

NADUR

Local Council

Quarterly Financial Report

for the Period

1st January till End of December 2018 (Quarter 4)

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Overview and Summary

In the following pages, the Nadur Local Council is presenting the quarterly financial report for period January till December 2018, which depicts the financial status of the Local Council for this period. It is important to understand that the quarterly report was presented on the accruals principle. Such principle is highly prominent when considering expenses. This is so since when applying such principle not only the expenditure which was paid during the period is taken into consideration, but also those expenses which have been incurred by the Council during the period but were still due as at the end of this said period. In this way, income is matched with the corresponding expenditure, resulting in a more reliable and wholesome picture of the financial situation being considered. It should be pointed out that being the end of the year quarter, more special attention was given to try to include in the final figures all expenditure and income relating to year 2018 so that a realistic picture of the financial outcome for 2018 could be obtained and analysed accurately.

As can be seen from the statement of income and expenditure, the Nadur Local Council ended up with a deficit of Euro 17.5K for the year 2018 when compared to a budgeted surplus of around Euro 35K. When analysing the figures for 2018 when compared to budget, the main differences arise in Operations & Maintenance, specifically under the category of Hospitality, and in Administration, mainly under the categories of Information Services and Professional Services. As detailed in the quarterly overview for July to September 2018, at the end of July 2018, the Nadur Local Council hosted the European Charter of Rural Communities which in total costed the Nadur Local Council around Euro 41K. Such actual cost exceeded substantially the budgeted amount and was only compensated for by the EU to the amount of Euro 15K. As a result, the increase in expenditure over that budgeted for Hospitality and Information Services categories can be attributed directly to this one off exceptional event. With respect to Professional Services, such increase over budget can be attributed mainly to various services in relation to the various restructuring of roads undertaken by the Local Council in 2018. It is important to point out that in order to counter-effect part of the negative impact which all of this additional expenditure was expected to have on the Council's finances without effectively reducing any of its annual activities, the Nadur Local Council strived to increase its income in all possible ways. In fact, as can be seen from the Statement of Income & Expenditure, the actual income of the Local Council for 2018 exceeds that budgeted by around 20K. However, the most important factor to point out is that in spite of all the extra expenditures and activities, the Nadur Local Council through good planning and great attention to its finances still managed to reduce its fiscal deficit to 32% and thus meet its target Financial Situation Indicator (FSI) for 2018. In fact, this can be seen clearly from the relevant section on page 5.

In a nutshell, in spite of the day-to-day expenditure and all other activity related expenditure that the Council incurred including the European Charter of Rural Communities as mentioned above, the Local Council still managed to repay part of its deficit. In addition, the Nadur Local Council also managed to apply for and get the necessary funding for the construction and laying with tarmac of Triq il-Qortin and the esbellishment of various rural roads in Nadur. Also, in December 2018, the Nadur Local Council, signed the Twinning agreement with Zafferana Etnea. Thus, even though the financial position of the Nadur Local Council is of vital importance for the mayor and the councillors, as evidenced from the improvement in the deficit position and the FSI, the Nadur Local Council continuously strive to take every opportunity available to maximise returns for the Nadur community.

Mr. Edward Said
Mayor

Ms. Sue Ellen Bugeja
Executive Secretary

Statement of Income and Expenditure
1st January till End of December 2018 (Quarter 4)

DESCRIPTION	Actual for the Period €	Annual Budget 2018 €	Virements for the Period €	Revised Annual Budget 2018 €
Income				
Funds received from Central Government (1)	504,597	555,137	53,708	501,429
Income raised from Bye-Laws (2)	16,468	18,850	-	18,850
Income raised from LES (3)	1,668	2,593	-	2,593
Investment Income (4)	84	31	-	31
Other Income (5)	36,560	16,598	-	16,598
TOTAL	559,377	593,209	53,708	539,501
Expenditure				
Personal Emoluments (6)	89,584	86,801	-	86,801
Operations and Maintenance (7)	328,809	288,623	-	288,623
Administration (8)	77,480	47,929	-	47,929
Finance Cost (9)	1,658	1,987	-	1,987
Other Expenditure (10)	79,420	132,744	53,708	79,036
TOTAL	576,951	558,084	53,708	504,376
Surplus / Deficit	(17,574)	35,125	-	35,125

