

## KATHERINE TOWN COUNCIL



### REPORT

NO	:	
FOLDER	:	LOCAL GOVERNANCE/ORDINARY COUNCIL MEETING/REPORTS TO COUNCIL/.....
MEETING	:	ORDINARY COUNCIL MEETING – 26/04/2022
REPORT TITLE	:	Major Budget Review
AUTHOR	:	Ireneo Lalim – Management Accountant
ATTACHMENT/S	:	1. STATEMENT OF COMPREHENSIVE INCOME (SOCI) 2. STATEMENT OF FINANCIAL POSITION (SOPF) 3. STATEMENT OF CASH FLOWS (SOCF) 4. COST OF SERVICES (COS)

---

#### **PURPOSE OF REPORT**

The purpose of this report is to present council with a major budget review for 2021/2022.

#### **BACKGROUND**

In accordance with the Local Government (General) Regulations, Council is required to undertake two budget reviews during the financial year. Council's finance team are working on the basis of conducting a minor review after the completion of the annual financial statements and a major review in Quarter 3. This report presents Council with the major budget review.

This major budget review encompasses the following recommended adjustments to Council's approved amended budget;

Statement of Comprehensive Income:

- Inter Services reallocation of expenditures budget with net difference of \$7,114 decrease in expenditure. This is to align the amended budget with the projection of actual cost incurred by each services. The decrease in expenditure is due to cancellation of projected budget for \$120K (Big Rivers Grant) and \$382,114.00 (Scale Grant) offset with additional expenditure budget for \$215k electrical repair, \$180K for My Katherine and \$100K for election costs.
- The same method of reallocation is applied on revenue for the same reason of making the budget in line with the projected revenue for the year. The adjustment resulted to a net difference of \$147,114 decrease in revenue. The decrease in revenue is due to cancellation of budget projection for \$120K (Big River's Coordinator Grant) and \$382,114.00 (Scale Grant) combined with additional revenue budget for \$215K (insurance claim) and \$140K (My Katherine).

Statement of Cash Flows:

- There is a net decrease of \$140K in budgeted cash at the end of the period due to the decrease in revenue for the same amount.
- There is an increase of \$341,679.00 on Operating Grants, Subsidies & Contribution and an equal amount of decrease on Amounts Received Specifically for New or Upgraded Assets due to change of classification of the budgeted revenue.

Statement of Financial Position:

- The balance sheet projected net balance were reduced by the same amount (\$140K).
- Accumulated Surplus shows a \$140K increase, while the Other Reserve decreased by the same amount to reflect the release of reserved money for \$100K (election cost) and \$40K for (My Katherine).

**OFFICER RECOMMENDATION**

**That it be recommended to Council to:**

1. Adopt the 2021-2022 amended budget as presented in the revised Statement of Comprehensive Income, Statement of Financial Position, Statement of Cashflows and Cost of Services Statement.
2. Advertise the amended budget as presented in the revised Financial Statements as per the requirements of Section 203 of the Local Government Act.



