



QUALITY NATURE - QUALITY HERITAGE - QUALITY LIFESTYLE

ADDENDUM ITEM FOR ORDINARY COUNCIL MEETING WEDNESDAY, 28 NOVEMBER 2018

Notice is hereby given pursuant to Clause 7(1) of Council's Code of Meeting Practice that an **Ordinary Council Meeting** will be held in the Tenterfield Shire Council Chamber, on **Wednesday, 28 November 2018** commencing at **9.30 am**.

Terry Dodds
Chief Executive

AGENDA

10. URGENT, LATE & SUPPLEMENTARY ITEMS OF BUSINESS

(ITEM GOV93/18) QUARTERLY BUDGET REVIEW STATEMENT - SEPTEMBER
2018.....2

Department:	Office of the Chief Corporate Officer
Submitted by:	Manager Finance & Technology
Reference:	ITEM GOV93/18
Subject:	QUARTERLY BUDGET REVIEW STATEMENT - SEPTEMBER 2018

LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK

CSP Goal:	Leadership - LEAD 14 - Resources and advocacy of Council are aligned support the delivery of the community vision outlined in the Community Strategic Plan.
CSP Strategy:	Council is a financially sustainable organisation, delivering value services to the Community.
Delivery Plan Action:	Ensure that financial sustainability and the community's capacity to pay inform adopted community service levels.
Operational Plan Action:	Ensure adequate and effective internal controls are in place for all financial management and purchasing functions.

SUMMARY

The purpose of this report is to provide Council with a quarterly Budget Review Statement (Attachment 1) in accordance with Regulation 203 of the Local Government (General) Regulation 2005 (the Regulation).

OFFICER'S RECOMMENDATION:**That Council:**

- (1) Adopts the September 2018 Quarterly Budget Review Statement; and**
- (2) Approves that an increase of up to \$1.030M to Council's borrowing limit be sought for 2018/19 to fund additional works in relation to the Dam Wall Project if additional funding sources are not forthcoming.**

BACKGROUND

Regulation 203 of the Regulation states that:

- (1) Not later than two months after the end of each quarter (except the June quarter), the Responsible Accounting Officer of a Council must prepare and submit to the Council a Budget Review Statement that shows, by reference to the estimate of income and expenditure set out in the statement of the Council's Revenue Policy included in the Operational Plan for the relevant year, a revised estimate of the income and expenditure for that year.
- (2) A Budget Review Statement must include or be accompanied by:
 - (a) a report as to whether or not the Responsible Accounting Officer believes that the statement indicates that the financial position of the Council is satisfactory, having regard to the original estimate of income and expenditure, and
 - (b) if that position is unsatisfactory, recommendations for remedial action.

Our Governance No. 93 Cont...

- (3) A Budget Review Statement must also include any information required by the Code to be included in such a statement.

The Code referred to is the Code of Accounting Practice and Financial Reporting. While earlier versions of the Code had an appendix that listed minimum requirements, these were removed a few years ago as they are of no relevance to the financial statements (which is the main purpose of the Code). In the absence of any instructions in the Code, the Quarterly Budget Review Statement publication issued in 2010 by the then Division of Local Government, NSW Department of Premier and Cabinet has been used as a guide to the preparation of this Quarterly Budget Review.

The quarterly review should act as a barometer of Council's financial health during the year and it is also a means by which Councillors can ensure that Council remains on track to meet its objectives, targets and outcomes as set out in its Operational Plan.

REPORT

The original budget adopted by Council indicated that the Net Operating Surplus at the end of the 2018/19 financial year was expected to be \$5,277,643 (including Capital Grants and Contributions). This was based on budgeted total operating revenue of \$26,217,558 and budgeted total operating expenditure of \$20,939,915.

The effect of the proposed budget changes for the September quarter of (-\$1,371,874) are anticipated to lead to a reduction to the bottom line resulting in a projected Net Operating Surplus of \$3,905,769.

The September 2018 Quarterly Budget Review indicates that Council is in a good position in respect of actual expenditure to budgeted expenditure. The net operating result after excluding Capital Income shows an estimated increased surplus of \$366K to \$422K.

The Operating Performance Ratio is an example of demonstrating whether Council is making an operating surplus or deficit and can be expressed including or excluding Capital income. Both are included in this quarters report.

