

Tenterfield Shire Council

Budget review for the quarter ended - 31 December 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 December 2020 indicates that Council's projected financial position at 30 June 2021 will be unsatisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

Under Regulation 203 (2) of the Local Government Act, I am required to suggest recommendations for remedial action.

To that end, I recommended in the September Quarterly Budget Review that:

1) No additional operating or capital expenditure outside of the recommendations in this review be approved by Council unless it is offset by other savings (eg with roads for example, resheeting with a plan to reduce maintenance costs) or grant funded and even then only where there will be no additional operating costs as a result of the expenditure ie if capital related expenditure, it should be for the replacement of existing assets only not new assets.

2) As part of Council's New Asset Management System implementation and asset revaluation processes for 2020/21, a thorough review of depreciation be undertaken to ascertain if depreciation expenditure can be reduced and that further discussions be held with the State Government re them taking back some roads from Council.

3) That correspondence be sent to the Australian Accounting Standards Board re the issue of having to recognise some grant income in a different accounting period to when the expenditure will be incurred.

4) That the issue of rate pegging and cost shifting be raised again in appropriate forums.

5) That a plan be developed to increase operational income and further reduce operational expenditure recognising that as per previous discussions and comments in the Monthly Operational Report, such a plan may include a Special Rates Variation request with a view to returning Council's operating position to surplus.

The above recommendations still stand and with regard to e) above, Council staff have met to discuss a plan for reducing operational expenditure and further meetings are planned to finalise a document for distribution to all staff and Councillors.

Signed: 

Date: 12/2/2021

Responsible Accounting Officer

Tenterfield Shire Council

Budget Statement for the year ended - 31 December 2020

Income and Expenditure Review by Function

	Original Budget 2020/21	Approved Changes	Recommended Changes	PROJECTED year end Result 2020/21	ACTUAL YTD as at 31/12/20
		September Review	December Review		
	\$'000	\$'000	\$'000	\$'000	\$'000
Income					
- Civic Office	-	-	16	16	-
