$25,000 in cash and a \$3,500 non-cash contribution. The RFS have confirmed that the grants will total \$80,000, this amount has been reclassified in the current budget as an Operating Grant.
	210,915	
5	239,260	Council has agreed to the sale of a 9,356.5sqm of land in Yass Road at a rate of \$40/sqm, totaling \$374,260. It is estimated that the costs of the sale process will be \$15,000, leaving a proceeds of \$359,260. The land was valued at \$120,000, a profit of \$239,260.
6	70,000	Council resolved at its December meeting to engage a consultant to review its waste strategy. \$70,000 was allocated for this purpose.
7	(73,500)	When the first set of financial statements was prepared for the new Council, an accounting policy argument was made to write out the assets legally vested in Council that are maintained, managed and used by the NSW Rural Fire Service. Council had budgeted a depreciation expense associated with these assets in the amount of \$73,500; and this amount should be removed from the Council's budget.

Income & Expenses Budget Review

Budget variations being recommended include the following material items:

Notes Details

8	12,200	Council had budgeted for a hazard reduction and bushfire fighting activities grant from the NSW Rural Fire Service of \$80,000, with \$60,000 of the work to be completed in the current financial year. Confirmation has been received that the grant will total \$72,200 for the financial year, with the full amount to be completed.
	(6,751)	Council had budgeted for grants of \$197,131 from the NSW Rural Fire Service for Maintenance & Repairs, with equivalent expenses budgeted. Confirmation has been received that the grant and related expenses total \$191,346, a reduction of \$6,751.
	40,000	The NSW Rural Fire Service have advised that the Coolac Station will receive a \$40,000 upgrade. Previously grants associated with RFS buildings had been treated as capital, however when the first set of financial statements was prepared for the new Council, an accounting policy argument was made that as the assets legally vested in Council are maintained, managed and used by the NSW Rural Fire Service, these funds should be treated as operating grants.
	10,000	The NSW Rural Fire Service have advised that the Gobarralong Station will receive a \$10,000 upgrade. Previously grants associated with RFS buildings had been treated as capital, however when the first set of financial statements was prepared for the new Council, an accounting policy argument was made that as the assets legally vested in Council are maintained, managed and used by the NSW Rural Fire Service, these funds should be treated as operating grants.
	30,000	The NSW Rural Fire Service have advised that the Nangus Station will receive a \$30,000 upgrade. Previously grants associated with RFS buildings had been treated as capital, however when the first set of financial statements was prepared for the new Council, an accounting policy argument was made that as the assets legally vested in Council are maintained, managed and used by the NSW Rural Fire Service, these funds should be treated as operating grants.
	40,000	The Cootamundra SES successfully applied for a \$25,000 SES Unit Building Grant for the construction of a training room and office in Barrett St. Quotes for the project total approximately \$40,000, leaving a shortfall of \$15,000. It is recommended that Council contribute this amount.
	5,000	The General Manager has agreed to purchase stage lighting to be made available to community theatre groups. The equipment will be stored at The Arts Centre, Cootamundra.
	130,449	



	Actual 30-Jun-17 \$'000	Original budget movement \$'000	Original Budget 30-Jun-18 \$'000	Approved changes Sept QBR \$'000	Revised Budget 30-Jun-18 \$'000	Recommended changes for Council resolution \$'000	Projected Budget 30-Jun-18 \$'000
Budget Balance Sheet							
Assets							
Current Assets							
Cash and cash equivalents	41,382	(7,449)	33,932	(2,851)	31,081	162	31,243
Receivables	3,148	-	3,148	-	3,148	-	3,148
Inventories	1,163	-	1,163	-	1,163	-	1,163
Other	1	-	1	-	1	-	1
Total Current Assets	45,694	(7,449)	38,244	(2,851)	35,393	162	35,555
Non-Current Assets							
Receivables	-	-	-	-	-	-	-
Inventories	826	-	826	-	826	-	826
Infrastructure, property, plant and equipment	369,624	2,253	371,877	5,895	377,772	168	377,940
Total Non-Current Assets	370,450	2,253	372,703	5,895	378,598	168	378,766
Total Assets	416,144	(5,196)	410,947	3,044	413,991	330	414,321
Liabilities							
Current Liabilities							
Payables	2,375	-	2,375	-	2,375	-	2,375
Borrowings	410	-	410	-	410	-	410
Provisions	3,026	-	3,026	-	3,026	-	3,026
Total Current Liabilities	5,811	-	5,811	-	5,811	-	5,811
Non-Current Liabilities							
Borrowings	3,049	(450)	2,599	-	2,599	-	2,599
Provisions	271	-	271	-	271	-	271
Total Non-Current Liabilities	3,320	(450)	2,870	-	2,870	-	2,870
Total Liabilities	9,131	(450)	8,681	-	8,681	-	8,681
Net Assets	407,013	(4,747)	402,266	3,044	405,310	330	405,640
Equity							
Retained Earnings	405,346	(4,747)	400,599	3,044	403,643	330	403,973
Revaluation Reserves	1,667	-	1,667	-	1,667	-	1,667
Total Equity	407,013	(4,747)	402,266	3,044	405,310	330	405,640



