

Tenterfield Shire Council

Budget review for the quarter ended - 31 March 2020

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 2020 indicates that Council's projected financial position at 30 June 2020 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

Signed: *P. All*

Date: *19/5/2020*

Responsible Accounting Officer

Tenterfield Shire Council

Budget Statement for the year ended - 31 March 2020

Income and Expenditure Review by Function

	Original Budget 2019/20	APPROVED Changes	APPROVED Changes	Recommended Changes	REVISED Budget	PROJECTED year end Result 2019/20	ACTUAL YTD as at 31/03/20
	\$	September Review \$	Dec Review \$	March Review \$		\$	\$
Income							
<i>Civic Office</i>	-	-	-	-	-	-	-
<i>Organisation and Leadership</i>	-	-	-	-	-	-	-
<i>Community Development</i>	1,461	3,750	-	235,190	240,401	240,401	342,426
<i>Economic Growth and Tourism</i>	27,559	-	-	534,477	562,036	562,036	553,982
<i>Theatre and Museum Complex</i>	167,966	42,000	-	-	209,966	209,966	130,538
<i>Finance and Technology</i>	10,045,669	(386,543)	-	(1,647,222)	8,011,904	8,011,904	6,436,418
<i>Corporate and Governance</i>	1,500	-	-	-	1,500	1,500	3,196
<i>Workforce Development</i>	66,040	23,341	-	-	89,381	89,381	135,888
<i>Library Services</i>	46,938	45,255	-	-	92,193	92,193	85,582
<i>Emergency Services</i>	233,800	10,994	-	-	244,794	244,794	599,869
<i>Asset Management and Resourcing</i>	3,763	-	-	-	3,763	3,763	5,430
<i>Commercial Works</i>	141,000	-	-	-	141,000	141,000	115,454
<i>Environmental Management</i>	820,849	69,000	-	-	889,849	889,849	3,353
<i>Planning and Regulation</i>	291,500	195,657	-	-	487,157	487,157	255,625
<i>Plant, Fleet and Equipment</i>	90,000	-	-	-	90,000	90,000	54,236
<i>Building and Amenities</i>	124,050	516,094	50,000	-	690,144	690,144	186,584
<i>Livestock Saleyards</i>	691,806	(49,500)	-	-	642,306	642,306	80,286
<i>Parks, Gardens and Open Space</i>	102,121	233,846	29,890	125,000	490,857	490,857	396,448
<i>Swimming Complex</i>	-	-	10,000	-	10,000	10,000	10,000
<i>Transport Network</i>	17,489,085	1,214,527	816,821	1,667,222	21,187,655	21,187,655	4,386,173
<i>Stormwater and Drainage</i>	72,662	-	-	-	72,662	72,662	72,557
<i>Sewerage Services</i>	2,638,517	(99,352)	-	-	2,539,165	2,539,165	2,360,317
<i>Waste Management</i>	2,603,521	105,762	-	-	2,709,283	2,709,283	2,743,466
<i>Water Supply</i>	9,765,354	-	(608,808)	973,000	10,129,546	10,129,546	2,647,971
Total Income including Capital Grants & Contributions	45,425,161	1,924,831	297,903	1,887,667	49,535,562	49,535,562	21,605,799
Expenses							