Statement of Financial Position as at end of December 2018 (Quarter 4)

DESCRIPTION	Actual for the Period €	Annual Budget 2018 €	Virements for the Period €	Revised Annual Budget 2018 €
Non-current Assets				
Property, Plant and Equipment (17)	826,738	1,373,001	507,434	865,567
Current Assets				
Inventories (11)	-	-	-	-
Receivables (12)	56,636	20,624	-	20,624
Cash and Cash Equivalents (13)	69,047	31,266	-	31,266
Total Current Assets	125,683	51,890	-	51,890
Current Liabilities				
Payables (14)	278,322	705,943	507,434	198,509
Total Current Liabilities	278,322	705,943	507,434	198,509
Net Current Assets	(152,639)	(654,053)	(507,434)	(146,619)
Non-current liabilities (15)	27,142	26,344	-	26,344
Net Assets	646,957	692,604	-	692,604
Reserves				
Retained Funds	646,957	692,604	-	692,604

Financial Situation Indicator

DESCRIPTION	Actual for the Period €	Annual Budget 2018 €	Virements for the Period €	Revised Annual Budget 2018 €
Current Assets	125,683	51,890	-	51,890
Current Liabilities	278,322	705,943	507,434	198,509
Working Capital	(152,639)	(654,053)	(507,434)	(146,619)
Government Allocation	471,929	471,929	-	471,929
FSI	(32) %	(139) %		(31) %

Cash flow Statement

DESCRIPTION

	Actual for the Period	Annual Budget 2018	Virements for the Period	Revised Annual Budget 2018
	€	€	€	€
Cash flow from operating activities				
Surplus for the year	(17,574)	35,125	-	35,125
Adjustments for:				
Depreciation	79,420	132,744	53,708	79,036
Increase / (Decrease) in Allowance for Bad Debts	-	-	-	-
Interest receivable	(84)	(31)	-	(31)
Interest payable	1,658	1,987	-	1,987
(Profit) / Loss on disposal of asset	-	-	-	-
Trasfer of Grants to Profit & Loss	0	5,109	(53,708)	58,817
Increase / (Decrease) in payables	-21,153	(322,944)	-	(322,944)
Increase / (Decrease) in accruals	-7,628	11,950	-	11,950
Decrease / (Increase) in receivables	-33,130	2,882	-	2,882
Decrease / (Increase) in inventories	-	-	-	-
Decrease / (Increase) in inventories	-	-	-	-
Cash generated from operations	1,509	(133,178)	-	(133,178)
Interest paid	-	-	-	-
<i>Net cash from operating activities</i>	1,509	(133,178)	-	(133,178)
Cash flows from investing activities				
Purchase of property, plant & equipment	-143,086	(45,000)	-	(45,000)
Proceeds from sale of property, plant & equipment	0	-	-	-
Grants received	0	-	-	-
Interest received	84	31	-	31
<i>Net cash used in investing activities</i>	(143,002)	(44,969)	-	(44,969)
Cash flows from financing activities				
Proceeds from long-term borrowings	0	-	-	-
Interest Paid	-1,658	(1,987)	-	(1,987)
Bank Loan Repayments	-7,792	(8,590)	-	(8,590)
<i>Net cash from financing activities</i>	(9,450)	(10,577)	-	(10,577)
Net increase/(decrease) in cash & cash equivalents	(150,943)	(188,724)	-	(188,724)
Cash & cash equivalents at beginning of year	219,990	219,990	-	219,990
Cash & cash equivalents at end of Quarter	69,047	31,266	-	31,266

