

# Tenterfield Shire Council

## Budget review for the quarter ended - 30 September 2018

### Report by Responsible Accounting Officer

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

*It is my opinion that the Quarterly Budget Review Statement for the Tenterfield Shire Council for the quarter ended 30 September 2018 indicates that Council's projected financial position at 30 June 2019 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.*

Signed:  .....

Date: 23/11/18

Responsible Accounting Officer

# Budget Statement for the year ended - 30 September 2018

## Income and Expenditure Review by Function

	ORIGINAL Budget 2018/19	APPROVED Changes	REVISED Budget	PROJECTED year end Result 2018/19	ACTUAL YTD
		Sept Review			
<b>Income</b>					
Civic Office	-	-	-	-	-
Organisation and Leadership	-	10,000	10,000	10,000	-
Community Development	1,425	-	1,425	1,425	-
Economic Growth and Tourism	51,025	-	51,025	51,025	7,745
Theatre and Museum Complex	162,900	(17,680)	145,220	145,220	35,986
Finance and Technology	9,104,193	76,131	9,180,324	9,180,324	4,364,745
Corporate and Governance	562,148	(76,131)	486,017	486,017	222
Workforce Development	70,828	-	70,828	70,828	7,477
Library Services	36,545	7,580	44,125	44,125	1,522
Emergency Services	239,811	-	239,811	239,811	71,550
Asset Management and Resourcing	3,678	-	3,678	3,678	-
Commercial Works	125,644	-	125,644	125,644	21,653
Environmental Management	36,948	36,705	73,653	73,653	2,179
Planning and Regulation	208,881	20,000	228,881	228,881	130,547
Plant, Fleet and Equipment	37,823	-	37,823	37,823	26,049
Building and Amenities	168,231	441,569	609,800	609,800	31,257
Livestock Saleyards	837,339	-	837,339	837,339	26,419
Parks, Gardens and Open Space	98,359	-	98,359	98,359	21,145
Swimming Complex	50,420	(50,420)	-	-	-
Transport Network	7,452,836	(1,367,835)	6,085,001	6,085,001	474,892
Stormwater and Drainage	63,350	-	63,350	63,350	61,897
Sewerage Services	2,270,220	-	2,270,220	2,270,220	2,047,605
Waste Management	2,504,316	(31,228)	2,473,088	2,473,088	2,189,162
Water Supply	2,130,638	-	2,130,638	2,130,638	983,078
<b>Total Income</b>	<b>26,217,558</b>	<b>(951,309)</b>	<b>25,266,249</b>	<b>25,266,249</b>	<b>10,505,130</b>
<b>Expenses</b>					
Civic Office	238,284	44,064	282,348	282,348	117,253
Organisation and Leadership	15,668	15,000	30,668	30,668	(109,524)
Community Development	166,863	-	166,863	166,863	19,074
Economic Growth and Tourism	300,111	-	300,111	300,111	82,070
Theatre and Museum Complex	264,353	-	264,353	264,353	71,584
Finance and Technology	818,146	175,337	993,483	993,483	467,333
Corporate and Governance	(3,614)	(176,590)	(180,204)	(180,204)	(66,479)
Workforce Development	875,097	30,000	905,097	905,097	(13,024)
Library Services	503,838	-	503,838	503,838	100,568
Emergency Services	617,903	-	617,903	617,903	72,311
Asset Management and Resourcing	519,028	-	519,028	519,028	103,855
Commercial Works	112,750	67,353	180,103	180,103	60,511
Environmental Management	279,110	54,411	333,521	333,521	91,099
Planning and Regulation	377,382	-	377,382	377,382	26,314
Plant, Fleet and Equipment	(355,951)	-	(355,951)	(355,951)	(40,566)
Building and Amenities	1,023,863	-	1,023,863	1,023,863	298,675
Livestock Saleyards	243,492	-	243,492	243,492	62,021
Parks, Gardens and Open Space	680,480	6,859	687,339	687,339	201,901
Swimming Complex	255,496	(21,604)	233,892	233,892	38,253
Transport Network	6,815,763	-	6,815,763	6,815,763	1,821,444
Stormwater and Drainage	140,249	-	140,249	140,249	38,364
Sewerage Services	3,064,981	-	3,064,981	3,064,981	486,976
Waste Management	1,882,100	225,735	2,107,835	2,107,835	453,467
Water Supply	2,104,523	-	2,104,523	2,104,523	519,523
<b>Total Expenses</b>	<b>20,939,915</b>	<b>420,565</b>	<b>21,360,480</b>	<b>21,360,480</b>	<b>4,903,003</b>
<b>Total Surplus/ (Deficit)</b>	<b>5,277,643</b>	<b>(1,371,874)</b>	<b>3,905,769</b>	<b>3,905,769</b>	<b>5,602,127</b>
Capital Grants and Contributions	5,221,164	(1,737,505)	3,483,659	3,483,659	123,916
<b>Net Operating Result excluding Capital Grants and Contributions</b>	<b>56,479</b>	<b>365,631</b>	<b>422,110</b>	<b>422,110</b>	<b>5,478,211</b>
<b>Operating Ratio (including Capital Income)</b>	<b>20.13%</b>		<b>15.46%</b>	<b>15.46%</b>	<b>53.33%</b>
<b>Operating Ratio (excluding Capital Income)</b>	<b>0.27%</b>		<b>1.94%</b>	<b>1.94%</b>	<b>52.77%</b>

