



**COOTAMUNDRA-  
GUNDAGAI REGIONAL  
COUNCIL**

# **Quarterly Budget Review Statement**

**31 March 2021**



# Commentary

The adjustments recommended in this report improve the operating result before capital to profit of \$506,000, and increase the projected unrestricted cash balance to \$4.6m. The unrestricted cash balance has improved due to additional user fees and charges, and because capital projects will be underspent for the year. When these are revoted in 2021/22, the unrestricted cash balance will reduce by an equivalent amount.

## 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 before capital grants and contributions is a \$506,000 profit (original \$221,000 deficit). The revised estimated net operating result for the year including capital grants and contributions to 30 June 2021 is a surplus of \$22,835,000 (original budget was a surplus of \$15,902,000) reflecting the very significant capital grants received during the year.

## 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 including capital of \$6,015,000.

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.
- Additional capital grants totalling over \$6m.
- Additional state roads revenue of \$900,000.
- Careful budget management in several departments has resulted in reduced operating expenditure.

### 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.
- Some business units have exceeded budgets.

## Other Notes

The rates outstanding figure of 16.85% exceeds the benchmark of 10%, and the opening balance of 6.37%. This balance is down from 31.39% last quarter, and varies a great deal throughout the year. While higher than usual, the increase can be attributed to the general financial impacts of the COVID-19 pandemic, and the prohibition of debt collection activities. It is expected to reduce below the benchmark by year-end.



# 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 31/3/21 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:**

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Tim Swan  
Responsible Accounting Officer

**date: 18 May 2021**



# Income and Expense Budget Review

## Cootamundra Gundagai Regional Council

Budget review for the quarter ended 31 March 2021



### 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					
<b>Income</b>											
Rates and Annual Charges	14,895			-			14,895	-		14,895	13,371
User Charges and Fees	7,873			(161)	-		7,712	1,599		9,311	5,928
Interest and Investment Revenues	210				(51)		159	-		159	81
Other Revenues	347				165		512	385		897	887
Grants & Contributions - Operating	9,848			24	404		10,276	770		11,046	4,058
Grants & Contributions - Capital	16,123			(14)	1,916		18,025	4,304		22,329	6,812
Internal Plant Hire	3,475				-		3,475	400		3,875	2,969
Internal Overheads	1,878				-		1,878	-		1,878	1,409
Internal Easements	-				-		-	-		-	-
<b>Total Income from Continuing Operations</b>	<b>54,648</b>	<b>-</b>	<b>-</b>	<b>(151)</b>	<b>2,434</b>	<b>-</b>	<b>56,931</b>	<b>7,458</b>		<b>64,389</b>	<b>35,515</b>
<b>Expenses</b>											
Employee Costs	12,461			(71)	63		12,453	47		12,500	10,333
Borrowing Costs	281				-		281	-		281	100
Materials & Contracts	9,604			(129)	1,452		10,927	1,406		12,333	9,697
Plant Hire	2,342				-		2,342	(10)		2,332	2,256
Legal Costs	152				-		152	-		152	141
Consultants	96				-		96	-		96	373
Depreciation	8,940				-		8,940	-		8,940	-
Other Expenses	2,993			50	-		3,043	-		3,043	3,289
Internal Overheads	1,878				-		1,878	-		1,878	1,409
Internal Easements	-				-		-	-		-	-
<b>Total Expenses from Continuing Operations</b>	<b>38,746</b>	<b>-</b>	<b>-</b>	<b>(150)</b>	<b>1,515</b>	<b>-</b>	<b>40,112</b>	<b>1,443</b>		<b>41,555</b>	<b>27,598</b>
<b>Net Operating Result from Continuing Operations</b>	<b>15,902</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>919</b>	<b>-</b>	<b>16,820</b>	<b>6,015</b>		<b>22,835</b>	<b>7,917</b>
<b>Net Operating Result before Capital Items</b>	<b>(221)</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>(997)</b>	<b>-</b>	<b>(1,205)</b>	<b>1,711</b>		<b>506</b>	<b>1,104</b>