Detailed Income

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2018	the Period	2018
	€	€	€	€
Income				
1 Funds received from Cental Government:				
0001 In terms of section 55 CAP 363	471,929	481,929	-	481,929
0002-0004 In terms of section 58 CAP 363	28,168	63,208	53,708	9,500
0005-0019 Other income	4,500	10,000	-	10,000
	504,597	555,137	53,708	501,429
2 Income raised from Bye-Laws				
0021-0025 Community Services	636	2,815	-	2,815
0026-0035 Income from Permits	15,832	16,035	-	16,035
	16,468	18,850	-	18,850
3 Local Enforcement Income				
0037 Commission from Regional Committees	-	-	-	-
0038-0055 Contraventions	1,668	2,593	-	2,593
	1,668	2,593	-	2,593
4 Investment Income				
0091-0095 Bank interest	84	31	-	31
0096-0099 Income received from Governnet Securities	-	-	-	-
	84	31	-	31
5				
0056-0065 Sponsorships	10,500	2,700	-	2,700
0066-0069 Documents & Information	11	139	-	139
0070-0075 EU funds	-	-	-	-
0076-0080 Twinning	-	-	-	-
0081-0089 Insurance Claims	-	-	-	-
0100-0109 Donations	-	-	-	-
0110-0119 Contributions	-	-	-	-
0120-0129 General Income	26,049	13,759	-	13,759
	36,560	16,598	-	16,598
Total	559,377	593,209	53,708	539,501

Detailed Expenditure

DESCRIPTION		Actual for the Period	Annual Budget 2018	Virements for the Period	Revised Annual Budget 2018
		€	€	€	€
6 i)	Personal Emoluments				
1100	Mayor's Allowance	13,864	13,864	-	13,864
1200	Employees' Salaries & Wages	59,799	60,618	-	60,618
1300	Bonuses	3,551	3,299	-	3,299
1400	Income Supplements	819	-	-	-
1500	Social Security Contributions	5,640	5,549	-	5,549
1600	Allowances	880	880	-	880
1700	Overtime	5,031	2,591	-	2,591
		89,584	86,801	-	86,801
	DESCRIPTION	€	€	€	€
7	Operations and Maintenance				
2100-2149	Public Utilities	9,095	6,493	-	6,493
2200-2259	Public Materials & Supplies	8,050	6,691	-	6,691
2300-2399	Repairs & upkeep	30,299	28,738	-	28,738
2400-2449	Rent	2,506	2,530	-	2,530
3010	Street Lightning	7,080	14,196	-	14,196
3020	Lease of Equipment	52,720	35,735	-	35,735
3030	Insurance	3,079	1,446	-	1,446
3035	Bank Charges	183	230	-	230
3038	Penalties	5	179	-	179
3041	Refuse Collection	53,395	55,232	-	55,232
3042	Bulky Refuse Collection	8,981	10,366	-	10,366
3043	Bins on wheels	-	-	-	-
3045	Bring in sites	-	-	-	-
3051	Road & Street Cleaning	18,780	15,951	-	15,951
3052	Cleaning & Maintenance of Non-Urban Areas	464	-	-	-
3053	Cleaning of Public Conveniences	3,018	4,111	-	4,111
3055	Cleaning of Council Premises	1,420	1,012	-	1,012
3040	Waste Disposal	22,517	19,806	-	19,806
3060	Cleaning & Maintenance of Parks & Gardens	6,249	5,621	-	5,621
3061	Cleaning & Maintenance of Soft Areas	-	-	-	-
3062	Cleaning & Maintenance of Beaches & CA	-	-	-	-
3063	Cleaning & Maintenance of Country Non-Urban	-	-	-	-
6064	Other Contractual Services	14,699	20,301	-	20,301
3070-3090	Consultation Fees	11,516	11,703	-	11,703
3100-3139	Contract & Project Management	8,054	5,147	-	5,147
3300-3379	Hospitality	65,362	39,636	-	39,636
3380-3389	Community	60	-	-	-
3390-3394	Donations	-	-	-	-
3600-3694	Local Enforcement Expenses	1,277	-	-	-
3700-3799	EU Projects	-	-	-	-
3800-3899	Twinning	-	3,500	-	3,500
		328,809	288,623	-	288,623
8	Administration				
2150-2199	Office Utilities	2,401	2,238	-	2,238
2260-2299	Office Materials & Supplies	-	-	-	-
2450-2499	Office Rent	-	-	-	-
2500-2599	National & International Memberships	1,800	1,583	-	1,583
2600-2699	Office Services	7,774	7,412	-	7,412
2700-2799	Transport	16,646	6,882	-	6,882
2800-2899	Travel	7,901	5,377	-	5,377
2900-2999	Information Services	16,941	7,286	-	7,286
3050	Office Cleaning	-	-	-	-
3410-3199	Professional Services	23,504	16,859	-	16,859
3200-3299	Training	253	24	-	24
3345	Office Hospitality	-	-	-	-
3400-3499	Incidental Expenses	260	267	-	267
		77,480	47,929	-	47,929
9	Finance Costs				
3036	Interest on Bank Loan	1,658	1,987	-	1,987
		1,658	1,987	-	1,987