- Organisational Leadership	-	-	-	-	-
- Community Development	7	(1)	-	6	3
- Economic Growth and Tourism	38	957	53	1,048	821
- Theatre and Museum Complex	184	-	(95)	89	12
- Library Services	88	-	-	88	84
- Workforce Development	69	(14)	-	55	106
- Emergency Services	136	143	4	283	283
- Finance and Technology	8,534	-	(390)	8,144	5,420
- Corporate and Governance	2	-	-	2	1
- Environmental Management	43	387	51	481	389
- Livestock Saleyards	130	-	(54)	76	32
- Parks, Gardens and Open Spaces	261	52	-	313	66
- Planning and Regulation	298	673	100	1,071	585
- Buildings and Amenities	205	1,580	109	1,894	901
- Swimming Complex	200	20	-	220	20
- Asset Management and Resourcing	160	-	(150)	10	1
- Commercial Works	145	-	160	305	51
- Plant, Fleet and Equipment	185	-	-	185	42
- Transportation Network	21,409	8,485	847	30,741	7,351
- Waste Management	2,707	53	35	2,795	2,666
- Water Supply	2,764	10,504	-	13,268	2,321
- Sewerage Service	2,618	-	(35)	2,583	2,512
- Stormwater & Drainage	73	-	-	73	71
Total Income including Capital Grants & Contributions	40,256	22,839	651	63,746	23,738
Expenses					
- Civic Office	366	-	16	382	199
- Organisational Leadership	1,004	-	(100)	904	449
- Community Development	98	103	-	201	133
- Economic Growth and Tourism	533	1,424	34	1,991	1,002
- Theatre and Museum Complex	311	(17)	(37)	257	105
- Library Services	484	-	-	484	216
- Workforce Development	872	-	144	1,016	570
- Emergency Services	532	136	27	695	308
- Finance and Technology	416	500	125	1,041	904
- Corporate and Governance	706	-	-	706	337
- Environmental Management	292	428	13	733	479
- Livestock Saleyards	185	-	(40)	145	63
- Parks, Gardens and Open Spaces	922	162	73	1,157	634
- Planning and Regulation	531	82	10	623	257
- Buildings and Amenities	1,052	126	(19)	1,159	660
- Swimming Complex	221	-	-	221	100
- Asset Management and Resourcing	866	-	-	866	360
- Commercial Works	112	-	130	242	157
- Plant, Fleet and Equipment	(482)	(43)	14	(511)	(140)
- Transportation Network	7,278	226	(43)	7,461	3,589
- Waste Management	2,078	5	245	2,328	1,110
- Water Supply	2,455	118	57	2,630	1,241
- Sewerage Service	1,807	-	(50)	1,757	805
- Stormwater & Drainage	100	-	-	100	50
Total Expenses	22,739	3,250	599	26,588	13,588
Total Surplus/ (Deficit)	17,517	19,589	52	37,158	10,150
Capital Grants and Contributions	17,242	21,189	692	39,123	9,488
Net Operating Result excluding Capital Grants and Contributions	275	(1,600)	(640)	(1,965)	662
Operating Ratio (including Capital Income)	43.51%			58.29%	42.76%
Operating Ratio (excluding Capital Income)	1.19%			-7.98%	4.65%