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					
<b>Income</b>											
Development, Building and Compliance	325			115	47		487	150	1	637	671
Regulatory Services	602				-		602	50	2	652	555
Community and Culture	163			30	-		193	-		193	241
Business Services	6				-		6	25	3	31	26
Finance and Customer Services	14,832				12		14,844	-		14,844	11,064
Executive Office	2,780			(290)	1,090		3,580	952	4	4,533	1,284
Operations Management	866				-		866	1,126	5	1,992	1,131
Facilities	194				165		359	42	6	401	443
Recreation	176				200		376	(57)	7	319	331
Technical Services	4,723				983		5,706	739	8	6,445	2,351
Civil Works	4,207			(6)	-		4,201	3,757	9	7,958	4,294
Asset Management	3,616				-		3,616	674	10	4,289	3,229
Waste Services	3,154				(26)		3,128	-		3,128	2,925
Water	4,784				(11)		4,773	-		4,773	3,401
Sewer	14,221				(26)		14,195	-		14,195	3,569
<b>Total Income from Continuing Operations</b>	<b>54,648</b>	<b>-</b>	<b>-</b>	<b>(151)</b>	<b>2,434</b>	<b>-</b>	<b>56,931</b>	<b>7,458</b>		<b>64,389</b>	<b>35,515</b>
<b>Expenses</b>											
Development, Building and Compliance	1,041			(38)	220		1,224	(135)	1	1,089	753
Regulatory Services	1,114			(24)	13		1,103	-		1,103	863
Community and Culture	1,400			(39)	246		1,607	-		1,607	1,268
Business Services	1,229			(21)	368		1,576	-		1,576	1,287
Finance and Customer Services	1,588			(45)	95		1,638	(250)	11	1,388	1,108
Executive Office	2,110			(389)	507		2,228	-		2,228	1,596
Operations Management	919			485	-		1,403	582	5	1,985	2,236
Facilities	1,289			(50)	63		1,302	(330)	6	972	832
Recreation	1,626			(21)	-		1,605	262	7	1,867	1,749
Technical Services	2,294				-		2,294	-		2,294	2,030
Civil Works	4,893				-		4,893	650	9	5,543	4,952
Asset Management	2,500			(7)	3		2,497	524	10	3,021	2,840
Waste Services	2,235				-		2,235	140	12	2,375	2,112
Water	3,788				-		3,788	-		3,788	2,783
Sewer	1,779				-		1,779	-		1,779	1,191
<b>Total Expenses from Continuing Operations</b>	<b>29,806</b>	<b>-</b>	<b>-</b>	<b>(150)</b>	<b>1,515</b>	<b>-</b>	<b>31,172</b>	<b>1,443</b>		<b>32,614</b>	<b>27,598</b>
<b>Net Operating Result from Continuing Operations</b>	<b>24,842</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>919</b>	<b>-</b>	<b>25,759</b>	<b>6,015</b>		<b>31,775</b>	<b>7,917</b>
<b>Depreciation</b>	<b>8,940</b>						<b>8,940</b>			<b>8,940</b>	<b>-</b>
<b>Net Operating Result including depreciation</b>	<b>15,902</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>919</b>	<b>-</b>	<b>16,819</b>	<b>6,015</b>		<b>22,834</b>	<b>7,917</b>
<b>Net Operating Result before Capital Items</b>	<b>(222)</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>(997)</b>	<b>-</b>	<b>(1,206)</b>	<b>1,711</b>		<b>506</b>	<b>1,104</b>