<i>Civic Office</i>	279,113	109,276	-	(73,200)	315,189	315,189	225,899
<i>Organisation and Leadership</i>	1,071,262	2,500	-	(11,900)	1,061,862	1,061,862	710,902
<i>Community Development</i>	83,483	38,734	-	235,190	357,407	357,407	85,030
<i>Economic Growth and Tourism</i>	397,588	40,684	-	528,141	966,413	966,413	317,393
<i>Theatre and Museum Complex</i>	315,846	(40,684)	(5,000)	3,655	273,817	273,817	247,785
<i>Finance and Technology</i>	88,216	73,377	184,000	27,405	372,998	372,998	359,154
<i>Corporate and Governance</i>	696,285	(3,000)	-	(25,230)	668,055	668,055	557,358
<i>Workforce Development</i>	940,784	23,291	-	(1,000)	963,075	963,075	831,210
<i>Library Services</i>	475,623	(5,140)	-	(5,474)	465,009	465,009	335,645
<i>Emergency Services</i>	215,257	81,700	-	267,341	564,298	564,298	800,896
<i>Asset Management and Resourcing</i>	770,922	-	-	(39,452)	731,470	731,470	526,216
<i>Commercial Works</i>	100,000	10,000	-	-	110,000	110,000	76,894
<i>Environmental Management</i>	1,101,789	69,000	-	(44,633)	1,126,156	1,126,156	414,782
<i>Planning and Regulation</i>	528,988	126,801	-	(61,606)	594,183	594,183	388,240
<i>Plant, Fleet and Equipment</i>	(2,209,329)	-	-	1,862,224	(347,105)	(347,105)	(214,113)
<i>Building and Amenities</i>	1,077,073	(34,034)	85,325	(54,843)	1,073,521	1,073,521	853,804
<i>Livestock Saleyards</i>	400,224	(178,000)	-	(90,333)	131,891	131,891	102,134
<i>Parks, Gardens and Open Space</i>	916,938	85,325	(37,185)	208,475	1,173,553	1,173,553	774,481
<i>Swimming Complex</i>	207,107	(9,945)	10,000	12,128	219,290	219,290	139,344
<i>Transport Network</i>	7,799,876	33,048	(50,000)	(263,181)	7,519,743	7,519,743	6,040,421
<i>Stormwater and Drainage</i>	104,000	-	-	(3,080)	100,920	100,920	50,460
<i>Sewerage Services</i>	1,808,244	40,000	-	(2,419)	1,845,825	1,845,825	1,024,963
<i>Waste Management</i>	2,004,537	(128,213)	-	306,396	2,182,720	2,182,720	1,567,164
<i>Water Supply</i>	2,257,448	127,863	-	160,324	2,545,635	2,545,635	1,808,329
Total Expenses	21,431,274	462,583	187,140	2,934,928	25,015,925	25,015,925	18,024,391
Total Surplus/ (Deficit)	23,993,887	1,462,248	110,763	(1,047,261)	24,519,637	24,519,637	3,581,408
Capital Grants and Contributions	22,442,536	2,104,772	86,514	30,000	24,633,822	24,633,822	3,219,502
Net Operating Result excluding Capital Grants and Contributions	1,551,351	(642,524)	24,249	(1,077,261)	(114,185)	(114,185)	361,906
Operating Ratio (including Capital Income)	52.82%				49.50%	49.50%	16.58%
Operating Ratio (excluding Capital Income)	6.75%				-0.46%	-0.46%	1.97%

