



QUARTERLY BUDGET REPORT

December 2021



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INTRODUCTION

Section 97 of the *Local Government Act 2020* requires that Council be presented with a Quarterly Budget Report comparing actual to budgeted revenue and expenditure at the conclusion of each quarter of the financial year.

This report provides financial information for the period 1 July 2021 to 31 December 2021.

It provides information on Council's operating performance via the Operating Statement and Council's financial position as at 31 December 2021 via the Balance Sheet. A summary statement of Capital Works and Employee Costs are also included for Council's information.

Where the annual actuals vary from the annual budget by more than 10% **and** \$20,000, **or** more than \$100,000, a variance explanation is given.

Information is also provided on some of the more pertinent financial indicators, including:

- Cash and investments
- Working capital
- Rates debtors outstanding
- Sundry debtors outstanding

OPERATING STATEMENT

The year to date Operating Statement is presented as per the AASB101 format for Council's information. Variances are calculated as YTD actuals less the YTD current budget, with the variance also being displayed as a percentage of the YTD current budget.

West Wimmera Shire Council Comprehensive Income Statement

1 July 2021 to 31 December 2021

	YTD Actual \$	Original Annual Budget \$	Revised Annual Budget \$	Annual Revised Budget Met %	YTD Budget \$	YTD Variance \$	YTD Variance %	Notes
Income								
Rates & Charges	8,005,831	8,079,663	8,079,663	99.09%	8,059,663	(53,832)	-0.7%	
Statutory Fees & Fines	41,930	130,700	130,700	32.08%	45,350	(3,420)	-7.5%	
User Fees	181,814	714,250	714,250	25.46%	197,125	(15,311)	-7.8%	
Grants - Operating	2,795,602	7,622,917	7,622,917	36.67%	2,811,459	(15,857)	-0.6%	
Grants - Capital	1,107,058	3,692,451	3,692,451	29.98%	1,146,226	(39,168)	-3.4%	
Contributions - Monetary	6,000	6,000	6,000	100.00%	6,000	-	0.0%	
Net Gain/(Loss) on Sale of Assets	49,091	100,000	100,000	49.09%	50,000	(909)	0.0%	
Other Income	968,326	1,680,737	1,680,737	57.61%	840,369	127,958	15.2%	1
Total Income	13,155,652	22,026,718	22,026,718	59.73%	13,156,191	(539)	0.0%	
Expenses								
Employee Costs	4,817,577	8,152,342	8,152,342	59.09%	4,576,171	241,406	5.3%	2
Materials & Services	3,475,862	5,991,549	5,991,549	58.01%	3,395,775	80,088	2.4%	
Depreciation	4,009,267	8,018,533	8,018,533	50.00%	4,009,267	-	0.0%	
Other Expenses	124,987	297,319	297,319	42.04%	138,660	(13,673)	-9.9%	
Total Expenses	12,427,693	22,459,743	22,459,743	55.33%	12,119,872	307,821	2.5%	
Surplus/(Deficit) from Operations	727,960	(433,025)	(433,025)	0	1,036,319	(308,360)	-29.8%	
Total Comprehensive Result	727,960	(433,025)	(433,025)		1,036,319	(308,360)	-29.8%	

EMPLOYEE COSTS

Employee Costs

1 July 2021 - 31 December 2021

CAPITAL EXPENDITURE					
	YTD Actuals	Original Annual Budget	Revised Annual Budget	Annual Budget Remaining	Annual Budget Met
Salaries	338,010	1,115,262	1,115,262	777,252	30.31%

OPERATING EXPENDITURE					
	YTD Actuals	Original Annual Budget	Revised Annual Budget	Annual Budget Remaining	Annual Budget Met
Salaries	3,314,580	5,711,401	5,711,401	2,396,821	58.03%
Fringe Benefit Taxes	20,444	74,000	74,000	53,556	27.63%
Annual Leave	293,293	758,378	758,378	465,085	38.67%
Sick Leave	208,741	261,044	261,044	52,303	79.96%
Long Service Leave	46,225	183,898	183,898	137,673	25.14%
Other Leave Expenses	18,073	20,000	20,000	1,927	90.37%
Superannuation - Council Contribution	417,858	794,604	794,604	376,746	52.59%
Workers Compensation Insurance	269,834	186,562	186,562	-83,272	144.64%
Income Protection Insurance	228,529	162,455	162,455	-66,074	140.67%
	4,817,577	8,152,342	8,152,342	3,334,765	59.09%