## Detail of budget variations

### Cootamundra Gundagai Regional Council

Budget review for the quarter ended 31 March 2021



#### Income and Expenses Consolidated

Notes	Variance \$000	Details
1	285	Income for Development has exceeded budget by \$100,000. Expenses are down by \$185,000, which relates to the deferral of the LEP. This will need to be included in the 2021/22 budget.
2	50	Income from Cemetery fees and animal control are expected to exceed the budget by \$25,000 each.
3	25	Small grants have been received totalling \$24,775.
4	952	Grant funding from the Local Roads & Community Infrastructure Programme
5	544	Profit of around \$535,000 from Private Works is expected, along with profits of around \$300,000 from the new Bangas Pit operation. This is partially offset by increased Workers Compensation premiums of \$296,727.
6	372	Significant resources have been allocated to projects, allowing a reduction to the operating budget. Small grants totalling \$41,825 have also been received.
7	(319)	The budget for Cootamundra Parks & Gardens is projected to be exceeded by \$190,000. The Cootamundra Swimming Pool is projected to exceed the expenditure budget by \$72,000, and fall short of the income budget by \$112,000. Small grants totalling \$55,000 have been
8	739	Grants of \$1,439,000 have been received from Fixing Local Roads, while \$700,000 in works budgeted for timber haulage routes have been
9	3,107	State Roads income is projected to exceed the budget by \$900,000, and an additional \$2,492,239 has been received from Fixing Local Floodplain management funding of \$80,000 has been approved, and plant hire income is projected to exceed budget by \$400,000.
10	150	Valuation fees of \$125,000 budgeted in finance have been transferred to this area, and Asset Management support of \$125,000 has also
11	250	\$125,000 in valuation fees has been transferred from this area, and short staffing has resulted in savings of an additional \$125,000.
12	(140)	Employee costs and materials and contracts are projected to exceed the budget by \$140,000.
Total	6,015	

# Capital budget review

Cootamundra Gundagai Regional Council

Budget review for the quarter ended 31 March 2021




## Capital budget

(\$000's)	Original Budget	Approved Changes					Revised Budget	Variations this quarter	Notes	Revised budget after variations
		Carry forwards	Other than by QBRs	Sept QBRs	Dec QBRs	Mar QBRs				
<b>Capital Expenditure</b>										
Plant and equipment	2,484				-		2,484	715	1	3,199
Office equipment	40				-		40	-		40
Buildings	260				74		334	76	2	410
Land improvements	25			64	-		89	-		89
Major projects	125				1,735		1,860	-		1,860
Roads, bridges and footpaths	7,450			(1,000)	983		7,434	1,445	3	8,879
Stormwater drainage	160				-		160	-		160
Recreation assets	546				575		1,121	597	4	1,719
Parks and Gardens	449				-		449	-		449
Waste Services	455				-		455	-		455
Water supply network	1,000				-		1,000	-		1,000
Sewerage network	12,597				-		12,597	-		12,597
Other assets	-				-		-	-		-
<b>Total Capital Expenditure</b>	<b>25,591</b>	<b>-</b>	<b>-</b>	<b>(936)</b>	<b>3,367</b>	<b>-</b>	<b>28,022</b>	<b>2,834</b>		<b>30,856</b>
<b>Capital Funding</b>										
Rates & Other Untied Funding	619			(936)	18		(299)	40	2	(259)
Capital Grants & Contributions	16,123				3,119		19,242	2,079	2, 3, 4	21,321
Reserves:										
- External Restrictions/Reserves	2,365						2,365			2,365
- Internal Restrictions/Reserves	2,065				230		2,295	715	1	3,010
New Loans	4,000						4,000			4,000
Receipts from Sale of Assets										
- Plant & Equipment	419				-		419	-		419
- Land & Buildings	-				-		-	-		-
<b>Total Capital Funding</b>	<b>25,591</b>	<b>-</b>	<b>-</b>	<b>(936)</b>	<b>3,367</b>	<b>-</b>	<b>28,022</b>	<b>2,834</b>		<b>30,856</b>
<b>Net Capital Funding - Surplus/(Deficit)</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>(0)</b>	<b>0</b>		<b>0</b>





## Detail of budget variations

Cootamundra Gundagai Regional Council		
Budget review for the quarter ended 31 March 2021		
		