### Notes:

ORIGINAL Budget +/- approved budget changes in previous quarters = REVISED Budget

REVISED Budget +/- recommended changes this quarter = PROJECTED year end result

## Budget Variations - Explanations

Recommended Income Variations this Quarter	(000's)	Explanation:
Organisation & Leadership	10	Increase in Income expected for Waste to Energy Feasibility Study
Theatre & Museum	(18)	Reduction in Income expected to be received for Theatre Ticket Sales
Finance & Technology	76	Increase due to movement of Rate Certificate Income and Extra Charges on rates from Corporate and Governance
Corporate & Governance	(76)	Reduction due to movement of Rate Certificate Income and Extra Charges on rates from Corporate and Governance
Library	8	Increase from Original Budget Local Priority Grant 17/18 not included in Operational Plan total
Environmental Management	37	Increase from Original Budget Service Station lease Income not included in Operational Plan total
Planning and Regulation	20	S94 Contribution Income not included in Operational Plan total
Buildings & Amenities	500	Increase in Income expected from Sale of Service Station
Buildings & Amenities	(58)	Reduction in Income due to Income being overstated in Original Budget and Operational Plan
Swimming Complex	(50)	Reduction in Income due to Contract conditions for Swimming Complex Operator being the holder of takings
Transport Network	(1,368)	Removal of NDRRA Funds so that income and expenditure match.
Waste Management	(31)	Reduction in Waste Income as a result of extensive analysis of all bin and collection charges
Rounding	(1)	
<b>Total Recommended Income Variations this Quarter</b>	<b>(951)</b>	
Recommended Expenditure Variations this Quarter	(000's)	Explanation:
Civic Office	44	Increase in expenditure - Proportion Organisational Leadership charges in Original Budget where not reflected in Operational Plan
Organisation Leadership	15	Increase to Waste to Energy Feasibility Study TSC/NEJO for Council's Contribution to match funding
Finance & Technology	134	Increase due to Movement of various charges moved from Corporate & Governance
Finance & Technology	42	Increase due to Movement of Intangible Depreciation moved from Corporate & Governance
Corporate and Governance	(134)	Reduction due to Movement of various charges moved from Corporate & Governance
Corporate and Governance	(42)	Reduction due to Movement of Intangible Depreciation from Corporate & Governance
Corporate and Governance	(1)	Reduction due to movement of Furniture Equipment Budget to Capital Expenditure
Workforce Development	30	Increase in expenditure for training Budget for External Staff
Commercial Works	67	Increase in expenditure due to formula error in Original Budget Spreadsheet
Environmental Management	54	Increase in expenditure for Ranger movements around Shire, Vehicle cost increase
Parks, Gardens & Open Spaces	7	Increase in expenditure for Cemeteries due to additional land maintenance
Swimming Complex	(2)	Reduction in expenditure due to negotiation of new Pool Contract
Swimming Complex	(19)	Reduction due to Salaries & Allowances - Proportion Parks, Gardens being accounted for twice in the Original Budget and Operational Plan
Waste Management	154	Increase in expenditure for Lismore MRF per quotations
Waste Management	26	Increase in expenditure due to one off trials agreed to by Council
Waste Management	8	Increase in expenditure attributable to power outage one off expenses
Waste Management	35	Increase in expenditure attributable to increased opening hours (Day Light Savings)
Waste Management	3	Increase in expenditure for Commercial & Domestic Collections
Miscellaneous adjustments and rounding		
<b>Total Recommended Expenditure Variations this Quarter</b>	<b>421</b>	

