



**COOTAMUNDRA-
GUNDAGAI REGIONAL
COUNCIL**

Quarterly Budget Review Statement

31 December 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. The adjustments recommended increase the projected unrestricted cash figure to \$2.7m, however in the current volatile climate this figure is uncomfortably low.

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 2021 is a surplus of \$16,820,000 (original budget was a surplus of \$15,902,000) and the revised estimated result before capital grants and contributions is a \$997,000 deficit (original \$221,000 deficit).

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 \$919,000.

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.
- Operating grants budgeted for 2019/20 have been carried forward to the current year. The timing of milestone payments has resulted in a net

adjustment to the operating result in the current year of \$201,000.

Unfavourable variations

- Grant funded projects totalling \$2.591m have been carried forward to the current financial year, with an operating component of \$1.455m. The income for these projects was received in previous periods and held in reserve.

Other Notes

The rates outstanding figure of 31.39% far exceeds the benchmark of 10%, and the opening balance of 6.37%. This balance varies a great deal throughout the year, and is only slightly higher than the same period last year. The increase can be attributed to the general financial impacts of the COVID-19 pandemic, and the prohibition of debt collection activities.



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 31/12/20 indicates that Council's projected financial position at 30/6/21 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: 16 February 2021



Income and Expense Budget Review

Cootamundra Gundagai Regional Council

Budget review for the quarter ended 31 December 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	12,327
User Charges and Fees	7,873			(161)			7,712	-		7,712	3,778
Interest and Investment Revenues	210						210	(51)	1	159	45
Other Revenues	347						347	165	2	512	440
Grants & Contributions - Operating	10,209			24			10,233	404	3	10,638	3,517
Grants & Contributions - Capital	16,123			(14)			16,109	1,916	3,4,5,6	18,025	3,688
Internal Plant Hire	3,475						3,475	-		3,475	2,141
Internal Overheads	1,878						1,878	-		1,878	-
Internal Easements	-						-	-		-	-
Total Income from Continuing Operations	55,010	-	-	(151)	-	-	54,859	2,434		57,293	25,936
Expenses											
Employee Costs	12,461			(71)			12,390	63	7	12,453	7,532
Borrowing Costs	281						281	-		281	100
Materials & Contracts	9,604			(129)			9,475	1,452	7	10,927	7,282
Plant Hire	2,342						2,342	-		2,342	1,782
Legal Costs	152						152	-		152	92
Consultants	96						96	-		96	346
Depreciation	8,940						8,940	-		8,940	-
Other Expenses	3,355			50			3,405	-		3,405	3,086
Internal Overheads	1,878						1,878	-		1,878	-
Internal Easements	-						-	-		-	-
Total Expenses from Continuing Operations	39,108	-	-	(150)	-	-	38,959	1,515		40,474	20,220
Net Operating Result from Continuing Operations	15,902	-	-	(1)	-	-	15,901	919		16,820	5,716
Net Operating Result before Capital Items	(221)	-	-	13	-	-	(208)	(997)		(1,205)	2,028