Capital Budget Review Statement

	Original Budget	Approved changes	Revised Budget	Recommended changes for Council resolution	Notes	Projected Budget	Actual YTD
	2018	Sept QBR	2018			2018	2018
Capital expenditure - by class							
Plant and equipment	1,478,250	20,000	1,498,250	-		1,498,250	1,598,566
Office equipment	35,000	-	35,000	-		35,000	-
Buildings	85,000	620,099	705,099	-		705,099	102,018
Land improvements	25,000	-	25,000	-		25,000	-
Other structures	-	425,000	425,000	214,415	1	639,415	-
Roads, bridges and footpaths	3,261,685	4,221,210	7,482,895	-		7,482,895	1,465,950
Stormwater drainage	205,000	-	205,000	-		205,000	-
Water supply network	63,891	584,927	648,818	-		648,818	12,931
Sewerage network	1,836,278	-	1,836,278	-		1,836,278	202,397
Other assets	30,180	23,800	53,980	-		53,980	534,465
Stronger Communities Infrastructure Fund	4,000,000	-	4,000,000	-		4,000,000	-
Total	11,020,284	5,895,036	16,915,320	214,415		17,129,735	3,916,327
Capital expenditure - by type							
New	45,120	506,300	551,420	214,415		765,835	
Upgrade	1,619,381	2,306,701	3,926,082	-		3,926,082	
Renewal	9,355,783	3,082,035	12,437,818	-		12,437,818	
Total	11,020,284	5,895,036	16,915,320	214,415		17,129,735	
Capital funding							
Rates and other untied funding	1,533,803	46,755	1,580,558	-		1,580,558	
Capital grants and contributions	5,777,882	3,038,202	8,816,084	214,415		9,030,499	
Loans	-	1,398,831	1,398,831	-		1,398,831	
Externally restricted reserves	2,105,169	596,227	2,701,396	-		2,701,396	
Internally restricted reserves	1,603,430	815,021	2,418,451	-		2,418,451	
Total	11,020,284	5,895,036	16,915,320	214,415		17,129,735	



Capital Budget Review

Budget variations being recommended include the following material items:

Notes Details

1	30,000	The Stronger Country Communities Foundation has funded \$300,000 for the construction of a Playground and Fitness Centre at Carberry Park. It is estimated that 10% of the project will be completed in the current financial year.
	10,000	The Stronger Country Communities Foundation has funded \$40,000 for the construction of a Playground at Stockinbingal. It is estimated that 25% of the project will be completed in the current financial year.
	18,550	The Stronger Country Communities Foundation has funded \$74,200 for the construction of a BMX Track at Stockinbingal. It is estimated that 25% of the project will be completed in the current financial year.
	11,625	The Stronger Country Communities Foundation has funded \$46,500 for the construction of Fitness Equipment at Wallendbeen. It is estimated that 25% of the project will be completed in the current financial year.
	22,875	The Stronger Country Communities Foundation has funded \$91,500 for the construction of a playground at Wallendbeen. It is estimated that 25% of the project will be completed in the current financial year.
	10,000	The Stronger Country Communities Foundation has funded \$40,000 for the construction of a playground at Nangus. It is estimated that 25% of the project will be completed in the current financial year.
	90,517	The Stronger Country Communities Foundation has funded \$603,445 for the construction of fitness infrastructure for community groups. It is estimated that 15% of the project will be completed in the current financial year.
	20,848	The Stronger Country Communities Foundation has funded \$83,393 for the construction of a Rage Cage (Multisport Facility suitable for wheelchair and able-bodied use) at Wallendbeen. It is estimated that 25% of the project will be completed in the current financial year.
	214,415	



