



**COOTAMUNDRA-
GUNDAGAI REGIONAL
COUNCIL**

Quarterly Budget Review Statement

30 September 2020



Commentary

Although the net operating result shows a healthy profit, and a small loss before capital items, there remains a major concern over the projected level of unrestricted cash. Even with the targeted reduction in capital expenditure recommended in the report, the unrestricted cash figure is projected to reduce to under \$2.2m. In the current volatile climate this figure is uncomfortably low considering the many contributing factors that are outside council's control.

A review of the capital works programme is scheduled in coming days to identify the level of cuts that can be achieved, and these results will be presented to council when available.

Budgeted Operating Result

The Council's Income and Expenses, and Net Operating Result are reported on pages 4 & 5 of this Review Statement.

The revised estimated net operating result for the year to 30 June 2020 is a surplus of \$15,900,000 (original budget was a surplus of \$15,902,000) and the revised estimated result before capital grants and contributions is a \$209,000 deficit (original \$221,000 deficit).

The major changes detailed in this report are related to timing of income and expenditure.

No new contracts were entered into during the period.

Budget Variations to the Operating Result

The budget adjustments recommended to Council for approval in this report result in a net increase to the operating surplus of \$1,000.

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

Favourable variations

- Targeted reduction to roads capital expenditure of \$1,000,000. Considerable grant funding for expenditure on these assets has been announced and will ensure that expenditure meets the recommendations of the recent asset valuation and condition report.

Unfavourable variations

- No material variations to date.



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 30/9/20 indicates that Council's projected financial position at 30/6/20 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.



Signed:

Tim Swan
Responsible Accounting Officer

date: 24 November 2020



Income and Expense Budget Review

Cootamundra Gundagai Regional Council

Budget review for the quarter ended 30 September 2020



Income and Expenses Consolidated

(\$000's)	Original Budget	Council Approved Changes					Revised budget	Variations	Notes	Revised budget after variation	YTD Actual
		Carry Forwards	Other than by QBRs	Sept QBRs	Dec QBRs	Mar QBRs					
Income											
Rates and Annual Charges	14,895						14,895	-		14,895	11,241
User Charges and Fees	7,873						7,873	(161)	1	7,712	1,727
Interest and Investment Revenues	210						210	-		210	20
Other Revenues	347						347	-		347	223
Grants & Contributions - Operating	10,209						10,209	24	2-3	10,234	1,405
Grants & Contributions - Capital	16,123						16,123	(14)	4-5	16,109	1,985
Internal Plant Hire	3,475						3,475	-		3,475	1,128
Internal Overheads	1,878						1,878	-		1,878	-
Internal Easements	-						-	-		-	-
Total Income from Continuing Operations	55,010	-	-	-	-	-	55,010	(151)		54,859	13,759
Expenses											
Employee Costs	12,461						12,461	(71)	6	12,390	4,093
Borrowing Costs	281						281	-		281	23
Materials & Contracts	9,604						9,604	(129)	7	9,475	4,253
Plant Hire	2,342						2,342	-		2,342	971
Legal Costs	152						152	-		152	75
Consultants	96						96	-		96	198
Depreciation	8,940						8,940	-		8,940	-
Other Expenses	3,355						3,355	50	8	3,406	2,599
Internal Overheads	1,878						1,878	-		1,878	-
Internal Easements	-						-	-		-	-
Total Expenses from Continuing Operations	39,108	-	-	-	-	-	39,108	(150)		38,959	12,168
Net Operating Result from Continuing Operations	15,902	-	-	-	-	-	15,902	(2)		15,900	1,591
Net Operating Result before Capital Items	(221)	-	-	-	-	-	(221)	12		(209)	3,576

Cootamundra Gundagai Regional Council
Budget review for the quarter ended 30 September 2020



