



**Randwick City
Council**
a sense of community

**ADMINISTRATION AND FINANCE
COMMITTEE MEETING**

BUSINESS PAPER

TUESDAY 8 SEPTEMBER 2015

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ADMINISTRATION AND FINANCE COMMITTEE MEETING

Notice is hereby given that a Administration and Finance Committee Meeting of the Council of the City of Randwick will be held in the Council Chamber, First Floor, 90 Avoca Street, Randwick on Tuesday, 8 September 2015 at 6:00pm

Committee Members: The Mayor (Seng), Andrews, Belleli, Bowen, D'Souza, Garcia (Deputy Chairperson), Matson, Moore, Nash, Neilson, Roberts, Shurey, Smith, Stavrinis (Chairperson) and Stevenson

Quorum: Eight (8) members

NOTE: At the Extraordinary Meeting held on 28 September 2004, the Council resolved that the Administration and Finance Committee be constituted as a committee with full delegation to determine matters on the agenda.

Apologies/Granting of Leave of Absences

Confirmation of the Minutes

Administration and Finance Committee Meeting - 14 July 2015

Declarations of Pecuniary and Non-Pecuniary Interests

Address of Committee by Members of the Public

Privacy warning;

In respect to Privacy & Personal Information Protection Act, members of the public are advised that the proceedings of this meeting will be recorded for the purposes of clause 69 of Council's Code of Meeting Practice.

Urgent Business

Administration Report

A8/15 Contingency Fund - status as at 31 August 2015..... 1

Finance Report

F12/15 Monthly Financial Report as at 31 July 2015 3

Notice of Rescission Motions

Nil

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Ray Brownlee
GENERAL MANAGER

Administration Report No. A8/15



Subject: Contingency Fund - status as at 31 August 2015

Folder No: F2004/07396

Author: Julie Hartshorn, Senior Administrative Coordinator

Introduction

The purpose of this report is to detail the progressive amount of donations, allocations, waiving of fees and other similar contributions for the 2015-16 financial year.

Issues

In the 2015-16 financial year there have been 19 allocations totalling \$107,841.00 as listed in the table below.

Meeting	Details	Approved allocation
Annual contributions (ongoing)		
Ord Council – 22 Feb 2011	<u>Annual contribution</u> (5 years from 2011-12 to 2015-16) - Randwick Girls High School - 'Mayor's Award'	\$1,000.00
Planning Committee – 13 Mar 2012	<u>Annual contribution</u> – Australia Day Botany Bay Regatta	\$750.00
Ord Council – 25 June 2013	<u>Annual contribution</u> Sponsorship of the Westpac Rescue Helicopter Lifesaver Service – 3 year agreement 2013-14 to 2015-16	\$15,000.00
Ord Council 17 Sept 2013	<u>Annual Contribution</u> (5 years from 2015-16 to 2019-20) Waiving of Fees – Rainbow Club Australia Inc – Murray Rose's Malabar Magic Ocean Swim	\$14,500.00
Ord Council 23 Sept 2014	<u>Annual contribution</u> (5 years from 2015-16 to 2019-20) - Randwick Boys High School - 'Mayor's Award'	\$1,000.00
2015-16 Contingency Fund allocations		
Ord Council – 23 Sept 2014	POW Hospital's request for financial support to use Prince Henry Centre – to celebrate 50 th year since the first kidney transplant in NSW	\$3,600.00
Ord Council – 28 Apr 2015	Waiving of fees - South Maroubra Surf Club use of DRLC for the Annual Nippers Proficiency Test	\$1,210.00
Ord Council – 23 June 2015	Waiving of fees - Saint George Coptic Orthodox Church Annual Community Fete	\$1,545.00
Ord Council – 23 June 2015	Waiving of fees - Des Renford Leisure Centre for Maroubra Swim Club Carnivals	\$4,100.00
Ord Council – 23 June 2015	Sponsorship - Eastern Beaches Masquerade Ball (supporting the Eastern Beaches LAC)	\$6,500.00
Ord Council – 23 June 2015	Waiving of Fees - Indonesian Presbyterian Church Community BBQ	\$165.00
Ord Council – 28 July 2015	New Mayor's Award for Outstanding Contribution to the Randwick Business Community	\$2,000.00
Ord Council – 25 Aug 2015	Waiving of fees and financial contribution - NSW Police Force International Student Beach Soccer Day	\$4,533.00

