
CCS18/008 DECEMBER QUARTERLY BUDGET REVIEW

E05.9535

Responsible Officer: Anthony O'Reilly - Director Corporate and Commercial Services

Attachments:

1. Under Separate Cover - Attachment 1(a) - Fund Flow Statement
2. Under Separate Cover - Attachment 1(b) - Consolidated Income Statement
3. Under Separate Cover - Attachment 1(c) - Capital Program Statement
4. Under Separate Cover - Attachment 1(d) - Projected Fund Balances Statement
5. Under Separate Cover - Attachment 1(e) - Budget Amendments Report
6. Under Separate Cover - Attachment 1(f) - Special Rate Variation Projects
7. Under Separate Cover - Attachment 2 - Consultancy, Legal and Contractors Report
8. Under Separate Cover - Attachment 3 - Key Performance Indicators
9. Under Separate Cover - Attachment 4 - Mayoral and Councilor Expenditure

Outcome: Innovative and Proactive Leadership

Focus Area: 9.2 Ensure financial sustainability and support the organisation in achieving efficient ongoing operations

Delivery Program Link: 9.2.4 Responsibly manage Council's finances and maintain Fit for the Future status

Operational Plan Link: 9.2.4.3 Provide financial management and reporting

EXECUTIVE SUMMARY

This Budget Review reports on Council's performance against the current Operational Plan budget for the quarter ending 31 December 2017. Major variations are highlighted.

The original Operational Plan budget, on a consolidated basis (which includes all of Council's funds), for 2017-18 forecast:

- Income Statement surplus, before capital revenue, of \$3.99 million
- Income Statement surplus, after capital revenue, of \$16.78 million
- Deficit cash/fund flows of \$(0.62) million.

The original budgeted Income Statement surplus *after capital revenue* was significantly more favourable than the *before capital revenue* result due to the anticipated receipt of capital grants and contributions that fund shirewide works activities.

The budget forecasts were updated at the September Review to include the revotes (projects continuing from 2016-17) and other adjustments made during that quarter. The revised budgets after the quarter ended 30 September 2017 indicated an:

- Income Statement deficit, before capital revenue of \$(1.07) million, and
- An Income Statement surplus, after capital revenue of \$16.32 million.

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The revised budgets after the quarter ending 31 December 2017 are:

- Income Statement deficit, before capital revenue, of \$(1.38) million
- Income Statement surplus, after capital revenue, of \$15.91 million
- Surplus cash/fund flows of \$(0.26) million.

The current December Review adjustments result in unfavourable variations for the income statement, before and after capital revenues, of \$(0.31) million and (\$0.41) million respectively, and a \$0.28 million reduction in the amount of unrestricted funds to be used, as per the Consolidated Fund Flow Statement.

There are no material concerns at the quarterly review about Council meeting budget targets for 2017-18.

RECOMMENDATION

THAT

1. The budget review report for the quarter ended 31 December 2017 be received and noted.
2. The unfavourable variations for the Income Statement after capital revenue of \$(0.41) million and favourable fund flow variations of \$0.28 million as per the Consolidated Fund Flow Statement be adopted.

BACKGROUND

Council reviews its performance and financial results against the adopted Operational Plan quarterly, authorises adjustments to budget items, and highlights variations from its original budget strategy.

It should be noted that the results referred to in this report are unaudited.

The attachments to this report are as follows:

Financial reports (Attachment 1)

These reports provide information on Council's performance against its financial objectives contained in the Operational Plan, presented for the consolidated entity.

Financial reports include:

- a) Consolidated Fund Flow Statement – This report shows the impact of operating, financing and investing activities on Council's unrestricted working capital.
- b) Consolidated Income Statement – Provides sources of income and expenditure, including depreciation, in the program areas and associated services.
- c) Consolidated Capital Program Statement – Provides capital expenditure information for each program area and associated services.
- d) Projected Funds Balance Statement – Provides information on the balances and movements in both unrestricted and restricted fund accounts.
- e) Budget Amendment Report – Provides details of proposed material adjustments to budgets.

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- f) SRV capital program – Provides capital expenditure information for each of the projects in the SRV program of works for 2017-18.

Consultancy, Legal and Contractors Report (Attachment 2)

This attachment provides information on major contracts entered into, legal fees incurred and consultancy costs for the quarter ended 31 December 2017.

Key Financial Indicators (Attachment 3)

This attachment provides information about key financial indicators designed to assist in monitoring Council's financial sustainability. The indicators are for the consolidated entity.

Mayoral and Councillor Expenses (Attachment 4)

Provides information about Mayoral and Councillor expenditure for the quarter ended 31 December 2017.

CONSIDERATIONS

Consolidated Fund Flow Statement (Attachment 1(a)):

Council requires sufficient funds to pay for its debts as and when they fall due. The Consolidated Fund Flow Statement shows the change in Council's freely available funds or working capital.

It includes all transactions having an impact on Council's funds i.e. income and expenses from its operating activities, capital programs and borrowing activities. It also includes the transfer into, or use of restricted funds for capital or non-recurrent projects. Depreciation is not included as it does not represent a cash flow.

The net fund flow shows the amount of unrestricted funds that will be used to deliver the agreed Operational Plan outcomes for 2017-18. The consolidated original budget forecast a \$0.62 million use of unrestricted funds. This was revised after the September adjustments to reflect an anticipated \$0.02 million use of unrestricted funds. The impact of carry forward items and the December Review amendments further reduces the amount of unrestricted funds to be utilised by \$0.27 million, to a net favourable fund flow of \$0.25 million by the end of the financial year (per Table 1.1 and Graph 1.1 below).

