



Snowy Valleys Council

Quarterly Budget Review Statement
for the period 01/10/19 to 31/12/19**Table of Contents**

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This statement forms part of Council's Quarterly Budget Review Statement (QBRS) for the quarter ended 31 December 2019 and should be read in conjunction with the total QBRS report

Snowy Valleys Council

Quarterly Budget Review Statement
for the period 01/10/19 to 31/12/19**Report by Responsible Accounting Officer**

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

31 December 2019

It is my opinion that the Quarterly Budget Review Statement for Snowy Valleys Council for the quarter ended 31/12/19 indicates that Council's projected financial position at 30/6/20 will be unsatisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure. My opinion has been based Council's unrestricted cash and investments, which will be well below the Reserve Policy requirement of \$2m by the end of 2019/20

I recommend that the following remedial actions be taken:

1. Council continue to review the Council Improvement Plan identifying actions to improve financial sustainability in light of the updated information about Council's financial position and the cost of delivering current service levels (particularly in roads and parks);
2. Council continue to review its capital works program for 2019/20 to identify non-essential projects that can be postponed to maintain sufficient cash;
3. Council continue to implement agreed actions from the revised Council Improvement Plan and revised capital works program, including community engagement as appropriate; and
4. Council incorporate further changes to its 2019/20 Budget based on this way forward at its third quarterly budget review and subsequently in the formulation of its 2020/21 Budget.

Signed: _____**date:** 7/02/2020

Susanne Andres
Responsible Accounting Officer

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Snowy Valleys Council

Quarterly Budget Review Statement

for the period 01/10/19 to 31/12/19

Income & Expenses Budget Review Statement

Budget review for the quarter ended 31 December 2019

Income & Expenses - Council Consolidated

(\$000's)	Original Budget 2019/20	Approved Sep QBRS	Revised Budget 2019/20	Variations for this Dec Qtr	Notes	Projected Year End Result	Actual YTD figures	
Income								
Rates and Annual Charges	17,840		17,840			17,840	17,573	99%
User Charges and Fees	8,796	3,033	11,829			11,829	4,454	38%
Interest and Investment Revenues	865		865			865	714	83%
Other Revenues	1,152		1,152	786	2	1,938	1,344	69%
Grants & Contributions - Operating	10,282	199	10,481	1,033	1,3	11,514	3,218	28%
Grants & Contributions - Capital	5,377		5,377			5,377	634	12%
Total Income from Continuing Operations	44,312	3,232	47,544	1,819		49,363	27,937	57%
Expenses								
Employee Costs	15,589	990	16,579			16,579	9,202	56%
Materials & Contracts	9,742	5,074	14,816	137	3,4	14,953	8,104	54%
Depreciation	11,047		11,047			11,047	5,794	52%
Other Expenses	4,332	32	4,364	1,000	1	5,364	3,190	59%
Net Loss from disposal of assets			-			-	48	
Total Expenses from Continuing Operations	40,710	6,096	46,806	1,137		47,943	26,338	55%
Net Operating Result from All Operations	3,602	(2,864)	738	682		1,420	1,599	
Net Operating Result before Capital Items	(1,775)		(4,639)			(3,957)	965	

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Snowy Valleys Council

Quarterly Budget Review Statement
for the period 01/10/19 to 31/12/19

Income & Expenses Budget Review Statement

Budget review for the quarter ended 31 December 2019

Income & Expenses - Council Consolidated

(\$000's)	Original Budget 2019/20	Approved Changes Sep QBRs	Revised Budget 2019/20	Variations for this Dec Qtr	Notes	Projected Year End Result	Actual YTD figures
Income							
Community Services							
Children Services	1,829		1,829			1,829	945
Public Libraries	74		74	33	3	107	112
Aged persons and disabled	877		877			877	455
Strategy and Place							
Community Programs and Grants	19	25	44			44	74
Economic Development	-		-			-	-
Events, Tourism and Marketing	230		230			230	86
Development and Environment							
Weed Control	59		59			59	
Health and Environment	20		20			20	7
Town Planning	325		325			325	171
Building Control	37		37			37	31
Animal Control - Ranger Services	80		80			80	22
Internal Services							
Governance	-		-			-	7
Corporate and Executive	14,218		14,218	788	2	15,002	12,349
Asset and Infrastructure							
RMS Road Safety Program	82		82			82	46
Public Conveniences	-		-			-	-
Cemeteries	207	53	260			260	105
Stormwater - Urban Drainage	27		27			27	27
Swimming Pools	130	25	155			155	78
Public Halls	4		4			4	7
Parks and Sporting Grounds	4,545		4,545			4,545	290
RMS Road Programs	1,091		1,091			1,091	722
Street Lighting	46		46			46	-
Aerodromes	20		20			20	14
Roads and Transport	4,193	174	4,367			4,367	631
Private Works	2,350	2,650	5,000			5,000	1,424
Gravel Pits	152		152			152	54
Domestic Waste	3,269		3,269			3,269	3,143
Water Supply	4,808		4,808			4,808	2,216
Waste Water Services	4,554		4,554			4,554	4,339
Caravan Parks	405	250	655			655	227
Saleyards	6		6			6	6
Real Estate Activities	611	55	666			666	215
Fire and Emergency Services	246		246	1,000	1	1,246	110
Trusts							24
Total Income from Continuing Operations	44,312	3,232	47,544	1,819		49,363	27,937
Expenses							
Community Services							
Children Services	1,746		1,746			1,746	845
Public Libraries	815		815	33	3	848	417
Aged persons and disabled	847		847			847	235
Strategy and Place							
Community Programs and Grants	700	25	725			725	386
Economic Development	143		143			143	125
Events, Tourism and Marketing	824		824			824	287
Development and Environment							
Weed Control	208		208			208	35
Health and Environment	208		208			208	107
Town Planning	435		435			435	219
Building Control	443		443			443	137
Animal Control - Ranger Services	148		148			148	140
Internal Services							
Governance	304		304			304	213
Corporate and Executive	7,205	650	7,855			7,855	6,024
Asset and Infrastructure							
RMS Road Safety Program	88		88			88	66
Public Conveniences	246	(15)	231			231	107
Cemeteries	203	47	250			250	132
Stormwater - Urban Drainage	280		280			280	166
Swimming Pools	965	105	1,070			1,070	494
Public Halls	338	46	382			382	151
Parks and Sporting Grounds	2,203	674	2,877			2,877	1,883
RMS Road Programs	1,091		1,091			1,091	498
Street Lighting	250		250			250	94
Aerodromes	110	11	121			121	66
Roads and Transport	6,362	1,511	7,863			7,863	3,935
Private Works	2,154	2,510	4,664			4,664	2,390
Gravel Pits	150		150			150	40
Domestic Waste	2,410		2,410			2,410	1,094
Water Supply	3,808		3,808			3,808	2,354
Waste Water Services	4,323		4,323	104	4	4,323	2,428
Caravan Parks	274	340	614			614	254
Saleyards	33		33			33	18
Real Estate Activities	610	192	802			802	470
Fire and Emergency Services	768		768	1,000	1	1,768	528
Trusts							34
Total Expenses from Continuing Operations	40,710	6,096	46,806	1,137		47,943	26,338
Net Operating Result from Continuing Operation	3,602	(2,864)	738	682		1,420	1,599

This statement forms part of Council's Quarterly Budget Review Statement (QBR) for the quarter ended 31 December 2019 and should be read in conjunction with the total QBR report.

Snowy Valleys Council

Quarterly Budget Review Statement
for the period 01/10/19 to 31/12/19

Income & Expenses Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details	
1	\$ 1,000,000.00	Immediate base payment for severely fire impacted councils to help rebuild vital infrastructure and strengthen community resilience. Expenditure has been increased inline with the grant received.
2	\$ 786,714.00	Sale proceeds from Southern Phones
3	\$ 33,201.00	Additional library funding allocated to Batlow library project - enhancing the fit-out.
4	\$ 103,900.00	Fund UTS Study Extension and environmental impact for Mannus Lake water resource from the water fund

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Snowy Valleys Council

Quarterly Budget Review Statement

for the period 01/10/19 to 31/12/19

Capital Budget Review Statement

Budget review for the quarter ended 31 December 2019

Capital Budget - Council Consolidated

(\$000's)	Original Budget 2019/20	Changes Carry Forwards	Approved Other than by QBRS	Sep QBRS	Revised Budget 2019/20	Variations for this Dec Qtr	Notes	Projected Year End Result	Actual YTD figures
Capital Expenditure									
New Assets									
- Plant & Equipment	228			60	288			288	59
- Land & Buildings	12,724	93		500	13,317	60	4	13,377	5,265
- Other	1,495			24	1,519			1,519	643
Renewal Assets (Replacement)									
- Plant & Equipment	2,006	32			2,038			2,038	66
- Land & Buildings	457	531	225	(38)	1,175		8,9	1,175	192
- Roads, Bridges, Footpaths	6,205	1,926		212	8,343		5-7	8,343	2,214
- Water and Sewer	1,108	616		74	1,798	304	1,2,3	2,102	243
Total Capital Expenditure	24,223	3,198	225	832	28,478	364		28,842	8,682
Capital Funding									
Rates & Other Untied Funding	5,631				5,631			5,631	2,013
Capital Grants & Contributions	5,377		225	174	5,776			5,776	2,344
Reserves:									
- External Restrictions/Reserves	11,610	250		98	11,958			11,958	4,181
- Internal Restrictions/Reserves	1,605	2,948		60	4,613	364	1-4	4,977	144
New Loans				500	500			500	
Total Capital Funding	24,223	3,198	225	832	28,478	364		28,842	8,682
Net Capital Funding - Surplus/(Deficit)	-	-	-	-	-	-		-	-

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Snowy Valleys Council

Quarterly Budget Review Statement
for the period 01/10/19 to 31/12/19

Capital Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details
1	\$250,000 Allocate funding from the water fund for water mains replacement in Wynyard Street
2	\$ 33,500.00 Allocate funding from the water fund for Batlow Oval Irrigation
3	\$ 20,000.00 Allocation of funding from the sewer fund for the Montreal Sewer Works
4	\$ 60,000.00 Safety works at the Gilmore Transfer Station funded from the domestic waste fund
Variations within the same Asset Class (project reallocations)	
5	Unexpended \$80k from completed Forest St kerb & gutter project have been re-allocated to Alex Henkel Drive for similar SRV kerb initiative moved forward to this financial year.
6	Unexpended \$9k from completed Grahamstown Rd and \$65k from completed Simpson St projects re-allocated to Wee Jasper Rd for project finalisation.
7	\$60k originally allocated to Grahamstown Rd curve widening has been re-allocated to Wee Jasper Rd for project finalisation.
8	Golden Gully project with \$29.4k carried over from the 18/19 financial year has been re-named 'SRV Adelong Playground'.
9	Open Spaces Masterplans project with \$80k has been re-named 'Riverglade Caravan Park Internal Mains'.

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Snowy Valleys Council

Cash & Investments Budget Review Statement

Budget review for the quarter ended 31 December 2019

Cash & Investments - Council Consolidated

(\$000's)	Original Budget 2019/20	Approved Changes Carry Forwards	Sep QBRS	Revised Budget 2019/20	Variations for this Dec Qtr	Notes	Projected Year End Result	Actual YTD figures
Externally Restricted ⁽¹⁾								
Water Fund	4,677		(74)	4,603	(388)	2,5	4,215	4,676
Sewer Fund	5,669			5,669	(20)	3	5,649	4,616
Domestic Waste	1,389			1,389	(60)	4	1,329	1,389
Developer Contributions	3,495			3,495			3,495	3,406
Unexpended Specific Purpose Grants	15,729	(15,448)		281			281	10,999
Tumbarumba Retirement Village	717			717			717	717
Urban Stormwater - - Tumbarumba	104			104			104	104
Snowy Valleys Way	49			49			49	49
Total Externally Restricted	31,829	(15,448)	(74)	16,307	(468)		15,839	25,956
(1) Funds that must be spent for a specific purpose								
Internally Restricted ⁽²⁾								
Aboriginal Br. Reserve	45			45			45	45
Adelong Showground	10			10			10	10
Aerodrome	182		(11)	171			171	182
Asset Renewal Reserve	88			88			88	88
Batlow Literary Institute	56		(5)	51			51	56
Caravan Park	80			80			80	80
Carry Over works	6,726	(6,726)		-			-	
Community Services Reserve	275			275			275	276
Employee Leave Entitlement Reserve	2,152		(390)	1,762			1,762	2,152
Hazard Reduction	52			52			52	52
Information Technology Reserve	102			102			102	103
Insurance (Risk Management)	124		(100)	24			24	182
Legal	105			105			105	105
Plant & Vehicle replacement	2,748			2,748			2,748	3,056
Project Development Reserve	98		(2)	96	786	1	882	884
Real Estate Development Reserve	37		(30)	7			7	38
Saleyards	37			37			37	38
Scholarships	6			6			6	6
Security Deposits	9			9			9	9
Swimming Pools Reserve	312		(165)	147			147	312
Contingencies	500			500			500	500
Talbingo Town Improvement	123		(24)	99			99	123
Telecentre	26			26			26	26
Trust Reserves	982			982			982	982
Quarries	945			945			945	945
Television/Radio Upgrade to Digital	32			32			32	32
TumbaFest	60			60			60	-
Other Waste Management	5			5			5	5
Total Internally Restricted	15,917	(6,726)	(727)	8,464	786		9,250	10,287
(2) Funds that Council has earmarked for a specific purpose								
Unrestricted	885							9,910
Total Cash & Investments	48,631						25,089	46,153

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Snowy Valleys Council

Quarterly Budget Review Statement
for the period 01/10/19 to 31/12/19

Cash & Investments Budget Review Statement**Investments**

Investments have been invested in accordance with Council's Investment Policy.

Cash

The Cash at Bank figure included in the Cash & Investment Statement totals \$46,153,128

This Cash at Bank amount has been reconciled to Council's physical Bank Statements.
The date of completion of this bank reconciliation is 31/12/19

Reconciliation Status

The YTD Cash & Investment figure reconciles to the actual balances held

\$ 000's

Cash at Bank (as per bank statements)	7,585
Investments on Hand	38,568
Reconciled Cash at Bank & Investments	46,153
Balance as per Review Statement:	46,153
Difference:	(0)

Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details
1	\$ 786,714.00 Sale proceeds from Southern Phones transferred to reserve
2	\$ (283,500.00) Allocate funding from the water fund for water mains replacement in Wynyard Street and Batlow Oval Irrigation
3	\$ (20,000.00) Allocation of funding from the sewer fund for the Montreal Theatre sewer works
4	\$ (60,000.00) Fund safety works at Gilmore Transfer Station from the domestic waste fund
5	\$ (103,900.00) Allocation of funding for the Mannus Lake environmental impact review and study

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Snowy Valleys Council

Quarterly Budget Review Statement for the period 01/10/19 to 31/12/19

Key Performance Indicators Budget Review Statement - Industry KPI's (OLG)

Budget review for the quarter ended 31 December 2019

(\$000's)	Current Projection		Original 1/20	Actuals Prior Periods	
	Amounts 19/20	Indicator 19/20		18/19	17/18

NSW Local Government Industry Key Performance Indicators (OLG):

1. Operating Performance

Operating Revenue (excl. Capital) - Operating Expenses	- 3,957	-8.25 %		1.84 %	-7.95 %
Operating Revenue (excl. Capital Grants & Contributions)	47,943				

This ratio measures Council's achievement of containing operating expenditure within operating revenue.

Benchmark for Operating Performance Ratio is >0.00%

2. Own Source Operating Revenue

Operating Revenue (excl. ALL Grants & Contributions)	32,472	65.8 %		60.9 %	66.8 %
Total Operating Revenue (incl. Capital Grants & Cont)	49,363				

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants & contributions.

Benchmark for Own Source Operating Ratio is >60.00%



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Snowy Valleys Council

Quarterly Budget Review Statement

for the period 01/10/19 to 31/12/19

Contracts Budget Review Statement

Budget review for the quarter ended 31 December 2019

Part A - Contracts Listing - contracts entered into during the quarter

Contractor	Contract detail & purpose	Contract Value	Start Date	Budgeted (Y/N)	Notes
Timber Restoration System	Timber Bridge Refurbishment	1.32m	October 2019	Y	
Uniplan Group	Construction prefabricated buildings	1.2m	October 2019	Y	
Murray Valley Piling	Replacement of bridge	265k	November 2019	Y	

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Snowy Valleys Council

Quarterly Budget Review Statement
for the period 01/10/19 to 31/12/19**Consultancy & Legal Expenses Budget Review Statement**

Consultancy & Legal Expenses Overview

Expense	YTD Expenditure (Actual Dollars)	
Consultancies	\$	940,835.08
Legal Fees	\$	37,431.47

Definition of a 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.

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