A8/15

A8/15

Meeting	Details	Approved allocation
Ord Council – 25 Aug 2015	Waiving of fees - Handball Australia	\$3,685.00
Ord Council – 25 Aug 2015	Waiving of Fees - Our Lady of the Rosary School, Kensington Christmas Fair	\$7,000.00
Ord Council – 25 Aug 2015	Waiving of fees - Salvation Army Community Christmas Lunch	\$2,220.00
Ord Council – 25 Aug 2015	15th Annual Des Renford Chair of Hearts Research Family Gala and Charity Day	\$8,500.00
Ord Council – 25 Aug 2015	Waiving of fees - South Coogee Public School Biennial Fiesta	\$7,000.00
Ord Council – 25 Aug 2015	Waiving of fees and financial contribution – Surfing NSW	\$23,533.00
Total - 2015-16 Contingency Fund allocations		\$107,841.00

Relationship to City Plan

The relationship with the City Plan is as follows:

- Outcome 2: A vibrant and diverse community.
Our community will be proud to be part of our City and celebrate its range of cultures and people.
- Direction 2b: Enrich our range of community services that meet our community's needs.
- Key Actions: Support the provision of services and facilities to meet the needs of our Target Groups and celebrate the range of cultures and people within Randwick City.

Financial impact statement

Council has allocated \$75,000.00 in the 2015-16 Budget for contingencies. Any expenditure that exceeds the budget allocation will be funded through savings at the September quarterly budget review.

Recommendation

That the status of the contingency fund allocations for 2015-16 be noted.

Attachment/s:

Nil

Finance Report No. F12/15

Subject: Monthly Financial Report as at 31 July 2015
Folder No: F2015/00181
Author: Oliver Guo, Management Accountant



Introduction

Section 202 of *Local Government (General) Regulation 2005* requires that the responsible accounting officer of a council must:

- a) establish and maintain a system of budgetary control that will enable the council's actual income and expenditure to be monitored each month and to be compared with the estimate of the council's income and expenditure, and
- b) if any instance arises where the actual income or expenditure of the council is materially different from its estimated income or expenditure, report the instance to the next meeting of the council.

Issues

This report provides the financial results of the Council as at 31 July 2015. Attachment 1 summarises the Council's financial performance and its source and application of funds. It also summarises the operating result for each of the Council's principal activities. Attachment 2 details the financial position of the Council as at 31 July 2015. Attachment 3 details the cash flow of the Council as at 31 July 2015.

Relationship to City Plan

The relationship with the City Plan is as follows:

- Outcome 1: Leadership in Sustainability.
Direction 1b: Council is a leader in the delivery of social, financial and operational activities.

Financial impact statement

There is no direct financial impact for this matter.

Conclusion

The Council's Manager Corporate and Financial Planning, as the Responsible Accounting Officer, advises that the projected financial position is satisfactory. The Current Ratio as at 31 July 2015 is 2.87 compared to 2.34 as at 30 June 2015. The Current Ratio is a financial indicator specific to local government and represents its ability to meet its debts and obligations as they fall due.

Recommendation

That the Administration and Finance Committee acknowledges that the Responsible Accounting Officer has advised that the projected financial position of Council is satisfactory.

