



**LEETON**  
SHIRE COUNCIL

**ITEM 7.4**  
**SEPARATE REPORT**  
**ORDINARY COUNCIL MEETING**  
**24 MAY 2023**  
**7:00PM**

TO BE HELD IN THE  
COUNCIL CHAMBERS  
23-25 CHELMSFORD PLACE  
LEETON NSW 2705

Authorised for release: Jackie Kruger General Manager

**LEETON SHIRE COUNCIL  
AGENDA  
ORDINARY COUNCIL MEETING  
24 May, 2023  
7:00PM**

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**7. CORPORATE MATTERS**

**7.4 2022/23 BUDGET REVIEW FOR THE QUARTER ENDING 31  
MARCH 2023.....2**

## **CORPORATE MATTERS**

### **ITEM 7.4          2022/23 BUDGET REVIEW FOR THE QUARTER ENDING 31 MARCH 2023**

<b>RECORD NUMBER</b>	23/106
<b>RELATED FILE NUMBER</b>	EF22/29
<b>AUTHOR/S</b>	Manager Finance
<b>APPROVER/S</b>	Director Corporate

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## **SUMMARY/PURPOSE**

This report presents the revised estimate of Council's financial performance for the 2022/23 financial year as part of the quarterly review of Council's budget.

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## **RECOMMENDATION**

THAT Council receives and adopts the revised budget estimates for the 2022/23 financial year.

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## **REPORT**

### **(a) Background**

Clause 203 of the Local Government (General) Regulations 2005 requires that:

1. Not later than 2 months after the end of each quarter (except the June quarter), the responsible accounting officer of a Council must prepare and submit to Council a budget review statement that shows, by reference to the estimate of income and expenditure set out in the statement of the Council's revenue policy included in the operational plan for the relevant year, a revised estimate of the income and expenditure for that year.
  2. A budget review statement must include, or be accompanied by:
    - a. A report as to whether or not the responsible accounting officer believes that the statement indicates that the financial position of the Council is satisfactory, having regard to the original estimate of income and expenditure; and
    - b. If that position is unsatisfactory, recommendations for remedial action. This report summarizes major forecast variations compared to the original budget for the 2022/23 financial year. Forecast variations that are expected to result in a net nil change between accounts have not been highlighted within this report.
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**(b) Discussion**

A copy of the Quarterly Budget Review document is provided in **(Attachment 1)**. The recommended budget changes and detailed explanations and schedules are provided within **(Attachment 1)** with a summary of the recommended changes and commentary on pages 3-4 and supporting schedules on pages 5 - 19.

**Operating Budget**

The consolidated full year Operating Result from Continuing Operations is now forecast to be a surplus of \$8.7M (original budget forecast a deficit of \$3.0M). However, the consolidated full year Operating Result excluding Capital Grants continues to forecast a deficit of \$4.2M (original budget forecast a deficit of \$3.7M).

The movement in the Operating Result by fund is summarised in the table below.

<b>Operating Result from Continuing Operations</b>	<b>Original Budget</b>	<b>Sept Variations</b>	<b>Dec Variations</b>	<b>Mar Variations</b>	<b>Revised Budget</b>
General Fund (less DWM)	(3,974,494)	7,187,811	5,619,373	(856,335)	7,976,355
Domestic Waste Management	496,629	-	(150,000)	20,000	366,629
Water Fund	322,446	-	100,000	(470,000)	(47,554)
Sewer Fund	98,348	200,000	50,000	50,000	398,348
Consolidated	(3,057,070)	7,387,811	5,619,373	(1,256,335)	8,693,779

<b>Operating Result exc. Capital Grants and Contributions</b>	<b>Original Budget</b>	<b>Sept Variations</b>	<b>Dec Variations</b>	<b>Mar Variations</b>	<b>Revised Budget</b>
General Fund (less DWM)	(4,484,939)	(144,021)	651,651	(856,335)	(4,833,644)
Domestic Waste Management	496,629	-	(150,000)	20,000	366,629
Water Fund	268,589	0	100,000	(470,000)	(101,411)
Sewer Fund	69,585	200,000	50,000	50,000	369,585
Consolidated	(3,650,136)	55,979	651,651	(1,256,335)	(4,198,841)

*Note: For the variation column, brackets indicate an unfavourable variation to budget.*

**General Fund Operating Budget excluding capital grants and contributions (less Domestic Waste Management (DWM))**

The full year forecast remains at a deficit but increased to \$4.8M (Dec QBR forecast a deficit of \$4.0M). Compared to the 2022/23 operating budget deficit of \$4.5M this is a net unfavourable change of \$0.8M since the December QBR. The changes are related to the following points below.

