

Tenterfield Shire Council

Budget review for the quarter ended - 31 December 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 31 December 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: 20/12/19

Responsible Accounting Officer

Budget Statement for the year ended - 31 December 2018

Income and Expenditure Review by Function

	QBR 1 Budget 2018/19	APPROVED Changes	REVISED Budget	PROJECTED year end Result 2018/19	ACTUAL YTD
		December Review			
Income					
<i>Civic Office</i>	0		0	0	0
<i>Organisation and Leadership</i>	10,000		10,000	10,000	0
<i>Community Development</i>	1,425		1,425	1,425	0
<i>Economic Growth and Tourism</i>	51,025		51,025	51,025	13,593
<i>Theatre and Museum Complex</i>	145,220		145,220	145,220	74,019
<i>Finance and Technology</i>	9,180,324		9,180,324	9,180,324	5,882,521
<i>Corporate and Governance</i>	486,017		486,017	486,017	1,774
<i>Workforce Development</i>	70,828		70,828	70,828	71,328
<i>Library Services</i>	44,125		44,125	44,125	2,897
<i>Emergency Services</i>	239,811	(21,364)	218,447	218,447	207,050
<i>Asset Management and Resourcing</i>	3,678		3,678	3,678	(294)
<i>Commercial Works</i>	125,644		125,644	125,644	71,579
<i>Environmental Management</i>	73,653		73,653	73,653	3,141
<i>Planning and Regulation</i>	228,881	2,478	231,359	231,359	191,715
<i>Plant, Fleet and Equipment</i>	37,823		37,823	37,823	37,478
<i>Building and Amenities</i>	609,800	(21,103)	588,697	588,697	40,593
<i>Livestock Saleyards</i>	837,339		837,339	837,339	44,326
<i>Parks, Gardens and Open Space</i>	98,359		98,359	98,359	46,799
<i>Swimming Complex</i>	0		0	0	0
<i>Transport Network</i>	6,085,001	5,405,000	11,490,001	11,490,001	1,115,606
<i>Stormwater and Drainage</i>	63,350		63,350	63,350	61,795
<i>Sewerage Services</i>	2,270,220		2,270,220	2,270,220	2,150,477
<i>Waste Management</i>	2,473,088		2,473,088	2,473,088	2,274,183
<i>Water Supply</i>	2,130,638		2,130,638	2,130,638	1,580,492
Total Income	25,266,249	5,365,011	30,631,260	30,631,260	13,871,072
Expenses					
<i>Civic Office</i>	282,348		282,348	282,348	241,212
<i>Organisation and Leadership</i>	30,668		30,668	30,668	86,875
<i>Community Development</i>	166,863		166,863	166,863	36,576
<i>Economic Growth and Tourism</i>	300,111		300,111	300,111	175,300
<i>Theatre and Museum Complex</i>	264,353		264,353	264,353	136,847
<i>Finance and Technology</i>	993,483		993,483	993,483	814,456
<i>Corporate and Governance</i>	(180,204)		(180,204)	(180,204)	7,462
<i>Workforce Development</i>	905,097		905,097	905,097	26,326
<i>Library Services</i>	503,838		503,838	503,838	213,376
<i>Emergency Services</i>	617,903		617,903	617,903	245,355
<i>Asset Management and Resourcing</i>	519,028		519,028	519,028	273,970
<i>Commercial Works</i>	180,103		180,103	180,103	93,733
<i>Environmental Management</i>	333,521		333,521	333,521	173,740
<i>Planning and Regulation</i>	377,382		377,382	377,382	106,130
<i>Plant, Fleet and Equipment</i>	(355,951)		(355,951)	(355,951)	(104,217)
<i>Building and Amenities</i>	1,023,863		1,023,863	1,023,863	511,926
<i>Livestock Saleyards</i>	243,492		243,492	243,492	109,423
<i>Parks, Gardens and Open Space</i>	687,339		687,339	687,339	417,966
<i>Swimming Complex</i>	233,892		233,892	233,892	95,858
<i>Transport Network</i>	6,815,763		6,815,763	6,815,763	3,463,344
<i>Stormwater and Drainage</i>	140,249		140,249	140,249	59,678
<i>Sewerage Services</i>	3,064,981		3,064,981	3,064,981	866,817
<i>Waste Management</i>	2,107,835		2,107,835	2,107,835	798,770
<i>Water Supply</i>	2,104,523		2,104,523	2,104,523	983,116
Total Expenses	21,360,480	-	21,360,480	21,360,480	9,834,039
Total Surplus/ (Deficit)	3,905,769	5,365,011	9,270,780	9,270,780	4,037,033
<i>Capital Grants and Contributions</i>	3,483,659	5,405,000	8,888,659	8,888,659	3,296,883
Net Operating Result excluding Capital Grants and Contributions	422,110	(39,989)	382,121	382,121	740,150
Operating Ratio (including Capital Income)	15.46%		30.27%	30.27%	29.10%
Operating Ratio (excluding Capital Income)	1.94%		1.76%	1.76%	7.00%

