

**BOURKE SHIRE COUNCIL
BUDGET REVIEW
31st March 2019**

Council Meeting 29th April 2019

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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 2019

It is my opinion that the Quarterly Budget Review Statement for Bourke Shire Council for the quarter ended 31/03/19 indicates that Council's projected financial position at 30/6/19 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

Signed: Leonie Brown

date: 24/4/19.

Leonie Brown
Responsible Accounting Officer

Bourke Shire Council

Income & Expenses Budget Review Statement

Budget review for the quarter ended 31 March 2019
Income & Expenses - Council Consolidated

(\$000's)	Original Budget 2018/19	Approved Changes				Carry Forwards	Other than by QBRs	Revised Budget 2018/19	Variations for this Mar Qtr	Notes	Projected Year End Result	Actual YTD figures
		Dec QBRs	Sep QBRs	Mar QBRs	Mar Qtr							
Administration	6,497,193		199,255	37,397		6,733,845	93,700	1		6,827,545	4,109,448	
Public Order & Safety	197,300		-	17,460		214,760	-			214,760	140,657	
Health	183,920		-	(4,427)		179,493	2,300			181,793	84,911	
Community Services & Education	21,270		-	(500)		20,770	1,861			22,631	1,861	
Housing & Community Amenities	890,545		103,875	205,933		1,200,353	12,936	2		1,213,289	953,196	
Water Supplies	1,978,290		3,992			1,982,282	10,863	3		1,993,145	1,638,146	
Sewer Services	992,200		-	4,500		996,700	14,668	4		1,011,368	973,550	
Recreation & Culture	46,400		30,000	353,353		429,753	124,000	5		553,753	281,110	
Building Control	17,850		-	150		18,000	-			18,000	6,286	
Transport & Communication	8,120,750		125,650	(2,246,641)		5,999,759	165,810	6		6,165,569	2,983,500	
Economic Affairs	662,770		1,099,708	256,565		2,019,043	38,373	7		2,057,416	1,402,179	
Total Income from Continuing Operations	19,608,488		1,562,480	(1,376,210)		19,794,758	464,511			20,259,269	12,574,844	
Expenses												
Administration	2,763,049		221,077	(270,236)		2,713,890	(300,890)	8		2,413,000	(156,125)	
Public Order & Safety	552,860		2,130	19,460		574,450	-			574,450	335,559	
Health	750,400		1,000	(5,000)		746,400	-			746,400	393,617	
Community Services & Education	45,316		148			45,464	1,152			46,616	16,116	
Housing & Community Amenities	1,938,761		146,900	200,000		2,285,661	15,000	9		2,300,661	1,078,912	
Water Supplies	1,942,600		233,700			2,176,300	-			2,176,300	1,118,931	
Sewer Services	982,180		108,100			1,090,280	-			1,090,280	524,376	
Recreation & Culture	1,678,430		35,100	330,282		2,043,812	144,797	5,10		2,188,609	928,320	
Building Control	-		-			-	-			-	-	
Transport & Communication	9,596,310		199,950	(1,940,873)		7,855,387	73,313	6		7,928,700	3,789,703	
Economic Affairs	1,550,635		1,146,042	263,785		2,960,462	82,352	7,11		3,042,814	2,080,057	
Total Expenses from Continuing Operations	21,800,541		2,094,147	(1,402,582)		22,492,106	15,724			22,507,830	10,109,466	
Net Operating Result from Continuing Operation	(2,192,053)		(531,667)	26,372		(2,697,348)	448,787			(2,248,561)	2,465,378	
Discontinued Operations - Surplus/(Deficit)												
Net Operating Result from All Operations	(2,192,053)		(531,667)	26,372		(2,697,348)	448,787			(2,248,561)	2,465,378	
Net Operating Result before Capital Items												

