

# Tenterfield Shire Council

## Budget review for the quarter ended - 31 March 2022

### 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 March 2022 indicates that Council's projected financial position at 30 June 2022 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 recommend in the March 2022 Quarterly Budget Review that:*

- 1) No additional operating or capital expenditure outside of the recommendations in this review be approved by Council unless they are offset by other savings (e.g. with road works such as re-sheeting, 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 i.e. 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 2021/22, 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 regarding the State re-acquiring some roads from Council.*
- 3) Acknowledge the ongoing governance and treasury management difficulties Council faces with the current structure of many grant and disaster funding payments, and advocate for changes to the timing of these cash payments from State and Federal governments.*
- 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 Council reports, such a plan may include a Special Rates Variation request with a view to returning Council's operating position to surplus.*

Roy Jones

Signed: .....

Date: 17/05/22

Responsible Accounting Officer

## Tenterfield Shire Council

### Budget Statement for the year ended - 31 March 2022

#### Income and Expenditure Review by Function

|  | Original Budget | Approved Changes | Approved Changes | Recommend Changes | PROJECTED       | ACTUAL             |
|--|-----------------|------------------|------------------|-------------------|-----------------|--------------------|
|  | 2021/22         | September Review | December Review  | March Review      | year end Result | YTD as at 31/03/22 |
|  | \$'000          | \$'000           | \$'000           | \$'000            | \$'000          | \$'000             |
| <b>Income</b>  |                 |                  |                  |                   |                 |                    |
| - Civic Office   | -               | -                | 40               | -                 | 40              | 34                 |
| - Organisational Leadership  | -               | -                | -                | -                 | -               | -                  |
| - Community Development  | 6               | -                | -                | 7                 | 13              | 3                  |
| - Economic Growth and Tourism  | 37              | 2,219            | 78               | (91)              | 2,243           | 1,225              |
| - Theatre and Museum Complex   | 165             | 1                | (98)             | 14                | 82              | 59                 |
| - Library Services   | 88              | -                | -                | 197               | 285             | 86                 |
| - Workforce Development  | 185             | 218              | 95               | 133               | 631             | 454                |
| - Emergency Services   | 136             | 173              | -                | 11                | 320             | 137                |
| - Finance and Technology   | 8,424           | -                | -                | -                 | 8,424           | 6,139              |
| - Corporate and Governance   | 2               | -                | -                | -                 | 2               | 1                  |
| - Environmental Management   | 87              | 25               | -                | -                 | 112             | 104                |
| - Livestock Saleyards  | 77              | -                | -                | 10                | 87              | 37                 |
| - Parks, Gardens and Open Spaces                                       | 122             | 282              | 175              | -                 | 579             | 509                |
| - Planning and Regulation  | 332             | 28               | 167              | 83                | 610             | 423                |
| - Buildings and Amenities  | 632             | 227              | (126)            | 275               | 1,008           | 479                |
| - Swimming Complex   | -               | -                | -                | -                 | -               | -                  |
| - Asset Management and Resourcing                                      | 10              | -                | (7)              | -                 | 3               | -                  |
| - Commercial Works   | 148             | -                | -                | -                 | 148             | 86                 |
| - Plant, Fleet and Equipment   | 785             | -                | (710)            | -                 | 75              | 57                 |
| - Transport Network  | 8,180           | 26,292           | 3,185            | 9,657             | 47,314          | 16,936             |
| - Waste Management   | 2,874           | 3                | 774              | -                 | 3,651           | 2,928              |
| - Water Supply   | 2,806           | 9,916            | 37               | -                 | 12,759          | 1,904              |