Notes:

ORIGINAL Budget +/- approved budget changes in previous quarters = REVISED Budget

REVISED Budget +/- recommended changes this quarter = PROJECTED year end result

Budget Variations - Explanations

Recommended Income Variations this Quarter	(000's)	Explanation:
- Civic Office	16	Australia Day Branding grant \$1,000; Covid Safe Australia Day grant \$15,000
- Economic Growth and Tourism	53	BCRRF grant Community Events \$62,500; reduction Industrial Estate lease income -\$10,000
- Theatre and Museum Complex	(95)	Reduced income: Cinema tickets -\$45,000; Theatre -\$15,000, building asset income -\$35,464
- Emergency Services	4	Backtrack Program Reimbursement \$3,694
- Finance and Technology	(390)	Reduced income from Investments -\$200,000; removed Technology grant income -\$190,000
- Environmental Management	51	Increased Weeds Action Program grant \$50,500
- Livestock Saleyards	(54)	Reduced income: Saleyard dues -\$45,000; WHS surcharge fees -\$8,500
- Planning and Regulation	100	Increased income: DA fees \$15,000; 149 Certificates \$10,000; Construction Certificates \$40,000; Compliance Certificates \$35,000
- Buildings & Amenities	109	BCRRF grant Memorial Hall \$187,500. Removed Admin building asbestos grant -\$60,000; Public Hall fees -\$12,000. Reduced income: Commercial properties -\$6,800
- Asset Management and Resourcing	(150)	Removed WHS/Environmental Enhancements grant -\$150,000
- Commercial Works	160	Increased Private Works income \$160,000
- Transport Network	847	Mt Lindesay Rd & Boundary Rd Intersection Safety grant \$24,800; LRCI extension grant \$869,559. Reduced income to match actual funding: Repair Program -\$4,742; Block Grant -\$42,000; Traffic Facilities -\$500
- Waste Management	35	Increased income: Transfer Station fees \$15,000; Recycling \$20,000
- Sewerage Services	(35)	Reduced income: Sewer Discharge Charges -\$40,000; Trade Waste Charges -\$10,000. Addition: Developer Contributions Sewerage services \$15,000
Total Recommended Income Variations this Quarter	651	
Recommended Expenditure Variations this Quarter	(000's)	Explanation:
- Civic Office	16	Australia Day Branding grant \$1,000; Covid Safe Australia Day grant \$15,000
- Organisation and Leadership	(100)	Reduced salary costs from CEO vacancy -\$100,000
- Economic Growth and Tourism	34	BCRRF grant Community Events \$62,500; Angry Bull Mountain Bike contribution \$30,000; Reduced operational costs -\$58,844
- Theatre and Museum Complex	(37)	Reduced operational costs -\$37,224
- Workforce Development	144	Increased Workers Compensation Premiums \$40,000; Fringe Benefits Tax \$20,000; Recruitment of Senior Staff \$44,231; Covid-19 Costs \$40,000
- Emergency Services	27	RFS Pretty Gully Station dust abatement \$12,000, RFS Torrington seal entrance \$5,500; SES shed maintenance \$5,000; Backtrack program expenses \$3,594; RFS M & R expenses \$550
- Finance and Technology	125	Increased depreciation \$140,687; Insurance \$20,038; BYOD staff payments \$14,000; Operational savings -\$50,000
- Environmental Management	13	Increased Weeds Action Program grant \$38,833; Budget savings from reduced operations moved to Parks & Gardens budgets -\$26,000
- Livestock Saleyards	(40)	Budget savings from reduced operations moved to Parks & Gardens budgets -\$40,000
- Parks, Gardens and Open Space	73	Budget savings from reduced operations in Environment \$26,000 & Saleyards \$40,000 moved to Parks & Gardens budgets; Increased depreciation \$7,291
- Planning and Regulation	10	Contractor services for development applications \$10,000
- Building and Amenities	(19)	Reduced operational costs -\$18,800
- Commercial Works	130	Increased Private Works costs \$130,000
- Plant, Fleet and Equipment	14	Increased depreciation \$37,066. Operational budget moved to capital -\$22,594
- Transport Network	(43)	Increased depreciation \$48,596; Reduced operational costs -\$91,096
- Waste Management	245	Increased costs: Recycling Operations \$75,000; Boonoo Boonoo Landfill Fire \$150,000; Depreciation \$19,889
- Water Supply	57	New costs: Urbenville Water Options Report \$50,000; Mole River Advocacy & Technical Services \$32,000. Reduced operational costs -\$25,500
- Sewerage Services	(50)	Reduced operational costs -\$50,000
Total Recommended Expenditure Variations this Quarter	599	