OPERATING INCOME - EMPLOYEE COST REIMBURSEMENTS					
	YTD Actuals	Original Annual Budget	Revised Annual Budget	YTD Variance \$	YTD Variance %
Income Protection Reimbursement	39,709	0	0	39,709	100.00%
Workers Compensation Reimbursement	53,873	0	0	53,873	100.00%
	93,582	0	0	93,582	100.00%

	YTD Actuals	Original Annual Budget	Revised Annual Budget	Annual Budget Remaining
TOTAL EMPLOYEE COSTS	5,062,005	9,267,604	9,267,604	4,112,017

TOTAL EMPLOYEE COSTS ANNUAL BUDGET MET	54.62%
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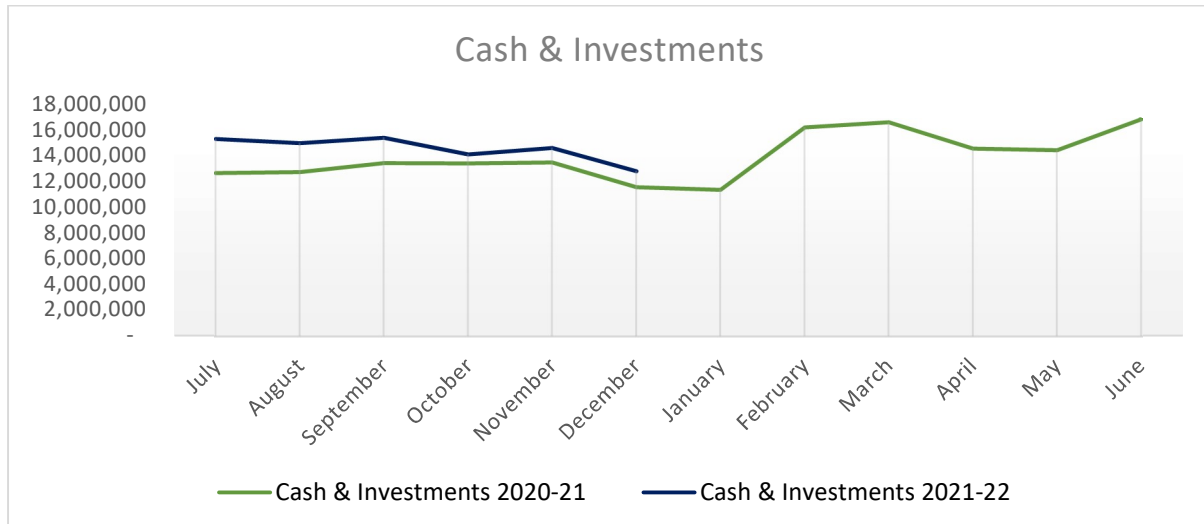
Notes	
1. Other Income	Other Income is \$127,958 (15.2%) above expected year to date budget due to the receipt of Income Protection reimbursement of around \$50,000 and a budget timing difference for roadworks reimbursements of around \$70,000.
2. Employee Costs	<p>Employee operating costs are currently \$241,406 (5.3%) over budget to 31 December 2021. This is mainly due to the following;</p> <ul style="list-style-type: none"> - A capital recovery amount of \$89,200 was paid following the winding up of the MAV WorkCover Scheme, which was unknown at the time of budget preparation - Operating wages and allowances are slightly above year-to-date budget due to increased maintenance works in the first half of the year compared to capital works