# Tenterfield Shire Council

Budget Statement for the period ended - 30 September 2018

## Capital Budget Review

	ORIGINAL Budget 2018/19	RECOMMENDED Changes Sept Review	REVISED Budget	ACTUAL YTD September
<b>Capital Funding</b>				
Rates and other untied funding	5,730,387	-	5,730,387	2,077,210
Capital Grants & Contributions	5,221,164	(1,756,537)	3,464,627	123,916
Internal Restrictions	-	4,197,182	4,197,182	762,000
Loans	2,863,000	1,029,534	3,892,534	-
Income from Plant Fund Sales	2,123,000	(90,000)	2,033,000	329,000
<b>Total Capital Funding</b>	<b>15,937,551</b>	<b>3,380,179</b>	<b>19,317,730</b>	<b>3,292,126</b>
<b>Capital Expenditure</b>				
New Assets				
<b>CHIEF EXECUTIVE OFFICE</b>				
- Organisational Leadership	11,142	30,000	41,142	-
- Economic Growth and Tourism	16,053	2,117	18,170	-
- Workforce Development	10,000	-	10,000	-
- Library Services	38,330	26,729	65,059	6,339
<b>CHIEF CORPORATE OFFICE</b>				
- Finance and Technology	46,922	160,779	207,701	25,340
- Corporate and Governance	47,000	0	47,000	-
- Livestock Saleyards	1,291,697	115,000	1,406,697	16,832
- Parks, Gardens and Open Spaces	49,946	53,437	103,383	26,212
- Swimming Complex	56,000	-	56,000	-
<b>CHIEF OPERATING OFFICE</b>				
- Asset Management and Resourcing	110,571	115,550	226,121	1,200
- Plant, Fleet and Equipment	2,775,000	1,093,000	3,868,000	484,958
<b>WASTE MANAGEMENT</b>	481,500	338,050	819,550	9,957
<b>WATER NETWORK</b>	2,016,800	211,827	2,228,627	1,013,627
<b>SEWERAGE NETWORK</b>	153,800	209,520	363,320	-
<b>STORMWATER NETWORK</b>	-	5,000	5,000	-
Renewals (Replacement)				
<b>CHIEF EXECUTIVE OFFICE</b>				
- Community Development	-	4,101	4,101	4,101
- Theatre & Museum Complex	-	277,974	277,974	16,784
- Library Services	-	34,400	34,400	-
<b>CHIEF CORPORATE OFFICE</b>				
- Corporate and Governance	2,692	1,439	4,131	-
- Building and Amenities	163,700	117,251	280,951	5,411
- Livestock Saleyards	94,128	5,803	99,931	12,428
- Parks, Gardens and Open Spaces	132,119	139,666	271,785	25,760
<b>CHIEF OPERATING OFFICE</b>				
- Transportation Network	7,074,946	262,416	7,337,362	1,634,298
<b>WASTE MANAGEMENT</b>	-	-	-	-
<b>WATER NETWORK</b>	301,300	363,382	664,682	1,167
<b>SEWERAGE NETWORK</b>	377,700	300,587	678,287	-
<b>STORMWATER NETWORK</b>	30,000	180,000	210,000	7,619
Loan Repayments (principal)	656,205	0	656,205	93
<b>Total Capital Expenditure</b>	<b>15,937,551</b>	<b>4,048,028</b>	<b>19,985,579</b>	<b>3,292,126</b>