The Operating Performance Ratio (excluding Capital income) is defined as:

$$\frac{\text{Total Continuing Operating Revenue (excluding Capital grants and contributions)}}{\text{Operating Expenses}}$$

Total Continuing Operating Revenue

As can be seen, Council originally budgeted for a positive Operating Ratio (surplus) both including and excluding Capital income of 20.13% percent and .27% percent respectively. This has now changed to 15.46% and 1.94% respectively. Capital is income provided purely for Capital purposes – this is discussed later in this report.

The Operating Performance Ratio is expected to be lower than budgeted as a result of the current proposed variations and is now anticipated to be 20.31 percent and -1.01 percent respectively.

Council continues to make positive progress in this area of operating surpluses and is budgeting for surplus again next year.

Our Governance No. 93 Cont...

The adjustments recommended for the September quarterly budget review are outlined in the attachment. A large proportion of adjustments relate to bringing in carry-forward amounts from 2017/18, particularly for Capital Expenditure.

Cash and Investment Review:

The cash and investment review provides an estimate of the current internal and external restrictions on Council's invested funds. These are not fully determined until the end of the Financial Year. Now that the audit of the Financial Statements has been completed, updates have been made to these figures as at 30 June 2018. The report also includes a reconciliation of Council's cash and investments on hand as at 30 September 2018.

This report also requires a statement in respect of whether all investments are in accordance with the requirements of Section 625 of the Local Government Act 1993, the accompanying Regulation and Council's Investments Policy. This statement, in combination with the monthly investment report, ensures that Council is complying with these statutory, regulatory and policy requirements.

Further, a declaration as to the preparation of bank reconciliations is also required. Bank reconciliations occur on a daily basis with a full reconciliation performed on a monthly basis. The full reconciliation for the September 2018 quarter occurred on 2 October 2018.

Council may require an additional loan of up to \$1.030M in relation to the Dam Wall project and there is a recommendation that an increase to the loan limit be sought for this purpose subject to any other sources of additional income becoming available.

Capital Budget Review:

The Capital Budget Review format allows Council to analyse any additional Capital expenditure to be incurred in the current financial year and the extent to which monies have already been expended. The report also indicates how Council is to fund the Capital expenditure for the year.

This review proposes to increase Capital Works Expenditure from \$15.9378M to \$19.986M an increase of \$4.521M. The majority of the changes relate to Carry-forwards from 2017/18. Details are as per the attachment.

Contracts:

The Reporting Framework requires the identification of contracts entered into in the preceding quarter which exceed specified expenditure limits. The limit for reporting contracts in the QBRS is one percent (1%) of revenue from continuing operations, or \$50,000, whichever is less. No contracts have met the relevant criteria for the September quarter of 2018/19.

Some contracts that were entered into that were not included in previous QBRS have now been included for completeness.

Consultancy and Legal Expenses:

The current expenditure to 30 September 2018 on qualifying consultancies and legal fees are identified in the QBRS and this expenditure is budgeted for and, given the size and nature of Council's operations, is considered reasonable.

Our Governance No. 93 Cont...

COUNCIL IMPLICATIONS:

1. Community Engagement / Communication (per engagement strategy)

Nil.

2. Policy and Regulation

- Local Government Act 1993
- Local Government (General) Regulation 2005
- Local Government Code of Accounting Practice and Financial Reporting
- Australian Accounting Standards
- Office of Local Government Circulars

3. Financial (Annual Budget & LTFFP)

It is important for Council to note that the adoption of this budget review approves the variations identified in the attached report and that the cumulative effect of the budget variations should be considered when reviewing this budget.

The original estimated Operating Surplus for the 2018/19 financial year was \$5,277,643. Approved revisions will now result in a projected Net Operating Surplus of \$3,905,769.

4. Asset Management (AMS)

Nil.

5. Workforce (WMS)

Nil.

6. Legal and Risk Management

The Budget Review is submitted to Council in accordance with Clause 203(1) of the Local Government (General) Regulation 2005.

7. Performance Measures

The impact of the recommended budget variations on Council's main key performance indicator is detailed in the Quarterly Budget Review Statement. Due to year end accounting adjustments other performance ratios won't be available until the audited financial statements are completed.

8. Project Management

Nil.

