

Mellieħa Local Council

**Annual Budget
For
Financial Year
2018**

Table of Contents

Overview and Summary	<i>Page 3</i>
Budgeted Statement of Income and Expenditure	<i>Page 4</i>
Budgeted Statement of Affairs	<i>Page 5</i>
Cash Budget	<i>Page 6</i>
Detailed Estimates Of Income	<i>Page 7</i>
Detailed Estimates Of Expenditure	<i>Page 8</i>
Detailed Estimates Of Statement of Affairs	<i>Page 10</i>
Depreciation of Property, Plant and Equipment	<i>Page 11</i>

Overview and Summary

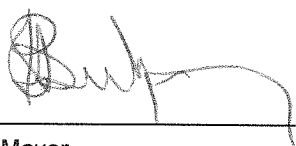
Up till the end of the 2017 financial year, the Seventh Council had been in office for four years and three months. It has now surpassed the preparation of new projects and initiatives and is now seeking their implementation or conclusion. All the expenditure related to the embellishment of phase 1 of the Triq San Publiju project has been covered, together with other annual commitments in connection with the resurfacing of Triq l-Armier, under the Public Private Partnership Agreement which will terminate in 2020. The Council has also undertaken the improvement of recreational facilities and infrastructure which are aimed at the improvement of the quality of life to residents. New play equipment is planned for Ġnien tas-Salib and Ġnien Dun Anton Debono with a total budget of €70,000. In the light of the foregoing, the Council shall be engaged in the implementation of projects which are financially secure and others where the Council still has to strive to obtain the necessary funding during 2018. A case in point is the rehabilitation of the Tunnara Museum, which involves the restoration of Westreme Battery and upgrading of the interpretation centre housed within. An application has been submitted for the co-financing of this project through the European Regional Development Fund.

The Council has managed to reach an agreement with Transport Malta for the reconstruction of Triq il-Qortin. This was the only unmade road within Santa Marija Estate that was affected by the court case Mellieħa Local Council vs Cenmed Ltd. The outcome of this case gave way to the transfer of responsibility for the maintenance of the roads within the estate to Transport Malta and the Local Council. The works were carried out in terms of an agreement proposed by the Council and involves a grant of €359,000. The Council also intends to undertake, out of its own funds, the resurfacing of ix-Xatt ta' Santa Marija which involves an area approximately of 2,120 square metres with a budget of €80,000.

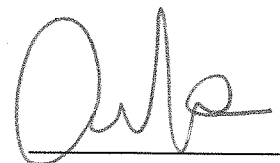
A new street lighting scheme was installed during the course of works on Triq il-Qortin, which involved the installation of lamps on whip-type poles over a stretch of 0.53 Km. This initiative will be financed during 2018 through the Planning Fund, administered by the Planning Authority. The Council also intends to benefit from such fund for the implementation of a similar project that involves the upper part of Triq Ġħajn Żejtuna. Another street lighting project that is planned to be fully completed in 2018 shall be the installation of ornamental lamps at Misraħ il-Parroċċa (Mellieħa) and at the Manikata Village Core, which will be covered through ordinary Council funds.

Projects involving the historic centre include phase 2 of Triq San Publiju Embellishment; the restoration of stairway linking Triq il-Marfa and Triq Dun Frangisk Sciberras; the upgrading of Triq il-Mithna l-Qadima and Triq Sant' Anna area; as well as the paving of Triq l-Inkurunazzjoni. The latter project entails considerable expenditure, where the Council intends to seek financial support from the Planning Authority through the Planning Fund.

According to the audited financial reports for 2013, 2014 and 2015, a comprehensive deficit resulted between income and expenditure for the respective years, which amounted to €46,641. This was absorbed by the current assets which by the end of 2015 stood at €746,139. This trend was reversed in 2016, when a surplus of €32,188



Mayor



Executive Secretary

Budgeted Statement of Income and Expenditure

DESCRIPTION

BUDGET	FORECAST	BUDGET	VARIANCE	VARIANCE
Jan-Dec	Jan-Dec	Jan-Dec		
2017	2017	2018	Bud-Bud	Bud-Act
€	€	€	€	€

Income

Funds received from Central Government (1)	1,275,882	1,252,301	1,193,885	(81,997)	(58,416)
Income raised from Bye-Laws (2)	55,670	51,991	44,420	(11,250)	(7,571)
Income raised from LES (3)	9,900	22,140	8,000	(1,900)	(14,140)
Investment Income (4)	3,400	1,121	1,400	(2,000)	279
Other Income (5)	286,566	239,521	102,700	(183,866)	(136,821)
TOTAL	1,631,418	1,567,074	1,350,405	(281,013)	(216,669)