### Recommended changes to revised budget

**Include:**

- an explanation for recommended changes and any impact on Council's original management / operational plan, delivery program or LTFP.
- any impacts of YTD expenditure on recommended changes to the budget

**NOTE:** Explanations are to be in plain English and in a style easily understood by readers of non-financial information. This narrative is important in understanding why budget changes are necessary.

## Proposed Expenditure Variations

\$

### New Assets

Organisational Leadership	30,000	C/F for Risk Management Software
Economic Growth and Tourism	2,117.00	C/F for Community Wi-Fi Project
Library Services	26,729	C/F Expenditure from previous years
Finance & Technology	160,779	C/F for Intranet (\$18K), Powerbudget (\$24K), IT Equipment (\$122K) and -\$4K transferred to Community Development for Computer Equipment.
Livestock Saleyards	115,000	C/F of \$100K for Truck Wash and \$15K for Fibre Optic Cabling
Parks, Gardens & Open Space	53,437	C/F of \$10K Niche Wall at Cemetery, \$27K Village Signage & \$17K Main Street Lights
Asset Management & Resourcing	115,550	C/F of \$14K WashBay Contribution & \$101K Asset Management System.
Plant, Fleet & Equipment	1,093,000	Brings in Carry-Forward amount to part fund purchases for current year.
		C/F for Wheelie Bins \$2K, Industrial Bins, \$42K, Legume and Liston Awnings with Pads 16K, Mingoola Open Transfer Station \$70K, Torrington Landfill Convert to Transfer \$70K, Boonoo Boonoo Landfill Site Design \$5K,
Waste	338,050	Additional costs of Tip Shop (Drake, Liston and Tenterfield \$7K, additional cost of Toilet Facilities, Boonoo Boonoo Landfill \$10K Plus costs not previously included in LTFP Torrington Transfer Station Landfill Closure \$75,000, Develop/operate borrow area BB \$10K and Tenterfield WTS Leachate Collection \$32K.
Water Network	211,827	C/F for Sludge Removal of \$78K and correction to Dam Wall Project Budget of \$147K
Sewerage Network	209,520	C/F STP network Extension
Stormwater	5,000	C/F Child Proofing Culvert - Pelham Street - Manners to Miles.
<b>Total New Asset Budget Adjustments</b>	<b>2,361,009</b>	