Table 1.1 Net fund flow (unrestricted) per fund

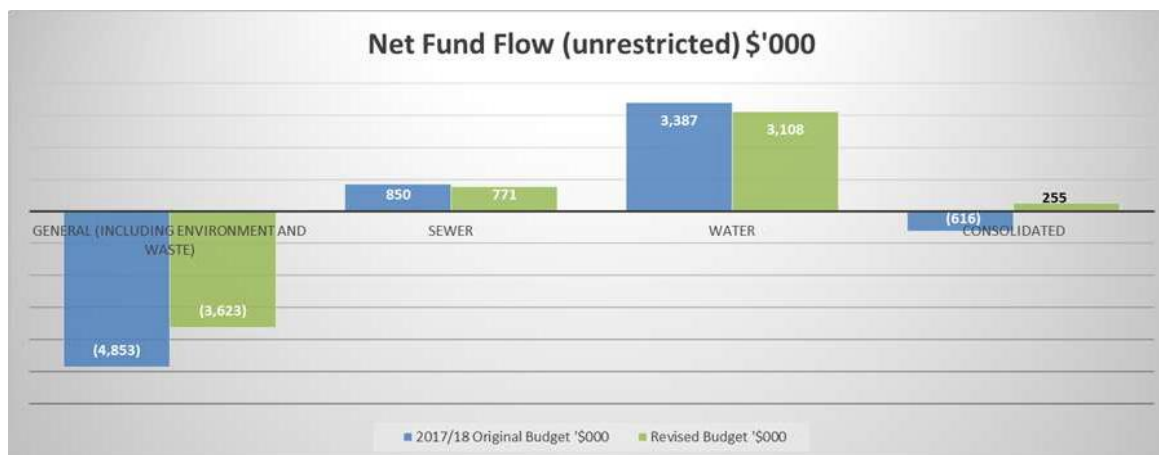
Fund	2017/18 Original Budget '\$000	Previous Reviews '\$000 *	December Review '\$000	Revised Budget '\$000
General	(3,025)	1,073	169	(1,783)
Environment*	(24)	(32)	(29)	(85)
Waste*	(1,804)	(45)	94	(1,755)
Sewer	850	(152)	72	771
Water	3,387	(251)	(29)	3,108
Consolidated Total	(616)	594	277	255

**Waste and Environment form part of the General fund but have been listed separately in this table to show the amount of unrestricted cash is being utilised in each area. The Previous Review figures include revotes from 2016-17.*

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Graph 1.1 Net fund flow (unrestricted) per fund



Consolidated Income Statement (Attachment 1(b):

The original full year budgeted operating result, for the consolidated entity, was a surplus of \$3.99 million, before capital revenue. The revised budget, incorporating the net unfavourable revotes (\$2.88 million) and other adjustments (\$2.18 million) processed in the September Review and the net unfavourable December Review adjustments (\$0.31 million) is a projected deficit of \$(1.38) million, before the recognition of capital revenue (per Table 1.2 and Graph 1.2 below).

Table 1.2 Net surplus/(deficit) before capital revenue

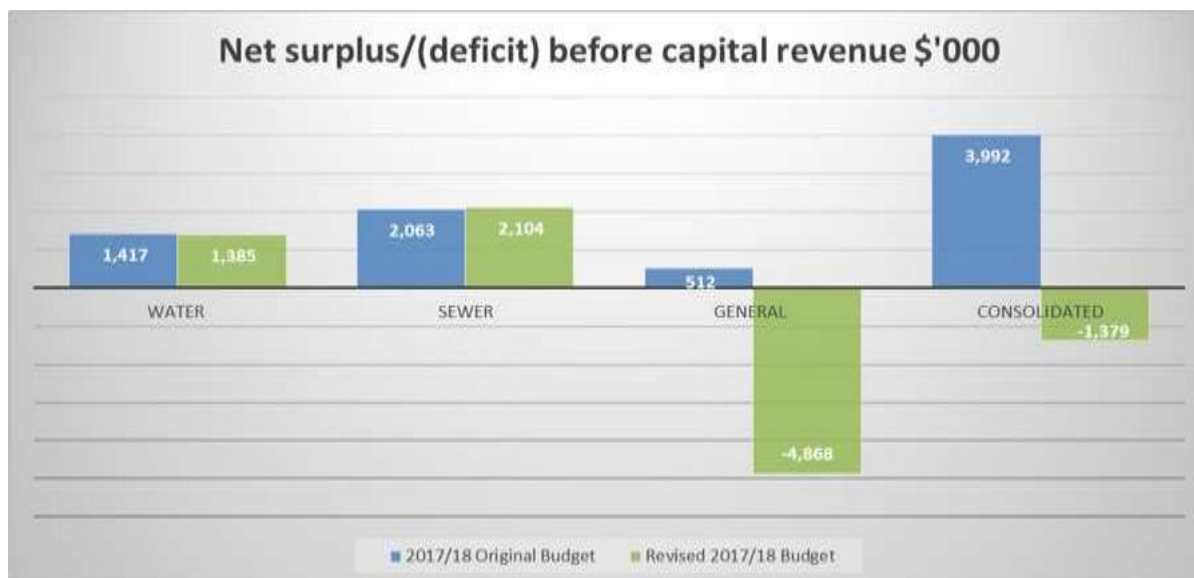
Fund	2017/18 Original Budget '\$000	Previous Reviews '\$000 *	December Review '\$000	Revised Budget '\$000
Water	1,417	(3)	(29)	1,385
Sewer	2,063	52	(12)	2,104
General (including Environment & Waste)	512	(5,107)	(273)	(4,868)
Consolidated	3,992	(5,058)	(313)	(1,379)

*includes revotes from 2016-17.

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Graph 1.2 Net surplus/(deficit) before capital revenue



December Review adjustments (operational)

The following items are a summary of the requested December Review amendments to the originally adopted Operational Plan budget for 2017-18. The impact of these adjustments is unfavourable to the operating statement before capital revenue of \$0.31 million.

Significant adjustments (individually over \$0.05 million) to operational items include:

- estimated contractor costs for valuations in line with the NSW Audit Office requirements (\$0.08 million)
- the reclassification of flood recovery works from capital to operational (\$0.13 million)
- revision of the estimated Child Care Benefit payments required to Family Day Care providers in line with current enrolments (\$0.1 million)
- recognition of various grants and contributions, with the majority of these being offset by corresponding increases in operational expenditure.

When reviewing the entity per fund, the majority of adjustments impact the General Fund (General, Environment and Waste operations). There are only minor variations proposed at this review for the Water and Sewer funds.