Capital Budget Review

	Original Budget 2020/21	Approved Changes		RECOMMENDED Changes	PROJECTED Year End Result 2020/21	ACTUAL YTD as at 31/12/20
		September Review	December Review			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital Funding						
Rates and other untied funding	1,155	3,239	2,531	6,925	-	-
Capital Grants & Contributions	17,242	21,189	692	39,123	9,488	9,488
External Restrictions						
- Specific Purpose Unexpended Grants (included in liabilities)	-	509	-	509	509	509
- Unspent LIRS Loan Funds (included in liabilities)	-	19	-	19	19	19
- Developer Contributions	39	-	61	100	100	100
- Specific Purpose Unexpended Grants	-	1,075	-	1,075	1,075	1,075
- Water Supplies	422	243	214	879	879	879
- Sewerage Services	1,078	164	(11)	1,231	1,231	1,231
- Domestic Waste Management	-	377	-	377	377	377
- Stormwater Management	130	100	-	230	230	230
- Bruxner Way Rewidening (RMS)	-	57	-	57	57	57
Internal restrictions						
- Plant & Vehicle Replacement	3,282	1,732	(2,481)	2,534	2,534	2,534
Other Capital Funding Sources e.g.						
- Loans	3,664	-	-	3,664	-	-
Income from sale of assets	2,421	82	-	2,503	808	808
Total Capital Funding	29,433	28,786	1,006	59,226	17,307	17,307
Capital Expenditure						
New Assets						
CHIEF EXECUTIVE OFFICE						
- Civic Office	-	-	-	-	-	-
- Organisational Leadership	-	-	-	-	-	-
- Community Development	-	-	-	-	-	-
- Economic Growth and Tourism	-	145	-	145	75	75
- Theatre and Museum Complex	2	-	-	2	-	-
- Library Services	-	-	-	-	-	-
- Workforce Development	-	10	-	10	-	-
- Emergency Services	-	-	-	-	-	-
CHIEF CORPORATE OFFICE						
- Finance and Technology	-	-	-	-	-	-
- Corporate and Governance	-	-	-	-	-	-
- Environmental Management	-	-	-	-	-	-
- Livestock Saleyards	-	-	-	-	-	-
- Parks, Gardens and Open Spaces	35	200	-	235	5	5
- Planning and Regulation	-	-	-	-	-	-
- Buildings and Amenities	-	-	-	-	-	-
- Swimming Complex	-	40	-	40	-	-
CHIEF OPERATING OFFICE						
- Asset Management and Resourcing	-	-	8	8	8	8
- Commercial Works	-	-	-	-	-	-
- Plant, Fleet and Equipment	-	-	-	-	-	-
- Transportation Network	-	-	-	-	-	-
- Waste Management	763	284	(6)	1,041	99	99
- Water Supply	-	918	-	948	554	554
- Sewerage Service	50	-	-	50	-	-
- Stormwater & Drainage	-	-	-	-	-	-
Renewals (Replacement)						
CHIEF EXECUTIVE OFFICE						
- Civic Office	-	1	-	1	1	1
- Organisational Leadership	-	-	-	-	-	-
- Community Development	-	-	-	-	-	-
- Economic Growth and Tourism	-	44	(34)	10	11	11
- Theatre and Museum Complex	13	13	-	26	8	8
- Library Services	41	18	-	59	8	8
- Workforce Development	-	-	-	-	-	-
- Emergency Services	-	158	-	158	-	-
CHIEF CORPORATE OFFICE						
- Finance and Technology	380	-	(75)	305	171	171
- Corporate and Governance	-	-	-	-	-	-
- Environmental Management	-	4	-	4	-	-
- Livestock Saleyards	-	158	-	158	-	-
- Parks, Gardens and Open Spaces	125	141	-	266	97	97
- Planning and Regulation	-	633	-	633	219	219
- Buildings and Amenities	330	2,872	128	3,330	1,645	1,645
- Swimming Complex	200	18	-	218	18	18
CHIEF OPERATING OFFICE						
- Asset Management and Resourcing	150	103	(60)	193	157	157
- Commercial Works	-	-	-	-	-	-
- Plant, Fleet and Equipment	3,282	1,732	23	5,037	952	952
- Transportation Network	20,885	11,223	814	32,922	6,766	6,766
- Waste Management	747	198	6	951	5	5
- Water Supply	502	9,609	184	10,295	532	532
- Sewerage Service	1,028	164	(11)	1,181	92	92
- Stormwater & Drainage	130	100	-	230	3	3
Loan Repayments (principal)	770	-	-	770	350	350
Total Capital Expenditure	29,433	28,786	1,007	59,226	11,776	11,776

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

Recommended changes to revised budget

Include:

- an explanation for recommended changes and any impact on Council's original management / operational plan, delivery program or LTFP.
- any impacts of YTD expenditure on recommended changes to the budget

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.