Kylie Smith
Chief Corporate Officer

Prepared by staff member:	Paul Della, Manager Finance & Technology	
Approved/Reviewed by Manager:	Kylie Smith, Chief Corporate Officer	
Department:	Office of the Chief Corporate Officer	
Attachments:	1 Quarterly Budget Review September Quarter 2018	9 Pages

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

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)	
Total Recommended Income Variations this Quarter	(951)	
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		
Total Recommended Expenditure Variations this Quarter	421	

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
Capital Funding				
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
Total Capital Funding	15,937,551	3,380,179	19,317,730	3,292,126
Capital Expenditure				
<i>New Assets</i>				
CHIEF EXECUTIVE OFFICE				
- 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
CHIEF CORPORATE OFFICE				
- 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	-
CHIEF OPERATING OFFICE				
- 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
WASTE MANAGEMENT	481,500	338,050	819,550	9,957
WATER NETWORK	2,016,800	211,827	2,228,627	1,013,627
SEWERAGE NETWORK	153,800	209,520	363,320	-
STORMWATER NETWORK	-	5,000	5,000	-
<i>Renewals (Replacement)</i>				
CHIEF EXECUTIVE OFFICE				
- Community Development	-	4,101	4,101	4,101
- Theatre & Museum Complex	-	277,974	277,974	16,784
- Library Services	-	34,400	34,400	-
CHIEF CORPORATE OFFICE				
- 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
CHIEF OPERATING OFFICE				
- Transportation Network	7,074,946	262,416	7,337,362	1,634,298
WASTE MANAGEMENT	-	-	-	-
WATER NETWORK	301,300	363,382	664,682	1,167
SEWERAGE NETWORK	377,700	300,587	678,287	-
STORMWATER NETWORK	30,000	180,000	210,000	7,619
Loan Repayments (principal)	656,205	0	656,205	93
Total Capital Expenditure	15,937,551	4,048,028	19,985,579	3,292,126

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.
Total New Asset Budget Adjustments	2,361,009
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
	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/causeways, C/F of \$47K for Gravel Road
Transportation Network	262,416 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
	C/F Tenterfield Mains Replacement \$147K, Meter Replacement C/F \$10K, Tenterfield Valve Renewal \$8K, Shirley Park Bore Flood Damage Restoration
Water Network	363,382 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.
	C/Fs for Mains Relining \$141K, Mains Augmentation \$58K, Upgrade to Tertiary
Sewerage Network	300,587 Ponds \$12K, Removal of Sludge from Tertiary Ponds \$5K, STP Dehydrator Replacement \$74K, Urbenville Sludge removal \$12K.
	180,000 \$210K C/F for Rouse and Miles Street Reconstruction less \$60K internal transfer from Drainage Pits upgrade to Main Street Works.
Stormwater Network	
Total Renewal Asset Budget Adjustments	1,687,019
Total Proposed Expenditure Variations	4,048,028

This document forms part of Tenterfield Shire Council's Quarterly Budget Review Statement for the quarter ended 310 September 2018 and should be read in conjunction with other documents in the QBRS.

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)	
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>	242	(8)		234
<i>Water Supplies</i>	2,222	(572)		1,650
<i>Sewerage Services</i>	2,384			2,384
<i>Domestic Waste Management</i>	474	(7)		467
<i>Stormwater Management</i>	465			465
<i>Brunner Way Rewidening (RMS)</i>	694			694
Total Externally restricted	7,877	(582)		7,295
Internally restricted				
<i>Plant & Vehicle Replacement</i>	3,542	(1,093)		2,449
<i>Employees Leave Entitlements</i>	300			300
<i>Capital Commitments</i>	762	(762)		0
<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>	912	(36)		876
<i>Operation Commitments</i>	1,300	(1,300)		0
<i>Carry Forward Bridges from 2017/18</i>	400			400
<i>Carry Forward Projects from 2017/18</i>	2,858	(1,206)		1,651
<i>Historical Reserves</i>	192			192
Total Internally restricted	10,950	(4,399)		6,551
Total Restricted	18,827	(4,981)		13,846
Available Cash (Unrestricted Funds)	175	0		2,382
Total Cash and Investments	19,002	(4,981)		16,228

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 diminished fully until after year end.

ORIGINAL Budget 4+ approved budget changes in previous quarters = REVISED Budget
 REVISED Budget 4+ 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	4,422,584.77
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%
Barwest	3,000,000.00 / AA- 2.45%
TOTAL INVESTMENTS	11,804,284.39
TOTAL CASH ON HAND	(Excluding Trust Fund amount shown above)
TOTAL CASH AND INVESTMENTS	4,422,584.77 16,227,869.16

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 QBRIS.

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