The original budgeted Income Statement surplus *after capital revenue* was significantly more favourable than the *before capital revenue* result due to the receipt of capital grants and contributions that fund shirewide works activities in areas such as:

- Transport (\$6.2 million)
- Water Services (\$1.0 million)
- Sewerage Services (\$1.8 million)
- Recreation Services (\$0.9 million)
- Other Economic Services (\$2.9 million)

The original budget for 2017-18 predicted an income statement surplus of \$16.78 million, after allowing for capital grants and contributions. The revised budget, incorporating the net

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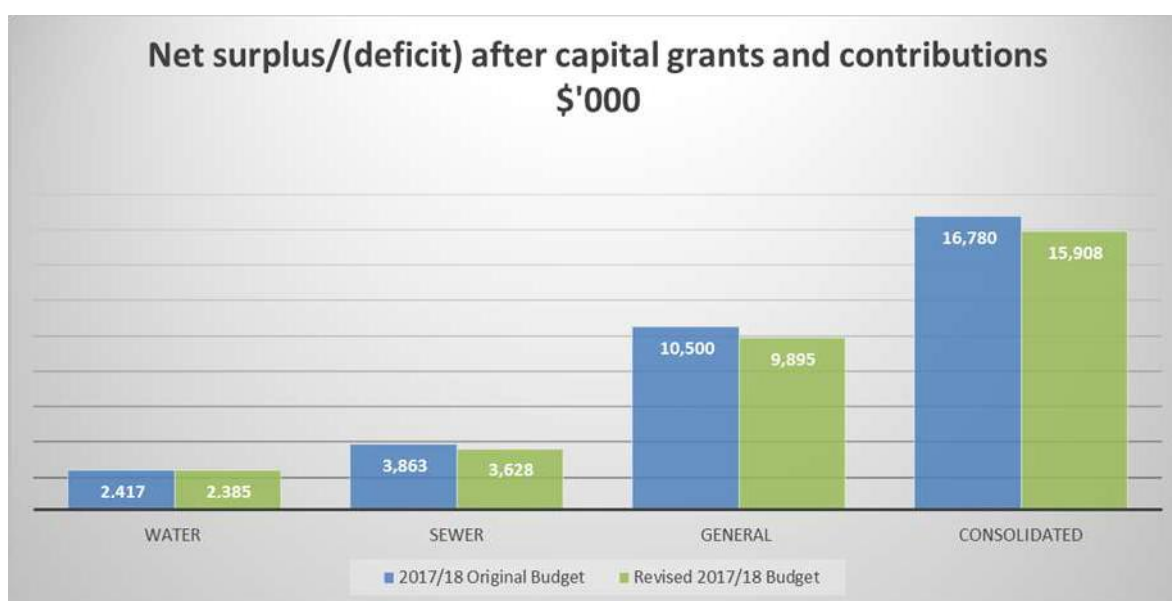
unfavourable adjustments processed in the September Review (\$0.46 million) and the December Review (\$0.41 million) is a projected surplus of \$15.91 million, after capital revenues (per Table 1.3 and Graph 1.3 below).

Table 1.3 Net surplus/(deficit) after capital revenue

Fund	2017/18 Original Budget '\$000	Previous Reviews '\$000 *	December Review '\$000	Revised Budget '\$000
Water	2,417	(3)	(29)	2,385
Sewer	3,863	(224)	(12)	3,628
General (including Environment & Waste)	10,500	(232)	(373)	9,895
Consolidated	16,780	(459)	(413)	15,908

*includes revotes from 2016-17

Graph 1.3 Net surplus/(deficit) after capital revenue



Consolidated Capital Program Statement (Attachment 1(c)):

Capital Program

The original capital budget for 2017-18 was \$54.94 million. The revised, consolidated capital budget for 2017-18 was adjusted during the September Review to reflect works continuing on from the previous year (\$3.59 million) and other significant current year adjustments (\$2.36 million) mainly due to additional funding received for road infrastructure works. The capital budget for 2017-18 has been further revised during the December quarter to \$60.15 million (per Tables 1.4, 1.5 and Graph 1.4 below) as a result of changes to current works, including:

- a \$0.08 million reduction in the scope of the Energy Performance Contract works at Narooma Pool and the main Administration building
- the reclassification of \$0.13 million of flood recovery works from capital to operational in line with the nature of the repairs and clean up works required.

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and the revote of one project to 2018-19 as detailed below:

- \$0.50 million of works on the Batemans Bay Link Road deferred to allow for design input from the Roads and Maritime Services.

Table 1.4 Consolidated Capital Program

2017/18 Original Budget '\$000	Previous Reviews '\$000 *	December Review '\$000	Revised Budget '\$000
54,939	5,942	(732)	60,148

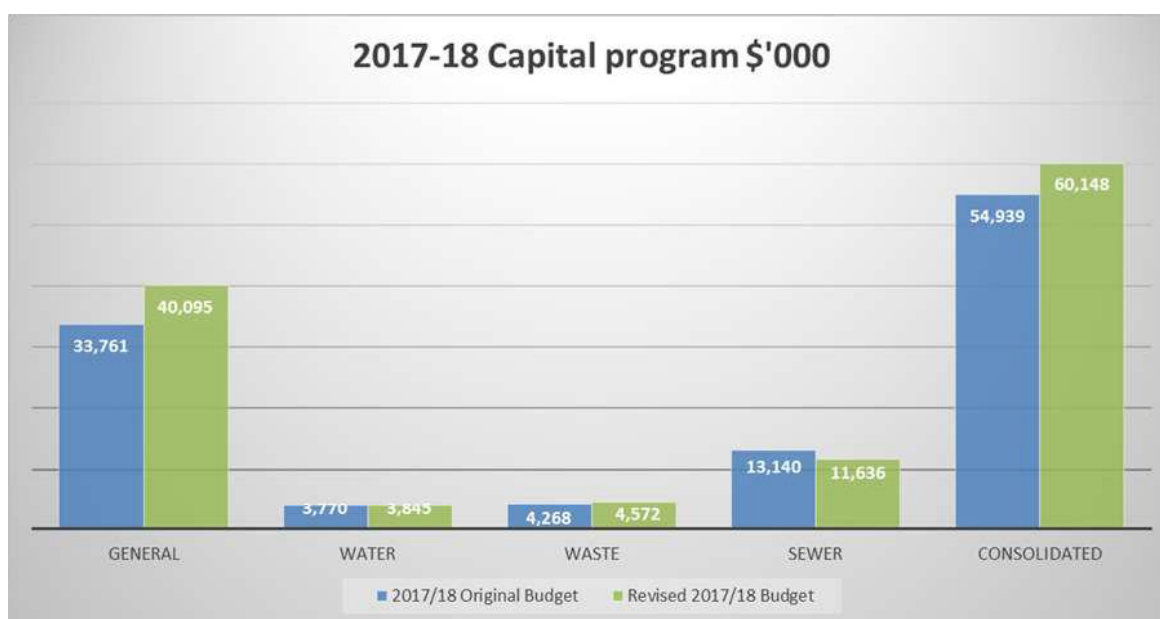
*includes revotes from 2016-17

Table 1.5 Capital Program per fund

Fund	2017/18 Original Budget '\$000	Previous Reviews '\$000 *	December Review '\$000	Revised Budget '\$000
General	33,761	7,067	(732)	40,095
Waste	3,770	76	0	3,845
Water	4,268	304	0	4,572
Sewer	13,140	(1,505)	0	11,636
Total	54,939	5,942	-732	60,148