Unfavourable variances since the December QBR (\$2.8M):

- Increase in roads maintenance expense of \$838K for maximum RLRRP grant as per the additional income below. This impact may reduce on allocation.
- Recognition of an impairment expense for Leeton aquatic centre \$490K.
- Recognition of expenses relating to the Library Infrastructure grant as per the additional income below \$76K.
- Correction of the operating expense for the temporary Art Deco Way signage \$66K.
- Impairment of flood affected roads \$1.0M
- Development of Master plan and business case at WR Connect \$371K

Favourable variances since the December QBR (\$2.0M):

- Increase in grant income of \$838K for the RLRRP grant \$838K (offset above).
- Recognition of the Library Infrastructure grant (offset above) \$76K.
- Increased interest income on the back of higher than anticipated interest rates and investment balances \$50K.
- Roxy disposal removed out of 2022/23 budget \$650K.
- Grant income for master plan and business case at WR Connect \$371K

**Domestic Waste Management (DWM)**

The full year forecast is now a surplus of \$367K (Dec QBR forecast a surplus of \$347K).

Favourable variances since the December QBR (\$20K):

- Increase in interest Income \$20K.

**Water Fund Operating Budget**

The full year forecast is now a deficit of \$101K (Dec QBR forecast a surplus of \$369K). The changes are related to the following points below.

Unfavourable variances since the December QBR:

- Decreased User fees relating to residential water consumption of \$650K.

Favourable variances since the September QBR:

- Increase in interest Income \$180K.

**Sewer Fund Operating Budget**

The full year forecast is now a surplus of \$370K (Dec QBR forecast a surplus of \$320K).

Favourable variances since the December QBR (\$50K):

- Increase in interest Income \$50K.

### Capital Expenditure Budget

The consolidated capital expenditure budget is still forecast to be \$39M (December QBR forecast \$39M). The original budget was \$12.6M. The September QBR included the carryovers from the 2021/22 capital expenditure budget.

Capital Spend	Original Budget \$'000	September Review variations \$'000	December Review variations \$'000	March Review variations \$'000	Revised forecast \$'000
General Fund	9,558	17,939	5,348	289	33,134
Water Fund	1,909	434	-	-	2,342
Sewer Fund	1,147	2,681	40	-	3,868
<b>Total</b>	<b>12,613</b>	<b>21,054</b>	<b>5,388</b>	<b>289</b>	<b>39,344</b>

Note: For the variation column, brackets indicate reduction to budget.

The forecast changes to the capital expense budgets are summarised below.

#### General Fund Capital Expenditure Budget

The forecast increase in the net capital expenditure budget is \$0.8M. A summary of project budget updates for the 2022/23 financial year is provided below.

##### Unfavourable variances

- Increase in the cost of the stadium scoreboards offset by a decrease in stadium upgrade preliminaries \$12K.
- Solar initiatives recognition as part of Council's Renewable energy initiatives
  - LELC Solar Array \$25K from LELC restriction
  - Depot Solar Array \$32K from renewable energy initiative
  - Library Solar (2021-22) \$37K from renewable energy initiative
- Additional funds for the LELC upgrade as resolved by council \$73K loan funded.
- Recognition of council's past commitment to Leeton Water Tower Artwork \$91K.
- Additional funds for the Leeton Aquatic Centre Slide as per Council resolution \$41K.
- Pool Remediation works \$490K.

##### Favourable variances:

- Remove Gogelderie Weir Cabins which are now planned for 2025/26 \$500K unfunded.
- Reduce Stadium Design Preliminaries by \$12K to offset scoreboards above.

**Capital Income Budget**

The consolidated capital income budget is unchanged at \$12.9M (September QBR forecast \$12.9M). The original budget was \$593K. The September QBR included the carryovers from the 2021/22 capital income budget.