| - Sewerage Service   | 2,755           | -                | (43)             | -                 | 2,712           | 2,659              |
| - Stormwater & Drainage  | 71              | -                | -                | -                 | 71              | 73                 |
| <b>Total Income including Capital Grants &amp; Contributions</b>       | <b>27,922</b>   | <b>39,384</b>    | <b>3,567</b>     | <b>10,296</b>     | <b>81,169</b>   | <b>34,333</b>      |
| <b>Expenses</b>  |                 |                  |                  |                   |                 |                    |
| - Civic Office   | 439             | -                | 74               | -                 | 513             | 198                |
| - Organisational Leadership  | 1,031           | -                | -                | -                 | 1,031           | 635                |
| - Community Development  | 99              | 1                | -                | 6                 | 106             | 40                 |
| - Economic Growth and Tourism  | 560             | 705              | 135              | (98)              | 1,302           | 791                |
| - Theatre and Museum Complex   | 286             | 2                | (10)             | 5                 | 283             | 159                |
| - Library Services   | 545             | (2)              | -                | -                 | 543             | 322                |
| - Workforce Development  | 1,065           | 218              | 95               | 133               | 1,511           | 1,057              |
| - Emergency Services   | 698             | 84               | 1                | 11                | 794             | 550                |
| - Finance and Technology   | 522             | -                | 177              | 493               | 1,192           | 710                |
| - Corporate and Governance   | 782             | -                | 23               | -                 | 805             | 514                |
| - Environmental Management   | 331             | 99               | (4)              | (40)              | 386             | 169                |
| - Livestock Saleyards  | 141             | -                | (2)              | -                 | 139             | 83                 |
| - Parks, Gardens and Open Spaces                                       | 1,100           | 44               | 46               | 10                | 1,200           | 783                |
| - Planning and Regulation  | 537             | 107              | -                | -                 | 644             | 387                |
| - Buildings and Amenities  | 1,117           | 91               | 58               | (29)              | 1,237           | 739                |
| - Swimming Complex   | 210             | -                | 3                | -                 | 213             | 133                |
| - Asset Management and Resourcing                                      | 907             | -                | -                | -                 | 907             | 347                |
| - Commercial Works   | 114             | -                | -                | -                 | 114             | 55                 |
| - Plant, Fleet and Equipment   | (508)           | -                | 129              | -                 | (379)           | (218)              |
| - Transport Network  | 7,480           | 174              | 93               | 5,581             | 13,328          | 7,778              |
| - Waste Management   | 2,274           | -                | (133)            | (73)              | 2,068           | 1,353              |
| - Water Supply   | 2,572           | (113)            | 168              | (208)             | 2,419           | 1,551              |
| - Sewerage Service   | 1,786           | -                | 59               | 59                | 1,904           | 1,010              |
| - Stormwater & Drainage  | 110             | -                | 101              | -                 | 211             | 51                 |
| <b>Total Expenses</b>  | <b>24,198</b>   | <b>1,410</b>     | <b>1,013</b>     | <b>5,850</b>      | <b>32,471</b>   | <b>19,197</b>      |
| <b>Total Surplus/ (Deficit)</b>  | <b>3,724</b>    | <b>37,974</b>    | <b>2,554</b>     | <b>4,446</b>      | <b>48,698</b>   | <b>15,136</b>      |
| Capital Grants and Contributions                                       | 3,721           | 38,693           | 4,605            | 4,643             | 51,662          | 15,730             |
| <b>Net Operating Result excluding Capital Grants and Contributions</b> | <b>3</b>        | <b>(719)</b>     | <b>(2,051)</b>   | <b>(197)</b>      | <b>(2,964)</b>  | <b>(594)</b>       |
| <b>Operating Ratio (including Capital Income)</b>                      | <b>13.34%</b>   |                  |                  |                   | <b>60.00%</b>   | <b>44.09%</b>      |
| <b>Operating Ratio (excluding Capital Income)</b>                      | <b>0.01%</b>    |                  |                  |                   | <b>-10.05%</b>  | <b>-3.19%</b>      |