*includes revotes from 2016-17

Graph 1.4 Capital Program per fund



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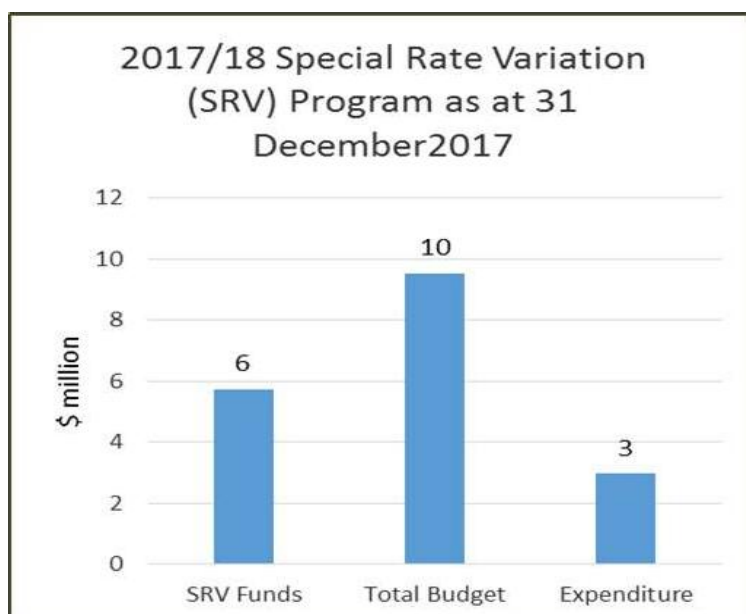
Special Rate Variation (SRV) – progress update (Attachment 1 (f)):

2017-18 is the third year of the SRV program and approximately \$9.52 million of infrastructure works for the year are underway. \$5.74 million of SRV designated funds are being utilised on these works. The majority of the projects have commenced with a due date for completion by the end of the fourth quarter. *Attachment 1 (f)* reports on the detailed progress of the SRV capital program showing individual project budgets and expenses as at the end of the December quarter. Total expenditure on the SRV designated projects as at 31 December 2017 is \$2.97 million (per Table 1.6 and Graph 1.5 below).

Table 1.6 2017-18 Special Rate Variation Capital Program

2017/18 Special Rate Variation (SRV) Capital Program	\$
SRV Funds	5,736,408
Total Budget	9,524,498
Expenditure to 31 December 2017	2,970,610
Percentage SRV funding spent	52%

Graph 1.5 2017-18 Special Rate Variation Capital Program



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Legal

This review is based on the Quarterly Budget Review Statement (QBRs) Guidelines issued December 2010, pursuant to the provisions of the *Local Government Act 1993* relating to integrated planning.

Policy

The accounting policies being used are based on those detailed in the financial statements for the year ended 30 June 2017.

“Variations” in the Fund Flow Statement are changes in the funding requirements where “funds” are net current assets (working capital) excluding both internal and externally restricted funds.

Financial

Interest rates continue to remain at low levels. The Reserve Bank statements suggest that the rate will continue to be on hold.

CONCLUSION

There are no material concerns at this quarterly review about meeting budget targets for 2017-18.

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

As the Responsible Accounting Officer, it is my opinion that the December Quarterly Budget Review for Eurobodalla Shire Council 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 for the 2017-18 financial year.

December Quarterly Budget Review Consolidated Fund Flow Statement
for YTD Period Ending December 2017

Attachment 1(a)

Description	Original Budget	Approved changes in previous reviews including:		Current Budget	Actual YTD	Proposed December Review Adjustments	Forecast Budget
		Carry Overs from 2016-17	September Review adjustments				
Income							
Rates & Annual Charges	-61,122,223	0	0	-61,122,223	-61,068,320	0	-61,122,223
User Charges & Other	-28,939,746	-19,150	72,000	-28,886,896	-13,593,045	-175,803	-29,062,699
Investment Revenues	-3,164,000	0	0	-3,164,000	-1,330,523	0	-3,164,000
Operating Grants & contributions	-14,207,314	-414,518	2,208,974	-12,412,858	-5,641,317	-211,036	-12,623,894
Total Income	-107,433,284	-433,668	2,280,974	-105,585,978	-81,633,206	-386,839	-105,972,816
Expense							
Employee costs	35,245,925	156,664	33,470	35,436,059	20,726,238	32,298	35,468,357
Interest	2,881,556	0	-33,238	2,848,318	1,279,085	-120,405	2,727,913
Depreciation	29,511,689	0	0	29,511,689	0	0	29,511,689
Other Costs (incl materials & contracts)	35,801,617	3,157,655	-103,452	38,855,820	19,673,760	788,286	39,644,105
Total Expense	103,440,787	3,314,319	-103,220	106,651,886	41,679,083	700,179	107,352,064
Operating (Surplus)/Deficit before Capital	-3,992,497	2,880,651	2,177,754	1,065,908	-39,954,123	313,340	1,379,248
Capital Income							
Developer Contributions	-2,550,000	0	-7,000	-2,557,000	-1,979,787	0	-2,557,000
Capital Grants & Contributions	-10,237,449	-2,784,661	-1,807,665	-14,829,775	-3,109,879	99,500	-14,730,275
Operating (Surplus)/Deficit after Capital	-16,779,946	95,990	363,089	-16,320,867	-45,043,789	412,840	-15,908,027
Non Cash							
Depreciation	-29,511,689	0	0	-29,511,689	0	0	-29,511,689
Total Non Cash	-29,511,689	0	0	-29,511,689	0	0	-29,511,689
Investing Fund Flows							
Asset Sales	-286,743	-123,765	0	-410,508	-225,778	0	-410,508
Capital Works	54,938,519	3,586,606	2,355,360	60,880,485	17,465,445	-732,378	60,148,107
Deferred Debtor Repayments	-20,000	0	0	-20,000	-16,587	0	-20,000
Total Investing Fund Flows	54,631,776	3,462,841	2,355,360	60,449,977	17,223,080	-732,378	59,717,599
Financing Fund Flows							
Loan Borrowing	-15,696,119	0	-263,267	-15,959,386	0	0	-15,959,386
Loan Principal Repayment	9,079,416	0	111,929	9,191,345	3,344,704	-1	9,191,344
Total Financing Fund Flows	-6,616,703	0	-151,338	-6,768,041	3,344,704	-1	-6,768,042
Net (Inc)/Dec in Funds before Transfers	1,723,438	3,558,831	2,567,111	7,849,380	-24,476,005	-319,539	7,529,841
Reserve Movements							
Transfer from Reserves	-27,457,497	-4,246,005	-3,025,085	-34,728,587	-11,567,439	47,278	-34,681,309
Transfer to Reserves	26,349,904	30,356	520,973	26,901,233	2,428,143	-5,000	26,896,233
Total Reserve Movements	-1,107,594	-4,215,649	-2,504,112	-7,827,354	-9,139,296	42,278	-7,785,076
Net (Inc)/Dec in Unrestricted Funds	615,845	-656,818	62,999	22,026	-33,615,301	-277,261	-255,235