Expenditure

Personal Emoluments (6)	156,479	166,547	167,691	11,212	1,144
Operations and Maintenance (7)	764,229	638,909	785,316	21,087	146,407
Administration (8)	74,327	47,159	94,628	20,301	47,469
Finance Cost (9)	-	-	-	-	-
Other Expenditure (10)	576,599	431,392	271,005	(305,594)	(160,387)
TOTAL	1,571,634	1,284,007	1,318,640	(252,994)	34,633

Surplus / Deficit

59,784	283,067	31,765	(28,019)	(251,302)
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Budgeted Statement of Affairs

DESCRIPTION	BUDGET as at 31 Dec 2017 €	FORECAST as at 31 Dec 2017 €	BUDGET as at 31 Dec 2018 €	VARIANCE Bud-Bud €	VARIANCE Bud-Act €
Non-current Assets					
Property, Plant and Equipment (16)	5,723,453	5,197,666	4,005,043	(1,718,410)	(1,192,623)
Current Assets					
Inventories (11)	11,500	9,682	20,000	8,500	10,318
Receivables (12)	143,803	104,111	96,000	(47,803)	(8,111)
Cash and Cash Equivalents (13)	385,005	799,913	352,795	(32,210)	(447,118)
Total Current Assets	540,308	913,706	468,795	(71,513)	(444,911)
Current Liabilities (14)					
Payables	500,000	415,410	300,000	(200,000)	(115,410)
Current portion of Long-Term Borrowings	32,000	35,817	35,817	3,817	-
Total Current Liabilities	532,000	451,227	335,817	(196,183)	(115,410)
Net Current Assets	8,308	462,479	132,978	124,670	(329,501)
Non-current liabilities (15)	1,442,000	1,571,314	17,425	(1,424,575)	(1,553,889)
Net Assets	4,289,761	4,088,831	4,120,596	(169,165)	31,765
Reserves					
Retained Funds	4,289,761	4,088,831	4,120,596	(169,165)	31,765

Financial Situation Indicator

DESCRIPTION	BUDGET as at 31 Dec 2017 €	FORECAST as at 31 Dec 2017 €	BUDGET as at 31 Dec 2018 €
Current Assets	540,308	913,706	468,795
Current Liabilities	532,000	451,227	335,817
Total Long Term Liabilities	1,442,000	1,571,314	17,425
Commitments approved by Ministry	1,592,000	1,518,073	-
	158,308	409,238	115,553
Government Allocation	1,275,882	1,252,301	1,193,885
FSI	12.41%	32.68%	9.68%

Cash Budget

DESCRIPTION	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
	JAN-MAR	APR-JUN	JUL-SEP	OCT-DEC	
	2018	2018	2018	2018	
	€	€	€	€	€
Cash Inflows					
Government cash inflows	298,471	298,471	298,472	298,471	1,193,885
Cash flows from Bye-Laws & L.N fees	11,105	11,105	11,105	11,105	44,420
Local Enforcement cash flows	2,000	2,000	2,000	2,000	8,000
Finance cash flows					
Loan Proceeds	-	-	-	-	-
Investment income	350	350	350	350	1,400
	350	350	350	350	1,400
Capital cash flow					
Proceeds from disposal of assets	-	-	-	-	-
	-	-	-	-	-
Cash received from EU funds	-	102,000	-	-	102,000
Cash received from Twinning	-	-	-	-	-
Cash from Community Services	-	-	-	-	-
Other Cash Inflows	175	358,930	383,929	175	743,209
TOTAL Inflows	312,101	772,856	695,856	312,101	2,092,914
Cash Outflows					
Personal Emoluments	39,123	44,723	39,123	44,723	167,692
Operations & Maintenance	175,079	175,079	175,079	175,079	700,316
Administration	23,657	23,657	23,657	23,657	94,628
Finance	-	-	-	-	-
Capital					
Acquisition of property	-	-	-	-	-
Construction	-	-	-	-	-
Improvements	3,750	136,560	3,750	3,750	147,810
Special programmes	436,772	436,772	436,773	34,269	1,344,586
	-	-	-	-	-
	440,522	573,332	440,523	38,019	1,492,396
Cash outflows re EU projects	21,250	21,250	21,250	21,250	85,000
Cash outflows re Twinning	-	-	-	-	-
Cash outflows re Community Services	-	-	-	-	-
	-	-	-	-	-
	21,250	21,250	21,250	21,250	85,000
TOTAL Outflows	699,631	838,041	699,632	302,728	2,540,032
SURPLUS / (DEFICIT)	(387,530)	(65,185)	(3,776)	9,373	(447,118)
Brought forward (Bank /Cash Bal.)	799,913	412,383	347,198	343,422	799,913
Carry forward	412,383	347,198	343,422	352,795	352,795