## Budget Variations - Explanations

C/F = Carry-forward

| Recommended Income Variations this Quarter              | (\$'000)      | Explanation:   |
|---|---------------|--|
| - Community Development                                 | 7             | New grant: Holiday Autumn Break 2022 \$9,950. Increased grant income: Youth Week \$980. Removed grants: Seniors Week -\$1,404; Grandparents Day -\$2,081   |
| - Economic Growth & Tourism                             | (91)          | Move: Community Recovery Officer income to Workforce Development -\$90,632   |
| - Theatre & Museum Complex                              | 14            | Additional operational income \$14,000 due to improved attendance at the SOA   |
| - Library Services                                      | 197           | New capital grant: Public Library Infrastructure Grant - Refurbishment of the Library \$196,886  |
| - Workforce Development                                 | 133           | Move: Community Recovery Officer income from Economic Growth & Tourism \$90,632. Additional: Community Recovery Officer income \$28,903; other operational income \$13,006   |
| - Emergency Services                                    | 11            | RFS funding increase: variation approved for new Mingoola RFS station \$10,909. New income: reimbursement for Blaze Aid Mingoola base camp \$550   |
| - Livestock Saleyards                                   | 10            | Additional operational income \$10,000 due to increased number of cattle sales   |
| - Planning and Regulation                               | 83            | Additional operational income: Planning & Development fees \$42,800; Additional capital income: Developer Contributions \$40,000   |
| - Buildings and Amenities                               | 275           | New capital grants: Black Summer Bushfire Recovery - Mingoola Hall Improvements \$120,000; Installation of Ceiling Fans & Emergency Lighting at Memorial Hall \$154,000. Additional operational income \$739.  |
| - Transport Network                                     | 9,657         | <p>New operational grants: Black Summer Bushfire Recovery - Removal of Dead Trees \$344,000; Black Summer Bushfire Recovery - Rural Community Rural Address Numbering Replacement &amp; Revitalisation \$220,000</p> <p>Disaster Recovery Funding Agreement (DRFA) operational income: March 2021 Storms &amp; Floods \$2,188,329; November 2021 Severe Weather &amp; Floods Immediate Recovery Works (IRW) \$863,957; November 2021 Severe Weather &amp; Floods Essential Public Asset Reconstruction (EPAR) Works \$400,000; February 2022 Severe Weather &amp; Flooding IRW \$1,500,000.</p> <p>Additional operational income \$8,780 due to increased processing of public gate permits and other applications</p> <p>New capital grants: Black Summer Bushfire Recovery - Drake Village Revitalisation \$2,900,300; Roads of Strategic Importance - Sunnyside Platform Road Upgrade \$1,524,120; Molesworth Street Footpath Replacement Grant \$10,000</p> <p>Disaster Recovery Funding Agreement (DRFA) capital income: DRFA February 2022 Floods Category D Assistance \$1,000,000; DRFA March 2021 EPAR Bruxner Way - Bridge 7325 Dumaresq River Overflow Channel \$150,000</p> <p>Reduced capital grants (for projects completed under budget): Restart NSW Funding - Boonoo Boonoo Bridge, Mt Lindesay Road -\$1,085,719; Emu Creek Bridge Replacement, Hootons Road -\$342,623; Federal Stimulus Safety - Project 2299 Mt Lindesay Rd -\$14,084; Fixing Local Roads - Tooloom Road Heavy Vehicle Access -\$10,124</p> |
| <b>Total Recommended Income Variations this Quarter</b> | <b>10,296</b> |  |

## Budget Variations - Explanations

| Recommended Expenditure Variations this Quarter              | (\$'000)     | Explanation:  |
|--|--------------|---|
| - Community Development                                      | 6            | New grant: Holiday Autumn Break 2022 \$9,950. Increased grant budget: Youth Week \$1,161. Removed grants: Seniors Week -\$2,809; Grandparents Day -\$2,081  |
| - Economic Growth & Tourism                                  | (98)         | Move: Community Recovery Officer expenditure to Workforce Development -\$91,253. Reduction: Operational savings -\$7,000  |
| - Theatre & Museum Complex                                   | 5            | Additional expense: to meet obligations under agreement for Museum Advisory Service \$5,000   |
| - Workforce Development                                      | 133          | Move: Community Recovery Officer expenditure from Economic Growth & Tourism \$91,253. Additional: Community Recovery Officer expense \$28,903; Workplace Health & Safety costs \$13,006   |
| - Emergency Services   | 11           | RFS expenditure increase: variation approved for new Mingoala RFS station \$10,909. New expense: Blaze Aid Mingoala base camp \$550   |
| - Finance and Technology                                     | 493          | Additional expense: recalculation of internal overheads between the General Fund and Waste, Water & Sewer Funds - increase expense to General Fund \$492,501  |
| - Environmental Management                                   | (40)         | Reduction: Operational savings -\$40,000  |
| - Parks, Gardens and Open Spaces                             | 10           | Additional expense: Parks & Gardens maintenance \$10,000 - to replace fairy lights in Tenterfield main street that no longer work   |
| - Buildings and Amenities                                    | (29)         | Reduction: Operational savings -\$29,000  |
| - Transport Network  | 5,581        | New operational grants: Black Summer Bushfire Recovery - Removal of Dead Trees \$344,000; Black Summer Bushfire Recovery - Rural Community Rural Address Numbering Replacement & Revitalisation \$220,000<br>Disaster Recovery Funding Agreement (DRFA) operational expense: March 2021 Storms & Floods \$2,202,663; November 2021 Severe Weather & Floods Immediate Recovery Works (IRW) \$913,957; November 2021 Severe Weather & Floods Essential Public Asset Reconstruction (EPAR) Works \$400,000; February 2022 Severe Weather & Flooding IRW \$1,500,000. |
| - Waste Management   | (73)         | Reduction: recalculation of internal overheads between the General Fund and Waste, Water & Sewer Funds - reduced expense to Waste Fund -\$73,446  |
| - Water Supply   | (208)        | Additional expense: Tenterfield Water Treatment maintenance \$40,000. Reduction: recalculation of internal overheads between the General Fund and Waste, Water & Sewer Funds - reduced expense to Water Fund -\$247,803   |
| - Sewerage Service   | 59           | Additional expense: Brine Improvements & Disposal \$230,000. Reduction: recalculation of internal overheads between the General Fund and Waste, Water & Sewer Funds - reduced expense to Sewer Fund -\$171,252  |
| <b>Total Recommended Expenditure Variations this Quarter</b> | <b>5,850</b> |   |