<b>Capital Income</b>	<b>Original Budget \$'000</b>	<b>September Review \$'000</b>	<b>December Review \$'000</b>	<b>March Review \$'000</b>	<b>Revised forecast \$'000</b>
General Fund	510	7,332	4,968	-	12,810
Water Fund	54	-	(0)	-	54
Sewer Fund	29	-	(0)	-	29
<b>Total</b>	<b>593</b>	<b>7,332</b>	<b>4,968</b>	<b>-</b>	<b>12,893</b>

Note: For the variation column, brackets indicate an unfavourable variation to budget.

### Budgeted Loans

Description	Loan % Rate	Final Payment Date	Loans 2022/23	QBR1	QBR2	QBR3	*Adjusted Loans forecast	Annual Repayment	Principal Repayments	Interest Repayments	Principal Outstanding
LELC	6.60%	1/06/2032	300,000	0	200,000	73,000	573,000	79,182	44,867	34,315	528,133
<b>Expected in future years</b>											
**Roxy Theatre	6.60%	1/06/2042	3,000,000	1,131,100	868,900	0	5,000,000	453,851	125,895	327,956	4,874,105
***Vance Estate Development (Loan 1)	6.60%	1/12/2032	1,400,000	1,357,000	2,830,711	0	5,587,711	4,786,076	4,601,682	184,394	986,029
Gogelderie Caravan Park Cabins			500,000	-500,000	0	0	0				
<b>New Loans</b>			<b>5,200,000</b>	<b>1,988,100</b>	<b>3,899,611</b>	<b>73,000</b>	<b>11,160,711</b>	<b>5,319,109</b>	<b>4,772,444</b>	<b>546,665</b>	<b>6,388,267</b>

The 2022/23 budgeted loans were \$5.2M. The September QBR forecasted an additional \$2.0M to \$7.2M, December QBR forecast a further \$3.9M.

The March QBR recognises an additional \$73K for the LELC upgrade which takes the forecast to \$11.2M. However, with the delay in both the Vance and Roxy projects the loans have been moved from the 2022/23 schedule as per above resulting in changes to the Balance Sheet as well as the cashflows. This means that only the LELC loan of \$573K is expected this financial year.

Unfavourable Variances:

- Increase in LELC Expansion Project loan funding (\$73K) to fund additional works as per resolution.

Other changes:

- Roxy and Vance loans have been moved from 2022/23 budget to 2023/24 with resulting changes to Balance Sheet and Cashflow forecasts

### Summary of changes to Capital Expenditure and Funding:

<b>Capital Projects</b>	<b>Total</b>	<b>Grant</b>	<b>Loan</b>	<b>GF</b>	<b>Restriction</b>
<b>New Assets</b>	<b>(348,188)</b>	<b>90,865</b>	<b>73,000</b>	<b>(12,053)</b>	<b>94,000</b>
<b>Land and Buildings</b>	<b>(348,188)</b>	<b>90,865</b>	<b>73,000</b>	<b>(12,053)</b>	<b>94,000</b>
Depot Solar Array	32,000				32,000
Library Solar (2021-22)	37,000				37,000
LELC Solar Array	25,000				25,000
LELC Upgrade	73,000		73,000		-
Gogelderie Weir Cabins	(500,000)				-
Leeton Tower Art - Chelmsford Place	90,865	90,865			-
Stadium Design Preliminaries	(12,053)			(12,053)	-
<b>Renewals</b>	<b>543,132</b>	<b>-</b>	<b>-</b>	<b>502,053</b>	<b>41,079</b>
<b>Land and Buildings</b>	<b>543,132</b>	<b>-</b>	<b>-</b>	<b>502,053</b>	<b>41,079</b>
Leeton Aquatic Centre Slide	41,079				41,079
Leeton Aquatic Centre Remediation	490,000			490,000	-
Stadium Scoreboards	12,053			12,053	-
	-				-
<b>Total Capital</b>	<b>194,944</b>	<b>90,865</b>	<b>73,000</b>	<b>490,000</b>	<b>135,079</b>



### Cash and Investments

After incorporation of the changes in funding with additional grants and borrowings coupled with the forecasts for Water, Sewer and Domestic Waste Management the predicted Cash and Investments are outlined below.

Management continues its monitoring of the cash forecasts closely for the General Fund.

As per the table below the biggest shift has been to recognize the delay in drawing down loan funds earlier than required.