Notes:

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

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

Recommended changes to original budget

Budget Variations - Explanations

Recommended Income Variations this Quarter	(000's)	Explanation:
<i>Emergency Services</i>	(21)	Decrease due to Hazard Control Budgets are now derived on a case by case basis
<i>Planning and Regulation</i>	2	Income received from Anzac Centenary Celebrations
<i>Buildings & Amenities</i>	(21)	Decrease in income due to discontinued lease of the Service Station
<i>Transport</i>	1,595	Increase in income from Mount Lindesay Road project (to match Capital expenditure)
<i>Transport</i>	3,810	To reflect NDRRA funding for 2018/19
Total Recommended Income Variations this Quarter	5,365	
Recommended Expenditure Variations this Quarter	(000's)	Explanation:
Total Recommended Expenditure Variations this Quarter	0	

This document forms part of Tenterfield Shire Council's Quarterly Budget Review Statement for the quarter ended 31 December 2018 and should be read in conjunction with other documents in the QBRS.

Tenterfield Shire Council

Budget Statement for the year ended - 31 December 2018

Capital Budget Review

	QBR 1 Budget 2018/19	RECOMMENDED	REVISED	ACTUAL
		Changes December Review	Budget	YTD December
Capital Funding				
<i>Rates and other untied funding</i>	5,730,387.00	651,000.00	6,381,387	6,381,387.00
<i>Capital Grants & Contributions</i>	3,464,627	5,571,900	9,036,527	3,296,883
<i>Internal Restrictions</i>	4,197,182	651,000	3,546,182	3,546,182
<i>Other Capital Funding Sources e.g. - loans (Carried forward) etc</i>	3,892,534	-	3,892,534	3,892,534
<i>Income from Plant Fund Sales</i>	2,033,000	90,000.00	2,123,000	1,168,674
Total Capital Funding	19,317,730	5,661,900	24,979,630	18,285,660
Capital Expenditure				
<i>New Assets</i>				
CHIEF EXECUTIVE OFFICE				
- Civic Office	-	-	-	-
- Organisational Leadership	41,142	-	41,142	14,000
- Community Development	-	-	-	-
- Economic Growth and Tourism	18,170	-	18,170	540
- Theatre and Museum Complex	-	-	-	-
- Workforce Development	10,000	-	10,000	-
- Library Services	65,059	-	65,059	10,359
CHIEF CORPORATE OFFICE				
- Finance and Technology	207,701	-	207,701	128,747
- Corporate and Governance	47,000	-	47,000	1,200
- Environmental Management	-	-	-	-
- Planning and Regulation	-	-	-	-
- Building and Amenities	-	-	-	33
- Livestock Saleyards	1,406,697	-	1,406,697	39,626
- Parks, Gardens and Open Spaces	103,383	-	103,383	30,137
- Swimming Complex	56,000	(56,000)	-	-
CHIEF OPERATING OFFICE				
- Emergency Services	-	-	-	-
- Asset Management and Resourcing	226,121	-	226,121	-
- Commercial Work	-	-	-	-
- Plant, Fleet and Equipment	3,868,000	-	3,868,000	1,893,584
- Transportation Network	-	-	-	-
WASTE MANAGEMENT	819,550	-	819,550	11,490
WATER NETWORK	2,228,627	-	2,228,627	2,093,178
SEWERAGE NETWORK	363,320	-	363,320	-
STORMWATER NETWORK	5,000	-	5,000	-
Renewals (Replacement)				
CHIEF EXECUTIVE OFFICE				
- Civic Office	-	-	-	-
- Organisational Leadership	-	-	-	-
- Community Development	4,101	-	4,101	4,101
- Economic Growth and Tourism	277,974	-	277,974	-
- Theatre and Museum Complex	-	10,000	10,000	16,784
- Workforce Development	-	-	-	-
- Library Services	34,400	-	34,400	-
CHIEF CORPORATE OFFICE				
- Finance and Technology	-	-	-	-
- Corporate and Governance	4,131	-	4,131	-
- Environmental Management	-	-	-	-
- Planning and Regulation	-	-	-	-
- Building and Amenities	280,951	-	280,951	61,520
- Livestock Saleyards	99,931	-	99,931	13,656
- Parks, Gardens and Open Spaces	271,785	-	271,785	25,760
- Swimming Complex	-	-	-	-
CHIEF OPERATING OFFICE				
- Emergency Services	-	-	-	-
- Asset Management and Resourcing	-	-	-	-
- Commercial Work	-	-	-	-
- Plant, Fleet and Equipment	-	-	-	-
- Transportation Network	7,337,362	5,405,000	12,742,362	4,862,634
WASTE MANAGEMENT	-	-	-	-
WATER NETWORK	664,682	-	664,682	2,647
SEWERAGE NETWORK	678,287	-	678,287	334,195
STORMWATER NETWORK	210,000	-	210,000	-
<i>Loan Repayments (principal)</i>	656,205	-	656,205	-
Total Capital Expenditure	19,985,579	5,359,000	25,344,579	9,544,191