This document forms part of Tenterfield Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 2022 and should be read in conjunction with other documents in the QBRs.

## Tenterfield Shire Council

### Budget Statement for the year ended - 31 March 2022

#### Capital Budget Review

|  | Original Budget<br>2021/22 | Approved Changes<br>September<br>Review | Approved Changes<br>December<br>Review | Recommend Changes<br>March<br>Review | REVISED<br>BUDGET | ACTUAL<br>YTD<br>as at 31/03/22 |
|--|----------------------------|---|--|--------------------------------------|-------------------|---------------------------------|
|  | \$'000                     | \$'000                                  | \$'000                                 | \$'000                               | \$'000            | \$'000                          |
| <b>Capital Funding</b>                           |                            |   |  |                                      |                   |                                 |
| Rates and other untied funding                   | 3,707                      | (1,383)                                 | -                                      | (2,324)                              | -                 | -                               |
| Capital Grants & Contributions                   | 3,721                      | 38,693                                  | 4,605                                  | 4,643                                | 51,662            | 15,730                          |
| External Restrictions                            |                            |   |  |                                      |                   |                                 |
| - Specific Purpose Unexpended Grants             | -                          | 3,526                                   | -                                      | -                                    | 3,526             | 3,526                           |
| - Developer Contributions                        | -                          | 9                                       | -                                      | 7                                    | 16                | 16                              |
| - Water Supply                                   | 686                        | (89)                                    | 9                                      | -                                    | 606               | 606                             |
| - Sewerage Service                               | 875                        | 212                                     | -                                      | (39)                                 | 1,048             | 1,048                           |
| - Domestic Waste Management                      | 359                        | 227                                     | 39                                     | -                                    | 625               | 625                             |
| - Stormwater Management                          | 50                         | 167                                     | (100)                                  | -                                    | 117               | 117                             |
| Internal restrictions                            |                            |   |  |                                      |                   |                                 |
| - Plant & Vehicle Replacement Reserve            | 927                        | -                                       | 19                                     | (510)                                | 436               | 436                             |
| Other Capital Funding Sources e.g.               |                            |   |  |                                      |                   |                                 |
| - New Loans 2021/22                              | 5,905                      | -                                       | -                                      | -                                    | 5,905             | 5,905                           |
| - Balance unspent from loan taken out in 2020/21 | -                          | 2,124                                   | -                                      | -                                    | 2,124             | 2,124                           |
| Income from sale of assets                       | 2,418                      | -                                       | -                                      | (170)                                | 2,248             | 1,585                           |
| <b>Total Capital Funding</b>                     | <b>18,648</b>              | <b>43,486</b>                           | <b>4,572</b>                           | <b>1,607</b>                         | <b>68,313</b>     | <b>31,718</b>                   |
| <b>Capital Expenditure</b>                       |                            |   |  |                                      |                   |                                 |
| <b>New Assets</b>                                |                            |   |  |                                      |                   |                                 |
| <b>CHIEF EXECUTIVE OFFICE</b>                    |                            |   |  |                                      |                   |                                 |
| - Civic Office                                   | -                          | -                                       | -                                      | -                                    | -                 | -                               |
| - Organisational Leadership                      | -                          | -                                       | -                                      | -                                    | -                 | -                               |
| - Community Development                          | -                          | -                                       | -                                      | -                                    | -                 | -                               |
| - Economic Growth and Tourism                    | -                          | 2,070                                   | -                                      | -                                    | 2,070             | 93                              |
| - Theatre and Museum Complex                     | -                          | -                                       | -                                      | -                                    | -                 | -                               |
| - Library Services                               | -                          | -                                       | -                                      | -                                    | -                 | -                               |
| - Workforce Development                          | -                          | -                                       | -                                      | -                                    | -                 | -                               |
| - Emergency Services                             | -                          | -                                       | -                                      | -                                    | -                 | -                               |
| <b>CHIEF CORPORATE OFFICE</b>                    |                            |   |  |                                      |                   |                                 |
| - Finance and Technology                         | -                          | -                                       | -                                      | -                                    | -                 | -                               |
| - Corporate and Governance                       | -                          | -                                       | -                                      | -                                    | -                 | -                               |
| - Environmental Management                       | -                          | -                                       | -                                      | -                                    | -                 | -                               |
| - Livestock Saleyards                            | -                          | -                                       | -                                      | -                                    | -                 | -                               |
| - Parks, Gardens and Open Spaces                 | -                          | 127                                     | -                                      | -                                    | 127               | 74                              |
| - Planning and Regulation                        | -                          | -                                       | -                                      | -                                    | -                 | -                               |
| - Buildings and Amenities                        | -                          | -                                       | -                                      | -                                    | -                 | -                               |
| - Swimming Complex                               | -                          | 5                                       | -                                      | -                                    | 5                 | 5                               |