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Attachment/s:

1. Monthly Financial Statements - Income Statements July 2015
2. Monthly Financial Statements - Balance Sheet July 2015
3. Monthly Financial Statements - Cash Flow Statement July 2015

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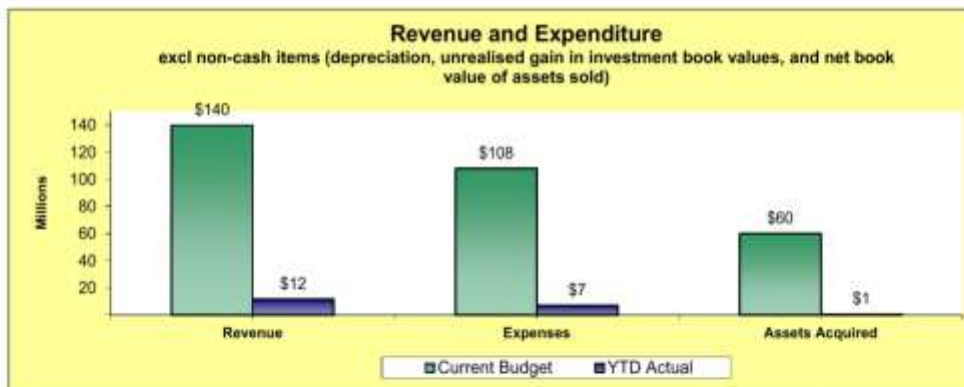


INCOME STATEMENT

for the financial year as at 31 July 2015

% OF YEAR EXPIRED AT 31 Jul 2015	8%
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	Original Budget (\$'000s)	Current Budget (\$'000s)	YTD Actuals (\$'000s)	% of Budget Spent/Earned
EXPENSES FROM CONTINUING OPERATIONS				
Employee Costs	57,704	57,704	5,169	9.0%
Materials & Contracts	33,944	36,192	1,230	3.4%
Depreciation & Amortisation	23,278	23,278	1,940	8.3%
Other Operating Expenses	14,313	14,321	848	5.9%
Total Expenses from Continuing Operations	129,239	131,495	9,187	7.0%
REVENUE FROM CONTINUING OPERATIONS				
Rates And Annual Charges	102,134	102,134	8,194	8.0%
User Charges And Fees	16,195	16,195	1,496	9.2%
Interest	2,510	2,510	207	8.3%
Other Revenues	8,286	8,286	719	8.7%
Operating Grants and Contributions	6,543	6,543	836	12.8%
Capital Grants and Contributions	4,467	4,467	350	7.8%
Gain/(Loss) on Disposal of Assets	1,450	1,450	-	0.0%
Total Revenue from Continuing Operations	141,584	141,584	11,803	8.3%
Net Operating Result - Surplus/(Deficit)	12,345	10,089	2,616	
FUNDING STATEMENT				
SOURCE OF FUNDS				
Surplus/(Deficit) from Operations - Accrual	12,345	10,089	2,616	25.9%
Add Back Non-Funded Transactions included in Operations above				
- Depreciation	23,278	23,278	1,940	8.3%
- Transfer from Internal Reserves	5,848	21,402	337	1.6%
- Transfer from External Reserves	10,952	23,641	462	2.0%
- Unrealised Gain/(Loss) on Market Value of Investments	-	-	28	
Net Funds Available	52,423	78,410	5,383	6.9%
APPLICATION OF FUNDS				
Assets Acquired	34,169	60,156	721	1.2%
Transfer to Internal Reserves	8,188	8,188	1,379	16.8%
Transfer to External Reserves	10,047	10,047	1,014	10.1%
Total Funds Applied	52,404	78,391	3,113	4.0%
Total Funds Surplus/(Deficit)	19	19	2,270	



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OFFICE OF THE GENERAL MANAGER
INCOME STATEMENT
 for the financial year as at 31 July 2015



% OF YEAR EXPIRED AT 31 Jul 2015	8%
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	Original Budget (\$'000s)	Current Budget (\$'000s)	YTD Actuals (\$'000s)	% of Budget Spent/Earned
EXPENSES FROM CONTINUING OPERATIONS				
Employee Costs	4,917	4,917	407	8.3%
Materials & Contracts	3,050	3,080	190	6.2%
Depreciation & Amortisation	1,066	1,066	89	8.3%
Other Operating Expenses	381	381	3	0.8%
Total Expenses from Continuing Operations	9,414	9,444	689	7.3%
Net Operating Result - Surplus/(Deficit)				
	(9,414)	(9,444)	(688)	
CAPITAL PURCHASES (NOT INCLUDED ABOVE)				
CAPITAL PURCHASES				
Total Purchases	2,065	2,447	30	1.2%
<i>Detail as following:</i>				
IT Equipment	2,065	2,447	30	1.2%