Income & Expenses Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details
1	Increased Interest on Investments \$90,000
2	Increased Waste Management Tipping Fees \$15,000
3	Increase in Interest on verdue Water Rates \$11,000
4	Emergency Works Clara Hart Village \$10,168
5	Tfr from Infrastructure Reserve for Wharf Structural Maint offset by increased expenditure \$124,000
6	Increased income from RMS Works Orders \$100,000 Alice Edwards Village Footpath offset by increase in expenditure \$57,195 Alice Edwards Village Bus Shelter offset by increase in expenditure \$8,615
7	Increased income Western Division Conference offset by increased Expenditure \$38,373
8	Increase in Staff Training Expenditure funded from revenue \$13,000 Increase in Admin Building Maintenance funded from revenue \$9,500 Decrease in Salaries re provision of engineering assistance -\$155,000 Increase in private works costs \$15,000 Increased contribution from plant hire income to fund additional plant purchases and NBN telephone system conversion -\$190,000
9	Increased other waste expense and vehicle running costs \$15,000

Bourke Shire Council

Quarterly Budget Review Statement
for the period 01/01/19 to 31/03/19

Capital Budget Review Statement

Budget review for the quarter ended 31 March 2019
Capital Budget - Council Consolidated

(\$000's)	Original Budget 2018/19	Approved Changes			Revised Budget 2018/19	Variations for this Mar Qtr	Notes	Projected Year End Result	Actual YTD figures
		Carry Forwards	Other than by QBRS	Sep QBRS					
Capital Expenditure									
New Assets									
- Plant & Equipment	3,000,000				3,000,000			3,000,000	-
- Land & Buildings	3,500,000				3,500,000			3,500,000	-
- Other									
Renewal Assets (Replacement)									
- Plant & Equipment	2,326,100		156,868	1,587,256	4,070,224	190,080	1	4,260,304	1,411,145
- Land & Buildings	542,250		129,865	1,134,661	1,806,776	131,529	2	1,938,305	370,209
- Roads, Bridges, Footpaths	8,493,000		314,502	280,291	9,087,793	43,955	3	9,131,748	6,942,427
Water & Sewerage	11,082,500		67,850	69,439	11,150,350	458,680	4	11,609,030	656,533
Stormwater	170,000				239,439	-		239,439	59,246
Loan Repayments (Principal)	834,790				834,790	-		834,790	620,941
Other Expenditure... enter description here									
Other Expenditure... enter description here									
Total Capital Expenditure	29,948,640	-	- 669,085	3,071,647	33,689,372	824,244		34,513,616	10,060,501
Capital Funding									
Rates & Other Untied Funding	1,417,390		(16,000)		1,401,390	172,000		1,573,390	683,982
Capital Grants & Contributions	25,778,750		614,767	2,778,015	29,171,532	(2,465)		29,169,067	8,062,290
Reserves:									
- External Restrictions/Reserves	1,092,500				1,092,500	507,500		1,600,000	-
- Internal Restrictions/Reserves	66,500		70,318	293,632	430,450	147,209		577,659	225,663
New Loans	1,593,500				1,593,500			1,593,500	1,088,566
Receipts from Sale of Assets									
- Plant & Equipment									
- Land & Buildings									
Other Funding... enter description here									
Other Funding... enter description here									
Total Capital Funding	29,948,640	-	- 669,085	3,071,647	33,689,372	824,244		34,513,616	10,060,501
Net Capital Funding - Surplus/(Deficit)	-	-	-	-	-	-		-	-

Capital Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details
1	NBN telephone system conversion \$100,000 Additional accommodation Dongas \$90,000
2	North Bourke Rejuvenation work funded by grant \$66,245 North Bourke Cricket pitch completed 2017/18 -\$18,000 Land Purchase for Ampitheatre \$80,964
3	Main Street improvement works funded by Grant \$43,955
4	Walkdens Emergency Bores cost to date funded by grant \$458,680

Cash & Investments Budget Review Statement

Budget review for the quarter ended 31 March 2019
Cash & Investments - Council Consolidated