| <b>CHIEF OPERATING OFFICE</b>                    |                            |   |  |                                      |                   |                                 |
| - Asset Management and Resourcing                | -                          | -                                       | -                                      | -                                    | -                 | -                               |
| - Commercial Works                               | -                          | -                                       | -                                      | -                                    | -                 | -                               |
| - Plant, Fleet and Equipment                     | -                          | -                                       | -                                      | -                                    | -                 | -                               |
| - Transport Network                              | -                          | -                                       | -                                      | -                                    | -                 | -                               |
| - Waste Management                               | 3,317                      | 126                                     | 32                                     | (3,100)                              | 375               | 150                             |
| - Water Supply                                   | -                          | 995                                     | -                                      | -                                    | 995               | 11                              |
| - Sewerage Service                               | -                          | -                                       | -                                      | -                                    | -                 | -                               |
| - Stormwater & Drainage                          | -                          | -                                       | -                                      | -                                    | -                 | -                               |
| <b>Renewals (Replacement)</b>                    |                            |   |  |                                      |                   |                                 |
| <b>CHIEF EXECUTIVE OFFICE</b>                    |                            |   |  |                                      |                   |                                 |
| - Civic Office                                   | -                          | -                                       | -                                      | -                                    | -                 | -                               |
| - Organisational Leadership                      | -                          | -                                       | -                                      | -                                    | -                 | -                               |
| - Community Development                          | -                          | -                                       | -                                      | -                                    | -                 | -                               |
| - Economic Growth and Tourism                    | -                          | -                                       | -                                      | -                                    | -                 | -                               |
| - Theatre and Museum Complex                     | -                          | 5                                       | -                                      | -                                    | 5                 | 4                               |
| - Library Services                               | 19                         | 36                                      | -                                      | 197                                  | 252               | 13                              |
| - Workforce Development                          | -                          | -                                       | -                                      | -                                    | -                 | -                               |
| - Emergency Services                             | -                          | -                                       | -                                      | -                                    | -                 | -                               |
| <b>CHIEF CORPORATE OFFICE</b>                    |                            |   |  |                                      |                   |                                 |
| - Finance and Technology                         | 250                        | -                                       | (90)                                   | (30)                                 | 130               | 97                              |
| - Corporate and Governance                       | -                          | -                                       | -                                      | -                                    | -                 | -                               |
| - Environmental Management                       | -                          | 2                                       | -                                      | -                                    | 2                 | -                               |
| - Livestock Saleyards                            | -                          | 181                                     | -                                      | -                                    | 181               | -                               |
| - Parks, Gardens and Open Spaces                 | -                          | 261                                     | 160                                    | -                                    | 421               | 17                              |
| - Planning and Regulation                        | -                          | 3                                       | -                                      | -                                    | 3                 | 3                               |
| - Buildings and Amenities                        | 366                        | 638                                     | 441                                    | 209                                  | 1,654             | 570                             |
| - Swimming Complex                               | 200                        | -                                       | -                                      | (200)                                | -                 | -                               |
| <b>CHIEF OPERATING OFFICE</b>                    |                            |   |  |                                      |                   |                                 |
| - Asset Management and Resourcing                | 330                        | 21                                      | -                                      | (265)                                | 86                | 10                              |
| - Commercial Works                               | -                          | -                                       | -                                      | -                                    | -                 | -                               |
| - Plant, Fleet and Equipment                     | 3,345                      | -                                       | 19                                     | (680)                                | 2,684             | 1,902                           |
| - Transport Network                              | 8,489                      | 28,780                                  | 3,002                                  | 2,757                                | 43,028            | 9,684                           |
| - Waste Management                               | 188                        | 104                                     | 782                                    | -                                    | 1,074             | 99                              |
| - Water Supply                                   | 449                        | 8,792                                   | 9                                      | -                                    | 9,250             | 1,095                           |
| - Sewerage Service                               | 782                        | 212                                     | -                                      | (39)                                 | 955               | 352                             |
| - Stormwater & Drainage                          | 50                         | 167                                     | (100)                                  | -                                    | 117               | 45                              |
| Loan Repayments (principal)                      | 863                        | (39)                                    | -                                      | -                                    | 824               | 643                             |
| <b>Total Capital Expenditure</b>                 | <b>18,648</b>              | <b>42,486</b>                           | <b>4,255</b>                           | <b>(1,151)</b>                       | <b>64,238</b>     | <b>14,867</b>                   |

