

**MQABBA
Local Council**

**Annual Budget
For
Financial Year
2017**

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Overview and Summary

The council is anticipating revenues amounting to Eur343k next year out of which Eur270k will arrive from the government allocation, Eur61k from release to income of past grants and the rest from other sources. Expenditure will total Eur342.7k thus practically achieving break even from a surplus viewpoint. This expenditure will be mainly spent on personnel (Eur82k) and operations (Eur136k) with depreciation amounting to Eur94k next year. The council anticipates that it will spend Eur273k on the first phase of a new project Tal-Gibjun, which will be still under construction at year end. Grants amounting to 90% of such would be received during same year. No account for depreciation or release of grants was made in projections due to state of incompleteness at 2017 year end.

Like any other local council, the Mqabba Local Council is providing a number of indispensable services to the community of Mqabba and the general public at large. Being a one stop shop, a number of residents and the members of the public expect top notch services. During last year we sought best quality contractual services especially to maintain a clean village. This effort was felt in public areas such as the roads, public gardens and other amenities of communal use such as the public library and public convenience.

Indeed the council managed to successfully conclude a number of maintenance works with regards to public areas. There was an investment in litter bins, park benches and other street furniture of a capital nature. We intend to repeat this during 2017 to offer the public the best services with the aim of increasing the quality of life of our residents.

With regards to the roads, we are serving as an intermediary between the government and the residents. In 2017, together with Transport Malta, we intend to conclude the resurfacing of Triq George Martin by carrying out an effective drainage system with regards to the storm water run-off and the construction of a new reservoir to harvest rain water to benefit farmers. This middlemen approach between central government and the community requirements is now repeated with regards to Church Square project. The Ministry of Transport and Infrastructure is investing in new pavements and a system whereby all the overhanging wires are to be transferred into a trench underneath the surface of the road to restore the visibility of the archeological facades surrounding the square: church, societies, band clubs and traditional old houses of character.

Another project we are going to work on, is the resurfacing of a number of rural roads. In this case the local funding is never enough to assist the local farmers and producers to invest in new equipment etc. Thus we are going to embark on a project with the final aim of tapping EU funding. Measure 4.3 enhances the farmers' accessibility issues to facilitate farming. Although Mqabba is more renowned for its franka stone cutting from open quarries, the agricultural parcels especially those located in sheltered backfilled restored exhausted quarries, are an orchard haven for citrus fruit, olive groves with trees producing high quality olive oil and last but not least flavoured wine extracted from vineyards.

It is our intention to continue providing a democratic and transparent decisions based on explanation during dialogues. Proposals are brought to discussion at council level in a bottom up approach. During the last few years, meetings were called to address particular issues. As an example we mention the meeting convened for the community of residents living next to the open reservoir regarding health issues and that treating the parking problems for the Valletta Road residents.

Professional services with regards to accountancy and architect services are without any doubt the tools needed for good governance. These services are the bread and butter for Mqabba Local Council to base its forecasts on sound and informative decisions. Very often we consider these expenses as an added burden, however we need to make our priorities based on a reasonable assumptions. One needs to understand that nowadays council meetings are transmitted on line for the benefit of our viewers. Also in the near future we need to extend our messages through the web by exploring more in the social media. This will expose more the council's activities and promote our numerous social activities. These activities nonetheless are valued for the social aspect and as such are considered as kingpin of inclusiveness, which we cherish.

As a concluding remark the Mqabba Local Council intends to continue offering a very good service to the general public by increasing its efficiency of the routine and daily chores. We are working hard to improve the existing structures whilst trying to invest in other methods to facilitate much of our back office work with the aim of increasing our resources towards a customer point of view.