BALANCE SHEET

West Wimmera Shire Council Balance Sheet As at 31 December 2021

	\$ 31-Dec-21	\$ 31-Dec-20
ASSETS		
Current Assets		
Cash & Investments	12,817,701	11,590,700
Rate Debtors	6,662,533	6,507,877
Sundry Debtors	241,923	302,687
Inventories	148,317	134,701
Other Assets	23,864	5,456
Current Assets Total	19,894,338	18,541,421
Non Current Assets		
Investments in Associates	545,425	435,500
Other Non-Current Assets	10,000	145,000
Property, Infrastructure, Plant & Equipment	226,450,189	194,096,655
Non Current Assets Total	227,005,614	194,677,155
TOTAL ASSETS	246,899,952	213,218,576
LIABILITIES		
Current Liabilities		
Trade & Other Payables	1,848,876	31,635
Trust Funds & Deposits	26,822	24,319
Provisions	2,104,191	2,242,800
Current Liabilities Total	3,979,889	2,298,754
Non Current Liabilities		
Provisions	541,869	599,934
Non Current Liabilities Total	541,869	599,934
TOTAL LIABILITIES	4,521,758	2,898,688
NET ASSETS	242,378,194	210,319,888
EQUITY		
Accumulated Surplus/(Deficit)	42,697,435	48,278,767
Reserves	199,680,759	162,041,121
TOTAL EQUITY	242,378,194	210,319,888

CASH AND INVESTMENTS



As at 31 December 2021, Council was holding a total of \$12.82m in cash and investments. Below is a breakdown of restrictions and intended allocations for Council's cash, giving an estimation of the unrestricted cash balance at 31 December 2021.

UNRESTRICTED CASH

Cash & Investments balance @ 31 December 2021	12,817,701
<u>Subject to external restrictions:</u>	
Trust funds and deposits	26,822
Unspent grants (recognised in 'trade and other payables' liability)	1,596,955
<u>Intended allocations:</u>	
Discretionary Reserves	6,073,657
Cash held to fund employee leave provisions	2,646,060
Unrestricted cash balance @ 31 December 2021	2,474,207.29

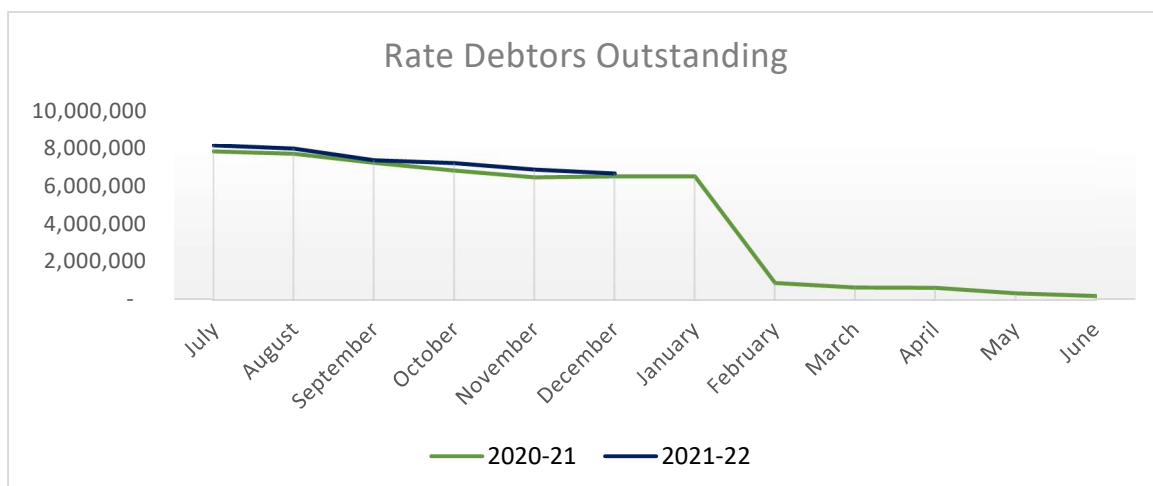
<i>Discretionary Reserves</i>	
Plant replacement	691,808
Quarry restoration	119,000
Capital improvement	315,305
Rates revaluation	398,900
Elections	15,000
Carried Forward projects	4,533,644
Total Discretionary Reserves	6,073,657