(\$000's)	Original Budget 2018/19	Approved Changes				Revised Budget 2018/19	Variations for this Mar Qtr	Notes	Projected Year End Result	Actual YTD figures
		Carry Forwards	Other than by QBRs	Sep QBRs	Dec QBRs					
Externally Restricted ⁽¹⁾	521,000	-	-	-	-	521,000		521,000		
Specific Purpose Unexpended Grants										
Specific Purpose Unexpended Grants Water Fund	3,641,000					3,641,000		3,641,000		
Specific Purpose Unexpended Grants Sewer Fund	1,531,000					1,531,000		1,531,000		
Water Fund	21,000					21,000		21,000		
Sewerage Fund										
Domestic Waste Management										
External Reserve Description here...										
External Reserve Description here...										
External Reserve Description here...										
External Reserve Description here...										
Total Externally Restricted	5,714,000	-	-	-	-	5,714,000		5,714,000	-	
Internally Restricted ⁽²⁾										
Employee Leave Entitlements	600,000					600,000		600,000		
Deposits Retentions & Bonds	8,000					8,000		8,000		
Unexpended Loan - Drainage	69,000					69,000		69,000		
Unexpended Loan - Computer Upgrade	88,000					88,000		88,000		
Plant & Vehicle Replacement	1,086,000					1,086,000		1,086,000		
Land Purchase	87,000					87,000		87,000		
Prepaid Grant	2,861,000					2,861,000		2,861,000		
Internal Reserve Description here...										
Internal Reserve Description here...										
Internal Reserve Description here...										
Total Internally Restricted	4,799,000	-	-	-	-	4,799,000		4,799,000	-	
Unrestricted (ie. available after the above Restricti	10,809,000	-	-	-	-	10,809,000		#####	19,417,698	
Total Cash & Investments	21,322,000					21,322,000		#####	19,417,698	

(1) Funds that must be spent for a specific purpose

(2) Funds that Council has earmarked for a specific purpose

Bourke Shire Council

Quarterly Budget Review Statement
for the period 01/01/19 to 31/03/19

Cash & Investments Budget Review Statement**Comment on Cash & Investments Position**

Not Applicable

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 \$19,417,698

This Cash at Bank amount has been reconciled to Council's physical Bank Statements.
The date of completion of this bank reconciliation is 31st March 2019

Reconciliation Status

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

\$ 000's

Cash at Bank (as per bank statements)		150,736
Investments on Hand		19,269,542
less: Unpresented Cheques	(Timing Difference)	(2,824)
add: Undeposited Funds	(Timing Difference)	244
less: Identified Deposits (not yet accounted in Ledger)	(Require Actioning)	
add: Identified Outflows (not yet accounted in Ledger)	(Require Actioning)	
less: Unidentified Deposits (not yet actioned)	(Require Investigation)	
add: Unidentified Outflows (not yet actioned)	(Require Investigation)	
Reconciled Cash at Bank & Investments		19,417,698
Balance as per Review Statement:		19,417,698
Difference:		-

Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes Details

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

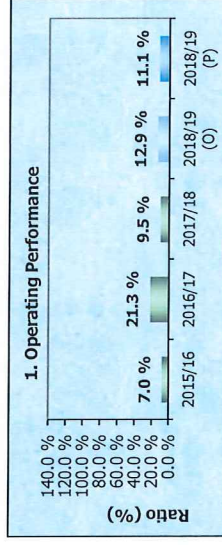
Budget review for the quarter ended 31 March 2019

(\$000's)	Current Projection		Original Budget	Actuals
	Amounts	Indicator		
	18/19	18/19	18/19	Prior Periods 17/18 16/17

NSW Local Government Industry Key Performance Indicators (OLG):

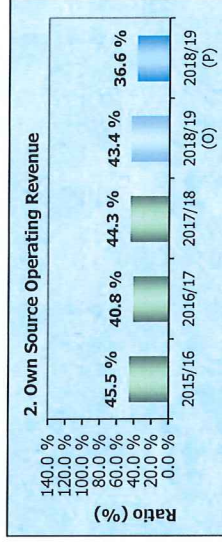
1. Operating Performance				
Operating Revenue (excl. Capital) - Operating Expenses	2248561	11.1 %	12.9 %	9.5 % 21.3 %
Operating Revenue (excl. Capital Grants & Contributions)	20259269			

