

7.3 Quarterly Review

File Reference: NA

Delivery Program

Goal: 5. Organisational management

Outcome: 5.1 Corporate management

Strategy: 5.1.1 Financial Management and accountability systems

Author: General Manager

STAFF DISCLOSURE OF INTEREST Nil

IN BRIEF/SUMMARY RECOMMENDATION

This report recommends that the December Quarter Budget Review Statement be noted and that the December Quarter budget adjustments be approved.

COMMENT

The commentary in this report is directed at overall results. The impact on individual business units and by implication the associated service levels has not been assessed - this is the responsibility of individual directors and managers.

Changes within the December quarterly review are based around ongoing operations largely based around grant funded projects. There are significant increased for the Naroo business unit as changes to funding will help increase income and ensure future viability.

While the adjustments have a slightly negative impact on the bottom line, Council will ensure that throughout the year expenditure will be matched to as much grant funded works as possible. This will be a benefit to Council's cash position and ensure our Contracted Liability at the end of the financial year is as low as possible.

Council will be investigation borrowings in coming months to ensure the cash position remains steady. Unfortunately, there are several large road projects that are grant funding that occur concurrently and with the funding bodies holding a portion of grant funding until the completion of jobs, Council will be out of pocket during this time.

STATUTORY ENVIRONMENT

Local Government Act 1993 and associated regulations. A quarterly budget review is due within 2 months of the end of each quarter under the requirements of Clause 203 of the Local Government (General) Regulation 2005: 203 Budget review statements and revision of estimates

1. Not later than 2 months after the end of each quarter, the responsible accounting officer of a council must prepare and submit to the council a budget review statement that shows, by reference to the estimate of income and expenditure set out in the

management plan that the council has adopted for the relevant year, a revised estimate of the income and expenditure for that year.

2. A budget review statement must include or be accompanied by: 1. a report as to whether or not the responsible accounting officer believes that the statement indicates that the financial position of the council is satisfactory, having regard to the original estimate of income and expenditure, and 2. if that position is unsatisfactory, recommendations for remedial action. 3. A budget review statement must also include any information required by the Code to be included in such a statement.

OFFICER RECOMMENDATION

THAT the December Quarter Budget Review Statement be noted.

FURTHER that the December Quarter budget adjustments be approved.

ATTACHMENTS

1. December QBRS [7.3.1 - 9 pages]

Gwydir Shire Council

Quarterly Budget Review Statement

for the period 01/10/22 to 31/12/22

Table of Contents**page**

- | | |
|---|---|
| 1. Responsible Accounting Officer's Statement | 1 |
| 2. Income & Expenses Budget Review Statement's
Statement | 2 |
| Recommended Changes | 3 |
| 3. Capital Budget Review Statement
Statement | 4 |
| Recommended Changes | 5 |
| 4. Cash & Investments Budget Review Statement
Statement | 6 |
| 5. Contracts & Other Expenses Budget Review Statement | 7 |
| 6. Consultancy & Legal Expenses Budget Review Statement | 8 |

Gwydir Shire Council

Quarterly Budget Review Statement

for the period 01/10/22 to 31/12/22

Report by Responsible Accounting Officer

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

31 December 2022

It is my opinion that the Quarterly Budget Review Statement for Gwydir Shire Council for the quarter ended 31/12/22 indicates that Council's projected financial position at 30/6/23 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

Signed: _____

date:

