

Tenterfield Shire Council

Budget review for the quarter ended - 31 March 2019

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 March 2019 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: 15/5/19

Responsible Accounting Officer

Budget Statement for the year ended - 31 March 2019

Income and Expenditure Review by Function

	QBR 2 Budget 2018/19 \$'000	APPROVED Changes		PROJECTED year end Result 2018/19 \$'000	ACTUAL YTD \$'000
		March Review \$'000	REVISIED Budget \$'000		
Income					
<i>Civic Office</i>	-	-	-	-	-
<i>Organisation and Leadership</i>	10	-	10	10	99
<i>Community Development</i>	1	2	3	3	3
<i>Economic Growth and Tourism</i>	51	500	551	551	518
<i>Theatre and Museum Complex</i>	145	11	156	156	117
<i>Finance and Technology</i>	9,180	-	9,180	9,180	6,586
<i>Corporate and Governance</i>	486	(484)	2	2	2
<i>Workforce Development</i>	71	56	127	127	91
<i>Library Services</i>	44	-	44	44	39
<i>Emergency Services</i>	219	142	361	361	207
<i>Asset Management and Resourcing</i>	4	-	4	4	-
<i>Commercial Works</i>	126	-	126	126	102
<i>Environmental Management</i>	74	9	83	83	42
<i>Planning and Regulation</i>	231	242	473	473	481
<i>Plant, Fleet and Equipment</i>	38	-	38	38	59
<i>Building and Amenities</i>	589	791	1,380	1,380	1,347
<i>Livestock Saleyards</i>	837	-	837	837	359
<i>Parks, Gardens and Open Space</i>	98	161	259	259	233
<i>Swimming Complex</i>	-	-	-	-	-
<i>Transport Network</i>	11,490	3,637	15,127	15,127	8,376
<i>Stormwater and Drainage</i>	63	-	63	63	62
<i>Sewerage Services</i>	2,270	-	2,270	2,270	2,159
<i>Waste Management</i>	2,473	-	2,473	2,473	2,372
<i>Water Supply</i>	2,131	-	2,131	2,131	1,578
Total Income including Capital Grants & Contributions	30,631	5,067	35,698	35,698	24,832
Expenses					
<i>Civic Office</i>	282	-	282	282	259
<i>Organisation and Leadership</i>	31	-	31	31	27
<i>Community Development</i>	167	2	169	169	53
<i>Economic Growth and Tourism</i>	300	92	392	392	257
<i>Theatre and Museum Complex</i>	264	-	264	264	209
<i>Finance and Technology</i>	993	300	1,293	1,293	1,010
<i>Corporate and Governance</i>	(180)	5	(175)	(175)	(158)
<i>Workforce Development</i>	905	(500)	405	405	(23)
<i>Library Services</i>	504	-	504	504	340
<i>Emergency Services</i>	618	154	772	772	492
<i>Asset Management and Resourcing</i>	520	-	520	520	375
<i>Commercial Works</i>	180	-	180	180	173
<i>Environmental Management</i>	334	-	334	334	238
<i>Planning and Regulation</i>	377	-	377	377	133
<i>Plant, Fleet and Equipment</i>	(356)	-	(356)	(356)	(203)
<i>Building and Amenities</i>	1,024	56	1,080	1,080	659
<i>Livestock Saleyards</i>	243	-	243	243	177
<i>Parks, Gardens and Open Space</i>	687	200	887	887	695
<i>Swimming Complex</i>	234	-	234	234	154
<i>Transport Network</i>	6,815	498	7,313	7,313	5,612
<i>Stormwater and Drainage</i>	140	-	140	140	106
<i>Sewerage Services</i>	3,065	-	3,065	3,065	1,518
<i>Waste Management</i>	2,108	-	2,108	2,108	1,382
<i>Water Supply</i>	2,105	-	2,105	2,105	1,676
Total Expenses	21,360	807	22,167	22,167	15,161
Total Surplus/ (Deficit)	9,271	4,260	13,531	13,531	9,671
Capital Grants and Contributions	8,889	3,009	11,898	11,898	6,934
Net Operating Result excluding Capital Grants and Contributions	382	1,251	1,633	1,633	2,737
Operating Ratio (including Capital Income)	30.27%		37.90%	37.90%	38.95%
Operating Ratio (excluding Capital Income)	1.76%		6.86%	6.86%	15.29%