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



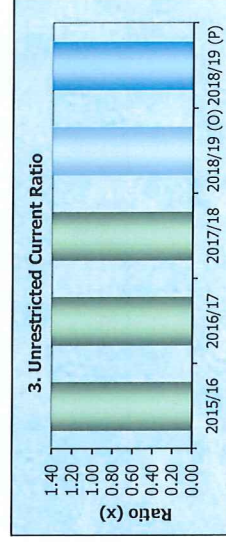
2. Own Source Operating Revenue				
Operating Revenue (excl. ALL Grants & Contributions)	15681153	36.6 %	43.4 %	44.3 % 40.8 %
Total Operating Revenue (incl. Capital Grants & Cont)	42808207			36.6 %

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



3. Unrestricted Current Ratio				
Current Assets less all External Restrictions	18513	5.26	5.26	5.26 4.26
Current Liabilities less Specific Purpose Liabilities	3522			

To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.



Bourke Shire Council

Quarterly Budget Review Statement
for the period 01/01/19 to 31/03/19

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

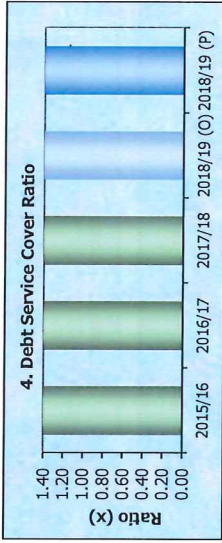
Budget review for the quarter ended 31 March 2019

(\$'000's)	Current Projection Amounts 18/19	Indicator 18/19	Original Budget 18/19	Actuals Prior Periods 17/18 16/17
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NSW Local Government Industry Key Performance Indicators (OLG):

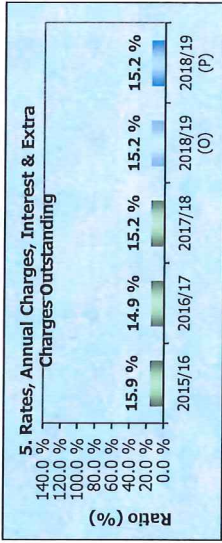
4. Debt Service Cover Ratio				
Operating Result before Interest & Dep. exp (EBITDA)	2573639	2.52	2.06	7.53 8.57
Principal Repayments + Borrowing Interest Costs	1019690			

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.



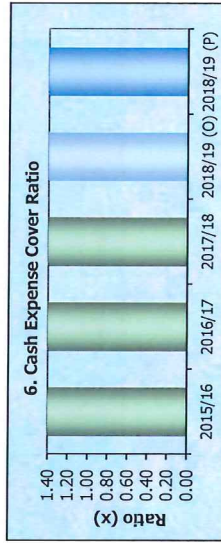
5. Rates, Annual Charges, Interest & Extra Charges Outstanding			
Rates, Annual & Extra Charges Outstanding	698	15.2 %	15.2 %
Rates, Annual & Extra Charges Collectible	4594	14.9 %	15.2 %

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.



6. Cash Expense Cover Ratio			
Current Year's Cash & Cash Equivalents (incl. Term Deposits)	21322	10.74	10.74
Operating & financing activities Cash Flow payments	1985	10.74	10.74 12.90

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.