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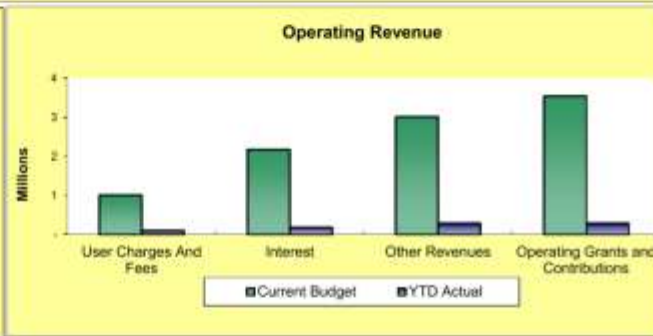
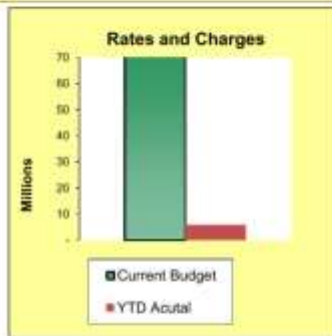
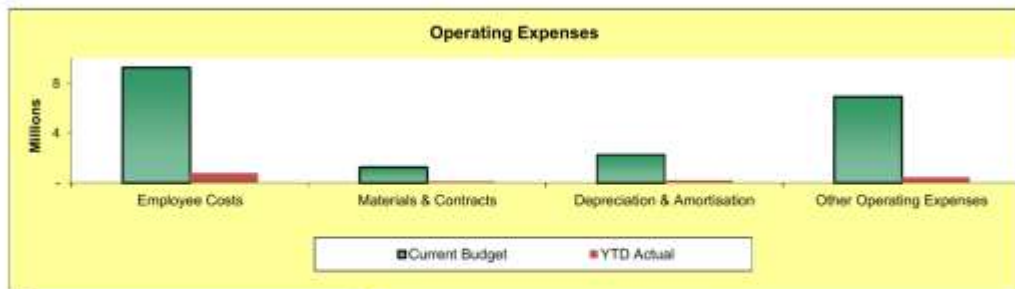


GOVERNANCE AND FINANCIAL SERVICES INCOME STATEMENT

for the financial year as at 31 July 2015

% OF YEAR EXPIRED AT 31 Jul 2015	8%
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	Original Budget (\$'000s)	Current Budget (\$'000s)	YTD Actuals (\$'000s)	% of Budget Spent/Earned
EXPENSES FROM CONTINUING OPERATIONS				
Employee Costs	9,296	9,296	773	8.3%
Materials & Contracts	1,271	1,271	79	6.2%
Depreciation & Amortisation	2,283	2,283	190	8.3%
Other Operating Expenses	6,945	6,945	450	6.5%
Total Expenses from Continuing Operations	19,795	19,795	1,492	7.5%
REVENUE FROM CONTINUING OPERATIONS				
Rates And Annual Charges	71,031	71,031	5,862	8.3%
User Charges And Fees	1,011	1,011	99	9.8%
Interest	2,179	2,179	180	8.3%
Other Revenues	3,012	3,012	295	9.8%
Operating Grants and Contributions	3,545	3,545	293	8.3%
Total Revenue from Continuing Operations	80,779	80,779	6,729	8.3%
Net Operating Result - Surplus/(Deficit)	60,984	60,984	5,237	