	Opening Balance 1/7/2022 (inc. EOY adj.)	Original Budget movement	Sept Review	Dec Review	Revised Budget	Changes sought 31/03/2023	Revised Annual Forecast
<b>Externally Restricted</b>							
Unexpended Loans	-	-	-	7,280,964	7,280,964	(7,280,964)	-
Developer Contributions - General	696,439	(200,000)	(380,900)	503,000	618,539	292,762	911,301
Developer Contributions - Water	30,977	-	-	-	30,977	-	30,977
Developer Contributions - Sewer	-	-	-	-	-	-	-
Specific Purpose Unexpended Grants	3,228,185	-	(3,228,185)	-	(0)	-	(0)
Stormwater Management	166,545	(30,000)	-	-	136,545	-	136,545
Deposits, Bonds & Retentions	309,982	-	-	-	309,982	-	309,982
Water Supply - carry over works	433,731	-	(433,731)	-	-	-	-
Water Supply	17,320,407	(1,908,500)	-	5,131,475	20,543,382	(419,998)	20,123,384
Sewerage Services - carry over works	3,873,354	-	(2,618,874)	-	1,254,481	(927,122)	327,359
Sewerage Services	5,702,919	(1,176,500)	(62,256)	(2,083,354)	2,380,810	1,109,888	3,490,698
Domestic Waste Management	913,375	(327,000)	(94,204)	357,253	849,424	353,193	1,202,617
Landfill Remediation	3,605,004	250,000	-	-	3,855,004	-	3,855,004
<b>Total Externally Restricted</b>	<b>36,280,919</b>	<b>(3,392,000)</b>	<b>(6,818,149)</b>	<b>11,189,338</b>	<b>37,260,108</b>	<b>(6,872,241)</b>	<b>30,387,867</b>
<b>Internally Restricted</b>							
Infrastructure Restrictions	6,600,157	(1,381,000)	(2,390,931)	900,000	3,728,226	(41,079)	3,687,147
Co-Contribution Restrictions	1,393,637	(150,000)	(13,944)	(440,467)	789,226	(94,000)	695,226
Provisions	1,638,141	-	-	35,000	1,673,141	-	1,673,141
<b>Total Internally Restricted</b>	<b>9,631,936</b>	<b>(1,531,000)</b>	<b>(2,404,875)</b>	<b>494,533</b>	<b>6,190,593</b>	<b>(135,079)</b>	<b>6,055,514</b>
<b>Total Restricted</b>	<b>45,912,855</b>	<b>(4,923,000)</b>	<b>(9,223,025)</b>	<b>11,683,871</b>	<b>43,450,701</b>	<b>(7,007,320)</b>	<b>36,443,381</b>
<b>Unrestricted</b>	<b>4,354,509</b>	<b>-</b>	<b>14,343,404</b>	<b>(7,334,155)</b>	<b>(7,402,812)</b>	<b>16,018,151</b>	<b>8,615,339</b>
<b>Total Restricted &amp; Unrestricted Cash &amp; Investments</b>	<b>50,267,364</b>	<b>(4,923,000)</b>	<b>5,120,379</b>	<b>4,349,716</b>	<b>36,047,888</b>	<b>9,010,831</b>	<b>45,058,720</b>
<b>Cash &amp; Investments</b>							
Cash floats	3,400	-	-	-	3,400	-	3,400
Cash floats LELC	400	-	-	-	400	-	400
Cash at Bank	2,237,978	-	770,664	-	2,237,978	9,010,831	11,248,809
Cash at Bank LELC	546,111	-	-	-	546,111	-	546,111
* Investments & Deposits at Call	47,479,476	(4,923,000)	4,349,716	4,349,716	33,260,000	-	33,260,000
<b>Total Cash &amp; Investments</b>	<b>50,267,364</b>	<b>(4,923,000)</b>	<b>5,120,379</b>	<b>4,349,716</b>	<b>36,047,888</b>	<b>9,010,831</b>	<b>45,058,720</b>

FOR NOTING - the forecast Cash and Investments position is conditional on work completion and timing of receipt of milestone payments as well as the operational activities progressing as forecast.

## **Conclusion**

The QBR recommendations include the incorporation of several new grants, expenses and changes to borrowings. More importantly there is the recognition of a number of capital works previously endorsed by council and of most significance is recognition of flood damage to our road network which will not be repaired until next financial year.

These recommendations have a significant impact on the forecast financial position, capital budget and cash position of Council as at 30 June 2023.