Detailed Estimates of Income**DESCRIPTION**

A	B	C	D (B + C)	E	F (E - A)	G (E - D)
BUDGET Jan-Dec 2017	ACTUAL Jan-Sept 2017	FORECAST Oct-Dec 2017	TOTAL Jan-Dec 2017	BUDGET Jan-Dec 2018	VARIANCE Bud-Bud	VARIANCE Bud-Act
€	€	€	€	€	€	€

Income**1 Funds received form Central Government:**

0001 In terms of section 55 CAP 363

0002-0004 In terms of section 58 CAP 363

0005-0019 Other Income

1,053,865	790,279	263,586	1,053,865	1,099,031	45,166	45,166
116,546	34,975	60,000	94,975	94,854	(21,692)	(121)
105,471	53,461	50,000	103,461	-	(105,471)	(103,461)
1,275,882	878,715	373,586	1,252,301	1,193,885	(81,997)	(58,416)

2 Bye-Laws & Legal Fees

0021-0025 Community Services

0026-0035 Income from Permits

2,000	1,724	350	2,074	-	(2,000)	(2,074)
53,670	37,917	12,000	49,917	44,420	(9,250)	(5,497)
55,670	39,641	12,350	51,991	44,420	(11,250)	(7,571)

3 Local Enforcement Income

0037 Commission from Regional Committees

0038-0055 Contraventions

9,900	7,873	3,000	10,873	8,000	(1,900)	(2,873)
-	11,067	200	11,267	-	-	(11,267)
9,900	18,940	3,200	22,140	8,000	(1,900)	(14,140)

4 Investment Income

0091-0095 Bank interest

0096-0099 Income received from Government Securities

3,400	771	350	1,121	1,400	(2,000)	279
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,400	771	350	1,121	1,400	(2,000)	279

5 General Income

0056-0065 Sponsorships

0066-0069 Documents & Information

0070-0075 EU Funds

0076-0080 Twinning

0081-0089 Insurance Claims

0100-0109 Donations

0110-0119 Contributions

0120-0129 General Income

Release of deferred income

-	-	-	-	-	-	-
566	-	-	-	-	(566)	-
36,000	-	-	-	102,000	66,000	102,000
-	-	-	-	-	-	-
-	3,278	-	3,278	-	-	(3,278)
-	-	-	-	-	-	-
-	-	1,000	1,000	-	-	(1,000)
-	387	500	887	700	700	(187)
250,000	174,213	60,143	234,356	-	(250,000)	(234,356)
286,566	177,878	61,643	239,521	102,700	(183,866)	(136,821)

Total

1,631,418	1,115,945	451,129	1,567,074	1,350,405	(281,013)	(216,669)
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Detailed Estimates of Expenditure