Helen Thomas
Responsible Accounting Officer

Gwydir Shire Council

Quarterly Budget Review Statement

for the period 01/10/22 to 31/12/22

Income & Expenses Budget Review Statement

Budget review for the quarter ended 31 December 2022

Income & Expenses - Council Consolidated

	Original Budget 2022/23	Approved Changes					Revised Budget 2022/23	Variations for this Dec Qtr	Notes	Projected Year End Result	Actual YTD figures
		Carry Forwards	Other than by QBRS	Sep QBRS	Dec QBRS	Mar QBRS					
Income											
Rates and Annual Charges	(11,249,693)			(9,400)			(11,259,093)	(24,179)		(11,283,272)	(11,355,765)
User Charges and Fees	(2,776,790)			(46,800)			(2,823,590)	(334,682)		(3,158,272)	(1,564,065)
Interest and Investment Revenues	(29,000)			(18,000)			(47,000)	(36,327)		(83,327)	(116,271)
Other Revenues	(3,685,834)			40,164			(3,645,670)	(75,435)		(3,721,105)	(506,872)
Grants & Contributions - Operating	(9,310,259)			(828,876)			(10,139,135)	(263,369)		(10,402,504)	(7,162,338)
Grants & Contributions - Capital	(26,196,209)	-		(4,686,651)			(30,882,860)	(224,430)		(31,107,290)	(7,835,045)
Net gain from disposal of assets	(600,000)			-			(600,000)			(600,000)	(3,222)
Transfer from reserves	(2,834,000)			(225,000)			(3,059,000)			(3,059,000)	
Total Income from Continuing Operations	(56,681,785)	-	-	(5,774,563)	-	-	(62,456,348)	(958,422)		(63,414,770)	(28,543,578)
Expenses											
Employee Costs	13,371,663			(1,835)			13,369,828	298,528		13,668,356	6,778,092
Borrowing Costs	320,961						320,961			320,961	127,513
Materials & Contracts	38,331,942	-		5,848,390			44,180,332	568,576		44,748,908	20,139,872
Depreciation	7,795,526			-			7,795,526			7,795,526	4,174,541
Legal Costs	14,000						14,000			14,000	4,874
Consultants	409,000						409,000			409,000	377,460
Other Expenses	2,942,325			247,207			3,189,532	44,626		3,234,158	1,825,906
Net Loss from disposal of assets							-			-	60,767
Total Expenses from Continuing Operations	63,185,417	-	-	6,093,762	-	-	69,279,179	911,730		70,190,909	33,489,025
Net Operating Result from Continuing Operations	6,503,632	-	-	319,199	-	-	6,822,831	(46,692)	-	6,776,139	4,945,447
Discontinued Operations - Surplus/(Deficit)										-	
Net Operating Result from All Operations	6,503,632	-	-	319,199	-	-	6,822,831	(46,692)		6,776,139	4,945,447
Net Operating Result before Capital Items	32,699,841	-	-	5,005,850	-	-	37,705,691	177,738		37,883,429	12,780,492

Gwydir Shire Council

Quarterly Budget Review Statement

for the period 01/10/22 to 31/12/22

Income & Expenses Budget Review Statement**Recommended changes to revised budget**

Budget Variations being recommended include the following material items:

Notes	Details
User charges and fees	Increase in Naroo fees due to funding changes
Operating Grants	Increase in Naroo grant funding
Capital Grants	Gravesend Water Treatment plant funding, sewer
Employee Costs	Increase in casual wages and overtime
Materials and Contracts	Increase in contractors for road works