## **(c) Options**

1. THAT Council receives and adopts the revised budget estimates for the 2022/23 financial year. ***This is the recommended option.***
2. THAT Council receives and adopts the revised budget estimates for the 2022/23 financial year with amendments.

## **IMPLICATIONS TO BE ADDRESSED**

### **(a) Financial**

#### **Overall Position**

The Responsible Accounting Officer Statement (***Attachment 1 – page 2***) indicates that Council's position at 31 March 2023 is considered satisfactory, in the short term, compared to the original, and current, 2022/23 Budget as adopted by Council.

### **(b) Policy**

The Quarterly Budget Review is required in accordance with clause 203 of the Local Government (General) Regulation 2005.

### **(c) Legislative/Statutory**

*Local Government Act 1993*  
*Local Government (General) Regulation 2021*  
*OLG Code of Accounting Practice.*

### **(d) Risk**

If Council does not adopt the March 2023 Budget Review Statements, then Leeton Shire Council will not meet its compliance obligations.

Cashflow will need to be monitored to ensure funds are readily available for Council to pay its debts on time, especially given the unprecedented capital works program.

Council may need to reconsider the timing and scope of its capital works program due to the available time and resources.

## **CONSULTATION**

### **(a) External**

Nil

### **(b) Internal**

All Officers Responsible for Budget Management  
Senior Management Team (SMT)

## **LINK/S TO THE DELIVERY PROGRAM/OPERATIONAL PLAN (DPOP)**

CSP FOCUS AREA 5 - Strong leadership and civic participation – DELIVERY PROGRAM  
FUNCTIONAL AREA 9 - Governance and Administration - DELIVERY PROGRAM  
ACTIVITY 9.7 - Deploy reliable and efficient corporate management - financial, asset,  
property, records, information technology, buildings and plant/fleet - OPERATIONAL  
PLAN ACTIVITY 9.7.1 - Implement the Long-Term Financial Plan – in consultation with  
ratepayers – to support Council's ongoing financial sustainability, including a Special  
Rate Variation (SRV) and/or reductions in service levels.

## **ATTACHMENTS**

- 1 Quarterly Budget Review Summary - July 2022 to March 2023



## Leeton Shire Council

### July to March 2023 Quarterly Budget Review Summary

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**Leeton Shire Council**  
**July to March 2023 Quarterly Budget Review Summary**

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

It is my opinion that the Quarterly Budget Review Statement for Leeton Shire Council for the quarter ended 31 March, 2023 indicates that Council's projected financial position at 30 June 2023 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

Signed: \_\_\_\_\_



Date: 15/05/23

## LEETON SHIRE COUNCIL Summary of Recommended Changes and Inclusions

	Operating	Capital
<i>For noting - Brackets denotes an unfavourable adjustment (i.e. an increase in expense or capital cost, decrease in income)</i>		
<b>New and Revised budget items</b>		
<b>1 Library grant - State Library Infrastructure Grant</b>		
Council has received \$76K for the upgrade of it's computers and furniture including the children's area		
Grants and contributions provided for operating purposes	76,374	
Materials and contracts		(76,374)
<b>2 Regional NSW Grant - Business Case and strategy development fund - WR Connect</b>		
Council received \$82K to develop a business case and strategy for a new industry and also received a further \$289K to develop a land use masterplan, both related to WR Connect.		
Grants and contributions provided for operating purposes	371,000	
Materials and contracts		(371,000)
<b>3 Water consumption charges</b>		
Council has a budget of \$3.25M for Water consumption charges which reflected the actuals and expectations (\$3.6M in 2019, 3.2M in 2020, \$3.0M in 2021 and \$2.6M in 2022) including an adjustment for the effect of the new meters. As at 31/03/2023 actual income is \$1.1M and the latest forecast is for a further \$1.4M bringing the new forecast to \$2.5M for the full year. This is a decrease of \$650K.		(650,000)
<b>4 Local and Regional Roads Repair Grant</b>		
Funds received. Final allocation will be across both new and existing operating and capital grants in 2022/23 and 2023/24. As the works have not yet been allocated, to be conservative, a full \$839K in additional projects is forecast. \$839K In the 2022/23 budget and \$800K included in the 2023/24 draft budget		
Operating Grants and Contributions	838,749	
Materials and Contracts		(838,749)
<b>5 Gogeldrie Weir Cabins</b>		
Remove the \$500K budget for the Gogeldrie Weir Cabins. Council has included the cabins in the LTFP for 2025/26 through grant funding if and when available.		
Materials and contracts		500,000
<b>6 Leeton Pool - Impairment for defects in Leeton Pool build</b>		
Council must recognise the impairment of the pool due to defects.		
<b>6a</b> Impairment expense	(490,000)	
Further the Remediation project should be recognised.		
<b>6b</b> Pool Remediation		(490,000)
<b>13 Flood remediation</b>		
Council has been approved for, but not received, up to \$3.7M in flood recovery Operating Grants for work in future years. While most of the expense will be operating a portion relates to the impairment of the underlying asset which needs to be reflected.		
Impairment expense	(1,000,000)	
Road assets (Balance Sheet adjustment of \$1M)		
Flood Restoration and resilience Grant Funding ( <b>none expected in 2023</b> )		-
<b>15 Interest Revenue</b>		
Continuing increased interest rates means Council will earn greater interest than budgeted. These changes reflect increased rates and revised cash reserve numbers.		
General Fund	50,000	
Sewer Fund	50,000	
Water Fund	180,000	
DWM	20,000	