### Renewal Assets

Community Development	4,101	Internal reallocation of 2018/19 Computer Equipment Budget from Finance & Technology.
Theatre & Museum Complex	277,974	Window and Other Refurbishment Works.
Library Services	34,400	C/F to repaint interior of the Library.
Corporate & Governance	1,439	C/F Office Furniture and Equipment.
Buildings & Amenities	117,251	C/F of \$25K Admin Building Replace Window Frames (SRV), \$34.5K Council Chamber Refurbishment, \$38K replace existing Ten FM Shed, \$20K Admin Building Airconditioning System.
Livestock Saleyards	5,803	C/F For Renewal of Timber Rails with Metal
Parks, Gardens & Open Spaces	139,666	C/F for Renewal of Shirley Park Amenities Building \$111K and Renewal of Urbenville Playground Equipment \$29K
Transportation Network	262,416	Inclusion of Repair Funded Expenditure originally not included in Budget \$563K, C/F Repair funds of \$322K, \$60K Internal reallocation of Funds for Main Street Upgrade Works, \$955 Mount Lindesay Road Works (RMS funded), C/F of \$731K for bridges/causesways, C/F of \$47K for Gravel Road Renewals, Additional R2R expenditure of \$774K to match expected revenue and \$108K C/F for R2R expenditure, a C/F of \$113K for Regional Roads Block Grant Funded Expenditure, NDRAA net adjustment of -\$3,475K matching expenditure to revenue, Jubullum internal road upgrade C/F \$10K and Safer Local Roads (Carolls Creek) C/F of \$54K
Water Network	363,382	C/F Tenterfield Mains Replacement \$147K, Meter Replacement C/F \$10K, Tenterfield Valve Renewal \$8K, Shirley Park Bore Flood Damage Restoration C/F \$10K, Jennings Mains Replacement C/F \$2K Flood Warning Systems renewal \$108K, Tenterfield Treatment Plant Pump Upgrade \$76K, SCADA Renewal C/F \$3K.
Sewerage Network	300,587	C/Fs for Mains Relining \$141K, Mains Augmentation \$58K, Upgrade to Tertiary Ponds \$12K, Removal of Sludge from Tertiary Ponds \$5K, STP Dehydrator Replacement \$74K, Urbenville Sludge removal \$12K.
Stormwater Network	180,000	\$210K C/F for Rouse and Miles Street Reconstruction less \$60K internal transfer from Drainage Pits upgrade to Main Street Works.
<b>Total Renewal Asset Budget Adjustments</b>	<b>1,687,019</b>	
<b>Total Proposed Expenditure Variations</b>	<b>4,048,028</b>	

Tenterfield Shire Council				
Budget Statement for the period ended - 30 September 2018				
Cash and Investment Review				
	Opening Balance 30/06/2018 from Audited Financial Statements (000's)	RECOMMENDED changes (September) for Council Resolution (000's)	Closing Balance 30/09/2018 (000's)	
<b>Externally restricted</b>				
NMPS Advance (included in liabilities)	181			181
Developer Contributions General	651			651
RMS Contributions	564			564
Specific Purpose Unexpended Grants	242	(8)		234
Water Supplies	2,222	(572)		1,650
Sewerage Services	2,384			2,384
Domestic Waste Management	474	(2)		472
Stormwater Management	465			465
Bruxner Way Rewidening (RMS)	694			694
<b>Total Externally restricted</b>	<b>7,877</b>	<b>(582)</b>		<b>7,295</b>
<b>Internally restricted</b>				
Plant & Vehicle Replacement	3,542	(1,093)		2,449
Employees Leave Entitlements	300			300
Capital Commitments	762	(762)		0
Gravel Quarry Rehabilitation	233			233
International Town Partnerships	10			10
Land & Buildings	51			51
Local Main Street	31			31
Office Equipment	200			200
Roads & Bridges	158			158
Special Projects	912	(36)		876
Operation Commitments	1,300	(1,300)		0
Carry Forward Bridges from 2017/18	400			400
Carry forward Projects from 2017/18	2,859	(1,208)		1,651
Historical Reserves	192			192
<b>Total Internally restricted</b>	<b>10,950</b>	<b>(4,399)</b>		<b>6,551</b>
<b>Total Restricted</b>	<b>18,827</b>	<b>(4,981)</b>		<b>13,846</b>
<b>Available Cash (Unrestricted Funds)</b>	<b>175</b>	<b>0</b>		<b>2,382</b>
<b>Total Cash and Investments</b>	<b>19,002</b>	<b>(4,981)</b>		<b>16,228</b>

Notes:

The available cash position excludes restricted funds. External restrictions are funds that must be spent for a specific purpose and cannot be used by council for general operations. Internal restrictions are funds that council has determined will be used for a specific future purpose. Internal and external restrictions are not determined fully until after year end.