Mayor

Executive Secretary

Budgeted Statement of Income and Expenditure

DESCRIPTION

BUDGET	FORECAST	BUDGET	VARIANCE	VARIANCE
Jan-Dec	Jan-Dec	Jan-Dec		
2016	2016	2017	Bud-Bud	Bud-Act
€	€	€	€	€

Income

Funds received from Central Government (1)	261,571	326,642	330,999	69,428	4,357
Income raised from Bye-Laws (2)	186	5,328	6,000	5,814	672
Income raised from LES (3)	-	5,492	5,500	5,500	8
Investment Income (4)	65	32	12	(53)	(20)
Other Income (5)	13,636	1,110	600	(13,036)	(510)
TOTAL	275,458	338,604	343,111	67,653	4,507

Expenditure

Personal Emoluments (6)	80,408	83,964	82,338	1,931	(1,626)
Operations and Maintenance (7)	179,108	124,547	136,490	(42,618)	11,943
Administration (8)	15,943	26,782	25,250	9,307	(1,532)
Finance Cost (9)	-	4,882	4,830	4,830	(52)
Other Expenditure (10)	-	109,490	93,785	93,785	(15,705)
TOTAL	275,459	349,665	342,693	67,234	(6,972)

Surplus / Deficit

	(1)	(11,061)	418	419	11,479
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Budgeted Statement of Affairs

DESCRIPTION	BUDGET	FORECAST	BUDGET	VARIANCE	VARIANCE
	as at 31 Dec	as at 31 Dec	as at 31 Dec		
	2016	2016	2017	Bud-Bud	Bud-Act
	€	€	€	€	€
Non-current Assets					
Property, Plant and Equipment (16)	1,004,574	1,004,574	1,184,589	180,015	180,015
Current Assets					
Inventories (11)	-	-	-	-	-
Receivables (12)	-	10,922	11,616	11,616	694
Cash and Cash Equivalents (13)	-	110,975	121,639	121,639	10,664
Total Current Assets	-	121,897	133,255	133,255	11,358
Current Liabilities (14)					
Payables	-	186,685	185,864	185,864	(821)
Current portion of Long-Term Borrowings	-	-	-	-	-
Total Current Liabilities	-	186,685	185,864	185,864	(821)
Net Current Assets	-	(64,788)	(52,609)	(52,609)	12,179
Non-current liabilities (15)	-	548,637	740,413	740,413	191,776
Net Assets	1,004,574	391,149	391,567	(613,007)	418
Reserves					
Retained Funds	-	391,149	391,567	391,567	418

Financial Situation Indicator

DESCRIPTION	BUDGET	FORECAST	BUDGET
	as at 31 Dec	as at 31 Dec	as at 31 Dec
	2016	2016	2017
	€	€	€
Current Assets	-	121,897	133,255
Current Liabilities	-	186,685	185,864
Total Long Term Liabilities	-	548,637	740,413
Commitments approved by Ministry	-	609,597	795,277
	-	(3,828)	2,255
Government Allocation	261,571	326,642	330,999
FSI	0.00%	-1.17%	0.68%

Cash Budget

DESCRIPTION	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
	JAN-MAR	APR-JUN	JUL-SEP	OCT-DEC	
	2017	2017	2017	2017	
	€	€	€	€	€
Cash Inflows					
Government cash inflows	67,510	67,510	67,510	67,510	270,040
Cash flows from Bye-Laws & L.N fees	1,500	1,500	1,500	1,500	6,000
Local Enforcement cash flows	1,375	1,375	1,375	1,375	5,500
Finance cash flows					
Loan Proceeds	-	-	-	-	-
Investment income	-	-	-	12	12
	-	-	-	12	12
Capital cash flow					
Proceeds from disposal of assets	-	-	-	-	-
	-	-	-	-	-
Cash received from EU funds	-	-	-	246,420	246,420
Cash received from Twinning	-	-	-	-	-
Cash from Community Services	-	-	-	-	-
Other Cash Inflows	150	150	150	150	600
TOTAL Inflows	70,535	70,535	70,535	316,967	528,572
Cash Outflows					
Personal Emoluments	20,585	20,585	20,585	20,585	82,338
Operations & Maintenance	34,123	34,123	34,123	34,123	136,490
Administration	6,313	6,313	6,313	6,313	25,250
Finance	-	15	-	15	30
Capital					
Acquisition of property	-	-	-	-	-
Construction	-	-	-	-	-
Improvements	-	-	-	-	-
Special programmes	-	-	-	-	-
Gibjun project (asset under construction)	-	50,000	100,000	123,800	273,800
	-	50,000	100,000	123,800	273,800
Cash outflows re EU projects	-	-	-	-	-
Cash outflows re Twinning	-	-	-	-	-
Cash outflows re Community Services	-	-	-	-	-
	-	-	-	-	-
TOTAL Outflows	61,020	111,035	161,020	184,835	517,908
SURPLUS / (DEFICIT)	9,516	(40,500)	(90,485)	132,133	10,664
Brought forward (Bank /Cash Bal.)	110,975	120,491	79,991	(10,494)	110,975
Carry forward	120,491	79,991	(10,494)	121,639	121,639