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

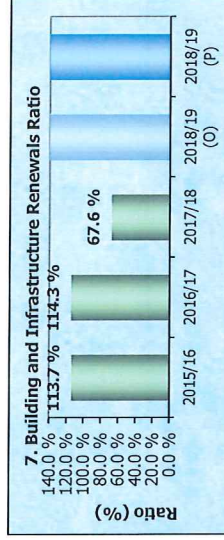
Budget review for the quarter ended 31 March 2019

(\$000's)	Current Projection Amounts 18/19	Indicator 18/19	Original Budget 18/19	Actuals Prior Periods 17/18 16/17
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NSW Local Government Infrastructure Asset Performance Indicators (OLG):

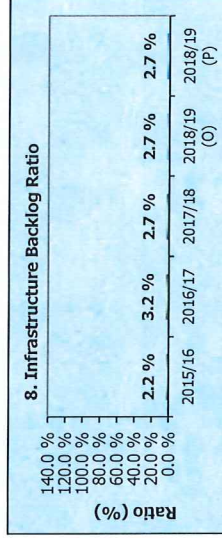
7. Building and Infrastructure Renewals Ratio				
Asset Renewals (Building, Infrastructure & Other Structures)	10614	228.9 %	213.4 %	67.6 % 114.3 %
Depreciation, Amortisation & Impairment	4637			

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.



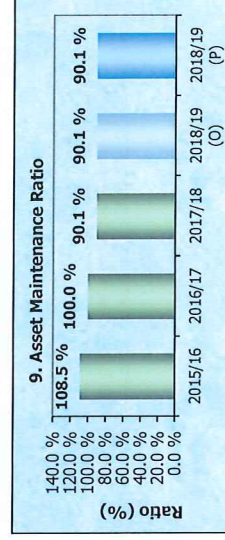
8. Infrastructure Backlog Ratio				
Estimated cost to bring Assets to a satisfactory condition	5923	2.7 %	2.7 %	2.7 % 3.2 %
Total value of Infrastructure, Building, Other Structures & depreciable Land Improvement Assets	222031			

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.



9. Asset Maintenance Ratio				
Actual Asset Maintenance	4276	90.1 %	90.1 %	90.1 % 100.0 %
Required Asset Maintenance	4746			

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the Infrastructure Backlog growing.



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

Budget review for the quarter ended 31 March 2019

(\$000's)	Current Projection Amounts 18/19	Indicator 18/19	Original Budget 18/19	Actuals Prior Periods 17/18 16/17
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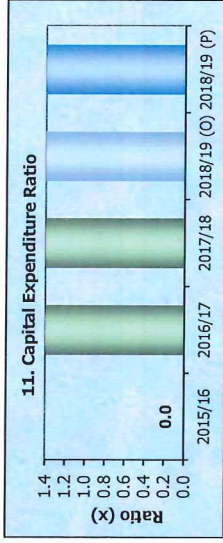
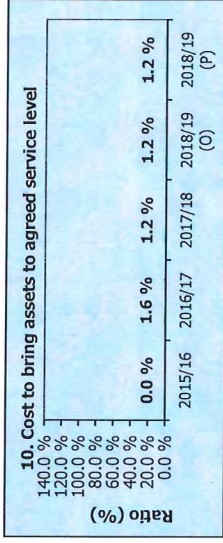
NSW Local Government Infrastructure Asset Performance Indicators (OLG):

10. Cost to bring assets to agreed service level Estimated cost to bring assets to an agreed service level set by Council	3653	1.2 %	1.2 %	1.2 % 1.6 %
Gross replacement cost	314971			

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

11. Capital Expenditure Ratio Annual Capital Expenditure	34514	7.4	6.6	2.9 2.9
Annual Depreciation	4637			

To assess the extent to which a Council is expanding its asset base thru capital expenditure on both new assets and the replacement and renewal of existing assets.



Bourke Shire Council

Quarterly Budget Review Statement
for the period 01/01/19 to 31/03/19

Contracts Budget Review Statement

Budget review for the quarter ended 31 March 2019

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

Contractor	Contract detail & purpose	Contract Value	Start Date	Duration of Contract	Budgeted (Y/N)	Notes

Notes:

- 1. Minimum reporting level is 1% of estimated income from continuing operations of Council or \$50,000 - whatever is the lesser.
- 2. Contracts listed are those entered into during the quarter being reported and exclude contractors on Council's Preferred Supplier list.
- 3. Contracts for employment are not required to be included.

Contracts Budget Review Statement
Comments & Explanations relating to Contractors Listing

Notes Details