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:
Community Development	235	Increase of 237,192 due to National Bushfire Recovery Grant - Community Groups & Events. Decrease of 2,000 due to cancellation of Grandparents Day and grant funds returned
Economic Growth and Tourism	534	Increase of 534,477 due to National Bushfire Recovery Grant Tourism Stimulus,
Finance and Technology	(1,647)	Move roads component of 1,647,222 Financial Assistance Grant to Transport
Parks, Gardens and Open Space	125	Increase of 125,000 due to National Bushfire Recovery Grant - Dead tree removal and Village approach improvements
Transport Network	1,667	Roads component of Financial Assistance Grant moved from Finance and Technology Service. Increase of 20,000 due to National Bushfire Recovery Grant - Paddy's Flat Tank Traps Vehicle Layby
Water Supply	973	Increase for the Drought Augmentation Income
Total Recommended Income Variations this Quarter	1,887	

Recommended Expenditure Variations this Quarter	(000's)	Explanation:
Civic Office	(73)	Reduction of expenditure budgets over various accounts to bring budget in line with actual expenditure
Organisation Leadership	(12)	Reduction of expenditure budgets over various accounts to bring budget in line with actual expenditure
Community Development	235	Increase of 237,192 due to National Bushfire Recovery Grant - Community Groups & Events. Decrease of 2,000 due to cancellation of Grandparents Day and grant funds returned
Economic Growth and Tourism	528	Increase due to National Bushfire Recovery Grant Tourism Stimulus, reduction of various expenditure to bring budget in line with actuals and an increase in depreciation of 15,664
Theatre and Museum	4	Increase in Depreciation
Library	(5)	Decrease of 3,500 in Library travel and a decrease in Depreciation of 1,974
Asset Management	(39)	Reduction of expenditure budgets over various accounts to bring budget in line with actual expenditure and an increase of 3,548 in depreciation
Finance and Technology	27	Depreciation of 40,000 for Technology Intangibles added. Decrease of 11,000 in salaries and wages and decrease of 2,500 in staff travel
Corporate and Governance	(25)	Decrease in Depreciation
Workforce Development	(1)	Decrease in Depreciation
Emergency Services	267	Increase to Emergency Services Levy of 264,249 and an increase in Depreciation of 3,092
Environmental Management	(44)	Reduction of expenditure budgets over various accounts to bring budget in line with actual expenditure
Building and Amenities	(55)	Decrease in Depreciation
Livestock Saleyards	(90)	Reduction of expenditure budgets over various accounts to bring budget in line with actual expenditure and a decrease in Depreciation of 32,333
Parks, Gardens and Open Space	208	Increase of 125,000 due to National Bushfire Recovery Grant - Dead tree removal and Village approach improvements and an increase in Depreciation of 83,475
Swimming Complex	12	Increase in Depreciation
Planning and Regulation	(62)	Reduction of expenditure budgets over various accounts to bring budget in line with actual expenditure and an increase in Depreciation of 4
Plant, Fleet and Equipment	1,862	Increase plant adjustment from Capital Work to be in line with actuals and an increase in Depreciation of 162,224
Transport Network	(263)	Reduction of expenditure budgets over various accounts to bring budget in line with actual expenditure and an increase in Depreciation of 11,819
Stormwater	(3)	Decrease Depreciation
Sewerage Services	(2)	Reduction of expenditure budgets over various accounts to bring budget in line with actual expenditure and an increase in
Waste Services	306	Increase in Depreciation
Water Supply	160	Increase in Depreciation of 160,324
Total Recommended Expenditure Variations this Quarter	2,935	