Income and Expenses by Business Unit

(\$000's)	Original Budget	Council Approved Changes					Revised budget	Variations	Notes	Revised budget after variation	YTD Actual
		Carry forwards	Other than by QBRs	Sept QBRs	Dec QBRs	Mar QBRs					
Income											
Development, Building and Compliance	325						325	115	4	440	326
Regulatory Services	602						602	-		602	189
Community and Culture	163						163	30	2	194	37
Business Services	6						6	-		6	0
Finance and Customer Services	14,832						14,832	-		14,832	8,145
Executive Office	2,780						2,780	(290)	1,5	2,490	520
Operations Management	866						866	-		866	536
Facilities	194						194	-		194	138
Recreation	176						176	-		176	99
Technical Services	4,718						4,718	-		4,718	568
Civil Works	4,213						4,213	(6)	3	4,207	493
Asset Management	3,977						3,977	-		3,977	1,357
Waste Services	3,154						3,154	-		3,154	2,661
Water	4,784						4,784	-		4,784	958
Sewer	14,221						14,221	-		14,221	(2,268)
Total Income from Continuing Operations	55,010	-	-	-	-	-	55,010	(151)		54,859	13,759
Expenses											
Development, Building and Compliance	1,041						1,041	(38)	10	1,003	338
Regulatory Services	1,114						1,114	(24)	10	1,090	343
Community and Culture	1,400						1,400	(39)	10	1,361	606
Business Services	1,229						1,229	(21)	10	1,208	750
Finance and Customer Services	1,588						1,588	(45)	10	1,543	356
Executive Office	2,110						2,110	(389)	6,7,10	1,721	828
Operations Management	919						919	485	7,9,10	1,404	1,027
Facilities	1,289						1,289	(50)	7,10	1,239	463
Recreation	1,626						1,626	(21)	7,10	1,605	653
Technical Services	2,294						2,294	-		2,294	1,018
Civil Works	4,893						4,893	-		4,893	2,001
Asset Management	2,862						2,862	(7)	10	2,855	1,879
Waste Services	2,235						2,235	-		2,235	619
Water	3,788						3,788	-		3,788	860
Sewer	1,779						1,779	-		1,779	428
Total Expenses from Continuing Operations	30,168	-	-	-	-	-	30,168	(150)		30,019	12,168
Net Operating Result from Continuing Operations	24,842	-	-	-	-	-	24,842	(2)		24,840	1,591
Depreciation	8,940						8,940			8,940	-
Net Operating Result including depreciation	15,902	-	-	-	-	-	15,902	(2)		15,900	1,591
Net Operating Result before Capital Items	(221)	-	-	-	-	-	(221)	12		(209)	3,576

Detail of budget variations

Cootamundra Gundagai Regional Council

Budget review for the quarter ended 30 September 2020



Income and Expenses Consolidated

Notes	Variance \$000	Details
1	(161)	Project management fees of 15% were budgeted to be charged to SCCF round 3 projects. These amounts were not included in the costings for these projects, and would result in budgets being exceeded. The charge has been reduced to 5%, with a further 5% deducted from operational budgets.
2	30	State Government libraries funding exceeded expectations by \$30,338.
3	(6)	Funding received from the Regional Roads Repair Programme is \$6,250 lower than expected.
4	115	Developer Contributions have exceeded the budgeted amount.
5	(129)	A community project funded by SCCF round 3 that was budgeted to pass through council will be managed by the community group.
Total	(151)	
		Project management fees of 15% were budgeted to be charged to SCCF round 3 projects. These amounts were not included in the costings for these projects, and would result in budgets being exceeded. The charge has been reduced to 5%, with a further 5% deducted from operational budgets.
6	(71)	
7	(129)	A community project funded by SCCF round 3 that was budgeted to pass through council will be managed by the community group.
9	50	Insurance costs have exceeded budget by \$50,392.
10	-	Workers Compensation insurance has been reallocated within the budget with no net change.
Total	(150)	
Total	(1)	