\* 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 LTFFP.
- 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) | Explanation: |
|---------------------------------|----------|--------------|
|---------------------------------|----------|--------------|

**New Assets**

|   |                |  |
|---|----------------|--|
| - Waste Management                        | (3,100)        | Reduction: Boonoo Boonoo - Develop Stage 5 -\$3,100,000 (total project costs of \$3.3 million to be spread over 3 years from 21/22 to 23/24) |
| <b>Total New Asset Budget Adjustments</b> | <b>(3,100)</b> |  |

**Renewal Assets**

|  |              |   |
|--|--------------|---|
| - Library Services   | 197          | New grant: Public Library Infrastructure Grant - Refurbishment of the Library \$196,886   |
| - Finance and Technology   | (30)         | Reduction: Computer Equipment -\$10,000; Capitalised Software -\$20,000   |
| - Buildings and Amenities  | 209          | New capital grants: Black Summer Bushfire Recovery - Mingoola Hall Improvements \$120,000; Installation of Ceiling Fans & Emergency Lighting at Memorial Hall \$104,000   |
|  |              | Addition: Admin Building Refurbishment retention payment \$116,255; SCCF Tenterfield Memorial Hall \$54,000; Memorial Hall Roof Repair \$8,675; Housing 268 Douglas Street - Replace Water-damaged carpet \$15,000  |
|  |              | Remove: Housing 53 Wellburn Lane - Renew bathroom -\$20,000; Housing 53 Wellburn Lane - Replace carpet -\$15,000; Community Hall Steinbrook - Roof renewal -\$44,200 (deferred to later years in long-term financial payment)   |
|  |              | Remove: Memorial Hall Tenterfield - Upper Level Storage -\$130,000  |
| - Swimming Complex   | (200)        | Remove: Unsuccessful grant applications for Water Heater \$120,000; Pool Blankets \$80,000  |
| - Asset Management and Resourcing  | (265)        | Addition: to meet final retention payment for Tenterfield Depot - Refurbishment Stage 1 \$5,000. Remove: Tenterfield Depot - Wash Down & Recycle Bay -\$80,000 (deferred to later years). Reduce: Tenterfield Depot - WHS & Environmental Initiative Enhancements -\$50,000; Tenterfield Depot - Fuel Tank Replacement/Remediation -\$140,000 (deferred to later years) |
| - Plant, Fleet and Equipment   | (680)        | Reduction: Public Works Plant Purchases -\$680,000 (deferred renewal of 3 plant items - excavator and two backhoes)   |
| - Transport Network  | 2,757        | New capital grants: Black Summer Bushfire Recovery - Drake Village Revitalisation \$2,900,300; Roads of Strategic Importance - Sunnyside Platform Road Upgrade \$1,905,120; Molesworth Street Footpath Replacement Grant \$10,000   |
|  |              | Disaster Recovery Funding Agreement (DRFA) capital works: DRFA March 2021 EPAR Brunxer Way - Bridge 7325 Dumaresq River Overflow Channel \$150,000  |
|  |              | Addition: Developer Contribution Road Works \$7,144 (further contributions received for Quarry Rd)  |
|  |              | Reduced capital works (for grant projects completed under budget): Restart NSW Funding - Boonoo Boonoo Bridge, Mt Lindesay Road -\$1,085,719; Emu Creek Bridge Replacement, Hootons Road -\$342,623; Federal Stimulus Safety - Project 2299 Mt Lindesay Rd -\$14,084; Fixing Local Roads - Tooloom Road Heavy Vehicle Access -\$10,124                                  |
| Reduction to council-funded works: Bridges/Causeways -\$425,000; Causeways -\$188,163; Concrete bridges -\$150,000 |              |   |
| - Sewerage Service   | (39)         | Addition: Brine Disposal Infrastructure \$49,354; Surface Aerator/Mixer sized for Urbenville \$6,280; Remove: Urbenville - Major Pump Station Refurbishment -\$95,000   |
| <b>Total Renewal Asset Budget Adjustments</b>  | <b>1,949</b> |   |

