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Report by Responsible Accounting Officer

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

30 September 2020

It is my opinion that the Quarterly Budget Review Statement for Narrandera Shire Council for the quarter ended 30/09/20 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: 
_____ **Martin Hiscox**

date: 10-11-2020

Martin Hiscox
Responsible Accounting Officer

Income & Expenses Budget Review Statement

Budget review for the quarter ended 30 September 2020

Income & Expenses - Council Consolidated

(\$000's)	Original Budget 2020/21	Approved Changes		Revised Budget 2020/21	Variations for this Sep Qtr	Notes	Projected Year End Result	Actual YTD figures
		Carry Forwards	Other than by QBRS					
Income								
Rates and Annual Charges	8,040	-	-	8,040	26		8,066	8,267
User Charges and Fees	3,341	-	-	3,341	1		3,342	242
Other Revenues	753	-	-	753	(14)		739	88
Grants & Contributions - Operating	7,475	(1,960)	-	5,515	3		5,518	1,167
Grants & Contributions - Capital	13,416	-	-	13,416	1,220		14,636	2,412
Interest and Investment Revenues	361	-	-	361	-		361	44
Net gain from disposal of assets	92	-	-	92	-		92	-
Fair value increment on investment properties	-	-	-	-	-		-	-
Reversal of revaluation decrements on IPPE previously expensed	-	-	-	-	-		-	-
Reversal of impairment losses on receivables	-	-	-	-	-		-	-
Rental Income	-	-	-	-	-		-	-
Share of Interests in Joint Ventures	-	-	-	-	-		-	-
Total Income from Continuing Operations	33,478	(1,960)	-	31,518	1,236		32,754	12,220
Expenses								
Employee Costs	8,307	74	-	8,381	(191)		8,190	1,843
Borrowing Costs	6	-	-	6	8		14	-
Materials & Contracts	3,892	-	-	3,892	373		4,265	647
Depreciation	5,087	-	-	5,087	-		5,087	387
Impairment of receivables	-	-	-	-	-		-	-
Legal Costs	-	-	-	-	-		-	-
Consultants	-	-	-	-	-		-	-
Other Expenses	1,878	-	-	1,878	46		1,924	753
Interest & Investment Losses	-	-	-	-	-		-	-
Net Loss from disposal of assets	-	-	-	-	-		-	-
Revaluation decrement/impairment of IPPE	-	-	-	-	-		-	-
Fair value decrement on investment properties	-	-	-	-	-		-	-
Share of interests in Joint Ventures	-	-	-	-	-		-	-
Total Expenses from Continuing Operations	19,170	74	-	19,244	236		19,480	3,630
Net Operating Result from Continuing Operation	14,308	(2,034)	-	12,274	1,000		13,274	8,590
Discontinued Operations - Surplus/(Deficit)				-			-	
Net Operating Result from All Operations	14,308	(2,034)	-	12,274	1,000		13,274	8,590
Net Operating Result before Capital Items	892	(2,034)	-	(1,142)	(220)		(1,362)	6,178

Income & Expenses Budget Review Statement

Budget review for the quarter ended 30 September 2020

Income & Expenses - General Fund

(\$000's)	Original Budget 2020/21	Approved Changes		Revised Budget 2020/21	Variations for this Sep Qtr	Projected Year End Result	Actual YTD figures
		Carry Forwards	Other than by QBRS				
Income							
Rates and Annual Charges	5,928			5,928	4	5,932	6,068
User Charges and Fees	1,720			1,720	1	1,721	241
Other Revenues	753			753	(14)	739	88
Grants & Contributions - Operating	7,432	(1,960)		5,472	3	5,475	1,167
Grants & Contributions - Capital	9,268			9,268	1,220	10,488	2,358
Interest and Investment Revenues	218			218		218	44
Net gain from disposal of assets	92			92		92	
Fair value increment on investment properties				-		-	
Reversal of revaluation decrements on IPPE previously expensed				-		-	
Reversal of impairment losses on receivables				-		-	
Rental Income				-		-	
Share of Interests in Joint Ventures				-		-	
Total Income from Continuing Operations	25,411	(1,960)	-	23,451	1,214	24,665	9,966
Expenses							
Employee Costs	6,653	74		6,727	(191)	6,536	1,484
Borrowing Costs	6			6	8	14	
Materials & Contracts	3,403			3,403	373	3,776	581
Depreciation	4,265			4,265	-	4,265	181
Other Expenses	1,459			1,459	46	1,505	697
Interest & Investment Losses				-		-	
Net Loss from disposal of assets				-		-	
Revaluation decrement/impairment of IPPE				-		-	
Fair value decrement on investment properties				-		-	
Share of interests in Joint Ventures				-		-	
Total Expenses from Continuing Operations	15,786	74	-	15,860	236	16,096	2,943
Net Operating Result from Continuing Operations:	9,625	(2,034)	-	7,591	978	8,569	7,023
Discontinued Operations - Surplus/(Deficit)				-		-	
Net Operating Result from All Operations	9,625	(2,034)	-	7,591	978	8,569	7,023
Net Operating Result before Capital Items	357	(2,034)	-	(1,677)	(242)	(1,919)	4,665