Capital Budget Review

	Original Budget 2019/20	APPROVED	APPROVED	RECOMMENDED	REVISED Budget	ACTUAL YTD as at 31/03/20
		Changes September Review	Changes Dec Review	Changes March Review		
	\$	\$	\$	\$	\$	\$
Capital Funding						
Rates and other untied funding	8,138,684	-	-	-	8,138,684	-
Capital Grants & Contributions	22,442,536	2,104,772	86,514	30,000	24,663,822	3,219,502
Restrictions*	-	3,168,952	112,941	-	3,281,893	3,168,952
Other Capital Funding Sources e.g.						
- Loans	4,180,000	-	-	-	4,180,000	-
Income from sale of assets	2,349,171	-	50,000	-	2,399,171	1,753,198
Total Capital Funding	37,110,391	5,273,724	249,455	30,000	42,663,570	8,141,652
Capital Expenditure						
<i>New Assets</i>						
CHIEF EXECUTIVE OFFICE						
- Civic Office	-	-	-	-	-	-
- Organisational Leadership	20,000	31,342	(25,200)	-	26,142	9,099
- Community Development	-	-	-	-	-	-
- Economic Growth and Tourism	-	-	-	-	-	-
- Theatre and Museum Complex	-	-	-	-	-	-
- Workforce Development	-	10,000	-	-	10,000	-
- Library Services	25,274	-	-	-	25,274	11,352
- Emergency Services	90,000	(90,000)	-	-	-	-
CHIEF CORPORATE OFFICE						
- Finance and Technology	150,000	208,123	-	-	358,123	42,120
- Corporate and Governance	53,000	-	-	-	53,000	103,488
- Environmental Management	-	-	-	-	-	-
- Planning and Regulation	-	567,008	-	-	567,008	32,923
- Building and Amenities	-	-	-	-	-	-
- Livestock Saleyards	1,241,097	145,657	-	-	1,386,754	5,345
- Parks, Gardens and Open Spaces	89,800	80,935	-	-	170,735	69,502
- Swimming Complex	20,000	-	-	-	20,000	-
CHIEF OPERATING OFFICE						
- Asset Management and Resourcing	150,000	14,900	(120,000)	-	44,900	15,100
- Commercial Work	-	-	-	-	-	-
- Plant, Fleet and Equipment	-	-	-	-	-	-
- Transportation Network	-	-	-	-	-	-
WASTE MANAGEMENT	798,000	229,713	(270,000)	(82,000)	675,713	38,074
WATER NETWORK	9,371,800	405,000	-	573,000	10,349,800	3,072,306
SEWERAGE NETWORK	16,000	4,251	-	-	20,251	-
STORMWATER NETWORK	-	-	-	-	-	-
<i>Renewals (Replacement)</i>						
CHIEF EXECUTIVE OFFICE						
- Civic Office	-	-	-	-	-	-
- Organisational Leadership	-	-	-	-	-	-
- Community Development	-	-	-	-	-	-
- Economic Growth and Tourism	34,000	14,710	-	-	48,710	3,424
- Theatre and Museum Complex	-	325,890	5,000	(22,439)	308,451	271,817
- Workforce Development	-	-	-	-	-	-
- Library Services	16,390	54,330	-	-	70,720	12,862
- Emergency Services	-	200,000	-	-	200,000	42,056
CHIEF CORPORATE OFFICE						
- Finance and Technology	358,800	-	(40,000)	-	318,800	362,515
- Corporate and Governance	-	-	-	-	-	-
- Environmental Management	-	-	-	-	-	-
- Planning and Regulation	-	-	-	-	-	-
- Building and Amenities	1,223,000	1,134,300	628,589	-	2,985,889	284,368
- Livestock Saleyards	28,000	5,274	-	-	33,274	16,294
- Parks, Gardens and Open Spaces	125,663	343,151	-	(48,461)	420,353	231,416
- Swimming Complex	121,000	12,286	-	-	133,286	6,669
CHIEF OPERATING OFFICE						
- Asset Management and Resourcing	-	497,250	20,000	-	517,250	34,996
- Commercial Work	-	-	-	-	-	-
- Plant, Fleet and Equipment	1,406,082	840,952	17,250	-	2,264,284	677,512
- Transportation Network	19,580,964	1,710,016	631,034	(20,000)	21,902,014	3,773,741
WASTE MANAGEMENT	195,000	63,359	-	31,700	290,059	5,837
WATER NETWORK	296,300	96,292	-	-	392,592	354,503
SEWERAGE NETWORK	617,700	203,776	-	(2,000)	819,476	186,741
STORMWATER NETWORK	285,000	-	-	-	285,000	-
Loan Repayments (principal)	797,521	(27,757)	-	-	769,764	468,346
Total Capital Expenditure	37,110,391	7,080,758	846,673	429,800	45,467,622	10,132,406

*Some restricted cash is finalised as part of the end of year Financial Statement Process.

Proposed Expenditure Variations (000's)

New Assets

- Water Supply	573
- Waste	(82)
Total New Asset Budget Adjustments	491

Drought Augmentation - New Bores

Removal of Toilet Facilities Boonoo Boonoo Landfill 17,000 removal of Boonoo Boonoo New Office 15,000 and removal of Tentierfield WTS EIS - Return to Landfill 50,000.