Proposed Expenditure Variations	(000's)	
New Assets		
- Asset Management and Resourcing	8	Commbox Touchscreen Display \$8,017
- Waste Management	(6)	Moved budgets between projects: Green Waste Hungry Bin \$6,000
- Water Supply	30	Apex Park Bore Dispenser \$30,000
Total New Asset Budget Adjustments	32	
Renewal Assets		
- Economic Growth and Tourism	(34)	VIC refurbishment masterplan -\$34,000
- Finance and Technology	(75)	Removed: Computer equipment -\$20,000; Fibre Optic cabling of sites - \$50,000; Equipment -\$5,000
- Building and Amenities	128	BCRRF grant Memorial Hall \$187,500. Removed Admin building asbestos removal -\$60,000
- Asset Management and Resourcing	(60)	Reduced budgets: Fuel Tank Investigation/ UPSS Compliance -\$30,000; WHS & Environmental Initiative Enhancements -\$30,000
- Plant, Fleet and Equipment	23	Budget moved from Operational - Minor Plant Purchases \$22,594
- Transportation Network	814	Mt Lindesay Rd & Boundary Rd Intersection Safety grant \$24,800; LRCI extension grant \$869,559; Purchase of land from Unpaid Rates auction \$21,000. Reduced budgets: Repair Program -\$9,483; Rural Culverts & Pipes - \$92,355
- Waste Management	6	Moved budgets between projects: Industrial Bins \$34,000; WTS Groundwater Bores -\$28,000
- Water Network	184	Tenterfield Mains Replacement \$183,834
- Sewerage Network	(11)	Moved budgets between projects: Network renewal -\$50,000; Equipment renewal \$36,777; Urbenville STP equipment \$2,345
Total Renewal Asset Budget Adjustments	975	
Total Proposed Expenditure Variations	1,007	

This document forms part of Tenterfield Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 2020 and should be read in conjunction with other documents in the QBRS

Budget Statement for the year ended - 31 December 2020

Cash and Investment Review

	Opening Balance 30/06/2020 from Audited Financial Statements \$'000	Approved Changes September Review \$'000	RECOMMENDED Changes December Review \$'000	PROJECTED year end Result 2020/21 \$'000	Closing Balance 31/12/2020 \$'000
Externally restricted					
<i>Specific Purpose Unexpended Grants (included in liabilities)</i>	921	(921)	-	-	114
<i>Unspent LIRS Loan Funds (included in liabilities)</i>	19	(19)	-	-	19
<i>Developer Contributions - General Fund</i>	-	-	82	82	82
<i>Developer Contributions - Water Fund</i>	-	-	6	6	6
<i>Developer Contributions - Sewer Fund</i>	-	-	8	8	8
<i>Developer Contributions - Waste Fund</i>	-	-	4	4	4
<i>Developer Contributions - Stormwater Fund</i>	-	-	1	1	1
<i>Specific Purpose Unexpended Grants</i>	2,575	(2,444)	-	131	670
<i>Water Supplies</i>	1,030	(260)	603	1,373	1,495
<i>Sewerage Services</i>	3,528	(164)	170	3,533	4,401
<i>Domestic Waste Management</i>	2,949	(382)	(880)	1,688	3,671
<i>Stormwater Management</i>	990	(100)	(58)	832	1,032
<i>Bruxner Way Rewidening (RMS)</i>	57	(57)	-	-	26
<i>RMS Contributions</i>	-	-	-	-	-
Total Externally restricted	12,069	(4,347)	(64)	7,658	11,529
Internally restricted					
<i>Plant & Vehicle Replacement</i>	2,333	(1,650)	366	1,049	2,648
<i>Employees Leave Entitlements</i>	461	-	-	461	461
<i>International Town Partnerships</i>	10	-	-	10	10
<i>Roads & Bridges (Pending outcomes of grant applications)</i>	-	-	447	447	447
<i>Special Projects</i>	120	-	-	120	120
<i>RFS Unspent Funds</i>	-	-	52	34	157
Total Internally restricted	2,924	(1,650)	865	2,121	3,843
Total Restricted	14,993	(5,997)	801	9,779	15,372
Available Cash (Unrestricted Funds)	73	(73)	-	-	-
Total Cash and Investments	15,066	(6,070)	801	9,779	15,372

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

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 LTFF,
- 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 December quarter occurred on 4 January 2021.