Income & Expenses Budget Review Statement

Budget review for the quarter ended 30 September 2020

Income & Expenses - Water Fund

(\$000's)	Original Budget 2020/21	Approved Changes		Revised Budget 2020/21	Variations for this Sep Qtr	Notes	Projected Year End Result	Actual YTD figures
		Carry Forwards	Other than by QBRs					
Income								
Rates and Annual Charges	756			756	10		766	793
User Charges and Fees	1,459			1,459			1,459	1
Other Revenues				-			-	
Grants & Contributions - Operating	23			23			23	
Grants & Contributions - Capital	20			20			20	
Interest and Investment Revenues	125			125			125	
Net gain from disposal of assets				-			-	
Fair value increment on investment properties				-			-	
Reversal of revaluation decrements on IPPE previously expensed				-			-	
Reversal of impairment losses on receivables				-			-	
Rental Income				-			-	
Share of Interests in Joint Ventures				-			-	
Total Income from Continuing Operations	2,383	-	-	2,383	10		2,393	794
Expenses								
Employee Costs	952			952			952	210
Borrowing Costs				-			-	
Materials & Contracts	284			284			284	23
Depreciation	510			510			510	128
Impairment of receivables				-			-	
Legal Costs				-			-	
Consultants				-			-	
Other Expenses	261			261			261	36
Interest & Investment Losses				-			-	
Net Loss from disposal of assets				-			-	
Revaluation decrement/impairment of IPPE				-			-	
Fair value decrement on investment properties				-			-	
Share of interests in Joint Ventures				-			-	
Total Expenses from Continuing Operations	2,007	-	-	2,007	-		2,007	397
Net Operating Result from Continuing Operation	376	-	-	376	10		386	397
Discontinued Operations - Surplus/(Deficit)				-			-	
Net Operating Result from All Operations	376	-	-	376	10		386	397
Net Operating Result before Capital Items	356	-	-	356	10		366	397

Income & Expenses Budget Review Statement

Budget review for the quarter ended 30 September 2020

Income & Expenses - Sewer Fund

(\$000's)	Original Budget 2020/21	Approved Changes		Revised Budget 2020/21	Variations for this Sep Qtr	Notes	Projected Year End Result	Actual YTD figures
		Carry Forwards	Other than by QBRS					
Income								
Rates and Annual Charges	1,356			1,356	12		1,368	1,406
User Charges and Fees	162			162			162	
Other Revenues				-			-	
Grants & Contributions - Operating	20			20			20	
Grants & Contributions - Capital	4,128			4,128			4,128	54
Interest and Investment Revenues	18			18			18	
Net gain from disposal of assets				-			-	
Fair value increment on investment properties				-			-	
Reversal of revaluation decrements on IPPE previously expensed				-			-	
Reversal of impairment losses on receivables				-			-	
Rental Income				-			-	
Share of Interests in Joint Ventures				-			-	
Total Income from Continuing Operations	5,684	-	-	5,684	12		5,696	1,460
Expenses								
Employee Costs	702			702			702	149
Borrowing Costs				-			-	
Materials & Contracts	205			205			205	43
Depreciation	312			312			312	78
Impairment of receivables				-			-	
Legal Costs				-			-	
Consultants				-			-	
Other Expenses	158			158			158	20
Interest & Investment Losses				-			-	
Net Loss from disposal of assets				-			-	
Revaluation decrement/impairment of IPPE				-			-	
Fair value decrement on investment properties				-			-	
Share of interests in Joint Ventures				-			-	
Total Expenses from Continuing Operations	1,377	-	-	1,377	-		1,377	290
Net Operating Result from Continuing Operation	4,307	-	-	4,307	12		4,319	1,170
Discontinued Operations - Surplus/(Deficit)				-			-	
Net Operating Result from All Operations	4,307	-	-	4,307	12		4,319	1,170
Net Operating Result before Capital Items	179	-	-	179	12		191	1,116