**Liabilities**

|  |                |
|--|----------------|
| <b>Total Liabilities Budget Adjustments</b>  | <b>0</b>       |
| <b>Total Proposed Expenditure Variations</b> | <b>(1,151)</b> |

## Tenterfield Shire Council

### Budget Statement for the year ended - 31 March 2022

#### Cash and Investment Review

|   | Opening Balance<br>30/06/2021<br>from Audited<br>Financial Statements | Approved<br>Changes<br>September<br>Review | Approved<br>Changes<br>December<br>Review | Recommend<br>Changes<br>March<br>Review | PROJECTED<br>year end<br>Result<br>2021/22 | Closing Balance<br>31/03/2022 |
|---|---|--|---|---|--|-------------------------------|
|   | \$'000  | \$'000                                     | \$'000                                    | \$'001                                  | \$'000                                     | \$'000                        |
| <b>Externally restricted</b>  |   |  |   |   |  |                               |
| <i>Specific Purpose Unexpended Grants</i>                           | 4,783   | (4,640)                                    | -   | -                                       | 143  | 12,680                        |
| <i>Developer Contributions - General Fund</i>                       | 171   | 37   | 51  | 56                                      | 315  | 314                           |
| <i>Developer Contributions - Water Fund</i>                         | 15  | -  | -   | 11                                      | 26   | 26                            |
| <i>Developer Contributions - Sewer Fund</i>                         | 16  | -  | -   | 12                                      | 28   | 28                            |
| <i>Developer Contributions - Waste Fund</i>                         | 18  | 2  | 4   | 8                                       | 32   | 32                            |
| <i>Developer Contributions - Stormwater Fund</i>                    | 2   | -  | -   | 1                                       | 3  | 3                             |
| <i>RFS Unspent Funds</i>  | -   | 90   | (90)                                      | -                                       | -  | 118                           |
| <i>Water Supply</i>   | 590   | 250  | (141)                                     | 208                                     | 1,179                                      | 1,060                         |
| <i>Sewerage Service</i>   | 4,846   | (212)                                      | (81)                                      | (98)                                    | 5,034                                      | 5,946                         |
| <i>Domestic Waste Management</i>                                    | 3,109   | (227)                                      | (45)                                      | 3,173                                   | 6,670                                      | 7,186                         |
| <i>Stormwater Management</i>  | 1,032   | (167)                                      | -   | -                                       | 873  | 1,039                         |
| <i>Trust Fund</i>   | -   | -  | 382                                       | -                                       | 382  | 382                           |
| <b>Total Externally restricted</b>                                  | <b>14,582</b>   | <b>(4,867)</b>                             | <b>80</b>                                 | <b>3,371</b>                            | <b>14,685</b>                              | <b>28,814</b>                 |
| <b>Internally restricted</b>  |   |  |   |   |  |                               |
| <i>Plant &amp; Vehicle Replacement</i>                              | -   | -  | -   | -                                       | -  | -                             |
| <i>Employees Leave Entitlements</i>                                 | -   | 412  | (412)                                     | -                                       | -  | -                             |
| <i>International Town Partnerships</i>                              | -   | -  | -   | -                                       | -  | -                             |
| <i>Roads &amp; Bridges (Pending outcomes of grant applications)</i> | -   | -  | -   | -                                       | -  | -                             |
| <i>Special Projects</i>   | -   | -  | -   | -                                       | -  | -                             |
| <b>Total Internally restricted</b>                                  | <b>-</b>  | <b>412</b>                                 | <b>(412)</b>                              | <b>-</b>                                | <b>-</b>                                   | <b>-</b>                      |
| <b>Total Restricted</b>   | <b>14,582</b>   | <b>(4,455)</b>                             | <b>(332)</b>                              | <b>3,371</b>                            | <b>14,685</b>                              | <b>28,814</b>                 |
| <b>Available Cash (Unrestricted Funds)</b>                          | <b>-</b>  | <b>-</b>                                   | <b>-</b>                                  | <b>-</b>                                | <b>-</b>                                   | <b>211</b>                    |
| <b>Total Cash and Investments</b>                                   | <b>14,582</b>   | <b>(4,455)</b>                             | <b>(332)</b>                              | <b>3,371</b>                            | <b>14,685</b>                              | <b>29,025</b>                 |