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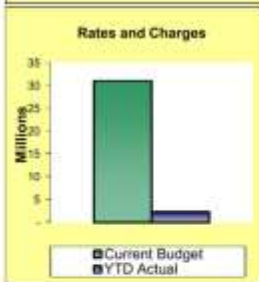
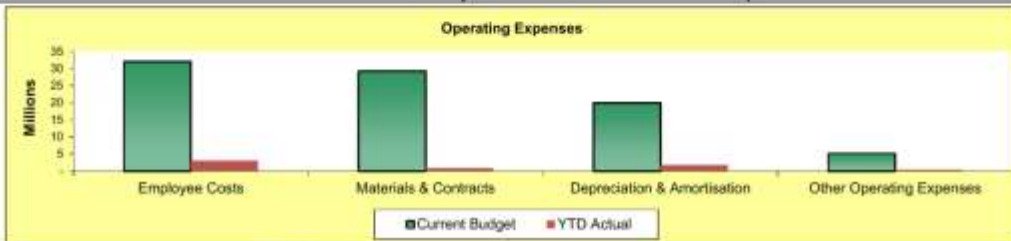


CITY SERVICES INCOME STATEMENT

for the financial year as at 31 July 2015

% OF YEAR EXPIRED AT 31 Jul 2015	8%
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	Original Budget (\$'000s)	Current Budget (\$'000s)	YTD Actuals (\$'000s)	% of Budget Spent/Earned
EXPENSES FROM CONTINUING OPERATIONS				
Employee Costs	31,978	31,978	2,937	9.2%
Materials & Contracts	27,320	29,185	829	2.8%
Depreciation & Amortisation	19,928	19,928	1,661	8.3%
Other Operating Expenses	5,135	5,135	345	6.7%
Total Expenses from Continuing Operations	84,361	86,227	5,772	6.7%
REVENUE FROM CONTINUING OPERATIONS				
Rates And Annual Charges	31,102	31,102	2,333	7.5%
User Charges And Fees	11,145	11,145	1,023	9.2%
Interest	169	169	13	7.8%
Other Revenues	914	914	67	7.3%
Operating Grants and Contributions	2,339	2,339	419	17.9%
Capital Grants and Contributions	1,667	1,667	178	10.7%
(Gain)/Loss on Disposal of Assets	1,450	1,450	-	0.0%
Total Revenue from Continuing Operations	48,787	48,787	4,033	8.3%
Net Operating Result - Surplus/(Deficit)	(35,574)	(37,439)	(1,739)	
CAPITAL PURCHASES (NOT INCLUDED ABOVE)				
Total Purchases	31,883	57,344	691	1.2%
<i>Detail as following:</i>				
Parks Construction	7,262	10,553	209	2.0%
Roads Construction	9,867	17,834	13	0.1%
Drainage Construction	1,220	3,055	-	0.0%
Building Construction	6,965	19,333	241	1.2%
Library Resources	397	397	5	1.4%
Vehicular Access	500	500	3	0.6%
Plant and Equipment	5,672	5,672	219	3.9%