Capital Budget Review Statement

Budget review for the quarter ended 30 September 2020

Capital Budget - Council Consolidated

(\$000's)	Original Budget 2020/21	Approved Changes		Revised Budget 2020/21	Variations for this Sep Qtr		Projected Year End Result	Actual YTD figures
		Carry Forwards	Other than by QBRS					
Capital Expenditure								
New Assets								
- Plant & Equipment	1,391			1,391			1,391	12
- Land & Buildings	761	745		1,506			1,506	185
- Office Equipment	20	15		35			35	10
- Other Structures	6	19		25			25	1
- Roads Bridges & Footpaths	322	55		377			377	226
- Recreational	400			400			400	
- Drainage		88		88			88	
- Water	140	110		250			250	23
- Sewer	5,590	187		5,777			5,777	21
- Pool				-			-	
- Other				-			-	
Renewal Assets (Replacement)								
- Plant & Equipment				-			-	
- Land & Buildings	207	3,117		3,324			3,324	196
- Roads, Bridges, Footpaths	4,168	1,054		5,222			5,222	1,559
- Office Equipment	195	5		200			200	3
- Other Structures	1,095	8		1,103			1,103	59
- Recreational		10		10			10	
- Drainage		30		30			30	1
- Water	865	165		1,030			1,030	161
- Sewer	375	257		632			632	20
- Pool	3,951	1,292		5,243			5,243	4,932
- Other	4,865	13		4,878			4,878	73
Loan Repayments (Principal)	144			144			144	
Total Capital Expenditure	24,495	7,170	-	31,665	-	-	31,665	7,482
Capital Funding								
Rates & Other Untied Funding	2,060			2,060			2,060	
Capital Grants & Contributions	15,796	88		15,884			15,884	
Reserves:								
- External Restrictions/Reserves	1,380	1,278		2,658			2,658	
- Internal Restrictions/Reserves	1,646	5,803		7,449			7,449	
New Loans	3,470			3,470			3,470	
Receipts from Sale of Assets								
- Plant & Equipment				-			-	
- Land & Buildings				-			-	
Total Capital Funding	24,352	7,169	-	31,521	-	-	31,521	-
Net Capital Funding - Surplus/(Deficit)	(143)	(1)	-	(144)	-	-	(144)	

Cash & Investments Budget Review Statement

Budget review for the quarter ended 30 September 2020

Cash & Investments - Council Consolidated

(\$000's)	Closing Balance 2019/20	Budgeted Transfer 2020/21	Approved Changes		Revised Budget 2020/21	Variations for this Sep Qtr	Notes	Projected Year End Result	Actual YTD figures
			Carry Forwards	Other than by QBRS					
Externally Restricted ⁽¹⁾									
Developer Contributions	176		(5)		171			171	
Specific Purpose Unexpended Grants	2,572		(1,824)		748			748	
Water Supplies	7,922	(84)	(279)	(35)	7,524			7,524	
Sewerage Service	895	24	(419)		500			500	
Domestic Waste Management	2,432	(1,183)	(191)		1,058			1,058	
Stormwater Management	570	72	(118)		524			524	
Crown Lands	316	(156)	(16)		144			144	
Unspen Internal Loans					-			-	
Total Externally Restricted	14,883	(1,327)	(2,852)	(35)	10,669			10,669	-
(1) Funds that must be spent for a specific purpose									
Internally Restricted ⁽²⁾									
Employee Leave Entitlements	1,230				1,230			1,230	
Construction of Buildings	862	(244)			618			618	
Replacement - Plant & Vehicles	1,766	(303)			1,463			1,463	
Office Equipment	531	(215)			316			316	
Carried Over Works	1,189		(1,159)		30			30	
Other	5,301	(460)	(948)		3,893			3,893	
Building Maintenance & Repair	96				96			96	
Community Activities	382	(25)			357			357	
Property Development	175				175			175	
Financial Assistance Grant	2,557				2,557			2,557	
Total Internally Restricted	14,089	(1,247)	(2,107)	-	10,735			10,735	-
(2) Funds that Council has earmarked for a specific purpose									
Unrestricted (ie. available after the above Restrictic	192				192			6,900	-
Total Cash & Investments	29,164	(80)	(745)	(35)	28,304			28,304	

Contracts Budget Review Statement

Budget review for the quarter ended 30 September 2020
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
PCR Building	Lake Talbot Tourist Park - Unit Conversion	212,456	11/09/20	5 months	Y	

- Notes:
1. Minimum reporting level is 1% of estimated income from continuing operations of Council or \$50,000 - whatever is the lesser.
 2. Contracts listed are those entered into during the quarter being reported and exclude contractors on Council's Preferred Supplier list.
 3. Contracts for employment are not required to be included.