Ingrid Stonhill  
**CHIEF EXECUTIVE OFFICER**

# Katherine Town Council

Quarterly Budget Reviews  
Period Ended 28 February 2022

Service	Revenue					Expenditures					Surplus/Deficit					
	Original Budget 2021/2022	Carry forwards	NovQBR	FebBk	Actuals 2021/2022	Revised Budget 2021/2022	Var\$	Original Budget 2021/2022	Carry forwards	NovQBR	FebBk	Actuals 2021/2022	Revised Budget 2021/2022	Var\$	Service Revenue/(Cost) on Original Bud	Service Revenue/(Cost) on Actual
Administration	399,795.00	0.00	0.00	9,227.00	801,866.88	799,926.00	19,440.88	372,998.00	0.00	0.00	306,127.00	814,083.21	531,616.00	70,751.79	72,047.87	64,781.00
Output	399,795.00	0.00	0.00	45,286.00	3,048.17	45,286.00	1,480.88	1,480.88	0.00	0.00	105,389.00	5,938.00	105,189.00	-8,808.90	2,454.17	34,767.00
Building & Facilities	1,328,382.00	0.00	0.00	21,900.00	32,628.44	215,000.00	111,028.44	0.00	0.00	0.00	10,899.00	84,020.04	160,897.00	16,491.96	0.00	1,461,847.00
Community Development	62,303,127.00	0.00	0.00	14,800.00	4,988.11	115,083.00	71,094.89	0.00	0.00	0.00	11,000.00	9,658.39	10,000.00	81.61	0.00	34,329.22
Community Events	62,303,127.00	0.00	0.00	14,800.00	9,541.59	153,127.00	57,675.41	157,051.00	0.00	0.00	7,952.45	2,763,249.43	462,286.00	18,592.57	1,932,800.00	10,081.00
Electoral Processes & Council Activities	1,122,800.00	0.00	0.00	107.00	3,408.08	86,000.00	5,211.92	180,865.00	22,777.99	0.00	0.00	81,091.53	207,443.00	12,545.47	1,099,331.81	1,088,884.84
Finance	2,008,950.00	0.00	0.00	51,167.00	487,264.01	47,299.00	187,272.01	1,049,345.00	0.00	0.00	29,000.00	184,385.56	546,694.00	164,108.44	31,669.00	1,041,855.56
Fleet Management	0.00	0.00	0.00	17,559.50	0.00	0.00	17,559.50	0.00	0.00	0.00	19,755.00	47,599.88	10,259.00	5,560.72	40,586.00	3,959.00
Human Resources	3,503,100.00	0.00	0.00	3,503.10	162,273.00	0.00	1,022.73	3,621,900.00	0.00	0.00	38,246.00	10,813.31	58,246.00	-9,567.11	0.00	58,246.00
Information & Communications	3,503,100.00	0.00	0.00	3,503.10	162,273.00	0.00	1,022.73	3,621,900.00	0.00	0.00	38,246.00	10,813.31	58,246.00	-9,567.11	0.00	58,246.00
Human Resources	3,503,100.00	0.00	0.00	3,503.10	162,273.00	0.00	1,022.73	3,621,900.00	0.00	0.00	38,246.00	10,813.31	58,246.00	-9,567.11	0.00	58,246.00
Information & Communications	3,503,100.00	0.00	0.00	3,503.10	162,273.00	0.00	1,022.73	3,621,900.00	0.00	0.00	38,246.00	10,813.31	58,246.00	-9,567.11	0.00	58,246.00
Library Services	26,081,627.00	0.00	0.00	0.00	407,782.83	321,572.00	8,210.83	320,160.00	90,952.91	0.00	15,000.00	229,497.50	401,910.00	17,418.10	65,943.92	17,418.10
Marketing & Communications	26,081,627.00	0.00	0.00	0.00	407,782.83	321,572.00	8,210.83	320,160.00	90,952.91	0.00	15,000.00	229,497.50	401,910.00	17,418.10	65,943.92	17,418.10
Outdoor Lighting	26,081,627.00	0.00	0.00	0.00	407,782.83	321,572.00	8,210.83	320,160.00	90,952.91	0.00	15,000.00	229,497.50	401,910.00	17,418.10	65,943.92	17,418.10
Regulatory Services	26,081,627.00	0.00	0.00	0.00	407,782.83	321,572.00	8,210.83	320,160.00	90,952.91	0.00	15,000.00	229,497.50	401,910.00	17,418.10	65,943.92	17,418.10
Road Network	26,081,627.00	0.00	0.00	0.00	407,782.83	321,572.00	8,210.83	320,160.00	90,952.91	0.00	15,000.00	229,497.50	401,910.00	17,418.10	65,943.92	17,418.10
Stormwater Network	26,081,627.00	0.00	0.00	0.00	407,782.83	321,572.00	8,210.83	320,160.00	90,952.91	0.00	15,000.00	229,497.50	401,910.00	17,418.10	65,943.92	17,418.10
Trees	26,081,627.00	0.00	0.00	0.00	407,782.83	321,572.00	8,210.83	320,160.00	90,952.91	0.00	15,000.00	229,497.50	401,910.00	17,418.10	65,943.92	17,418.10
Public Information Services	41,257,000.00	0.00	0.00	58,555.00	26,233.11	47,612.00	20,891.89	66,651.00	0.00	0.00	11,617.00	37,022.69	59,510.00	2,138.21	28,940.00	8,165.91
Waste Management	41,257,000.00	0.00	0.00	58,555.00	26,233.11	47,612.00	20,891.89	66,651.00	0.00	0.00	11,617.00	37,022.69	59,510.00	2,138.21	28,940.00	8,165.91
Capital Projects	294,901.11	0.00	0.00	11,627.00	1,964,573.24	2,500,044.00	3,384,707.76	1,960,500.00	963,888.00	41,963.20	18,797.00	7,922,006.66	16,724,000.00	416,647.24	1,063,551.58	1,063,551.58
Total Revenue	12,881,157.41	0.00	0.00	147,114.00	1,659,963.79	1,363,196.11	972,350.32	12,391,715.82	468,447.18	244,928.00	711.00	7,947,210.93	15,083,277.00	774,206.07	5,896,365.50	53,180,028.86
Capital Projects	12,881,157.41	0.00	0.00	147,114.00	1,659,963.79	1,363,196.11	972,350.32	12,391,715.82	468,447.18	244,928.00	711.00	7,947,210.93	15,083,277.00	774,206.07	5,896,365.50	53,180,028.86
		3,008,935.41	1,000,000.00	0.00	429,832.41	4,050,835.41	307,397.00	3,026,770.00	343,251.41	0.00	0.00	3,353,764.43	6,452,284.41	2,923,519.98	0.00	0.00