WORKING CAPITAL



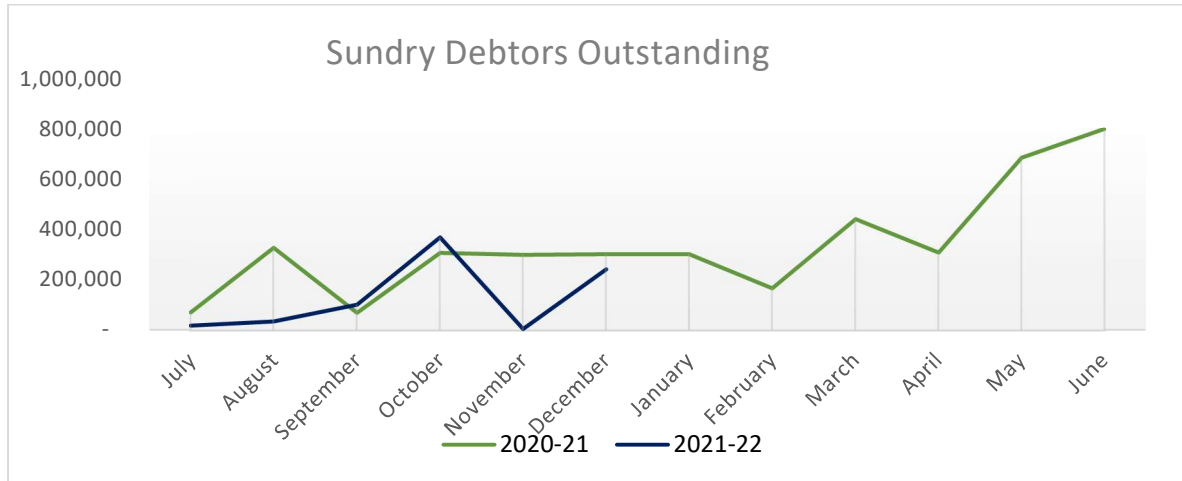
Council continues to hold a strong working capital level, with current assets at 500% of current liabilities as at 31 December 2021. A higher level of trade and other payables, notably grant funding received in advance of \$1.6 million, has resulted in a higher level of current liabilities than at the same time last financial year.

RATE DEBTORS



Council raised around \$8.0 million in rates and charges in July 2021. Approximately 65% of Council's ratepayers opt not to pay through the instalment option – for these ratepayers 100% of their rates are due by the end of February 2022. The trend line from the prior financial year is extremely consistent with Council showing a rate debtor amount at 31 December 2021 of \$6.66 million, an increase of approximately \$155,000 from the same time last financial year.

SUNDRY DEBTORS



The total outstanding sundry debtors at 31 December 2021 was \$241,923, a decrease of around \$0.61 million from the same time last financial year.



CAPITAL WORKS

A summary of Council's capital works as at 31 December 2021 is presented. As with the Operating Statement, variances are calculated as annual actuals less the annual current budget, with the variance also being displayed as a percentage of the YTD current budget.

Notes and explanations are provided where the variances exceed 10% and \$20,000, or where the \$ variance is greater than \$100,000.

West Wimmera Shire Council Capital Works As at 31 December 2021

Program	YTD Actuals (\$)	Annual Current Budget (\$)	YTD Current Budget (\$)	YTD Variance (\$)	YTD Variance (%)	Note
Roads	1,795,310	5,852,000	1,926,000	-130,690	-6.8%	
Kerb & Gutter	33,845	129,000	39,500	-5,655	-14.3%	
Bridges	73,367	110,000	55,000	18,367	33.4%	
Footpaths	32,865	192,000	46,000	-13,135	-28.6%	
Buildings	249,214	190,000	145,000	104,214	71.9%	1
Plant	848,819	1,247,000	773,500	75,319	9.7%	
Furniture & Equipment	40,810	175,000	57,500	-16,690	-29.0%	
Parks, Gardens, Other	142,934	180,000	130,000	12,934	9.9%	
Total	3,217,164	8,075,000	3,172,500	44,664	1.4%	

Capital Works - Variance Notes		
1.	Buildings	Capital spend on Buildings is currently \$104,214 over expected year to date budget. This is due to works having been completed on building projects carried forward from 2020/21, predominantly the Edenhope Hall fit-out, for which the carried forward amount has not yet been recognised in the Current Budget amount. A list of all projects carried forward from 2020/21 is included below.