December Quarterly Budget Review Consolidated Income Statement
for YTD Period Ending December 2017

Attachment 1(b)

Description	Original Budget	Approved Changes		Current Budget	Actual YTD	Proposed December Review Adjustments	Forecast Budget
		Carry Overs from 2016-17	September Review Adjustments				
Income							
Rates & Annual Charges	-61,122,223	0	0	-61,122,223	-61,068,320	0	-61,122,223
User Charges & Other	-28,939,746	-19,150	72,000	-28,886,896	-13,593,045	-175,803	-29,062,699
Investment Revenues	-3,164,000	0	0	-3,164,000	-1,330,523	0	-3,164,000
Operating Grants & contributions	-14,207,314	-414,518	2,208,974	-12,412,858	-5,641,317	-211,036	-12,623,894
Developer Contributions	-2,550,000	0	-7,000	-2,557,000	-1,979,787	0	-2,557,000
Capital Grants & Contributions	-10,237,449	-2,784,661	-1,807,665	-14,829,775	-3,109,879	99,500	-14,730,275
Total Income	-120,220,733	-3,218,329	466,309	-122,972,752	-86,722,872	-287,339	-123,260,091
Expense							
Business Development (BD)	756,509	24,252	72,273	853,034	350,195	-164,394	688,640
Children's Services (CS)	1,495,855	0	0	1,495,855	876,793	241,902	1,737,757
Commercial Entities (CE)	4,068,388	61,447	54	4,129,889	1,465,601	80,086	4,209,975
Communication & Community Engagement (CCE)	598,233	0	-3,000	595,233	328,206	75,769	671,002
Community & Cultural Development (CCD)	508,503	24,316	0	532,819	265,197	23,542	556,361
Community Care (CC)	5,911,517	165,112	2,530	6,079,159	3,338,425	-4,295	6,074,864
Community Facilities (CF)	3,010,624	0	0	3,010,624	1,764,164	7,281	3,017,905
Corporate & Community Leadership (CCL)	6,297,974	233,973	46,757	6,578,704	3,953,205	55,049	6,633,753
Customer Assistance and Records (CAR)	955,745	0	0	955,745	508,430	20,827	976,572
Development Assessment & Building Certification (DABC)	3,612,945	0	0	3,612,945	1,644,676	9,815	3,622,760
Environmental Management (EM)	1,364,989	1,936,969	0	3,301,958	827,149	148,822	3,450,780
Finance and Central Treasury (FCT)	1,967,001	0	39,118	2,006,119	-214,231	-68,536	1,937,583
Fleet and Plant (FP)	-20,047	0	0	-20,047	-621,461	0	-20,047
Libraries (L)	1,788,731	66,229	0	1,854,960	669,463	12,389	1,867,349
Property (P)	1,196,071	0	48,638	1,244,709	750,006	132,377	1,377,086
Public and Environmental Health (PEH)	462,194	6,000	0	468,194	282,730	-3,272	464,922
Public Order and Safety (POS)	2,879,980	0	202,000	3,081,980	1,117,175	-3,272	3,078,708
Recreation (R)	6,447,326	146,699	-104,398	6,489,627	2,861,479	107,631	6,597,258
Risk and Insurance (RI)	1,356,677	0	0	1,356,677	1,150,257	-39,672	1,317,005
Sewer Services (SS)	18,447,103	0	-52,065	18,395,038	7,922,782	-29,073	18,365,965
Stormwater (S)	1,433,198	0	0	1,433,198	309,274	0	1,433,198
Strategic Planning (SP)	1,669,693	4,824	-2,700	1,671,817	663,273	-150,164	1,521,653
Technical Services (TS)	1,371,185	0	0	1,371,185	991,141	0	1,371,185
Tourism (T)	1,381,243	0	0	1,381,243	594,185	100,239	1,481,482
Transport (TR)	18,132,871	223,740	-341,825	18,014,786	6,336,428	127,500	18,142,286
Waste Management (WM)	10,279,458	0	-10,602	10,268,856	4,483,745	-12,981	10,255,875
Water Services (WS)	15,550,398	3,000	0	15,553,398	3,934,921	0	15,553,398
Works and Operations (WO)	-11,350,432	0	0	-11,350,432	-5,763,861	0	-11,350,432
Workforce Development (WD)	1,540,662	277,070	0	1,817,732	610,744	0	1,817,732
Youth Services (YS)	326,192	140,688	0	466,880	278,993	32,609	499,489
Total Expense	103,440,787	3,314,319	-103,220	106,651,886	41,679,083	700,179	107,352,064
Operating (Surplus)/Deficit after Capital	-16,779,946	95,990	363,089	-16,320,867	-45,043,789	412,840	-15,908,027
Operating (Surplus)/Deficit before Capital	-3,992,497	2,880,651	2,177,754	1,065,908	-39,954,123	313,340	1,379,248



Capital Program December Quarterly Budget Review Statement by Council Services
for YTD Period Ending December 2017