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>Community Development</i>	(2)	Seniors Grant Income addition \$1,275 & Youth Week income \$436
<i>Economic Growth and Tourism</i>	(500)	Drought Communities Program Operating Grant Income
<i>Theatre and Museum Complex</i>	(11)	Heritage Division Grant Funding Income
<i>Corporate and Governance</i>	484	Grant administration costs removed
<i>Workforce Development</i>	(56)	Workers comp rebate 28,182, hindsight performance payment 29,133
<i>Emergency Services</i>	(142)	Reduction in Bush Fire Council Subsidy -11,397, plus Reimbursement for 2019 Tenterfield Fire Event 153,616
<i>Environmental Management</i>	(9)	Noxious plants subsidy came in at 38,734
<i>Planning and Regulation</i>	(242)	\$245,507 SCCF grant, \$3,500 reduction in Heritage Grants
<i>Building and Amenities</i>	(791)	\$313,088 increase Service Station sale price, \$55,506 Crown Lands grant, SCCF funding \$421,908
<i>Parks, Gardens and Open Space</i>	(161)	SCCF funding
<i>Transport Network</i>	(3,637)	Special Grant Mt Lindesay Road
Total Recommended Income Variations this Quarter	(5,067)	
<hr/>		
Recommended Expenditure Variations this Quarter	(000's)	Explanation:
<i>Community Development</i>	2	Council co-contribution to match Youth Week funding
<i>Economic Growth & Tourism</i>	92	Drought Communities Funding Expenditure
<i>Finance and Technology</i>	300	Additional technology & contractor costs
<i>Corporate and Governance</i>	5	Increased telephone expenses
<i>Workforce Development</i>	(500)	Reduction in original budget due to more accurate salary & wages allocations
<i>Emergency Services</i>	154	Tenterfield Fire Event to be reimbursed
<i>Building and Amenities</i>	56	\$55,506 Crown Lands Funding grant + \$900 Legume Hall painting
<i>Parks, Gardens and Open Space</i>	200	Additional operational costs required to meet demand
<i>Transport Network</i>	498	Increase to Regional Roads Block Grant Maintenance - carryover from previous year
Total Recommended Expenditure Variations this Quarter	807	
<hr/>		

This document forms part of Tenterfield Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 2019 and should be read in conjunction with other documents in the QBRS.

Capital Budget Review

	QBR 2	RECOMMENDED	REVISED	ACTUAL
	Budget 2018/19	Changes March Review	Budget	YTD March
	\$'000	\$'000	\$'000	\$'000
Capital Funding				
<i>Rates and other untied funding</i>	6,381	283	6,664	9,753
<i>Capital Grants & Contributions</i>	9,037	2,861	11,898	6,934
<i>Restrictions</i>	3,546	-	3,546	3
<i>Other Capital Funding Sources e.g.</i>				
- Loans	3,893	842	3,051	-
<i>Income from sale of assets</i>	2,123	766	2,889	2,889
Total Capital Funding	24,980	3,068	28,048	19,579
Capital Expenditure				
<i>New Assets</i>				
CHIEF EXECUTIVE OFFICE				
- Civic Office	-	-	-	-
- Organisational Leadership	41	-	41	13
- Community Development	-	-	-	-
- Economic Growth and Tourism	18	-	-	-
- Theatre and Museum Complex	-	-	-	-
- Workforce Development	10	-	10	-
- Library Services	65	7	72	14
CHIEF CORPORATE OFFICE				
- Finance and Technology	208	200	408	217
- Corporate and Governance	47	-	47	2
- Environmental Management	-	-	-	-
- Planning and Regulation	-	50	50	-
- Building and Amenities	-	-	-	-
- Livestock Saleyards	1,407	-	1,407	-
- Parks, Gardens and Open Spaces	103	-	103	-
- Swimming Complex	-	-	-	-
CHIEF OPERATING OFFICE				
- Emergency Services	-	-	-	-
- Asset Management and Resourcing	226	-	226	188
- Commercial Work	-	-	-	-
- Plant, Fleet and Equipment	3,868	-	3,868	2,895
- Transportation Network	-	-	-	-
WASTE MANAGEMENT	820	(60)	760	26
WATER NETWORK	2,229	22	2,251	2,153
SEWERAGE NETWORK	363	-	363	-
STORMWATER NETWORK	5	-	5	-
				5,508
<i>Renewals (Replacement)</i>				
CHIEF EXECUTIVE OFFICE				
- Civic Office	-	-	-	-
- Organisational Leadership	-	-	-	-
- Community Development	4	-	4	-
- Economic Growth and Tourism	278	-	278	-
- Theatre and Museum Complex	10	-	10	17
- Workforce Development	-	-	-	-
- Library Services	35	-	35	-
CHIEF CORPORATE OFFICE				
- Finance and Technology	-	-	-	-
- Corporate and Governance	4	-	4	-
- Environmental Management	-	-	-	-
- Planning and Regulation	-	195	195	3
- Building and Amenities	281	55	336	72
- Livestock Saleyards	100	-	100	14
- Parks, Gardens and Open Spaces	272	126	398	155
- Swimming Complex	-	-	-	-
CHIEF OPERATING OFFICE				
- Emergency Services	-	-	-	-
- Asset Management and Resourcing	-	-	-	-
- Commercial Work	-	-	-	-
- Plant, Fleet and Equipment	-	-	-	-
- Transportation Network	12,742	2,522	15,264	8,991
WASTE MANAGEMENT	-	(395)	395	-
WATER NETWORK	665	-	665	75
SEWERAGE NETWORK	678	-	678	405
STORMWATER NETWORK	210	-	210	34
<i>Loan Repayments (principal)</i>	656	-	656	438
Total Capital Expenditure	25,345	2,722	28,049	21,220