Capital Budget		
Notes	Variance \$000	Details
1	715	Current year expenditure has exceeded the budget by \$715,000, largely due to the delay in the purchase of a garbage truck scheduled to be completed in 2019/20, and purchase of a skid steer loader for waste operations. Waste plant totalling \$479,545 is funded from the waste reserve, with the remaining \$235,455 funded from the plant reserve.
2	76	Grants received from Local Roads and Community Infrastructure for the Stockinbingal Hall and Cootamundra Arts Centre.
3	1,445	Projects planned for the current year have been funded by the Fixing Local Roads Programme (\$2,077,125) and Local Roads & Community Infrastructure Programme (\$278,650). Other projects have been deferred until the 2021/22 financial year.
4	597	Projects funded by the Local Roads & Community Infrastructure Programme.
<b>Total</b>	<b>2,833</b>	



# Cash and investments budget review

## Restricted and unrestricted cash (reserves)

Cootamundra Gundagai Regional Council											
Budget review for the quarter ended 31 March 2021											
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		
<b>Externally Restricted <sup>(1)</sup></b>											
Developers contributions	10						10			10	-
Specific Purpose Unexpended Grants & Contributions	152						152	1,576	1	1,728	2,073
Water network infrastructure	2,138						2,138			2,138	847
Sewer network infrastructure	4,590						4,590			4,590	4,071
Domestic Waste Management	3,013						3,013	(480)	4	2,533	2,547
Stormwater infrastructure renewal	263						263			263	-
<b>Total Externally Restricted</b>	<b>10,166</b>	-	-	-	-	-	<b>10,166</b>	<b>1,096</b>		<b>11,262</b>	<b>9,538</b>
<b>Internally Restricted <sup>(2)</sup></b>											
Merger Implementation Fund	-						-			-	-
Stronger communities fund	-						-			-	-
Aerodrome bitumen resurfacing	245						245			245	166
Bradman's birthplace	53				(40)		13			13	64
Coolac bypass	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							-			-	-
Heritage centre	14						14			14	17
Incomplete works	33						33			33	-
Plant replacement	64						64	175	2	239	467
Quarries & pit restoration	16						16			16	16
Saleyards	35						35			35	-
Southern Phone	-			786	(200)		586			586	786
Swimming Pool Pump & Equipment	-						-			-	-
Cemetery reserve	-						-	25	3	25	-
<b>Total Internally Restricted</b>	<b>2,633</b>	-	-	<b>786</b>	<b>(342)</b>	-	<b>3,077</b>	<b>200</b>		<b>3,277</b>	<b>4,011</b>
<b>Unrestricted</b>	<b>4,616</b>	<b>(2,591)</b>	-	<b>150</b>	<b>485</b>	-	<b>2,660</b>	<b>1,885</b>		<b>4,545</b>	<b>5,299</b>
<b>Total Cash &amp; Investments</b>	<b>17,415</b>			<b>936</b>	<b>143</b>		<b>18,494</b>	<b>2,085</b>		<b>20,579</b>	<b>18,848</b>

## Detail of budget variations

Cootamundra Gundagai Regional Council		
Budget review for the quarter ended 31 March 2021		
Cash & Investments		
Notes	Variance \$000	Details
1	1,576	Grant funds received in the current year will be reserved for expenditure next year.
2	(315)	Plant capital purchases exceeding budget, offset by higher than expected plant income.
3	25	Higher than expected cemetery income.
4	(480)	Waste truck and skid steer loader funded from waste reserve



# Key Performance Indicators

## Cootamundra Gundagai Regional Council

Budget review for the quarter ended 31 March 2021



### Key Performance Indicators

		This revision	Original budget	2019/20	2018/19	Target
1. Operating performance						
Operating revenue less operating expense	(1,037)	-2.86%	-4.08%	-5.79	-29.61%	>0%
Operating revenue	36,308					
2. Own source revenue						
Total operating revenue less grants	25,262	43.08%	47.32%	54.93%	65.28%	>60%
Total operating revenue	58,637					
3. Rates and annual charges outstanding						
Rates outstanding	2,510	16.85%		6.37%	7.68%	<10%
Rates collectible	14,895					

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



## **COOTAMUNDRA-GUNDAGAI REGIONAL COUNCIL**

ABN: 46 211 642 339  
PO Box 420, Cootamundra NSW 2590  
Email: [mail@cgrc.nsw.gov.au](mailto:mail@cgrc.nsw.gov.au)  
[www.cgrc.nsw.gov.au](http://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