Cash Book Reconciliation

	\$
Operating Cash balance as at 31 December 2020	5,684,072.51
Trust Account Cash balance as at 31 December 2020	313,266.50
Total Cash (Not invested) as at 31 December 2020	5,997,339.01

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	3,000,000.00	AA-	0.25%	23/02/2021
Commonwealth Bank	3,000,000.00	AA-	0.28%	29/01/2021
Commonwealth Bank (At Call)	1,374,299.80	AA-	0.01%	
Westpac	2,000,000.00	AA-	0.42%	29/01/2021
TOTAL INVESTMENTS	9,374,299.80			
TOTAL CASH ON HAND	5,997,339.01			
TOTAL CASH AND INVESTMENTS	15,371,638.81			

Tenterfield Shire Council

Budget review for the quarter ended - 31 December 2020

Contracts

Contractor	Contract detail & purpose	Contract value \$	Commencement date	Duration of contract	Budgeted (Y/N)
Make It Tenterfield Inc	Regional Tourism Bushfire Recovery grant - Art Installations Tenterfield Creek	145,000	5/11/2020	Ongoing	Y
Tenterfield's National Monument Association Inc	Drought Communities Extension Programme - Economic & Social Resilience through Cultural Tourism Recovery (Main Street)	800,000	19/11/2020	Ongoing	Y
Drake Village Resource Centre	Drought Communities Programme Extension - Revitalisation of Drake Village Resource Centre	60,000	3/12/2020	Ongoing	Y
Armsign Pty Ltd	Drought Communities Programme Extension - Shire Entry Signs	101,750	12/11/2020	Ongoing	Y

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 December 2020 and should be read in conjunction with other documents in the QBRS.

Tenterfield Shire Council

Budget review for the quarter ended - 31 December 2020

Consultancy and Legal Fees

Expense	Expenditure YTD \$	Budgeted (Y/N)
Consultancies	<u>61,958</u>	<u>Y</u>
Legal Fees	<u>41,526</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.

Quarterly Budget Review Explanations of Variances from Original Budget

\$ Notes

Operating Result (Original Budget)	274,080	
Adjustments QBR 1	(1,599,315)	
<i>Comprised of:</i>		
<i>Grant income received in prior years</i>	<i>(1,445,052)</i>	Income was received in 2019/20 but expenditure to be incurred this financial year
<i>Budget moved to capital project</i>	<i>11,000</i>	Funds moved from maintenance to capital
<i>Impact to operational result</i>	<i>(165,263)</i>	Largest amount here (\$140K) relates to formalisation of road reserves however we may be able to capitalise this amount. \$22K reduction of rent for Wellburn lane (Office space not rental)
	<i>(1,599,315)</i>	
Operating Result (QBR 1)	(1,325,235)	
Excluding timing of grants, the operating result would have been:	119,817	

Proposed Adjustments QBR 2	(641,287)	
<i>Comprised of:</i>		
<i>Additional Depreciation</i>	<i>(316,041)</i>	Roads and bridges, Plant and Technology were the main areas with additional depreciation due to higher asset valuations from capital works.
<i>Boonoo Boonoo Landfill Fire</i>	<i>(150,000)</i>	Due to costs of fire response plus future EPA requirements for remediation/recovery.
<i>Additional Recycling Costs</i>	<i>(100,000)</i>	Due to Lismore City Council no longer accepting recycling due to a fire at their site, alternative and more costly arrangements with Richmond Was
<i>Urbenville Water Options Report</i>	<i>(50,000)</i>	
<i>Chief Executive Recruitment</i>	<i>(44,231)</i>	To bring the total budget to \$50,000
<i>Additional Workers Compensation Insurance</i>	<i>(40,000)</i>	
<i>COVID-19 Related Expenses</i>	<i>(40,000)</i>	
<i>Mole River Dam Advocacy & Technical Services</i>	<i>(32,000)</i>	Safety & Hygiene Costs (additional cleaning and supplies)
	<i>(772,272)</i>	
Offset by:		
<i>Operational Savings and additional income</i>	<i>128,985</i>	
	<i>(643,287)</i>	
Proposed Operating Result QBR 2	(1,966,522)	