Detailed Estimates of Income

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		
	2016	2016	2016	2016	2017	Bud-Bud	Bud-Act
	€	€	€	€	€	€	€
Income							
1	Funds received form Cental Government:						
0001	257,836	193,377	64,829	258,206	270,040	12,204	11,834
0002-0004	2,560	372	331	703	-	(2,560)	(703)
0005-0019	1,175	49,500	18,233	67,733	60,959	59,784	(6,774)
	261,571	243,249	83,393	326,642	330,999	69,428	4,357
2	Bye-Laws & Legal Fees						
0021-0025	186	-	-	-	-	(186)	-
0026-0035	-	4,900	428	5,328	6,000	6,000	672
	186	4,900	428	5,328	6,000	5,814	672
3	Local Enforcement Income						
0037	-	-	-	-	-	-	-
0038-0055	-	1,981	3,511	5,492	5,500	5,500	8
	-	1,981	3,511	5,492	5,500	5,500	8
4	Investment Income						
0091-0095	65	5	27	32	12	(53)	(20)
0096-0099	-	-	-	-	-	-	-
	65	5	27	32	12	(53)	(20)
5	General Income						
0056-0065	-	-	-	-	-	-	-
0066-0069	-	-	682	682	-	-	(682)
0070-0075	-	-	-	-	-	-	-
0076-0080	-	-	-	-	-	-	-
0081-0089	-	-	-	-	-	-	-
0100-0109	-	100	-	100	-	-	(100)
0110-0119	-	112	11	123	240	240	117
0120-0129	13,636	187	18	205	360	(13,276)	155
	13,636	399	711	1,110	600	(13,036)	(510)
Total	275,458	250,534	88,070	338,604	343,111	67,653	4,507

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		
2016	2016	2016	2016	2017	Bud-Bud	Bud-Act
€	€	€	€	€	€	€

Personal Emoluments

1100 Mayor's Allowance	6,753	5,418	1,806	7,224	7,244	491	20
1200 Employees' Salaries & Wages	53,874	43,080	13,665	56,745	56,858	2,984	113
1300 Bonuses	7,474	4,771	1,590	6,361	6,536	(938)	175
1400 Income Supplements	-	-	-	-	-	-	-
1500 Social Security Contributions	4,861	3,989	1,330	5,319	5,700	839	381
1600 Allowances	5,710	3,020	2,960	5,980	6,000	290	20
1700 Overtime	1,736	-	2,335	2,335	-	(1,736)	(2,335)
	80,408	60,278	23,686	83,964	82,338	1,931	(1,626)