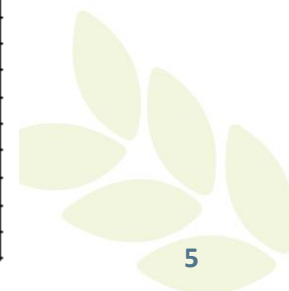
Cootamundra Gundagai Regional Council

Budget review for the quarter ended 31 December 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			115			440	47	6	487	477
Regulatory Services	602						602	-		602	406
Community and Culture	163			30			193	-		193	73
Business Services	6						6	-		6	22
Finance and Customer Services	14,832						14,832	12	1	14,844	8,935
Executive Office	2,780			(290)			2,490	1,090	3	3,580	799
Operations Management	866						866	-		866	759
Facilities	194						194	165	2	359	386
Recreation	176						176	200	5	376	125
Technical Services	4,718						4,718	983	4	5,700	2,060
Civil Works	4,207			(6)			4,201	-		4,201	3,443
Asset Management	3,977						3,977	-		3,977	2,619
Waste Services	3,154						3,154	(26)	1	3,128	2,876
Water	4,784						4,784	(11)	1	4,773	2,067
Sewer	14,221						14,221	(26)	1	14,195	889
Total Income from Continuing Operations	55,004	-	-	(151)	-	-	54,853	2,434		57,287	25,936
Expenses											
Development, Building and Compliance	1,041			(38)			1,003	220	8	1,224	542
Regulatory Services	1,114			(24)			1,090	13	8	1,103	605
Community and Culture	1,400			(39)			1,361	246	7,8	1,607	921
Business Services	1,229			(21)			1,208	368	8	1,576	1,016
Finance and Customer Services	1,588			(45)			1,543	95	7,9	1,638	788
Executive Office	2,110			(389)			1,721	507	8	2,228	1,359
Operations Management	919			485			1,403	-		1,403	1,601
Facilities	1,289			(50)			1,239	63	8	1,302	663
Recreation	1,626			(21)			1,605	-		1,605	1,185
Technical Services	2,294						2,294	-		2,294	1,673
Civil Works	4,893						4,893	-		4,893	3,962
Asset Management	2,862			(7)			2,855	3	8	2,859	2,471
Waste Services	2,235						2,235	-		2,235	1,063
Water	3,788						3,788	-		3,788	1,725
Sewer	1,779						1,779	-		1,779	647
Total Expenses from Continuing Operations	30,168	-	-	(150)	-	-	30,018	1,515		31,533	20,220
Net Operating Result from Continuing Operations	24,836	-	-	(1)	-	-	24,835	919		25,754	5,716
Depreciation	8,940						8,940			8,940	-
Net Operating Result including depreciation	15,896	-	-	(1)	-	-	15,895	919		16,814	5,716
Net Operating Result before Capital Items	(227)	-	-	13	-	-	(214)	(997)		(1,211)	2,028



Detail of budget variations

Cootamundra Gundagai Regional Council

Budget review for the quarter ended 31 December 2020



Income and Expenses Consolidated

Notes	Variance \$000	Details
1	(51)	Record low interest rates have drastically reduced revenue from term deposit investments, and a reallocation across funds has been projected.
2	165	Income from the Soil Science arrangement has exceeded budget.
3	1,090	SCCF Round 2 projects budgeted for completion in 2019/20 have been carried forward to the current year, along with the associated income. The operating component is \$404,209, and capital is \$685,981.
4	983	Capital projects funded by the Local Roads and Community Infrastructure programme.
5	200	Capital grants of \$200,000 will be received through the Everyone Can Play programme.
6	47	Developer contributions have exceeded budget.
Total	2,434	
7	1,455	A number of grant funded projects budgeted for completion in the 2019/20 year have been carried forward to the current year. The operating component is \$1,455,032.02.
8	10	\$10,000 for the purchase of souvenirs for resale at the Bradman cottage was approved at the January 2021 council meeting.
9	50	Contractor costs will be incurred while a staff member is on extended leave.
Total	1,515	
Total	919	



Capital budget review

Cootamundra Gundagai Regional Council
Budget review for the quarter ended 31 December 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	2,818
Office equipment	40						40	-		40	12
Buildings	545						545	74	1,2	619	371
Land improvements	25			64			89	-		89	76
Major projects	125						125	1,735	2	1,860	895
Roads, bridges and footpaths	7,450			(1,000)			6,450	983	3	7,433	2,145
Stormwater drainage	160						160	-		160	82
Recreation assets	261						261	575	2,4,5	836	273
Parks and Gardens	449						449	-		449	85
Waste Services	455						455	-		455	241
Water supply network	1,000						1,000	-		1,000	146
Sewerage network	12,597						12,597	-		12,597	4,520
Other assets	-						-	-		-	-
Total Capital Expenditure	25,591	-	-	(936)	-	-	24,655	3,367		28,021	11,663
Capital Funding											
Rates & Other Untied Funding	619			(936)			(317)	18	5	(299)	2,332
Capital Grants & Contributions	16,123						16,123	3,119	2,3,4	19,242	3,688
Reserves:											
- External Restrictions/Reserves	2,365						2,365			2,365	1,109
- Internal Restrictions/Reserves	2,065						2,065	230	1,4	2,295	
New Loans	4,000						4,000			4,000	4,000
Receipts from Sale of Assets											
- Plant & Equipment	419						419	-		419	346
- Land & Buildings	-						-	-		-	188
Total Capital Funding	25,591	-	-	(936)	-	-	24,655	3,367		28,022	11,663
Net Capital Funding - Surplus/(Deficit)	0	-	-	-	-	-	0	0		1	-