DESCRIPTION	A	B	C	D (B + C)	E	F (E - A)	G (E - D)
	BUDGET	ACTUAL	FORECAST	TOTAL	BUDGET	VARIANCE	VARIANCE
	Jan-Dec	Jan-Sept	Oct-Dec	Jan-Dec	Jan-Dec		
	2017	2017	2017	2017	2018	Bud-Bud	Bud-Act
	€	€	€	€	€	€	€
6 Personal Emoluments							
1100 Mayor's Allowance	10,866	9,170	1,696	10,866	11,196	330	330
1200 Employees' Salaries & Wages	112,085	95,189	25,129	120,318	121,492	9,407	1,174
1300 Bonuses	9,330	787	8,500	9,287	9,786	456	499
1400 Income Supplements	1,454	1,372	-	1,372	1,454	-	82
1500 Social Security Contributions	10,045	8,624	2,875	11,499	10,763	718	(736)
1600 Allowances	11,200	5,600	5,600	11,200	11,200	-	-
1700 Overtime	1,499	1,555	450	2,005	1,800	301	(205)
	156,479	122,297	44,250	166,547	167,691	11,212	1,144
7 Operations and Maintenance							
2100-2149 Public Utilities	10,998	7,817	2,000	9,817	10,998	-	1,181
2200-2259 Public Materials & Supplies	2,500	7,382	1,200	8,582	2,200	(300)	(6,382)
2300-2399 Repairs & Upkeep	107,400	48,116	30,000	78,116	112,900	5,500	34,784
2400-2449 Rent	4,250	369	3,900	4,269	4,250	-	(19)
3010 Street Lighting	19,750	16,838	5,613	22,451	27,000	7,250	4,549
3020 Lease of Equipment	-	-	-	-	-	-	-
3030 Insurance	6,000	8,149	-	8,149	8,500	2,500	351
3035 Bank Charges	300	224	25	249	300	-	51
3038 Penalties	-	-	-	-	-	-	-
3040 Waste Disposal	400	-	400	400	400	-	-
3041 Refuse Collection	172,000	133,705	44,500	178,205	165,000	(7,000)	(13,205)
3042 Bulky Refuse Collection	18,300	14,750	4,917	19,667	11,000	(7,300)	(8,667)
3043 Bins on wheels	-	-	-	-	-	-	-
3045 Bring in sites	2,000	655	1,200	1,855	2,000	-	145
3051 Road & Street Cleaning	54,000	32,271	16,000	48,271	45,000	(9,000)	(3,271)
3052 Cleaning & Maintenance of Non-Urban Areas	26,600	18,621	6,207	24,828	27,000	400	2,172
3053 Cleaning of Public Conveniences	78,000	46,934	15,000	61,934	78,000	-	16,066
3055 Cleaning of Council Premises	3,900	3,511	1,170	4,681	4,000	100	(681)
3060 Cleaning & Maintenance of Parks & Gardens	-	-	-	-	-	-	-
3061 Cleaning & Maintenance of Soft Areas	64,000	36,436	15,000	51,436	54,575	(9,425)	3,139
3062 Cleaning & Maintenance of Beaches & CA	500	-	-	-	500	-	500
3063 Cleaning & Maintenance of Country Non-Urban	500	149	50	199	1,000	500	801
3064 Other Contractual Services	-	513	171	684	-	-	(684)
3070-3090 Consultation Fees	2,000	472	157	629	2,000	-	1,371
3100-3139 Contract & Project Management	15,000	10,798	3,599	14,397	15,000	-	603
3300-3379 Hospitality	107,200	46,377	35,000	81,377	99,194	(8,006)	17,817
3380-3389 Community	15,600	10,245	3,415	13,660	18,899	3,299	5,239
3600-3694 Local Enforcement Expenses	300	-	-	-	100	(200)	100
3700-3799 EU Projects	36,000	53	5,000	5,053	85,000	49,000	79,947
3800-3899 Twinning	16,731	-	-	-	10,500	(6,231)	10,500
	764,229	444,385	194,524	638,909	785,316	21,087	146,407

Detailed Estimates of Expenditure (Continued)

DESCRIPTION	A	B	C	D (B + C)	E	F (E - A)	G (E - D)
	BUDGET	ACTUAL	FORECAST	TOTAL	BUDGET	VARIANCE	VARIANCE
	Jan-Dec	Jan-Sept	Oct-Dec	Jan-Dec	Jan-Dec		
	2017	2017	2017	2017	2018	Bud-Bud	Bud-Act
	€	€	€	€	€	€	€
8 Administration & Other Expenditure							
2150-2199 Office Utilities	8,463	4,395	3,500	7,895	8,338	(125)	443
2260-2299 Office Materials & Supplies	-	523	200	723	-	-	(723)
2450-2499 Office Rent	-	-	-	-	-	-	-
2500-2599 National & International Memberships	1,300	3,451	1,150	4,601	1,300	-	(3,301)
2600-2699 Office Services	8,000	4,178	1,393	5,571	6,900	(1,100)	1,329
2700-2799 Transport	9,900	1,512	3,000	4,512	11,240	1,340	6,728
2800-2899 Travel	4,300	-	-	-	3,300	(1,000)	3,300
2900-2999 Information Services	19,764	2,869	7,000	9,869	42,200	22,436	32,331
3050 Office Cleaning	400	-	-	-	400	-	400
3140-3199 Professional Services	12,200	7,768	2,589	10,357	12,700	500	2,343
3200-3299 Training	7,000	1,235	1,500	2,735	6,000	(1,000)	3,265
3345 Office Hospitality	-	-	-	-	-	-	-
3400-3499 Incidental Expenses	3,000	(104)	1,000	896	2,250	(750)	1,354
	-	-	-	-	-	-	-
	74,327	25,827	21,332	47,159	94,628	20,301	47,469
9 Finance Costs							
3036 Interest on Bank Loan	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
10 Other Expenditure							
3500-3599 Loss / (Profit) on Disposal of assets	-	-	-	-	-	-	-
3695 Increase/(Decrease) in allowance for bad debts	-	-	-	-	-	-	-
8000-8099 Depreciation	576,599	316,392	115,000	431,392	271,005	(305,594)	(160,387)
	576,599	316,392	115,000	431,392	271,005	(305,594)	(160,387)
Total	1,571,634	908,901	375,106	1,284,007	1,318,640	(252,994)	34,633