Key Performance Indicators Budget Review Statement - Industry KPI's (OLG)

Budget review for the quarter ended 30 September 2020

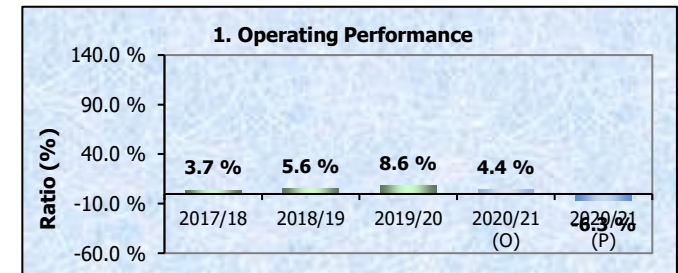
(\$000's)	Current Projection		Original Budget 20/21	Actuals Prior Periods	
	Amounts 20/21	Indicator 20/21		19/20	18/19

NSW Local Government Industry Key Performance Indicators (OLG):

1. Operating Performance

Operating Revenue (excl. Capital) - Operating Expenses	-1142498	-6.3 %	4.4 %	8.6 %	5.6 %
Operating Revenue (excl. Capital Grants & Contributions)	18108080				

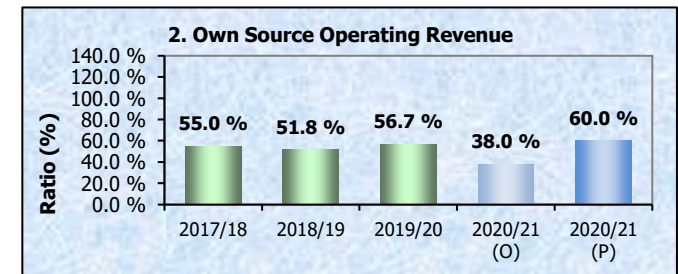
This ratio measures Council's achievement of containing operating expenditure within operating revenue.



2. Own Source Operating Revenue

Operating Revenue (excl. ALL Grants & Contributions)	12593153	60.0 %	38.0 %	56.7 %	51.8 %
Total Operating Revenue (incl. Capital Grants & Cont)	31523946				

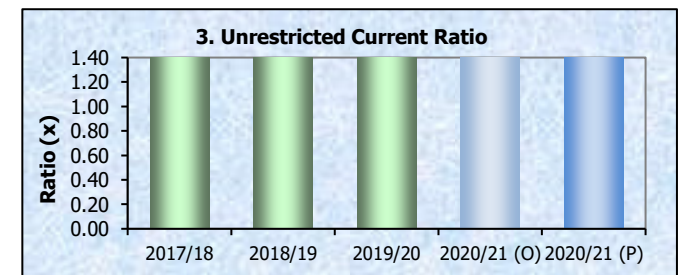
This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants & contributions.



3. Unrestricted Current Ratio

Current Assets less all External Restrictions	10114131	1.50	7.24	6.10	6.50
Current Liabilities less Specific Purpose Liabilities	1396791				

To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.