Gwydir Shire Council

Quarterly Budget Review Statement
for the period 01/10/22 to 31/12/22

Capital Budget Review Statement

Budget review for the quarter ended 31 December 2022

Capital Budget - Council Consolidated

	Original Budget 2022/23	Approved Changes					Revised Budget 2022/23	Variations for this Dec Qtr	Notes	Projected Year End Result
		Carry Forwards	Other than by QBRS	Sep QBRS	Dec QBRS	Mar QBRS				
Capital Expenditure										
New Assets										
- Plant & Equipment							-			-
- Land & Buildings							-			-
- Other			-				-			-
Renewal Assets (Replacement)										
- Plant & Equipment	1,612,000						1,612,000			1,612,000
- Land & Buildings							-			-
- Roads, Bridges, Footpaths	21,397,924			-			21,397,924	-		21,397,924
Materials							-			-
Loan Repayments (Principal)	465,000						465,000			465,000
Waste	-						-	-		-
Water supply	410,000			165,500			575,500	93,000		668,500
Sewerage services	2,660,000						2,660,000	95,000		2,755,000
Total Capital Expenditure	26,544,924	-	-	165,500	-	-	26,710,424	188,000		26,898,424
Capital Funding										
Rates & Other Untied Funding	-			-			-			-
Capital Grants & Contributions	21,215,070			-			21,215,070			21,215,070
Reserves:										
- External Restrictions/Reserves	1,659,854	-					1,659,854			1,659,854
- Internal Restrictions/Reserves							-	-		-
New Loans							-	-		-
Receipts from Sale of Assets							-	-		-
- Plant & Equipment	600,000						600,000			600,000
Waste							-			-
Water supply	410,000			165,500			575,500	93,000		668,500
Sewerage services	2,660,000						2,660,000	95,000		2,755,000
Total Capital Funding	26,544,924	-	-	165,500	-	-	26,710,424	188,000		26,898,424
Net Capital Funding - Surplus/(Deficit)		-	-	-	-	-	-	-		-

Gwydir Shire Council

Quarterly Budget Review Statement
for the period 01/10/22 to 31/12/22

Capital Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details
Sewerage	Bingar Sewerage Extension
Water	Gravesend water treatment plant

Gwydir Shire Council

Quarterly Budget Review Statement

for the period 01/10/22 to 31/12/22

Cash & Investments Budget Review Statement

Budget review for the quarter ended 31 December 2022

Cash & Investments - Council Consolidated

(\$000's)	Original Budget 2022/23	Approved Changes					Revised Budget 2022/23	Variations for this Dec Qtr		Notes	Projected Year End Result	Actual YTD figures
		Carry Forwards	Other than by QBRS	Sep QBRS	Dec QBRS	Mar QBRS						
Externally Restricted ⁽¹⁾												
Aged Care Bonds	700,000						700,000				700,000	625,000
Developer Contributions	539,000						539,000				539,000	539,000
Specific Purpose unexpended Grants	800,000						800,000				800,000	2,800,000
Water	2,500,000						2,500,000				2,500,000	1,182,000
Sewer	3,500,000						3,500,000				3,500,000	3,033,000
Domestic Waste Management	3,000,000						3,000,000				3,000,000	4,347,000
Total Externally Restricted	11,039,000	-	-	-	-	-	11,039,000	-			11,039,000	12,526,000
(1) Funds that must be spent for a specific purpose												
Internally Restricted ⁽²⁾												
Employee Leave Entitlement	800,000						800,000				800,000	400,000
Trust Accounts	50,000	-					50,000				50,000	64,000
Total Internally Restricted	850,000	-	-	-	-	-	850,000	-			850,000	464,000
(2) Funds that Council has earmarked for a specific purpose												
Unrestricted (ie. available after the above Restriction)	1,611,000	-	-		-	-	1,611,000	-			1,611,000	1,768,076
Total Cash & Investments	13,500,000	-					13,500,000				13,500,000	14,758,076

Gwydir Shire Council

Quarterly Budget Review Statement

for the period 01/10/22 to 31/12/22

Contracts Budget Review Statement

Budget review for the quarter ended 31 December 2022

Part A - Contracts Listing - contracts entered into during the quarter

Contractor	Contract detail & purpose	Contract Value	Start Date	Duration of Contract	Budgeted (Y/N)	Notes
Uniplan	Hope Street Buildings	708,367	01/12/22		Y	

Gwydir Shire Council

Quarterly Budget Review Statement

for the period 01/10/22 to 31/12/22

Consultancy & Legal Expenses Budget Review Statement

Consultancy & Legal Expenses Overview

Expense	YTD Expenditure (Actual Dollars)	Budgeted (Y/N)
Consultancies	390,125	y
Legal Fees	4,784	y

Definition of a consultant:

A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or high level specialist or professional advice to assist decision making by management. Generally it is the advisory nature of the work that differentiates a consultant from other contractors.

Comments

Expenditure included in the above YTD figure includes: Project Management and Governance consultants.