## Katherine Town Council

### STATEMENT OF COMPREHENSIVE INCOME

	Actual	Actual 28/02/2022	Original Budget	Revised Budget
	2020/2021	2021/2022	2021/2022	2021/2022
<b>INCOME: REVENUES FROM ORDINARY ACTIVITIES</b>				
Rates	8,686,068	9,295,249	9,246,609	9,246,609
Operating Grants, Subsidies & Contributions	3,325,649	1,840,940	1,479,712	2,077,524
Fees & Charges	1,699,983	1,170,090	1,889,052	1,964,913
Interest Earnings	145,074	19,832	56,775	28,284
Other Revenue	186,562	315,944	309,005	314,635
<b>Total Revenue</b>	<b>14,043,336</b>	<b>12,642,054</b>	<b>12,981,153</b>	<b>13,631,965</b>
<b>EXPENDITURE: EXPENSES FROM ORDINARY ACTIVITIES</b>				
Employee Costs	4,764,487	3,307,357	5,402,476	5,324,015
Materials & Contracts	5,211,206	3,213,398	5,008,396	5,513,986
Utilities	523,804	323,219	582,242	604,242
Depreciation	3,175,607	2,105,086	915,201	3,157,629
Insurance	393,247	497,237	483,405	483,405
<b>Total Expenditure</b>	<b>14,068,351</b>	<b>9,446,297</b>	<b>12,391,720</b>	<b>15,083,277</b>
<b>Sub-total</b>	<b>- 25,015</b>	<b>3,195,757</b>	<b>589,433</b>	<b>- 1,451,312</b>
Non-Operating Grants, Subsidies & Contributions	9,710,835	4,298,232	1,000,000	4,090,835
Profit on Asset Disposal	17,124	17,560		
Loss on Asset Disposal				
<b>Sub-total</b>	<b>9,727,959</b>	<b>4,315,792</b>	<b>1,000,000</b>	<b>4,090,835</b>
<b>NET RESULT</b>	<b>9,702,944</b>	<b>7,511,549</b>	<b>1,589,433</b>	<b>2,639,523</b>
<b>Other Comprehensive Income</b>				
Desktop revaluation			705,665	
<b>Total Comprehensive Income</b>	<b>9,702,944</b>	<b>7,511,549</b>	<b>2,295,098</b>	<b>2,639,523</b>
<b>Capital Expenditures</b>	<b>12,901,474</b>	<b>3,535,764</b>	<b>3,026,770</b>	<b>6,459,284</b>