Description	Original Budget	Approved Changes		Current Budget	Actual YTD	Proposed December Review Adjustments	Forecast Budget
		Carry Overs from 2016-17	September Review Adjustments				
Capital Expenditure							
Children's Services (CS)	73,383	0	0	73,383	13,174	0	73,383
Commercial Entities (CE)	1,183,709	-83,401	0	1,100,308	94,233	0	1,100,308
Communication & Community Engagement (CCE)	0	0	0	0	343	0	0
Community & Cultural Development (CCD)	1,300,000	330,916	0	1,630,916	18,988	0	1,630,916
Community Care (CC)	0	0	143,000	143,000	54,677	0	143,000
Community Facilities (CF)	833,928	356,485	13,625	1,204,038	775,310	0	1,204,038
Corporate & Community Leadership (CCL)	2,504,444	489,465	125,000	3,118,909	764,524	0	3,118,909
Environmental Management (EM)	0	0	0	0	26,446	0	0
Fleet and Plant (FP)	2,414,971	857,200	0	3,272,171	592,270	0	3,272,171
Libraries (L)	302,908	0	0	302,908	27,814	0	302,908
Property (P)	0	0	0	0	10,353	0	0
Public Order and Safety (POS)	0	522	435,000	435,522	5,113	0	435,522
Recreation (R)	2,781,521	359,168	20,000	3,160,688	346,740	-42,892	3,117,796
Sewer Services (SS)	13,140,420	-1,496,643	-8,000	11,635,777	4,580,500	0	11,635,777
Stormwater (S)	707,020	63,473	-120,000	650,493	144,546	0	650,493
Strategic Planning (SP)	250,000	0	0	250,000	0	0	250,000
Technical Services (TS)	737,500	123,384	0	860,884	12,821	0	860,884
Transport (TR)	20,257,427	1,766,153	1,762,735	23,786,315	7,277,349	-649,500	23,136,815
Waste Management (WM)	3,769,580	75,901	0	3,845,481	1,663,810	0	3,845,481
Water Services (WS)	4,268,000	319,720	-16,000	4,571,720	877,193	0	4,571,720
Works and Operations (WO)	413,708	424,264	0	837,972	178,712	-39,986	797,986
Youth Services (YS)	0	0	0	0	530	0	0
Total Capital Expenditure	54,938,519	3,586,606	2,355,360	60,880,485	17,465,445	-732,378	60,148,107



December Quarterly Budget Review Projected Funds Balances
for YTD Period Ending December 2017

Description	Opening Balances	Original Budget	Approved Changes		Current Budget	Actual YTD	Proposed Adjustments	Forecast Budget	Closing Balances
			Carry Overs from 2016-17	September Review Adjustments					
Total Unrestricted Funds	22,698,288	-3,049,437	1,153,774	-112,725	-2,008,388	15,120,995	140,001	-1,868,387	20,829,901
Externally Restricted Funds									
Water Fund	20,693,222	3,387,339	-266,882	16,000	3,136,456	5,686,238	-28,688	3,107,768	23,800,990
Sewer Fund	15,553,730	850,163	-177,916	26,097	698,344	9,728,481	72,403	770,747	16,324,477
Domestic Waste Fund	9,760,975	-1,803,910	-52,158	7,629	-1,848,439	3,079,587	93,545	-1,754,894	8,006,082
Section 94 Developer Contributions	5,957,140	780,891	-55,837	0	725,054	1,332,590	0	725,054	6,682,193
Section 94A Developer Contributions	1,067,646	30,000	0	0	30,000	98,059	0	30,000	1,097,646
Unexpended Grants	4,651,445	-158,998	-2,191,027	-299,822	-2,649,847	-2,489,212	-87,681	-2,737,528	1,913,918
Other Contributions	1,165,186	0	-496,312	0	-496,312	70,143	52,081	-444,231	720,955
General Loans External	-433,853	0	318,559	115,294	433,853	-3,441,674	0	433,853	0
StormwaterFund	50,178	52	0	0	52	374,067	0	52	50,230
Crown Reserve	2,096,755	55,892	0	0	55,892	207,240	0	55,892	2,152,647
Tree Fund	25,904	-5,233	0	0	-5,233	0	0	-5,233	20,671
CS Asset Replacement	27,231	0	0	0	0	0	0	0	27,231
Crown Reserve Loan Pool	137,228	2,000	0	0	2,000	0	0	2,000	139,228
Total Externally Restricted Funds	60,752,785	3,138,197	-2,921,573	-134,802	81,821	14,645,518	101,660	183,481	60,936,267
Internally Restricted Funds									
Infrastructure Fund	991,913	-378,593	-129,391	-194,000	-701,984	-550,443	0	-701,984	289,928
Employee Leave Entitlements	1,755,173	75,000	0	0	75,000	0	0	75,000	1,830,173
Community Development Infrastructure Fund	337,626	-300,000	0	0	-300,000	-1,449	0	-300,000	37,626
Council Funded Loan Pool	99,969	3,400	0	0	3,400	0	0	3,400	103,369
Energy And Efficiency Fund	486,787	6,776	-80,000	11,000	-62,224	11,000	0	-62,224	424,563
Gravel Pits	474,783	0	0	0	0	0	0	0	474,783
IT Investment Fund	708,926	-162,323	-635,465	0	-797,788	-260,085	0	-797,788	-88,862
Management Committees	120,551	7,145	-135,951	0	-128,806	-120,551	-5,000	-133,806	-13,255
Sports Liason Committee	144,500	19,300	-138,240	0	-118,940	-138,240	0	-118,940	25,560
Unexpended General Loan Fund	1,044,002	0	-1,191,979	147,973	-1,044,006	-142,287	82,878	-961,128	82,874
Works Income Equalisation Fund	1,599,713	-1,477,011	30,356	64,176	-1,382,479	26,224	0	-1,382,479	217,234
Real Estate Disposal	1,926,853	-658,015	-36,471	0	-694,486	-36,785	0	-694,486	1,232,367
Special Rate Variation	179,426	718,930	-552,581	1,017,258	1,183,607	-728,063	0	1,183,607	1,363,033
Infrastructure Renewals (FFTF)	3,889,009	1,277,104	0	0	1,277,104	0	0	1,277,104	5,166,113
Recreation Strategy	478,789	-270,831	0	0	-270,831	0	0	-270,831	207,958
Other Internal Reserves	3,397,875	-673,080	1,078,691	-17,470	388,141	-1,309	0	388,141	3,786,016
Financial Assistance Grants	3,348,520	0	0	-3,348,521	-3,348,521	-3,348,520	0	-3,348,521	0
Total Internally Restricted Funds	20,984,414	-1,812,198	-1,791,032	-2,319,584	-5,922,813	-5,290,508	77,878	-5,844,935	15,139,480
Total Council Funds	104,435,487	-1,723,438	-3,558,831	-2,567,111	-7,849,380	24,476,005	319,539	-7,529,841	96,905,647