2020-21 Carry Overs to 2021-22

Project/Account Name	Amount to Carry Over
Laidlaw Ave, Edenhope Drainage Construction (170m x 375mm RCP)	47,635.00
Blair St., Harrow, frontage of Bush Nursing Centre	50,000.00
Blair St., Harrow, Frontage of Bush Nursing Centre to Whittaker St.	30,000.00
Kaniva Neighbourhood House, accessible entrance	3,500.00
Nurcoun Hall, external repairs, ESM's	6,317.00
Gutter cleaning, stormwater management repairs	4,460.00
Planning Scheme Review General Costs	90,000.00
Planning Scheme Amendment Costs	20,000.00
Local Laws Review	30,000.00
Corella Control Expenditure: Salaries	8,958.29
Indigenous Cricket Trail Signage	11,500.00
Community strengthening grant - Community support expenses	10,350.00
Community strengthening grant - Grants/donations	69,263.00
Community strengthening grant - Community programs & events	33,738.00
Goroke Greywater Rectification	7,500.00
Border Road Construction Ch. 20,115m (Dorodong Rd.) - Ch. 21,880m (Old Telegraph Rd.)	125,000.00
Edenhope Pound - Upgrade due to compliance issues.	37,878.00
Kaniva Township watering system, Commercial Street between Camp and Webb Sts.	19,500.00
Fry\Yarrook St. Intersection incl. K&C	47,392.00
Footpath/pram crossing replacements for DDA	15,664.00
Lake Wallace Walking Track	12,264.00
Economic Development Grant - Streetscape Scheme	58,691.00
Kaniva Shire Office, ESM's, roof and ceiling repairs, external repairs and painting, refurbish toilets	65,637.00
Kadnook - Connewirricoo Rd. Ch. 11000 - Ch. 11600 x 6.2m seal	23,684.00
Mooree Rd. Ch. 00 - Ch. 2040m x 7.0-6.2m	56,375.00
Handicap Park Kaniva in front of IGA	3,000.00
Madden St., Fry to Paterson st., K&C	8,347.00
Ped crossings at Baker/Commercial	10,000.00
Natimuk Frances Rd., Goroke. Various sections between Compston St. and P12 School.	6,843.00
Madden St, Kaniva Railway Crossing, stage 1 design, approvals and cost estimate.	16,000.00
Lake St to Foreshore link - Henley Park	14,876.00
Harrow - Clear Lake Road Bridge over Salt Creek	200,000.00
Kaniva Depot Meeting / tea room	80,000.00
Old Toilet Block - Tennis club removal and replacement	70,000.00
Edenhope Council Office (design and refurbish)	10,000.00
Baker St/Progress St Drainage	15,000.00
Flocon Spray (P30048)	258,000.00
Replacement fleetcoms system	31,000.00
Septic Tank - Johnny Mullagh Rec Res septic tank	45,820.00
Toilet Block Connection to sewer Kaniva Showgrounds	22,100.00
Edenhope Hall Fit-out	337,414.03
Goroke Rec Reserve	1,551,135.12
Tourism Strategic Plan	37,290.91
Grants/Donations - Events sponsorship	4,000.00
Playground Strategy	20,000.00
Kaniva Silo Art	85,623.94
Goroke Silo Art	5,591.39
Outdoor Dining	249,944.18
Kaniva Kinder	12,352.24
Kaniva Caravan Park	400,000.00
Mallee Silo Art	100,000.00
Border Councils Tourism Marketing	30,000.00
Events in West Wimmera	24,000.00
	4,533,644.10