Detailed Statment of Financial Position

DESCRIPTION

	Actual for the Period	Annual Budget 2018	Virements for the Period	Revised Annual Budget 2018
	€	€	€	€
10 Other Expenditure				
3500-3599 Loss / (Profit) on Disposal of asset	-	-	-	-
3695 Increase/(Decrease) in allowance for bad debts	-	-	-	-
8000-8099 Depreciation As at end of December 2018	79,420	132,744	53,708	79,036
Depreciation	79,420	132,744	53,708	79,036
Total	576,951	558,084	53,708	504,376
11 Inventories				
5201-5249 Stationery	-	-	-	-
5250-5299 Consumables	-	-	-	-
	-	-	-	-
12 Receivables				
0201-0209 Receivables	26,675	14,234	-	14,234
0210-0219 LES Receivables	-	-	-	-
0220-0229 Receivables from EU	-	-	-	-
0250 Prepayments & Accrued income	29,961	6,390	-	6,390
	-	-	-	-
	56,636	20,624	-	20,624
13 Cash & Equivalents				
5001-5099 Bank & Cash Balances	69,047	31,266	-	31,266
	69,047	31,266	-	31,266
14 Payables				
4000 Payables	241,384	141,993	-	141,993
4100 Accruals	27,490	47,068	-	47,068
4150 Deferred Income	-	507,434	507,434	-
Short-term Borrowings	9,448	9,448	-	9,448
	-	-	-	-
	278,322	705,943	507,434	198,509
15 Non Current Liabilities				
4200 Long Term Borrowing	27,142	26,344	-	26,344
	27,142	26,344	-	26,344

16 Total Commitments (Recurrent and Capital)

DESCRIPTION

€	€	€
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Recurrent and Capital

Embellishment of Playing Fields
Other Projects
Restructuring of Roads

25,000	-	-
100,000	-	-
-	-	-
125,000	-	-

Long Term Loans

-	-	-

Others

-	-	-

17 Depreciation of Property, Plant and Equipment

Asset	Trees	Office Furniture / Fittings	Office & Computer Equipment	Plant & Machinery	Urban Improvements	New Street Signs	Construction	Special Programmes	Council Premises	Total
% of depreciation	0%	8%	20% - 25%	20%	10%	0%	10%	10%	1%	
Cost	€	€	€	€	€	€	€	€	€	€
As at 1st January 2018	6,812	32,674	30,950	32,625	534,255	13,942	1,778,094	136,328	138,150	2,703,830
Additions	-	204	1,360	-	7,660	-	133,862	-	-	143,086
Disposals										-
As at end of December 2018	6,812	32,878	32,310	32,625	541,915	13,942	1,911,956	136,328	138,150	2,846,916
Grants/ other reimbursements										
As at 1st January 2018	-	-	-	-	-	-	229,616	68,341	-	297,957
Additions	-	-	-	-	-	-	-	-	-	-
As at end of December 2018	-	-	-	-	-	-	229,616	68,341	-	297,957
Accumulated Depreciation										
As at 1st January 2018	-	21,695	24,657	30,017	366,817	13,942	1,122,070	54,835	8,768	1,642,801
Charge for the period	-	839	1,913	522	17,510	-	56,027	1,315	1,294	79,420
Released on disposal										-
As at end of December 2018	-	22,534	26,570	30,539	384,327	13,942	1,178,097	56,150	10,062	1,722,221
NBV As at end of December 2018	6,812	10,344	5,740	2,086	157,588	-	504,243	11,837	128,088	826,738