**Budget adjustments Individually > \$50,000
for the Quarter ending December 2017**

Entity	Cost Centre Description	Fund Flow Type	(Favourable)/ Unfavourable	Quarterly Budget Review Comments
Environment Fund	Invasive Species	Operating Grants & contributions	-85,000	Recognise funding available from Office of Environment and Heritage for Lantana control.
	Invasive Species	Other Costs (incl materials & contracts)	85,000	Establish budget for Lantana control works supported by funding from Office of Environment and Heritage.
	Individual Minor Items	Various	29,445	Various minor adjustments this review.
Environment Fund	Total Adjustments this quarter		29,445	
General Fund	Local Rural Roads Sealed	Purchase of Assets	-500,000	Work on Batemans Bay Link Road deferred to allow for design input from Roads and Maritime Services.
	General Treasury	Repayments of Borrowings	164,470	Adjust budgets in line with updated loans modelling, reflecting variations between estimated and actual borrowing, including interest rates, facility terms and amounts.
	Development Control	User Charges & Other	-90,000	Estimate revised to reflect increased development activity.
	Childrens Services	User Charges & Other	-100,000	Estimated Child Care Benefit income increased to reflect current Family Day Care enrolments.
	General Purpose Revenues	Investment Revenues	-104,305	Recognise estimated notional land tax receivable for separately reportable business units, i.e. Batemans Bay Beach Resort and the Water and Sewer Funds.
	Airport	User Charges & Other	72,000	New leases at airport delayed due to delay in Heritage approvals.
	Tourism And Events	Other Costs (incl materials & contracts)	117,550	Establish budget for contractor to fulfill current Tourism and Events requirements.
	Involve Eurobodalla	Other Costs (incl materials & contracts)	53,361	Project continuing in 17/18 supported by unexpended grant funding.
	Corporate Information Services	Other Costs (incl materials & contracts)	75,000	Introduce funding for external valuation of buildings and community land to meet current Audit Office of NSW requirements.
	General Treasury	Interest	-68,536	Adjust budgets in line with updated loans modelling, reflecting variations between estimated and actual borrowing, including interest rates, facility terms and amounts.
	Childrens Services	Other Costs (incl materials & contracts)	205,000	Estimated payments of Child Care Benefits increased by \$205,000 to reflect current enrolments.

General Fund continues on next page



**Budget adjustments Individually > \$50,000
for the Quarter ending December 2017**

Entity	Cost Centre Description	Fund Flow Type	(Favourable)/ Unfavourable	Quarterly Budget Review Comments
General Fund continued				
	Involve Eurobodalla	Transfers from (to) Restricted Investments	-53,361	Utilisation of unexpended grant funding to support project continuing in 17/18.
	Organisational Development	Transfers from (to) Restricted Investments	52,081	Work Health and Safety incentives received.
	Individual Minor Items	Various	7,294	Various minor adjustments this review.
General Fund	Total Adjustments this quarter		-169,446	
Sewer Fund	Sewer Treasury	Repayments of Borrowings	-83,907	Adjust budgets in line with updated loans modelling, reflecting variations between estimated and actual borrowing, including interest rates, facility terms and amounts.
	Individual Minor Items	Various	11,504	Various minor adjustments this review.
Sewer Fund	Total Adjustments this quarter		-72,403	
Waste Fund	Waste Treasury	Repayments of Borrowings	-80,564	Adjust budgets in line with updated loans modelling, reflecting variations between estimated and actual borrowing, including interest rates, facility terms and amounts.
	Individual Minor Items	Various	-12,981	Various minor adjustments this review.
Waste Fund	Total Adjustments this quarter		-93,545	
Water Fund	Individual Minor Items	Various	28,688	Various minor adjustments this review.
Water Fund	Total Adjustments this quarter		28,688	
Total Budget Amendments			-277,261	



Special Rate Variation Program for December Quarterly Budget Review Statement
for YTD Period Ending December 2017

Description	SRV Funding Amount	Current Total Budget	Actual YTD Costs	\$ Remaining	% Spent	Progress Update
Facilities Management						
Corrigans Beach Reserve Batehaven Car Park Upgrade	280,815	390,000	186,831	203,169	47.91%	Works in progress
Observation Point, Batehaven Viewing Platform	129,541	129,541	0	129,541	0.00%	Yet to commence
Sporting amenities - minor renewal activities	3,967	39,967	4,922	35,046	12.31%	Works in progress
Sporting Fields - topdressing/renovation	13,175	22,291	0	22,291	0.00%	Yet to commence
Malua Bay Community Centre Building Extension	119,302	119,302	4,156	115,146	3.48%	Awaiting DA - completion 4th quarter
Gundry Oval, Moruya - Expansion of Playground	30,312	30,312	86,312	-56,000	284.75%	Complete
Gundry Oval Amenities - Kitchen upgrade & BBQ	25,000	25,000	0	25,000	0.00%	Works now to be deferred to 2018/19 with Gundry Amenities Capital.
Narooma Library - Replace Doors with Electric	10,000	10,000	11,978	-1,978	119.78%	Complete
Moruya Library - Renewals	30,000	120,000	0	120,000	0.00%	Yet to commence
Halls, Library & Community Centres-Asbestos Remov	30,000	30,000	1,942	28,058	6.47%	In progress
Mackay Park- Field Expansion and Rebuilding	49,004	201,179	229,009	-27,830	113.83%	Complete
Moruya Pool - Epoxy Finishes	76,000	76,000	43,581	32,419	57.34%	In progress
Captain Oldrey Amenities Disabled Toilet, Security	88,088	88,088	1,112	86,976	1.26%	Works commenced
Moruya Showground - Construct Parking	414,530	414,530	0	414,530	0.00%	Yet to commence
Gundry Oval Amenities Ext. With Extra Changerooms	310,897	310,897	0	310,897	0.00%	Works now to be deferred to 2018/19 pending Government Grant
Moruya Showground - Pavillion Renewals	30,000	30,000	0	30,000	0.00%	Yet to commence
Total Facilities Management	1,640,631	2,037,107	569,843	1,467,263	27.97%	
Transport						
Box Culvert Widening - Cullendulla Dr. Long Beach	385,400	587,421	55,848	531,573	9.51%	Design complete
Car Park - Extend Road & Parking Riverside Park	207,265	207,265	9,112	198,153	4.40%	In design phase
Corrugated Pipe Culverts - various locations	305,400	305,400	23,996	281,404	7.86%	Works in progress
Gravel Resheet - Unsealed Roads Resheeting	113,812	1,319,300	459,964	859,336	34.86%	Substantially complete
Low Cost Reconstruction- Wamban Road	808,333	808,333	13,889	794,443	1.72%	Works in progress
Piped Culverts - Durras Drive, South Durras	25,450	25,450	11,573	13,877	45.47%	Complete
Reseal - Local Urban Sealed	428,058	1,950,170	400,036	1,550,134	20.51%	Works in progress
South Durras Bridge Repairs and Guardrail Durras D	279,950	279,950	1,383	278,568	0.49%	In design phase
Tuross Head Boat Ramp - Dredging	31,090	31,090	13,155	17,935	42.31%	Complete
Low Cost Reconstruction - Old South Coast Road	81,334	81,334	78,580	2,754	96.61%	Complete
Footpath - Beach Road, Surf Beach	51,816	85,000	37,995	47,005	44.70%	Substantially complete
Total Transport	2,717,908	5,680,712	1,105,530	4,575,182	19.46%	