Detail of budget variations

Cootamundra Gundagai Regional Council
 Budget review for the quarter ended 31 December 2020



Capital Budget

Notes	Variance \$000	Details
1	30	\$30,000 for capital renewals at the Bradman cottage was approved at the January 2021 council meeting.
2	1,936	A number of grant funded projects budgeted for completion in the 2019/20 year have been carried forward to the current year. The capital component is \$1,922,702.
3	983	Capital projects funded by the Local Roads and Community Infrastructure programme.
4	400	Council had resolved to apply for an Everyone Can Play grant to partially fund a playground at Albert Park. The application was successful, with \$200,000 each to be funded from the grant and the Southern Phone Reserve.
5	18	It is proposed to allocate \$18,000 to upgrade the solar power system at the Cootamundra Sports stadium.
Total	3,367	



Cash and investments budget review

Restricted and unrestricted cash (reserves)

Cootamundra Gundagai Regional Council
Budget review for the quarter ended 31 December 2020



Cash and Investments

(\$000's)	Original Budget	Approved Changes					Variations			YTD Actual	
		Carry forwards	Other than by QBRs	Sept QBRs	Dec QBRs	Mar QBRs	Revised Budget	Variations this quarter	Notes		Revised budget after variations
Externally Restricted ⁽¹⁾											
Developers contributions	10						10			10	-
Specific Purpose Unexpended Grants & Contributions	152						152			152	2,388
Water network infrastructure	2,138						2,138			2,138	3,103
Sewer network infrastructure	4,590						4,590			4,590	4,365
Domestic Waste Management	3,013						3,013			3,013	963
Stormwater infrastructure renewal	263						263			263	-
Total Externally Restricted	10,166	-	-	-	-	-	10,166	-		10,166	10,819
Internally Restricted ⁽²⁾											
Merger Implementation Fund	-						-			-	-
Stronger communities fund	-						-			-	-
Aerodrome bitumen resurfacing	245						245			245	166
Bradman's birthplace	53						53	(40)	1	13	64
Coolac bypass	102						102	(102)	2	-	-
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	(200)	3	586	786
Swimming Pool Pump & Equipment	-						-			-	-
Cemetery reserve	-						-			-	-
Total Internally Restricted	2,633	-	-	786	-	-	3,419	(342)		3,077	7,363
Unrestricted	4,616	(2,591)	-	150	-	-	2,175	485		2,660	2,348
Total Cash & Investments	17,415			936			18,351	143		18,494	20,530

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

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



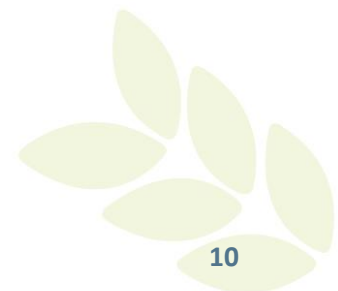
Detail of budget variations

Cootamundra Gundagai Regional Council
 Budget review for the quarter ended 31 December 2020



Cash & Investments

Notes	Variance \$000	Details
1	(40)	\$30,000 for capital renewals and \$10,000 for souvenirs at the Bradman cottage was approved at the January 2021 council meeting.
2	(102)	The Coolac bypass is an historic arrangement that has expired.
3	(200)	Council had resolved to apply for an Everyone Can Play grant to partially fund a playground at Albert Park. The application was successful, with \$200,000 each to be funded from the grant and the Southern Phone Reserve.
Total	(342)	



Key Performance Indicators

Cootamundra Gundagai Regional Council
Budget review for the quarter ended 31 December 2020



Key Performance Indicators

	This revision	Original budget	2019/20	2018/19	Target
1. Operating performance					
Operating revenue less operating expense	(2,338)	-6.89%	-4.04%	-5.79	-29.61%
Operating revenue	33,916				>0%
2. Own source revenue					
Total operating revenue less grants	23,278	44.82%	46.97%	54.93%	65.28%
Total operating revenue	51,941				>60%
3. Rates and annual charges outstanding					
Rates outstanding	4,676	31.39%		6.37%	7.68%
Rates collectible	14,895				<10%

Note: Rates and annual charges outstanding reflects the balances at quarter end



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