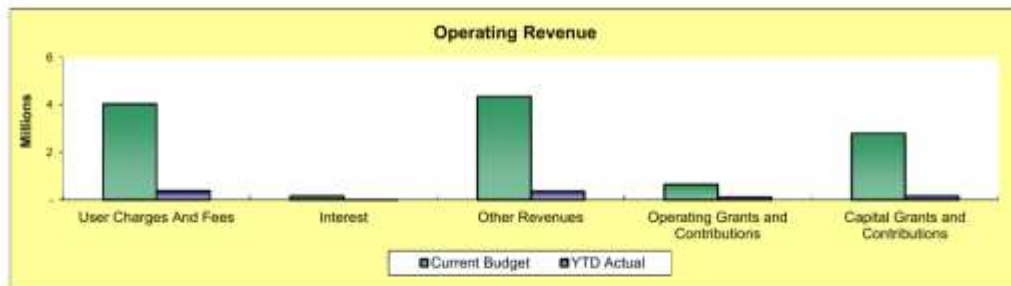


CITY PLANNING INCOME STATEMENT

for the financial year as at 31 July 2015

% OF YEAR EXPIRED AT 31 Jul 2015	8%
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	Original Budget (\$'000s)	Current Budget (\$'000s)	YTD Actuals (\$'000s)	% of Budget Spent/Earned
EXPENSES FROM CONTINUING OPERATIONS				
Employee Costs	11,513	11,513	1,052	9.1%
Materials & Contracts	2,303	2,656	133	5.0%
Other Operating Expenses	1,852	1,860	50	2.7%
Total Expenses from Continuing Operations	15,669	16,029	1,234	7.7%
REVENUE FROM CONTINUING OPERATIONS				
User Charges And Fees	4,039	4,039	375	9.3%
Interest	162	162	13	8.3%
Other Revenues	4,359	4,359	357	8.2%
Operating Grants and Contributions	658	658	124	18.8%
Capital Grants and Contributions	2,800	2,800	172	6.1%
Total Revenue from Continuing Operations	(12,017)	(12,017)	(1,041)	8.7%
Net Operating Result - Surplus/(Deficit)	(3,652)	(4,012)	(193)	
CAPITAL PURCHASES (NOT INCLUDED ABOVE)				
Total Purchases	221	365	-	0%
<i>Detail as following:</i>				
Sustaining Our City Capital Projects	221	365	-	0%



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BALANCE SHEET

at 31 July 2015

	Actual as at 31 July 2015 (\$'000s)	Actual as at 30 June 2014 (\$'000s)
CURRENT ASSETS		
Cash, Cash Equivalents & Investments	63,208	64,430
Receivables	3,445	6,840
Inventories	513	523
Other	-	854
TOTAL CURRENT ASSETS	67,165	72,648
NON-CURRENT ASSETS		
Infrastructure, Property, Plant & Equipment	1,406,329	1,405,946
TOTAL NON-CURRENT ASSETS	1,406,329	1,405,946
TOTAL ASSETS	1,473,495	1,478,594
CURRENT LIABILITIES		
Payables	11,613	14,550
Provisions & Prepayments	11,783	16,562
TOTAL CURRENT LIABILITIES	23,396	31,112
NON-CURRENT LIABILITIES		
Payables	260	260
Provisions & Prepayments	311	311
TOTAL NON-CURRENT LIABILITIES	571	571
TOTAL LIABILITIES	23,967	31,683
NET ASSETS	1,449,527	1,446,911
EQUITY		
Retained Earnings	785,522	782,906
Revaluation Reserves	664,005	664,005
TOTAL EQUITY	1,449,527	1,446,911



STATEMENT OF CASH FLOW

at 31 July 2015

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	Actual as at 31 July 2015 (\$'000)	Actual as at 30 June 2015 (\$'000)
Cash Flows from Operating Activities		
<u>Receipts:</u>		
Rates & Annual Charges	5,619	98,740
User Charges & Fees	2,313	18,967
Investment & Interest Revenue Received	228	2,689
Grants & Contributions	3,029	13,071
Bonds, Deposits & Retention amounts received	109	551
Other	268	14,614
<u>Payments:</u>		
Employee Benefits & On-Costs	(6,408)	(56,214)
Materials & Contracts	(1,999)	(41,832)
Borrowing Costs	-	-
Bonds, Deposits & Retention amounts refunded	(176)	(307)
Other	(3,697)	(16,653)
Net Cash provided (or used in) Operating Activities	(713)	33,626
Cash Flows from Investing Activities		
<u>Receipts:</u>		
Sale of Investment Securities	5,003	69,818
Sale of Infrastructure, Property, Plant & Equipment	172	995
<u>Payments:</u>		
Purchase of Investment Securities	(3,032)	(77,227)
Purchase of Infrastructure, Property, Plant & Equipment	(682)	(28,065)
Net Cash provided (or used in) Investing Activities	1,462	(34,479)
Cash Flows from Financing Activities		
<u>Receipts:</u>		
Nil		
<u>Payments:</u>		
Nil		
Net Cash Flow provided (used in) Financing Activities	0	0
Net Increase/(Decrease) in Cash & Cash Equivalents	750	(853)
plus: Cash & Cash Equivalents - beginning of year	3,237	4,090
Cash & Cash Equivalents - end of the period/year	3,987	3,237
Additional Information:		
plus: Investments on hand - end of period/year	59,221	61,193
Total Cash, Cash Equivalents & Investments	63,208	64,430