Operations and Maintenance

2100-2149 Public Utilities	8,388	-	-	-	-	(8,388)	-
2200-2259 Public Materials & Supplies	695	-	-	-	-	(695)	-
2300-2399 Repairs & Upkeep	11,627	6,866	6,147	13,013	25,000	13,373	11,987
2400-2449 Rent	729	-	-	-	-	(729)	-
3010 Street Lighting	-	5,933	1,531	7,464	8,000	8,000	536
3020 Lease of Equipment	-	-	-	-	-	-	-
3030 Insurance	-	841	(40)	801	1,170	1,170	369
3035 Bank Charges	-	-	-	-	-	-	-
3038 Penalties	-	-	-	-	-	-	-
3040 Waste Disposal	-	16,610	5,228	21,838	22,000	22,000	162
3041 Refuse Collection	-	23,470	7,839	31,309	31,300	31,300	(9)
3042 Bulky Refuse Collection	-	2,138	666	2,804	3,000	3,000	196
3043 Bins on wheels	-	-	-	-	-	-	-
3045 Bring in sites	-	-	-	-	-	-	-
3051 Road & Street Cleaning	-	16,904	3,866	20,770	22,600	22,600	1,830
3052 Cleaning & Maintenance of Non-Urban Areas	-	-	-	-	-	-	-
3053 Cleaning of Public Conveniences	-	3,299	976	4,275	4,400	4,400	125
3055 Cleaning of Council Premises	-	-	-	-	-	-	-
3060 Cleaning & Maintenance of Parks & Gardens	-	3,061	1,159	4,220	4,220	4,220	-
3061 Cleaning & Maintenance of Soft Areas	-	-	-	-	-	-	-
3062 Cleaning & Maintenance of Beaches & CA	-	-	-	-	-	-	-
3063 Cleaning & Maintenance of Country Non-Urban	-	-	-	-	-	-	-
3064 Other Contractual Services	-	243	(12)	231	300	300	69
3070-3090 Consultation Fees	-	-	-	-	-	-	-
3100-3139 Contract & Project Management	-	-	-	-	-	-	-
3300-3379 Hospitality	11,004	-	-	-	-	(11,004)	-
3380-3389 Community	-	6,540	6,668	13,208	10,000	10,000	(3,208)
3600-3694 Local Enforcement Expenses	1,776	569	4,045	4,614	4,500	2,724	(114)
3700-3799 EU Projects	-	-	-	-	-	-	-
3800-3899 Twinning	-	-	-	-	-	-	-
Contractuals and Capital Expenditure	144,890	-	-	-	-	(144,890)	-
	179,108	86,474	38,073	124,547	136,490	(42,618)	11,943

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	Bud-Bud	Bud-Act
	2016	2016	2016	2016	2017		
€	€	€	€	€	€	€	
8 Administration & Other Expenditure							
2150-2199 Office Utilities	-	5,098	1,915	7,013	6,800	6,800	(213)
2260-2299 Office Materials & Supplies	-	-	1,422	1,422	1,400	1,400	(22)
2450-2499 Office Rent	-	1,448	298	1,746	1,800	1,800	54
2500-2599 National & International Memberships	152	245	100	345	350	199	5
2600-2699 Office Services	3,448	2,354	825	3,179	3,000	(448)	(179)
2700-2799 Transport	1,230	862	1,389	2,251	2,300	1,070	49
2800-2899 Travel	-	-	-	-	-	-	-
2900-2999 Information Services	3,930	2,239	3,373	5,612	3,500	(430)	(2,112)
3050 Office Cleaning	-	912	395	1,307	1,700	1,700	393
3140-3199 Professional Services	7,184	-	2,666	2,666	4,000	(3,184)	1,334
3200-3299 Training	-	-	-	-	-	-	-
3345 Office Hospitality	-	-	-	-	-	-	-
3400-3499 Incidental Expenses	-	287	-	287	400	400	113
Uniforms	-	954	-	954	-	-	(954)
	15,943	14,399	12,383	26,782	25,250	9,307	(1,532)
9 Finance Costs							
3036 Interest on Bank Loan	-	4,978	(131)	4,847	4,800	4,800	(47)
Bank charges	-	27	8	35	30	30	(5)
	-	5,005	(123)	4,882	4,830	4,830	(52)
10 Other Expenditure							
3500-3599 Loss / (Profit) on Disposal of assets	-	-	-	-	-	-	-
3695 Increase/(Decrease) in allowance for bad debts	-	-	3,501	3,501	-	-	(3,501)
8000-8099 Depreciation	-	83,073	22,916	105,989	93,785	93,785	(12,204)
	-	83,073	26,417	109,490	93,785	93,785	(15,705)
Total	275,459	249,229	100,436	349,665	342,693	67,234	(6,972)