## Katherine Town Council

### STATEMENT OF FINANCIAL POSITION

	Actual 2020/2021	Actual 28/02/2022 2021/2022	Original Budget 2021/2022	Revised Budget 2021/2022
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalent	20,789,515	21,005,621	13,743,335	16,470,391
Receivables	1,624,064	2,451,485	2,364,181	1,948,207
Inventories	15,220	15,220	14,950	15,829
<b>Total Current Assets</b>	<b>22,428,799</b>	<b>23,472,326</b>	<b>16,122,465</b>	<b>18,434,427</b>
<b>NON-CURRENT ASSETS</b>				
Property Plant and Equipment	85,941,398	83,836,311	110,518,038	89,243,053
Other Non-Current Assets	10,096,331	10,096,331	10,096,331	10,096,331
<b>Total Non-Current Assets</b>	<b>96,037,729</b>	<b>93,932,643</b>	<b>120,614,369</b>	<b>99,339,384</b>
<b>TOTAL ASSETS</b>	<b>118,466,528</b>	<b>117,404,969</b>	<b>136,736,834</b>	<b>117,773,811</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Payables	5,404,514	375,003	2,265,979	2,050,414
Provisions	639,412	632,081	678,724	658,594
<b>Total Current Liabilities</b>	<b>6,043,926</b>	<b>1,007,084</b>	<b>2,944,703</b>	<b>2,709,008</b>
<b>NON-CURRENT LIABILITIES</b>				
Provisions	89,265	89,265	-	91,943
<b>Total Non-Current Liabilities</b>	<b>89,265</b>	<b>89,265</b>	<b>-</b>	<b>91,943</b>
<b>TOTAL LIABILITIES</b>	<b>6,133,191</b>	<b>1,096,349</b>	<b>2,944,703</b>	<b>2,800,951</b>
<b>NET ASSETS</b>	<b>112,333,337</b>	<b>116,308,620</b>	<b>133,792,131</b>	<b>114,972,860</b>
<b>EQUITY</b>				
Accumulated Surplus	22,932,911	26,908,508	34,136,400	25,672,434
Asset Revaluation Reserves	75,549,402	75,549,402	88,598,521	75,549,402
Other Reserves	13,851,024	13,850,710	11,057,210	13,751,024
<b>TOTAL COUNCIL EQUITY</b>	<b>112,333,337</b>	<b>116,308,620</b>	<b>133,792,131</b>	<b>114,972,860</b>

## Katherine Town Council STATEMENT OF CASH FLOWS

	Actual 2020/2021	Actual 28/02/2021 2021/2022	Original Budget 2021/2022	Revised Budget 2021/2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>RECEIPTS</b>				
Rates	8,521,567	8,298,708	8,806,294	9,246,609
Operating Grants, Subsidies & Contributions	3,325,649	1,840,940	1,479,712	1,781,391
Fees & Charges	1,578,349	1,317,614	1,799,097	1,945,458
Interest Earnings	159,836	41,428	56,775	28,284
Other Revenue	179,627	315,944	306,203	305,471
<b>Sub-total</b>	<b>13,765,028</b>	<b>11,814,633</b>	<b>12,448,081</b>	<b>13,307,213</b>
<b>PAYMENTS</b>				
Employee Costs	(4,665,026)	(3,361,878)	(5,353,995)	(5,324,015)
Materials & Contracts	(5,654,670)	(8,663,680)	(5,616,240)	(6,501,359)
<b>Sub-total</b>	<b>(10,319,696)</b>	<b>(12,025,558)</b>	<b>(10,970,235)</b>	<b>(11,825,374)</b>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>3,445,332</b>	<b>(210,925)</b>	<b>1,477,847</b>	<b>1,481,839</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>RECEIPTS:</b>				
Amounts Specifically for New or Upgraded Assets	1,868,282	409,471	1,000,000	658,321
Sale of Replaced Assets	38,597	17,560		-
<b>PAYMENTS:</b>				
Expenditure on Renewal/Replacement of Assets	(12,901,474)	0.00	(3,026,770)	(6,459,284)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>(10,994,595)</b>	<b>427,031</b>	<b>(2,026,770)</b>	<b>(5,800,963)</b>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>	<b>(7,549,263)</b>	<b>216,106</b>	<b>(548,923)</b>	<b>(4,319,124)</b>
Cash & Cash Equivalents at Beginning of Period	28,338,778	20,789,515	14,292,258	20,789,515
<b>Cash &amp; Cash Equivalents at End of Period</b>	<b>20,789,515</b>	<b>21,005,621</b>	<b>13,743,335</b>	<b>16,470,391</b>