ORIGINAL Budget +/- approved budget changes in previous quarters = REVISED Budget  
REVISED Budget +/- recommended changes this quarter = PROJECTED year end result

NOTE: Explanations are to be in plain English and in a style easily understood by readers of non-financial information. This narrative is important in understanding why budget changes are necessary.



### Comment on Cash and Investments Position

Restricted cash still needs to be put onto the Finance System. Figures from the 2017/18 Financial statements have been used as the base figures. Further updates will be provided in the next review. Council's Cash and Investments are performing within anticipated parameters.

### Recommended Changes to Revised Budget

Include: an explanation for recommended changes and any impact on Council's original management plan / operational plan, delivery program or LTFP; any impacts of YTD expenditure on recommended changes to the budget. All changes required are in respect of the variations detailed in both the Capital budget and the Income and Expenditure Review

### Certification regarding Investments and Bank Reconciliations

#### Investments

It is hereby certified that all investments listed below have made in accordance with the requirements of the Local Government Act 1993, (Section 625), the companion Regulations and Council's Investment Policy.

#### Cash

Bank reconciliations occur on a regular basis with a full reconciliation performed on a monthly basis. The full reconciliation for the September 2018 quarter occurred on 2 October 2018.

### Cash Book Reconciliation

\$

Operating Cash balance as at 30 September 2018

4,423,584.77

Trust Account Cash balance as at 30 September 2018

321,533.93

Total Cash (Not invested) as at 30 September

4,745,118.70

#### Reconciliation

The YTD total Cash and Investments has been reconciled with funds invested and cash at bank:

Financial Institution		Interest
National Australia Bank	1,000,000.00 AA-	2.65%
Commonwealth Bank	5,000,000.00 AA-	2.20%
Commonwealth Bank	1,000,000.00 AA-	2.72%
Commonwealth Bank (At Call)	1,804,284.39 AA-	1.50%
Bankwest	3,000,000.00 AA-	2.45%
<b>TOTAL INVESTMENTS</b>	<b>11,804,284.39</b>	
<b>TOTAL CASH ON HAND</b>	<b>4,423,584.77</b>	(Excluding Trust Fund amount shown above)
<b>TOTAL CASH AND INVESTMENTS</b>	<b>16,227,869.16</b>	

This document forms part of Tenterfield Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 2018 and should be read in conjunction with other documents in the QBR.

# Tenterfield Shire Council

## Budget review for the quarter ended - 30 September 2018

### Contracts

Contractor	Contract detail & purpose	Contract value	Commencement date	Duration of contract	Budgeted (Y/N)
SMEC Australia Pty Ltd	Mount Lindesay Road Design Stage	252,301	25-Jul-18	N/A	Y
Australian Crawl Goodna	Swimming Pool Contractor	85000 + Gate Fees	17-Sep-18	2+3	Y

### Notes

1. Minimum reporting level is 1% of estimated income from continuing operations or \$50,000 whichever is the lesser.
2. Contracts to be listed are those entered into during the quarter and have yet to be fully performed (excluding contractors that are on Council's preferred supplier list).
3. Contracts for employment are not required to be included.
4. Where a contract for services etc was not included in the budget, an explanation is to be given (or reference made to an explanation in another Budget Review Statement).

*This document forms part of Tenterfield Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 2018 and should be read in conjunction with other documents in the QBRs.*



# Tenterfield Shire Council

## Budget review for the quarter ended - 30 September 2018

### Consultancy and Legal Fees

Expense	Expenditure YTD \$'000	Budgeted (Y/N)
Consultancies	-	Y*
Legal Fees	2	Y

#### Definition of consultant:

A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or high level specialist or professional advice to assist decision-making by management. Generally it is the advisory nature of the work that differentiates a consultant from other contractors.

#### NOTES:

\* Both Legal Fees and Consultancy fees are in line with expectations. A large proportion of the legal fees are recoverable.

#### Details

##### **Consultancy Details:**

N/A