Detailed Estimates of Statement of Affairs

DESCRIPTION	A	B	C	D (B + C)	E	F (E - A)	G (E - D)
	BUDGET	ACTUAL	FORECAST	TOTAL	BUDGET	VARIANCE	VARIANCE
	Jan-Dec	as at	changes from	as at	Jan-Dec	Bud-Bud	Bud-Act
	2017	30-Sep	30 Sep-31 Dec	31-Dec	2018		
	€	€	€	€	€	€	€
11 Inventory							
5201-5249 Stationery	11,500	11,482	(1,800)	9,682	20,000	8,500	10,318
5250-5299 Consumables	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	11,500	11,482	(1,800)	9,682	20,000	8,500	10,318
12 Receivables							
0201-0209 Receivables	5,000	21,399	500	21,899	20,000	15,000	(1,899)
0210-0219 LES Receivables	10,000	-	-	-	-	(10,000)	-
0220-0229 Receivables from EU	20,000	-	1,000	1,000	-	(20,000)	(1,000)
0250 Prepayments & Accrued income	108,803	1,212	80,000	81,212	76,000	(32,803)	(5,212)
	-	-	-	-	-	-	-
	143,803	22,611	81,500	104,111	96,000	(47,803)	(8,111)
13 Cash & Equivalents							
5001-5099 Bank & Cash Balances	385,005	656,527	143,386	799,913	352,795	(32,210)	(447,118)
	385,005	656,527	143,386	799,913	352,795	(32,210)	(447,118)
14 Payables							
4000 Payables	268,000	52,386	123,000	175,386	200,000	(68,000)	24,614
4100 Accruals	82,000	53,195	35,000	88,195	100,000	18,000	11,805
4150 Deferred Income	150,000	154,829	(3,000)	151,829	-	(150,000)	(151,829)
Current portion of Long-Term Borrowings	32,000	-	-	35,817	35,817	3,817	-
	-	-	-	-	-	-	-
	532,000	260,410	155,000	451,227	335,817	(196,183)	(115,410)
15 Non Current Liabilities							
4200 Long Term Borrowings	42,000	-	53,241	53,241	17,425	(24,575)	(35,816)
Long Term Deferred Income	1,400,000	1,543,073	(25,000)	1,518,073	-	(1,400,000)	(1,518,073)
	1,442,000	1,543,073	28,241	1,571,314	17,425	(1,424,575)	(1,553,889)

16 Depreciation of Property, Plant and Equipment

Asset	Property	Special Programmes	Assets under Const	Street Signs	Urban Improvements	Plant & Machinery	Office Furniture	Total	
								€	€
% of depreciation	1%	10%	0%	100%	10%	20%	7.5%		
Cost	€	€	€	€	€	€	€	€	€
As at 01 January 2018	568,224	9,000,000	810,982	73,322	538,562	41,725	169,871	-	11,202,686
Additions	-	810,982	1,344,586	-	132,810	-	15,000	-	2,303,378
Disposals	-	-	(810,982)	-	-	-	-	-	(810,982)
As at 31 December 2018	568,224	9,810,982	1,344,586	73,322	671,372	41,725	184,871	-	12,695,082
Grants/ other reimbursements									
As at 01 January 2018	-	1,351,898	-	-	-	-	-	-	1,351,898
Additions	-	1,671,505	742,509	-	-	-	-	-	2,414,014
As at 31 December 2018	-	3,023,403	742,509	-	-	-	-	-	3,765,912
Accumulated Depreciation									
As at 01 January 2018	17,983	3,924,159	-	73,322	534,627	38,218	64,813	-	4,653,122
Charge for the year	5,502	241,823	-	-	13,975	701	9,004	-	271,005
Released on disposal	-	-	-	-	-	-	-	-	-
As at 31 December 2018	23,485	4,165,982	-	73,322	548,602	38,919	73,817	-	4,924,127
Budgeted NBV 31 Dec 2017	550,241	4,238,725	810,982	0	3,935	11,479	108,091	0	5,723,453
Forecasted NBV 1 Jan 2018	550,241	3,723,943	810,982	-	3,935	3,507	105,058	-	5,197,666
Budgeted NBV 31 Dec 2018	544,739	2,621,597	602,077	-	122,770	2,806	111,054	-	4,005,043