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-Rud	Bud-Act
	2016	30-Sep	30 Sep-31 Dec	31-Dec	2017		
	€	€	€	€	€	€	€
11 Inventory							
5201-5249 Stationery	-	-	-	-	-	-	-
5250-5299 Consumables	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
12 Receivables							
0201-0209 Receivables	-	5,617	(386)	5,231	4,500	4,500	(731)
0210-0219 LES Receivables	-	109,295	2,760	112,055	110,000	110,000	(2,055)
0220-0229 Receivables from EU	-	-	-	-	-	-	-
0250 Prepayments & Accrued income	-	11,124	(1,983)	9,141	9,116	9,116	(25)
Provision for bad debts	-	(112,004)	(3,501)	115,505	(112,000)	(112,000)	3,505
	-	14,032	(3,110)	10,922	11,616	11,616	694
13 Cash & Equivalents							
5001-5099 Bank & Cash Balances	-	66,888	44,087	110,975	121,639	121,639	10,664
	-	66,888	44,087	110,975	121,639	121,639	10,664
14 Payables							
4000 Payables	-	57,877	20,671	78,548	84,000	84,000	5,452
4100 Accruals	-	37,696	9,481	47,177	47,000	47,000	(177)
4150 Deferred Income	-	61,049	(89)	60,960	54,864	54,864	(6,096)
Current portion of Long-Term Borrowings	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	156,622	30,063	186,685	185,864	185,864	(821)
15 Non Current Liabilities							
4200 Long Term Borrowings	-	-	-	-	-	-	-
Deferred income	-	549,444	(807)	548,637	740,413	740,413	191,776
	-	549,444	(807)	548,637	740,413	740,413	191,776

16 Depreciation of Property, Plant and Equipment

Asset	Buildings										Total	
	1%	7.50%	20%	20%	25%	20%	10%	10%	10%	10%		
% of depreciation	€	€	€	€	€	€	€	€	€	€	€	
Cost												
As at 01 January 2017	106,324	21,351	6,986	16,438	30,337	419,443	7,932	1,568,588	360,680	2,538,079		
Additions	-	-	-	-	-	-	-	-	273,800	273,800		
Disposals	-	-	-	-	-	-	-	-	-	-		
As at 31 December 2017	106,324	21,351	6,986	16,438	30,337	419,443	7,932	1,568,588	634,480	2,811,879		
Grants/ other reimbursements												
As at 01 January 2017	-	-	-	2,637	-	255,231	-	32,956	360,680	651,504		
Additions	-	-	-	-	-	-	-	-	-	-		
As at 31 December 2017	-	-	-	2,637	-	255,231	-	32,956	360,680	651,504		
Accumulated Depreciation												
As at 01 January 2017	13,916	12,474	5,342	11,719	16,445	81,161	7,932	733,012	-	882,001		
Charge for the year	924	666	329	521	2,778	8,305	-	80,262	-	93,785		
Released on disposal	-	-	-	-	-	-	-	-	-	-		
As at 31 December 2017	14,840	13,140	5,671	12,240	19,223	89,466	7,932	813,274	-	975,786		
Budgeted NBV 31 Dec 2016	92,408	8,877	1,644	2,082	13,892	83,051	0	802,620	0	1,004,574		
Forecasted NBV 1 Jan 2017	92,408	8,877	1,644	2,082	13,892	83,051	-	802,620	-	1,004,574		
Budgeted NBV 31 Dec 2017	91,484	8,211	1,315	1,562	11,114	74,746	-	722,358	273,800	1,184,589		