Renewal Assets

- Theatre and Musuum Complex	(22)
- Parks, Gardens and Open Spaces	(48)
- Transportation Network	(20)
- Waste	32
- Sewerage	(2)
Total Renewal Asset Budget Adjustments	(60)

Reduction of budget due to Theatre Airconditioning project being completed for less than budgeted amount

Removal of Streetscapes, Signages Revitalisation

Increase National Bushfire Grant - Vehicle Trap Layby 20,000, RMS street lighting review 10,000 and decrease of 50,000 Footpath works

Boonoo Boonoo Environmental improvements grant 31,700

Removal of dehydrator from Jennings

Total Proposed Expenditure Variations	431
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Budget Statement for the year ended - 31 March 2020

Cash and Investment Review

	Opening Balance 30/06/2019 from Audited Financial Statements \$'000	APPROVED Changes September Review \$'000	APPROVED Changes December Review \$'000	Recommended Changes		REVISIED Balance \$'000	PROJECTED year end Result 2019/20 \$'000	Closing Balance 31/03/2020 \$'000
				March Review	Review			
Externally restricted								
NWPS Advance (included in liabilities)	181	(181)	-	-	-	-	-	-
Unspent LIRS Loan Funds (included in liabilities)	92	(92)	-	-	-	-	-	46
Developer Contributions General	89	-	-	-	89	-	89	89
Specific Purpose Unexpended Grants	2,833	-	-	-	2,833	-	2,833	2,833
Water Supplies	2,191	(400)	-	-	1,791	-	1,791	1,791
Sewerage Services	2,788	-	-	-	2,788	-	2,788	2,788
Domestic Waste Management	501	-	-	-	501	-	501	501
Stormwater Management	549	-	-	-	549	-	549	549
Bruxner Way Redwidening (RMS)	694	(694)	-	-	-	-	-	-
Total Externally restricted	9,918	(1,367)	-	-	8,551	-	8,551	8,597
Internally restricted								
Plant & Vehicle Replacement	2,946	(841)	(20)	-	2,085	-	2,085	2,085
Employees Leave Entitlements	594	-	-	-	594	-	594	594
Capital Commitments	861	(861)	-	-	-	-	-	-
Grant funding for general purposes	200	-	-	-	200	-	200	200
Gravel Quarry Rehabilitation	233	-	-	-	233	-	233	233
International Town Partnerships	10	-	-	-	10	-	10	10
Roads & Bridges	550	-	-	-	(550)	-	-	-
Special Projects	1,606	(100)	-	-	(1,506)	-	-	-
Operating Commitments	221	(221)	-	-	-	-	-	-
Carry forward Projects from 2018/19	882	-	113	-	995	-	995	995
Historical Reserves	67	-	-	-	67	-	67	67
Total Internally restricted	8,170	(2,023)	93	(2,056)	4,184	-	4,184	4,184
Total Restricted	18,088	(3,390)	93	(2,056)	12,735	-	12,735	12,781
Available Cash (Unrestricted Funds)	181	-	-	-	181	-	181	2,893
Total Cash and Investments	18,269	(3,390)	93	-	12,916	-	12,916	15,674

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

Some 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 15 April 2020.

Cash Book Reconciliation

\$

Operating Cash balance as at 31 March 2020 5,994,902.07
 Trust Account Cash balance as at 31 March 2020 313,266.50
 Total Cash (Not invested) as at 31 March 2020 6,308,168.57

Reconciliation

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

Financial Institution		Interest	Maturity Date
National Australia Bank	5,000,000.00	1.60%	27/04/2020
Commonwealth Bank	3,000,000.00	0.77%	30/04/2020
Commonwealth Bank (At Call)	1,366,250.13	0.75%	
TOTAL INVESTMENTS	9,366,250.13		
TOTAL CASH ON HAND	6,308,168.57		
TOTAL CASH AND INVESTMENTS	15,674,418.70		

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 CBRS.

Tenterfield Shire Council

Budget review for the quarter ended - 31 March 2020

Contracts

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

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.

Tenterfield Shire Council

Budget review for the quarter ended - 31 March 2020

Consultancy and Legal Fees

Expense	Expenditure YTD \$'000	Budgeted (Y/N)
Consultancies	<u>107,917</u>	<u>Y</u>
Legal Fees	<u>72,052</u>	<u>Y</u>

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.