Special Rate Variation Program continues on next page



Special Rate Variation Program for December Quarterly Budget Review Statement
for YTD Period Ending December 2017

Description	SRV Funding Amount	Current Total Budget	Actual YTD Costs	\$ Remaining	% Spent	Progress Update
Special Rate Variation Program continued						
Public Conveniences						
Public Toilets - Durras Lake Boatramp New Toilet	77,749	77,749	100	77,649	0.13%	Contract in place
Public Toilets - Ken Rose Park Narooma Disabled T	52,000	250,000	202,642	47,358	81.06%	Completed
Total Public Conveniences	129,749	327,749	202,742	125,007	61.86%	
Parks						
Parks Facilities Renewals - Seats/Tables	62,190	165,000	89,907	75,093	54.49%	Works in progress
Carters Headland, Kianga - Viewing Platform	39,116	39,116	0	39,116	0.00%	Yet to commence
Quota Park Narooma - Playground Renewals	33,000	75,000	0	75,000	0.00%	Yet to commence
North Broulee Park - Playground Renewals	9,000	20,000	0	20,000	0.00%	Yet to commence
Congo - Playground Renewals	20,000	45,000	0	45,000	0.00%	Yet to commence
Total Parks	163,306	344,116	89,907	254,209	26.13%	
Environment Works						
Beach Road (Caseys Beach) Rockwall St 1	30,000	30,000	0	30,000	0.00%	Yet to commence
Total Environment Works	30,000	30,000	0	30,000	0.00%	
Public Amenities						
B/Bay CBD Works - North St to Beach Rd incl North	267,505	267,505	759,447	-491,941	283.90%	Substantially complete
Total Public Amenities	267,505	267,505	759,447	-491,941	283.90%	
Other Works						
SRV Project Management Wages & Salaries	377,884	377,884	93,586	284,298	24.77%	Works in progress
Total Other Works	377,884	377,884	93,586	284,298	24.77%	
Stormwater						
Drainage Renewals - Shirewide	291,873	328,495	17,546	310,949	5.34%	Works in progress
Drainage - Hanging Rock Place	10,930	10,930	6,400	4,530	58.55%	In design phase
Stormwater Piping - Renewals Andrew Ave, Tuross	106,622	120,000	125,610	-5,610	104.67%	Complete
Total Stormwater	409,425	459,425	149,556	309,870	32.55%	
Total SRV Program	5,736,408	9,524,498	2,970,610	6,553,889	31.19%	

Consultancy, Legal and Contractors Expenses
for the quarter ending 31 December 2017

Contracts entered into greater than \$50,000

<u>Contractor</u>	Contract detail & purpose	Contract Value	Commencement Date	Duration of contract	Budgeted (Y/N)
Downer EDI	Supply and lay of asphalt in Orient Street Batemans Bay - Contract No. 2018/ISD014	127,000	Oct-17	5 days	Y
Downer EDI	Night roadworks in Moruya - Contract No. 2018/ISD020	200,000	Feb-18	1 week	Y

Consultancy and Legal Expenses Incurred

	\$ December Quarter	Budgeted (Y/N)	Comments
Consultants	685,085	Y	Management of construction projects, investigation and design works, technical advice, archaeological advice and input to various strategic planning and environmental projects.
Legal Fees	154,369	Y	Rates recoveries (\$101k), leasing contracts and other general legal advice.

Definition of consultant:

A consultant is a person or organisation engaged under a 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.

Eurobodalla Shire Council

Key Performance Indicators : Consolidated Results

for the quarter ended 30 December 2017

Indicator	Target	Actual 2016/17	Original Budget 2017/18	Projected FY 2017/18
Unrestricted Current Ratio	> 1.5	2.4	>2	>2
Operating Performance Ratio	minimum 0%	9.70%	3.72%	-1.30%
Buildings & Infrastructure Renewals Ratio	= > 100%	79%	94%	103%

*Refer Note (a)**Refer Note (b)**Refer Note (c)***Fit for the Future update : General Fund (incl. Environment and Waste Funds)**

Indicator	Target	Actual 2016/17	Original Budget 2017/18	Projected FY 2017/18
Operating Performance Ratio (3 year rolling average)	minimum 0%	0.07	0.02	0.04

*Refer Note (d)***Explanations:**

Unrestricted Current Ratio - Indicates adequacy of working capital and the ability to satisfy obligations in the short term.

Operating Performance Ratio - Indicates achievement of containing operating expenditure within operating revenue.

Buildings & Infrastructure Renewals Ratio - Indicates the rate at which assets are being renewed compared to the rate at which they are depreciated.

Target : Source 2016/17 Financial Statements

Notes:

(a) Actuals from 2016/17 Financial Statements.

(b) Budgeted ratios are based on the original budgets for 2017/18.

(c) Projected ratios are based on the revised budgets for 2017/18.

(d) As per 2016/17 Annual Report



December Quarterly Mayoral and Councillor Fees and Expenses Statement

Councillor	Councillor Allowance	Conference / Delegate Costs	Travelling Expenses	Phone / Fax/ Internet etc	Training / Skill Development	Other Costs	Total
Cr L Brown	4,828	23	1,682	307	3,806	1,203	11,849
Cr P Constable	4,828	575	946	235	0	0	6,584
Cr L Innes	14,721	0	1,029	418	0	312	16,480
Cr A Mayne	4,828	3,150	969	455	0	49	9,451
Cr P McGinlay	4,828	0	888	714	0	0	6,429
Cr M Nathan	4,828	0	655	202	0	164	5,848
Cr R Pollock	4,828	29	703	396	0	0	5,955
Cr J Tait	4,828	0	708	190	0	0	5,726
Cr J Thomson	4,828	0	3,605	216	0	286	8,935
Total	53,341	3,776	11,186	3,133	3,806	2,014	77,256