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 **\$'000**

New Assets

Swimming Complex (56) Move the scoping of the future master plan to 2019/20 Budget year

Total New Asset Budget Adjustments **(56)**

Renewal Assets

Theatre and Museum Complex 10 Extra Expenditure identified to be needed in the Restoration of Window Project

Transport 1,595 Increase in Expenditure from Mount Lindesay Road Project
(to match Capital Income)

Transport 3,810 To Reflect NDRRA funding for 2018/19

Total Renewal Asset Budget Adjustments **5,415**

Total Proposed Expenditure Variations **5,359**

This document forms part of Tenterfield Shire Council's Quarterly Budget Review Statement for the quarter ended 31 December 2018 and should be read in conjunction with other documents in the QBRs.

Tenterfield Shire Council

Budget Statement for the year ended - 31 December 2018

Cash and Investment Review

	Opening Balance 1/10/2018 (000's)	RECOMMENDED changes (December) for Council Resolution (000's)	CLOSING BALANCE 31/12/2018 Balance (000's)
Externally restricted			
<i>NWPS Advance (included in liabilities)</i>	181	-	181
<i>Developer Contributions General</i>	651	- 651	-
<i>RMS Contributions</i>	564	-	564
<i>Specific Purpose Unexpended Grants</i>	234	-	234
<i>Water Supplies</i>	1,650	-	1,650
<i>Sewerage Services</i>	2,384	-	2,384
<i>Domestic Waste Management</i>	472	-	472
<i>Stormwater Management</i>	465	-	465
<i>Bruxner Way Rewidening (RMS)</i>	694	-	694
Total Externally restricted	7,295	- 651	6,644
Internally restricted			
<i>Plant & Vehicle Replacement</i>	2,449	-	2,449
<i>Employees Leave Entitlements</i>	300	-	300
<i>Capital Commitments</i>	-	-	-
<i>Gravel Quarry Rehabilitation</i>	233	-	233
<i>International Town Partnerships</i>	10	-	10
<i>Land & Buildings</i>	51	-	51
<i>Local Main Street</i>	31	-	31
<i>Office Equipment</i>	200	-	200
<i>Roads & Bridges</i>	158	-	158
<i>Special Projects</i>	876	-	876
<i>Operation Commitments</i>	-	-	-
<i>Carry Forward Bridges from 2017/18</i>	400	-	400
<i>Carry forward Projects from 2017/18</i>	1,651	-	1,651
<i>Historical Reserves</i>	192	-	192
Total Internally restricted	6,551	-	6,551
Total Restricted	13,846	- 651	13,195
Available Cash (Unrestricted Funds)	175	651	3,405
Total Cash and Investments	14,021	-	16,600

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.

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 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

Council is still investigating ways to incorporate restricted cash in 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 daily basis with a full reconciliation performed on a monthly basis. The full reconciliation for the Decemberr 2018 quarter occurred on 19 February 2019. We were awaiting some remittance advices hence the delay for this month.

Cash Book Reconciliation

\$

Operating Cash balance as at 31 Decemberr 2018	3,450,973.16
Trust Account Cash balance as at 31 December 2018	321,533.93
Total Cash (Not invested) as at 31 December	3,772,507.09

Reconciliation

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

Financial Institution			Interest
National Australia Bank	2,000,000.00	AA-	2.00%
Commonwealth Bank	1,000,000.00	AA-	2.72%
Commonwealth Bank	4,000,000.00	AA-	2.35%
Commonwealth Bank (At Call)	827,206.55	AA-	1.50%
Bankwest	5,000,000.00	AA-	2.50%
TOTAL INVESTMENTS	12,827,206.55		
TOTAL CASH ON HAND	3,772,507.09		
TOTAL CASH AND INVESTMENTS	16,599,713.64		

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Tenterfield Shire Council

Budget review for the quarter ended - 31 December 2018

Contracts

Contractor	Contract detail & purpose	Contract value	Commencement date	Duration of contract	Budgeted (Y/N)
N/A				-	Y
				-	Y
				-	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).

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Tenterfield Shire Council

Budget review for the quarter ended - 31 December 2018

Consultancy and Legal Fees

Expense	Expenditure YTD \$'000	Budgeted (Y/N)
Consultancies	-	Y*
Legal Fees	3	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

Consultany Details: