

Snowy Valleys Council

Quarterly Budget Review Statement
for the period 01/01/20 to 31/03/20**Table of Contents**

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This statement forms part of Council's Quarterly Budget Review Statement (QBRs) for the quarter ended 31 March 2020 and should be read in conjunction with the total QBRs report

Snowy Valleys Council

Quarterly Budget Review Statement
for the period 01/01/20 to 31/03/20**Report by Responsible Accounting Officer**

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

31 March 2020

It is my opinion that the Quarterly Budget Review Statement for Snowy Valleys Council for the quarter ended 31/03/2020 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 implement agreed actions from the revised Council Improvement Plan and revised capital works program, including community engagement as appropriate; and
3. Council continue to advocate with all levels of Government to access increased funding in the current financial year and in forthcoming budgets.

Signed: _____**date:** 5/05/2020

Susanne Andres
Responsible Accounting Officer

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Snowy Valleys Council

Quarterly Budget Review Statement

for the period 01/01/20 to 31/03/20

Income & Expenses Budget Review Statement

Budget review for the quarter ended 31 March 2020

Income & Expenses - Council Consolidated

(\$000's)	Original Budget 2019/20	Approved Changes		Revised Budget 2019/20	Variations for this Mar Qtr	Notes	Projected Year End Result	Actual YTD figures	
		Sep QBRS	Dec QBRS						
Income									
Rates and Annual Charges	17,840			17,840			17,840	17,661	99%
User Charges and Fees	8,796	3,033		11,829			11,829	7,675	65%
Interest and Investment Revenues	865			865	(265)	2	600	380	63%
Other Revenues	1,152		786	1,938	2,000	3	3,938	1,670	42%
Grants & Contributions - Operating	10,282	199	1,033	11,514	275	1	11,789	7,760	66%
Grants & Contributions - Capital	5,377			5,377			5,377	3,342	62%
Net gain from disposal of assets	-			-			-	-	
Total Income from Continuing Operations	44,312	3,232	1,819	49,363	2,010		51,373	38,488	75%
Expenses									
Employee Costs	15,589	990		16,579	975	1.3	17,554	13,772	78%
Materials & Contracts	9,742	5,074	137	14,953	2,133	4.5	17,086	12,392	73%
Depreciation	11,047			11,047			11,047	8,285	75%
Other Expenses	4,332	32	1,000	5,364			5,364	4,221	79%
Net Loss from disposal of assets	-			-			-	43	
Total Expenses from Continuing Operations	40,710	6,096	1,137	47,943	3,108		51,051	38,713	76%
Net Operating Result from All Operations	3,602	(2,864)	682	1,420	(1,098)		322	(225)	
Net Operating Result before Capital Items	(1,775)		682	(3,957)			(5,055)	(3,567)	

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Snowy Valleys Council

Quarterly Budget Review Statement
for the period 01/01/20 to 31/03/20

Income & Expenses Budget Review Statement

Budget review for the quarter ended 31 March 2020

Income & Expenses - Council Consolidated

(\$000's)	Original Budget 2019/20	Approved Changes		Revised Budget 2019/20	Variations for this Mar Qtr	Notes	Projected Year End Result	Actual YTD figures
		Sep QBRs	Dec QBRs					
Income								
Community Services								
Children Services	1,829			1,829			1,829	1,434
Public Libraries	74		33	107			107	116
Aged persons and disabled	877			877			877	745
Strategy and Place								
Community Programs and Grants	19	25		44			44	103
Economic Development	-			-			-	78
Events, Tourism and Marketing	230			230			230	69
Development and Environment								
Weed Control	59			59			59	64
Health and Environment	20			20			20	8
Town Planning	325			325			325	255
Building Control	37			37			37	38
Animal Control - Ranger Services	80			80			80	29
Internal Services								
Governance	-			-			-	10
Corporate and Executive	14,216		788	15,002	(285)	2	14,737	13,325
Asset and Infrastructure								
RMS Road Safety Program	82			82			82	74
Public Conveniences	-			-			-	168
Cemeteries	207	53		260			260	27
Stormwater - Urban Drainage	27			27			27	139
Swimming Pools	130	25		155			155	7
Public Halls	4			4			4	2,171
Parks and Sporting Grounds	4,545			4,545			4,545	768
RMS Road Programs	1,091			1,091			1,091	15
Street Lighting	46			46			46	2,236
Aerodromes	20			20			20	3,025
Roads and Transport	4,193	174		4,367			4,367	89
Private Works	2,350	2,650		5,000			5,000	3,844
Gravel Pits	152			152			152	3,050
Domestic Waste	3,289			3,289			3,289	4,471
Water Supply	4,808			4,808			4,808	386
Waste Water Services	4,554			4,554			4,554	8
Caravan Parks	405	250		655			655	377
Saleyards	6			6			6	1,353
Real Estate Activities	611	55		666			666	46
Fire and Emergency Services	246		1,000	1,246	2,275	1.3	3,521	
Trusts								
Total Income from Continuing Operations	44,312	3,232	1,819	49,363	2,010		51,373	38,488
Expenses								
Community Services								
Children Services	1,746			1,746			1,746	1,173
Public Libraries	815		33	848			848	682
Aged persons and disabled	847			847			847	415
Strategy and Place								
Community Programs and Grants	700	25		725			725	470
Economic Development	143			143			143	243
Events, Tourism and Marketing	824			824			824	410
Development and Environment								
Weed Control	208			208			208	68
Health and Environment	208			208			208	148
Town Planning	435			435			435	336
Building Control	443			443			443	200
Animal Control - Ranger Services	148			148			148	215
Internal Services								
Governance	304			304			304	266
Corporate and Executive	7,205	650		7,855	800	5	8,055	8,253
Asset and Infrastructure								
RMS Road Safety Program	88			88			88	97
Public Conveniences	246	(15)		231			231	171
Cemeteries	203	47		250			250	195
Stormwater - Urban Drainage	280			280			280	210
Swimming Pools	965	105		1,070			1,070	818
Public Halls	336	48		382			382	268
Parks and Sporting Grounds	2,203	674		2,877			2,877	1,889
RMS Road Programs	1,091			1,091			1,091	629
Street Lighting	250			250			250	158
Aerodromes	110	11		121	33	4	154	118
Roads and Transport	6,382	1,511		7,893			7,893	6,640
Private Works	2,154	2,510		4,664			4,664	3,103
Gravel Pits	150			150			150	133
Domestic Waste	2,410			2,410			2,410	1,389
Water Supply	3,808		104	3,912			3,912	2,871
Waste Water Services	4,323			4,323			4,323	2,129
Caravan Parks	274	340		614			614	500
Saleyards	33			33			33	25
Real Estate Activities	610	192		802			802	840
Fire and Emergency Services	768		1,000	1,768	2,275	1.3	4,043	3,595
Trusts								58
Total Expenses from Continuing Operations	40,710	6,096	1,137	47,943	3,108		51,051	38,713
Net Operating Result from Continuing Operation	3,602	(2,864)	682	1,420	(1,098)		322	(225)

This statement forms part of Council's Quarterly Budget Review Statement (QBRs) for the quarter ended 31 March 2020 and should be read in conjunction with the total QBR report

Snowy Valleys Council

Quarterly Budget Review Statement

for the period 01/01/20 to 31/03/20

**Income & Expenses Budget Review Statement
Recommended changes to revised budget**

Budget Variations being recommended include the following material items:

Notes	Details	
1	\$ 275,000.00	Fire Recovery Grant received, offset by an increase in expenditure
2	\$ (265,000.00)	Reduction in forecasted interest received due to declining economic environment
3	\$ 2,000,000.00	Recognise estimated S.44 claim for the Dunns Road Bushfire Disaster. This is a claim based on actual expenditure incurred during the event. Employee Costs have been increased by \$700k and Materials and Contracts by \$1.3m
4	\$ 33,000.00	Increase to aerodrome maintenance budget, which is funded through the aerodrome reserve
5	\$ 800,000.00	Increased demolition costs resulting from the damage to the Batlow Cannery during the Dunns Road Bushfire Disaster

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Snowy Valleys Council

Quarterly Budget Review Statement
for the period 01/01/20 to 31/03/20

Capital Budget Review Statement

Budget review for the quarter ended 31 March 2020

Capital Budget - Council Consolidated

(\$000's)	Original Budget 2019/20	Changes Carry Forwards	Approved Other than by QBRs	Sep QBRs	Dec QBRs	Revised Budget 2019/20	Variations for this Mar Qtr	Notes	Projected Year End Result	Actual YTD figures
Capital Expenditure										
New Assets										
- Plant & Equipment	228			60		288	(4)		284	50
- Land & Buildings	12,724	93		500	60	13,377	486	4	13,863	7,065
- Other	1,495			24		1,519			1,519	828
Renewal Assets (Replacement)										
- Plant & Equipment	2,006	32				2,038			2,038	107
- Land & Buildings	457	531	225	(38)		1,175			1,175	487
- Roads, Bridges, Footpaths	6,205	1,926		212		8,343	(60)	1	8,283	3,071
- Water and Sewer	1,108	616		74	304	2,102	(240)	2,3	1,862	212
Total Capital Expenditure	24,223	3,198	225	832	364	28,842	182		29,024	11,820
Capital Funding										
Rates & Other Untied Funding	5,631					5,631	496	3,4	6,127	2,348
Capital Grants & Contributions	5,377		225	174		5,776	(60)	1	5,716	4,204
Reserves:										
- External Restrictions/Reserves	11,610	250		98		11,958	(254)	2	11,704	4,624
- Internal Restrictions/Reserves	1,605	2,948		60	364	4,977			4,977	144
New Loans				500		500			500	500
Total Capital Funding	24,223	3,198	225	832	364	28,842	182		29,024	11,820
Net Capital Funding - Surplus/(Deficit)	-	-	-	-	-	-	-		-	-