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's)

New Assets

- Finance & Technology	200	Wireless Network Upgrade
- Library Services	7	Local Priority Grant 18/19
- Planning and Regulation	50	Local Heritage Strategic Project Grant
- Waste Management	(60)	\$60,000 Bailer Bay, deduct \$50,000 Boonoo Boonoo new cell & \$70,000 Mingoola WTS
- Water	22	Additional Dam Wall Expenditure
Total New Asset Budget Adjustments	219	

Renewal Assets

- Planning and Regulation	195	SCCF Projects
- Building and Amenities	55	Legume Hall reclad
- Parks, Gardens and Open Spaces	126	SCCF Projects
- Transportation Network	2,522	\$850,000 Drought Communities Timber Bridges, \$1,168,817 Special Grant Mt Lindsey Road, \$563,138 MR290 Amosfield road repair, deduct \$60,000 Footpaths (carryover to next year)
- Waste Management	(395)	\$75,000 Torrington capping cell, \$70,000 Torrington convert to transfer, \$250,000 Tenterfield meet EPA requirements
Total Renewal Asset Budget Adjustments	2,503	
Total Proposed Expenditure Variations	2,722	

Tenterfield Shire Council

Budget Statement for the year ended - 31 March 2019 Cash and Investment Review

	Opening Balance 30/06/2018 from Audited Financial Statements \$'000	RECOMMENDED changes (March) for Council Resolution \$'000	REVISED Balance \$'000	PROJECTED year end Result 2018/19 \$'000	ACTUAL YTD \$'000
Externally restricted					
NWPS Advance (included in liabilities)	181	181	-	-	-
Developer Contributions General	651	651	-	-	-
RMS Contributions	564	494	70	70	70
Specific Purpose Unexpended Grants	242	-	242	242	242
Water Supplies	2,222	-	2,222	2,222	2,222
Sewerage Services	2,384	-	2,384	2,384	2,384
Domestic Waste Management	474	-	474	474	474
Stormwater Management	465	-	465	465	465
Stormwater Management	694	-	694	694	694
Bruxner Way, Resurfacing (RMS)					
Total Externally restricted	7,877	1,326	6,551	6,551	6,551
Internally restricted					
Plant & Vehicle Replacement	3,542	-	3,542	3,542	3,542
Employees Leave Entitlements	300	-	300	300	300
Capital Commitments	762	762	-	-	-
Gravel Quarry Rehabilitation	233	-	233	233	233
International Town Partnerships	10	-	10	10	10
Land & Buildings	51	-	51	51	51
Local Main Street	31	-	31	31	31
Office Equipment	200	-	200	200	200
Roads & Bridges	158	-	158	158	158
Special Projects	912	-	912	912	912
Operation Commitments	1,300	164	748	748	748
Carry Forward Bridges from 2017/18	400	1,300	-	-	-
Carry forward Projects from 2017/18	2,859	-	400	400	400
Historical Reserves	192	-	2,859	2,859	2,859
Petrol Station Income			192	192	192
Total Internally restricted	10,950	1,413	9,537	9,537	8,724
Total Restricted	18,827	2,739	16,088	16,088	15,275
Available Cash (Unrestricted Funds)	175	-	175	175	2,270
Total Cash and Investments	19,002	2,739	16,263	16,263	17,545

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. Restricted Cash is finalised as part of the end of year Financial Statement Process. 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 March quarter occurred on 10 April 2019.

Cash Book Reconciliation

\$

Operating Cash balance as at 31 March 2019	4,943,894.91
Trust Account Cash balance as at 31 March 2019	313,266.50
Total Cash (Not invested) as at 31 March 2019	5,257,161.41

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- 2.57%
Commonwealth Bank	1,000,000.00	AA- 8.11%
Commonwealth Bank	3,500,000.00	AA- 28.39%
Commonwealth Bank (At Call)	828,260.39	AA- 6.72%
Bankwest	5,000,000.00	AA- 40.56%
TOTAL INVESTMENTS	12,328,260.39	
TOTAL CASH ON HAND	5,257,161.41	
TOTAL CASH AND INVESTMENTS	17,585,421.80	

Tenterfield Shire Council

Budget review for the quarter ended - 31 March 2019

Consultancy and Legal Fees

Expense	Expenditure YTD \$'000	Budgeted (Y/N)
Consultancies	-	Y*
Legal Fees	23	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.

Tenterfield Shire Council

Budget review for the quarter ended - 31 March 2019

Contracts

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

This document forms part of Tenterfield Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 2019 and should be read in conjunction with other documents in the QBRS.