Budget Cash-Flow Statement

	Original Budget	Approved changes	Revised Budget	Recommended changes for Council resolution	Projected Budget
	2018 \$'000	Sept QBR \$'000	2018 \$'000	\$'000	2018 \$'000
Cash flows from operating activities					
Receipts:					
Rates and annual charges	12,332	-	12,332	-	12,332
User charges and fees	5,548	-	5,548	(3)	5,545
Investment and interest revenue received	690	-	690	-	690
Grants and contributions	6,409	3,751	10,160	236	10,396
Other	358	50	408	(16)	393
Payments:					
Employee benefits and on-costs	(11,657)	(5)	(11,661)	-	(11,661)
Materials and contracts	(5,864)	(698)	(6,562)	(70)	(6,632)
Borrowing costs	(161)	-	(161)	-	(161)
Other	(4,348)	(54)	(4,402)	(130)	(4,533)
Net cash provided (or used in) operating activities	3,308	3,044	6,352	17	6,369
Cash flows from investing activities					
Receipts:					
Sale of infrastructure, property, plant and equipment	713	-	713	359	1,073
Deferred debtors receipts	-	-	-	-	-
Payments:					
Purchase of property, plant and equipment	(11,020)	(5,895)	(16,915)	(214)	(17,130)
Net cash provided (or used in) investing activities	(10,307)	(5,895)	(16,202)	145	(16,057)
Cash flows from financing activities					
Receipts:					
New loans	-	-	-	-	-
Payments:					
Repayment of borrowings and advances	(450)	-	(450)	-	(450)
Net cash provided (or used in) investing activities	(450)	-	(450)	-	(450)
Net increase / (decrease) in cash	(7,449)	(2,851)	(10,300)	162	(10,138)
Cash at the beginning of the year	41,382		41,382		41,382
Cash at the end of the year	33,932		31,081		31,243



	Actual 30-Jun-17	Original Budget Cashflows	Original Budget 30-Jun-18	Approved changes Sept QBR	Revised Budget 30-Jun-18	Recommended changes for Council resolution	Notes	Projected year end result	Actual 31-Dec-17
Cash & Investments									
Externally restricted cash & investments									
Developers Contributions	-	60,000	60,000	-	60,000	-		60,000	-
Sheridan Street Upgrade Loan Funds	398,832	-	398,832	(398,832)	-	-		-	-
Specific Purpose Unexpended Grants & Contributions	1,584,993	-	1,584,993	(709,604)	875,389	-		875,389	1,922,485
Water network infrastructure	4,634,622	661,669	5,296,291	(894,927)	4,401,364	-		4,401,364	4,849,971
Sewer network infrastructure	4,422,549	(529,460)	3,893,089	650,000	4,543,089	-		4,543,089	4,876,503
Gundagai Town Improvement District	1,197,545	-	1,197,545	(40,755)	1,156,790	-		1,156,790	1,826,455
Domestic Waste Management	1,669,722	366,860	2,036,582	(305,000)	1,731,582	(70,000)	1	1,661,582	1,659,647
Stormwater infrastructure renewal	245,931	-	245,931	-	245,931	-		245,931	325,857
Total externally restricted	14,154,194	559,069	14,713,263	(1,699,118)	13,014,145	(70,000)		12,944,145	15,460,917
Internally restricted cash & investments									
Merger Implementation Fund	3,698,317	(1,999,940)	1,698,377	-	1,698,377	-		1,698,377	2,472,054
Stronger Communities Fund	8,920,259	(4,000,000)	4,920,259	-	4,920,259	-		4,920,259	8,897,881
Aerodrome Bitumen Resurfacing	233,686	1,166	234,852	-	234,852	-		234,852	233,686
Bradman's Birthplace	22,814	11,330	34,144	-	34,144	-		34,144	32,604
Cemetery	-	37,839	37,839	-	37,839	-		37,839	-
Coolac bypass	103,810	(25,375)	78,435	-	78,435	-		78,435	103,810
Cootamundra Caravan Park	64,623	(48,685)	15,939	-	15,939	-		15,939	75,455
Development	578,902	115,458	694,360	-	694,360	359,260	2	1,053,620	607,934
Employee Leave Entitlements	1,396,215	-	1,396,215	-	1,396,215	-		1,396,215	1,396,215
Financial Assistance Grant	2,422,943	(2,419,096)	3,847	(3,847)	-	-		-	-
Heritage Centre	6,395	2,000	8,395	-	8,395	-		8,395	1,226
Incomplete Works	1,057,938	93,333	1,151,271	(918,506)	232,765	-		232,765	1,013,260
Plant Replacement	2,465,593	147,809	2,613,402	(120,000)	2,493,402	-		2,493,402	1,249,011

	Actual 30-Jun-17	Original Budget Cashflows	Original Budget 30-Jun-18	Approved changes Sept QBR	Revised Budget 30-Jun-18	Recommended changes for Council resolution	Notes	Projected year end result	Actual 31-Dec-17
Cash & Investments									
Quarries & Pit Restoration	79,375	1,184	80,559	-	80,559	-		80,559	79,375
Saleyards	264,697	66,272	330,969	-	330,969	-		330,969	260,496
Special Projects	421,953	29,165	451,118	(15,000)	436,118	-		436,118	421,953
Swimming Pool Pump & Equipment	6,288	3,000	9,288	-	9,288	-		9,288	9,288
Total internally restricted	21,743,808	(7,984,540)	13,759,268	(1,057,353)	12,701,915	359,260		13,061,175	16,854,247
Unrestricted cash & investments	5,483,547	(23,692)	5,459,855	(94,691)	5,365,164	(127,210)	³	5,237,954	5,705,756
Total cash & investments	41,381,549	(7,449,163)	33,932,386	(2,851,162)	31,081,224	162,050		31,243,274	38,020,920



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 \$910,814 as at 31 December 2017.

Reconciliation

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

Investments on Hand	37,110,105
Cash at Bank	910,814
Reconciled cash at bank and investments	38,020,920



Cash and Investments Budget Review

Budget variations being recommended include the following material items:

Notes Details

1	(70,000)	Council resolved at it's December meeting to engage a consultant to review it's waste strategy. \$70,000 was allocated for this purpose.
2	359,260	An agreement has been reached to sell 9,356.5sqm of land in Yass Road for \$374,260, with costs estimated at \$15,000. The balance of \$359,260 has been transferred to the Development Reserve, which has been established to hold the net proceeds and profits from the sale of land. The reserve funds are set aside to assist with the acquisition and development of land and building assets for future economic development. It is recommended that staff draft plans and provide costings for the development of infrastructure in the area such as road, footpath, power, water and sewer, to not only better service the proposed development but also to provide for and encourage future development.
3	(15,000)	The Cootamundra SES successfully applied for a \$25,000 SES Unit Building Grant for the construction of a training room and office in Barrett St. Quotes for the project total approximately \$40,000, leaving a shortfall of \$15,000. It is recommended that Council contribute this amount.
	(107,210)	The original budget for RFS income and expenditure was based on the sum of the budgets of the two former Councils. The RFS has now confirmed the amount of maintenance and repair funding that is to be administered for the South West Slopes Zone, that now incorporates the new local government area. The RFS has also confirmed that Program Reimbursements, that were previously made to councils to partly offset the RFS levy amount paid, have been discontinued. The total net budget adjustment is an increase to Councils costs of \$107,210.
	(5,000)	The General Manager has agreed to purchase stage lighting to be made available to community theatre groups. The equipment will be stored at The Arts Centre, Cootamundra.
	(127,210)	



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