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Snowy Valleys Council

Quarterly Budget Review Statement

for the period 01/01/20 to 31/03/20

**Capital Budget Review Statement
Recommended changes to revised budget**

Budget Variations being recommended include the following material items:

Notes	Details
1	\$ (60,000) Yaven Creek Road project reduction
2	\$ (250,000) Wynyard Street Project no longer proceeding
3	\$ 10,000 Increase to Twickenham project
4	\$ 486,000 Purchase and installation of emergency accommodation at Batlow. Currently there is no funding however it is being actively pursued

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Snowy Valleys Council

Cash & Investments Budget Review Statement

Budget review for the quarter ended 31 March 2020

Cash & Investments - Council Consolidated

(\$000's)	Original Budget 2019/20	Approved Changes Carry Forwards	Sep QBRs	Dec QBRs	Revised Budget 2019/20	Variations for this Mar Qtr	Notes	Projected Year End Result	Actual YTD figures
Externally Restricted ⁽¹⁾									
Water Fund	4,677		(74)	(388)	4,215			4,215	4,676
Sewer Fund	5,669			(20)	5,649			5,649	4,616
Domestic Waste	1,389			(60)	1,329			1,329	1,389
Developer Contributions	3,495				3,495			3,495	3,406
Unexpended Specific Purpose Grants	15,729	(15,448)			281	10,097	1	10,378	10,378
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)	(468)	15,839	10,097		25,936	25,335
(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	(33)	3	138	170
Asset Renewal Reserve	88				88			88	88
Batlow Library Institute	56		(5)		51			51	51
Caravan Park	80				80			80	80
Carry Over works	6,726	(6,726)			-	1,486	2	1,486	1,486
Community Services Reserve	275				275			275	275
Employee Leave Entitlement Reserve	2,152		(390)		1,762			1,762	1,762
Hazard Reduction	52				52			52	52
Information Technology Reserve	102				102			102	103
Insurance (Risk Management)	124		(100)		24			24	81
Legal	105				105			105	105
Plant & Vehicle replacement	2,748				2,748			2,748	3,588
Project Development Reserve	98		(2)	786	882			882	884
Real Estate Development Reserve	37		(30)		7			7	8
Saleyards	37				37			37	38
Scholarships	6				6			6	6
Security Deposits	9				9			9	9
Swimming Pools Reserve	312		(165)		147			147	147
Contingencies	500				500			500	500
Talbingo Town Improvement	123		(24)		99			99	123
Telecentre	26				26			26	26
Trust Reserves	982				982			982	977
Quarries	945				945			945	946
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)	786	9,250	1,453		10,703	11,597
(2) Funds that Council has earmarked for a specific purpose									
Unrestricted	885								5,174
Total Cash & Investments	48,631							36,639	42,106

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Snowy Valleys Council

Quarterly Budget Review Statement
for the period 01/01/20 to 31/03/20

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 \$42,106,177

This Cash at Bank amount has been reconciled to Council's physical Bank Statements.
The date of completion of this bank reconciliation is 31/03/20

Reconciliation Status

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

\$ 000's

Cash at Bank (as per bank statements)

12,491

Investments on Hand

29,615

Reconciled Cash at Bank & Investments

42,106

Balance as per Review Statement:

42,106

Difference:

(0)

Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes Details

1	\$10.097m	Estimated uncompleted major projects to be completed in 2020/21
2	1.486M	Estimated uncompleted capital works projects to be completed in 2020/21
3	\$ (33,000.00)	Reduction in the Aerodrome reserve to fund additional maintenance

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Snowy Valleys Council

Quarterly Budget Review Statement

for the period 01/01/20 to 31/03/20

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

Budget review for the quarter ended 31 March 2020

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

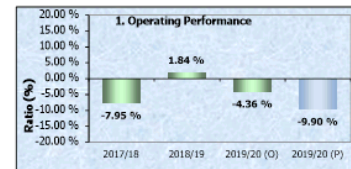
NSW Local Government Industry Key Performance Indicators (OLG):

1. Operating Performance

Operating Revenue (excl. Capital) - Operating Expenses	- 5,055	-9.90 %	1.84 %	-7.95 %
Operating Revenue (excl. Capital Grants & Contributions)	51,051			

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)	34,207	66.6 %	60.9 %	66.8 %
Total Operating Revenue (incl. Capital Grants & Cont)	51,373			

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 01/01/20 to 31/03/20

Contracts Budget Review Statement

Budget review for the quarter ended 31 March 2020

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

Contractor	Contract detail & purpose	Contract Value	Start Date	Budgeted (Y/N)	Notes
Mulligan Geotechnical	Slope Remediation	\$575k	30/03/20	Y	

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Snowy Valleys Council

Quarterly Budget Review Statement
for the period 01/01/20 to 31/03/20**Consultancy & Legal Expenses Budget Review Statement**

Consultancy & Legal Expenses Overview

Expense	YTD Expenditure (Actual Dollars)	Budgeted (Y/N)
Consultancies	\$ 1,478,867.00	Y
Legal Fees	\$ 55,914.00	Y

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.

Comments

Expenditure included in the above YTD figure but not budgeted includes:

Details

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