Capital budget review

Cootamundra Gundagai Regional Council

Budget review for the quarter ended 30 September 2020



Capital budget

(\$000's)	Original Budget	Approved Changes					Revised Budget	Variations this quarter	Notes	Revised budget after variations	YTD Actual
		Carry forwards	Other than by QBRs	Sept QBRs	Dec QBRs	Mar QBRs					
Capital Expenditure											
Plant and equipment	2,484						2,484	-		2,484	1,097
Office equipment	40						40	-		40	9
Buildings	545						545	-		545	218
Land improvements	25						25	64	1	89	22
Major projects	125						125	-		125	796
Roads, bridges and footpaths	7,450						7,450	(1,000)	2	6,450	1,105
Stormwater drainage	160						160	-		160	63
Recreation assets	261						261	-		261	229
Parks and Gardens	449						449	-		449	85
Waste Services	455						455	-		455	159
Water supply network	1,000						1,000	-		1,000	130
Sewerage network	12,597						12,597	-		12,597	11,382
Other assets	-						-	-		-	-
Total Capital Expenditure	25,591	-	-	-	-	-	25,591	(936)		24,655	15,294
Capital Funding											
Rates & Other Untied Funding	619						619	(936)	1,2	(317)	5,350
Capital Grants & Contributions	16,123						16,123			16,123	(1,985)
Reserves:											
- External Restrictions/Reserves	2,365						2,365			2,365	7,671
- Internal Restrictions/Reserves	2,065						2,065			2,065	
New Loans	4,000						4,000			4,000	4,000
Receipts from Sale of Assets											
- Plant & Equipment	419						419	-		419	187
- Land & Buildings	-						-	-		-	72
Total Capital Funding	25,591	-	-	-	-	-	25,591	(936)		24,655	15,294
Net Capital Funding - Surplus/(Deficit)	0	-	-	-	-	-	0	-0		0	-

Detail of budget variations

Cootamundra Gundagai Regional Council

Budget review for the quarter ended 30 September 2020



Capital Budget

Notes	Variance \$000	Details
1	64	Costs associated with the purchase of the site of the Bangas Pit have been incurred, totalling \$64,067.
2	(1,000)	Council's worsening unrestricted cash position requires urgent attention. Savings of \$1m have been targeted from the roads capital works programme. The significant grant funding expected over the next 2 years will still enable council to invest more than the amounts recommended in the recent valuation and condition report.
Total	(936)	



Cash and investments budget review

Restricted and unrestricted cash (reserves)

Cootamundra Gundagai Regional Council
Budget review for the quarter ended 30 September 2020



Cash and Investments

(\$000's)	Original Budget	Approved Changes					Variations			Revised budget after variations	YTD Actual
		Carry forwards	Other than by QBRs	Sept QBRs	Dec QBRs	Mar QBRs	Revised Budget	Variations this quarter	Notes		
Externally Restricted ⁽¹⁾											
Developers contributions	10						10			10	-
Specific Purpose Unexpended Grants & Contributions	152						152			152	2,591
Water network infrastructure	2,138						2,138			2,138	3,132
Sewer network infrastructure	4,590						4,590			4,590	1,385
Gundagai Town Improvement District	-						-			-	-
Domestic Waste Management	3,013						3,013			3,013	1,038
Stormwater infrastructure renewal	263						263			263	-
Total Externally Restricted	10,166	-	-	-	-	-	10,166	-		10,166	8,146
Internally Restricted ⁽²⁾											
Merger Implementation Fund	-						-			-	-
Stronger communities fund	-						-			-	-
Aerodrome bitumen resurfacing	245						245			245	166
Bradman's birthplace	53						53			53	64
Coolac bypass	102						102			102	-
Cootamundra caravan park	92						92			92	113
Development	594						594			594	593
Employee leave entitlements	1,385						1,385			1,385	1,789
Financial assistance grant	-						-			-	2,801
Heritage centre	14						14			14	17
Incomplete works	33						33			33	-
Plant replacement	64						64			64	1,033
Quarries & pit restoration	16						16			16	1
Saleyards	35						35			35	-
Southern Phone	-						-	786		786	-
Swimming Pool Pump & Equipment	-						-			-	-
Cemetery reserve	-						-			-	-
Total Internally Restricted	2,633	-	-	-	-	-	2,633	786		3,419	6,577
Unrestricted	4,616	-	-	-	-	-	4,616	150		2,175	3,076
Total Cash & Investments	17,415						17,415	936		18,351	17,799

(1) Funds that must be spent for a specific purpose

(2) Funds that Council has earmarked for a specific purpose



COOTAMUNDRA-GUNDAGAI REGIONAL COUNCIL

ABN: 46 211 642 339
PO Box 420, Cootamundra NSW 2590
Email: mail@cgrc.nsw.gov.au
www.cgrc.nsw.gov.au

Cootamundra Office:

81 Wallendoon Street, Cootamundra NSW 2590
Phone: 02 6940 2100
Fax: 02 6940 2127

Gundagai Office:

255 Sheridan Street, Gundagai NSW 2722
Phone: 02 6944 0200
Fax: 02 6940 2127