**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

**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.

### 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 LTFP.
- 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 March quarter occurred on 4 April 2022.

### Cash Book Reconciliation

\$

|  |                      |
|--|----------------------|
| Operating Account Cash balance as at 31 March 2022   | 22,653,743.70        |
| Trust Account Cash balance as at 31 March 2022       | 382,340.85           |
| <b>Total Cash (Not invested) as at 31 March 2022</b> | <b>23,036,084.55</b> |

#### Reconciliation

The YTD total Cash and Investments has been reconciled with funds invested and cash at bank:

| Financial Institution             | Amount \$            | Investment Rating | Interest | Maturity Date |
|-----------------------------------|----------------------|-------------------|----------|---------------|
| National Australia Bank           | 1,500,000.00         | AA-               | 0.55%    | 27/06/2022    |
| Commonwealth Bank                 | 3,000,000.00         | AA-               | 0.47%    | 27/06/2022    |
| Westpac                           | 1,500,000.00         | AA-               | 0.26%    | 27/04/2022    |
| <b>TOTAL INVESTMENTS</b>          | <b>6,000,000.00</b>  |                   |          |               |
| <b>TOTAL CASH ON HAND</b>         | <b>23,036,084.55</b> |                   |          |               |
| <b>TOTAL CASH AND INVESTMENTS</b> | <b>29,036,084.55</b> |                   |          |               |

This document forms part of Tenterfield Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 2022 and should be read in conjunction with other documents in the QBR.



# Tenterfield Shire Council

## Budget review for the quarter ended - 31 March 2022

### Contracts

| Contractor                 | Contract detail & purpose   | Contract value \$ | Commencement date | Duration of contract | Budgeted (Y/N) |
|----------------------------|---|-------------------|-------------------|----------------------|----------------|
| LG Outcomes Pty Ltd        | Preparation of Integrated Planning & Reporting documents, and Special Rates Variation works   | 80,000            | 11/10/2021        | 30/06/2022           | Y              |
| CW Henstock and Associates | Disaster Recovery Funding Agreement (DRFA) March 2021 works - Dumaresq River Overflow Channel Bridge - Provision of Engineering Consulting services | 142,051           | 6/04/2022         | Ongoing              | Y              |
| W.D & L.M Griffiths        | Upgrade of bolts and struts, and propping floor in Memorial Hall to strengthen the roof   | 91,102            | 4/03/2022         | 30 Days              | Y              |
| New England Scaffolding    | Provide scaffolding to complete the upgrade of the bolt and struts replacement at Memorial Hall   | 80,696            | 2/03/2022         | 30 Days              | Y              |
| Forpark Australia          | Public Spaces Legacy Program Grant - Jennings Playground - Purchase and installation of playground, exercise area and shade cover                   | 109,010           | 16/03/2022        | 6-12 months          | 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).

### Consultancy and Legal Fees

| Expense       | Expenditure YTD \$ | Budgeted (Y/N) |
|---------------|--------------------|----------------|
| Consultancies | <b>34,444</b>      | Y              |
| Legal Fees    | <b>53,809</b>      | Y              |

#### 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 portion of the legal fees relating to Debt Recovery are recoverable.

*This document forms part of Tenterfield Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 2022 and should be read in conjunction with other documents in the QBRs.*