CASH - RESERVE BALANCES 30-JUNE-2021

Reserve A/c No	Res No Lvl 3	GL Lvl 2 RES	Int Pay	CLASS OF RESERVE	Balance 30 Jun 2020	Budget Movement 20/21	Other	Carry over	Net Transfer	Balance 30 Jun 2021	
External Restrictions (Note 6 order)											
Water Fund											
2500-7423-8065	XN6.03	7423	x	8065	Asset Replacement	\$ 7,327,622.31	-\$ 103,558.00	-\$ 34,669.00	-\$ 3,950.00	-\$ 142,177.00	\$ 7,185,445.31
					Carry Over Works	\$ 274,812.00	\$ -	\$ -	-\$ 274,812.00	-\$ 274,812.00	\$ -
2500-7423-8063	8063	7423	x	XN6.12	Section 64	\$ 319,908.83	\$ 20,000.00	\$ -	\$ -	\$ 20,000.00	\$ 339,908.83
Sewer Fund											
3500-7424-8066	XN6.04	7424	x	8066	Asset Replacement	\$ 398,596.78	\$ 16,052.00	\$ -	\$ -	\$ 16,052.00	\$ 414,648.78
					Carry Over Works	\$ 419,484.00	\$ -	\$ -	\$ 419,484.00	-\$ 419,484.00	\$ -
3500-7424-8063	8063	7424	x	XN6.13	Section 64	\$ 77,384.98	\$ 8,000.00	\$ -	\$ -	\$ 8,000.00	\$ 85,384.98
General Fund - External Restrictions											
0212-7422-8064	XN6.02	7422		8064	Specific Purpose Unexpended Grants (from separate sheet)	\$ 948,703.41	\$ -	\$ -	-\$ 201,224.60	-\$ 201,224.60	\$ 747,478.81
0212-7422-8064	XN6.02	7422		8064	RMS Contributions	\$ 116,851.68	\$ -	\$ -	-\$ 116,851.68	-\$ 116,851.68	\$ -
0212-7422-8064	XN6.02	7422		8064	Unspent grant & contributions Liability	\$ 1,506,046.00	\$ -	\$ -	-\$ 1,506,046.00	-\$ 1,506,046.00	\$ -
0212-7422-8064	XN6.02	7422		8064	Other Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	XN6.01	7441	x		Developer Contributions	\$ 176,019.70	\$ -	\$ -	-\$ 5,000.00	-\$ 5,000.00	\$ 171,019.70
	XN6.11	7441	x		Unspent Internal Loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	XN6.06	7425	x		Domestic Waste Management	\$ 2,432,423.01	-\$ 1,182,678.00	\$ -	-\$ 191,276.00	-\$ 1,373,954.00	\$ 1,058,469.01
	XN6.10	7426	x		Stormwater	\$ 570,396.26	\$ 72,000.00	\$ -	-\$ 117,955.00	-\$ 45,955.00	\$ 524,441.26
	XN6.07	7427	x		Crown Reserves	\$ 316,481.61	-\$ 156,067.00	\$ -	-\$ 15,524.00	-\$ 171,591.00	\$ 144,890.61
Total External Restrictions						\$ 14,884,730.57	-\$ 1,326,251.00	-\$ 34,669.00	-\$ 2,852,123.28	-\$ 4,213,043.28	\$ 10,671,687.29
Internal Restrictions (Note 6 order)											
	IN6.03	7428			Plant and vehicle replacement	\$ 1,766,131.40	-\$ 303,492.00	\$ -	\$ -	-\$ 303,492.00	\$ 1,462,639.40
	IN6.01	7429			Employee Leave Entitlements	\$ 1,229,888.00	\$ -	\$ -	\$ -	\$ -	\$ 1,229,888.00
	IN6.05	7430			Carry over works	\$ 1,188,631.75	\$ -	\$ -	-\$ 1,158,853.75	-\$ 1,158,853.75	\$ 29,778.00
	IN6.07	7431			Building Maintenance & Repair	\$ 95,991.00	\$ -	\$ -	\$ -	\$ -	\$ 95,991.00
	IN6.10	7432			Community Activities	\$ 382,087.82	-\$ 24,776.00	\$ -	\$ -	-\$ 24,776.00	\$ 357,311.82
	IN6.02	7433			Construction of Buildings	\$ 861,857.00	-\$ 243,704.00	\$ -	\$ -	-\$ 243,704.00	\$ 618,153.00
	IN6.04	7434			Office Equipment	\$ 531,045.40	-\$ 215,000.00	\$ -	\$ -	-\$ 215,000.00	\$ 316,045.40
	IN6.11	7435			Property Development	\$ 175,169.00	\$ -	\$ -	\$ -	\$ -	\$ 175,169.00
	IN6.06	7436			Other	\$ 5,017,794.32	-\$ 460,388.00	\$ -	-\$ 947,843.00	-\$ 1,408,231.00	\$ 3,609,563.32
	IN6.08	7437			Insurance Claims	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	IN6.15	7437			Quarry	\$ 33,635.00	\$ -	\$ -	\$ -	\$ -	\$ 33,635.00
	IN6.09	7438			Recreational Facilities	\$ 10,000.00	\$ -	\$ -	\$ -	\$ -	\$ 10,000.00
	IN6.12	7439			Roads Refurbishment	\$ 15,000.00	\$ -	\$ -	\$ -	\$ -	\$ 15,000.00
	IN6.13	7439			Financial Assistance Grant	\$ 2,557,207.00	\$ -	\$ -	\$ -	\$ -	\$ 2,557,207.00
	IN6.14	7438			Bonds, Retentions & Trusts	\$ 224,208.22	\$ -	\$ -	\$ -	\$ -	\$ 224,208.22
Total Internal Restrictions						\$ 14,088,645.91	-\$ 1,247,360.00	\$ -	-\$ 2,106,696.75	-\$ 3,354,056.75	\$ 10,734,589.16
Total Restrictions						\$ 28,973,376.48	-\$ 2,573,611.00	-\$ 34,669.00	-\$ 4,958,820.03	-\$ 7,567,100.03	\$ 21,406,276.45