## LEETON SHIRE COUNCIL Summary of Recommended Changes and Inclusions

	Operating	Capital
<i>For noting - Brackets denotes an unfavourable adjustment (i.e. an increase in expense or capital cost, decrease in income)</i>		
<b>Previously adopted budgets - Recognition and transfers</b>		
<b>7 Leeton Aquatic Centre Slide budget increased by \$41K to \$937K as per resolution</b>		
Recognise increase in New Slide budget, from Resolution 22/163, up to \$937,079 from the previous budget of \$896K.		
Materials and contracts - Additional as per resolution		(41,079)
<b>8 Renewable Energy initiatives - Solar Array subsidiary projects</b>		
The Solar array projects were commenced under the \$300k Renewable Energy Initiative.		
The initiatives will need individual recognition with the "Energy Initiative" balance recorded in the Restriction.		
Renewable Energy Initiatives restriction.		94,000
Library Solar (2021-22) to recognise the budget of \$37K		
Materials and contracts		(37,000)
Solar Array Depot to recognise the budget of \$32K		
Materials and contracts		(32,000)
It was identified that solar would save the LELC approximately \$8K per annum with a \$25K solar Array		
LELC Solar to recognise the budget of \$25K		
Materials and contracts		(25,000)
<b>9 LELC Upgrade as per Council Resolution 23/030</b>		
Materials and contracts		(73,000)
External Loan (Balance Sheet adjustment)		
<b>10 Recognition of the Leeton Tower Art project that should have been carried forward from 2020/21.</b>		
The grant income was recognised as part of the SCCF Revotes in the September QBR.		
Materials and contracts		(90,865)
<b>11 Stadium Scoreboards Replacement up to \$32K from \$20K</b>		
Scoreboards went up in price from original quotation and the electrical installation required significant additional work than originally scoped. Request to Transfer additional funds of \$12,053 from Stadium Design Preliminaries GL - 15133.0699.600 (W2404 budget of \$91K) reduced to \$79K.		
Materials and contracts		12,053
Materials and contracts		(12,053)
<b>12 Art Deco Touring Route Temporary Signage</b>		
Council received and recognised a grant to fund temporary Art Deco Way signage (Billboards).		
This project was not carried forward into 2022/23 but should have been.		
Materials and contracts		(66,335)
<b>14 Roxy disposal of assets</b>		
As the Roxy will not be finished till 2023/24, the related asset disposal should be moved from 2022/23 to the 2023/24 year's budget.		
Net losses from the disposal of assets	650,000	
<b>16 Loan timelines reconsidered</b>		
With both the Roxy and Vance estate projects being pushed into 2023/24 it is prudent to push out the related loans.		
This will have Nil effects on borrowing costs but effects the Balance Sheet and Cashflow.		
<b>Restrictions - Updates and adjustments</b>		
<b>7 Infrastructure Reserve</b>		(41,079)
<b>8 Renewable Energies Efficiencies</b>		(94,000)
Section 94a Reserve - Adjust for income forecast and changes in funding sources		292,762
<b>14 Unexpended Loan Reserve - Roxy and Vance unlikely to be current or drawdown</b>		(7,280,964)
<b>15 DWM Reserve - Forecast cashflow adjustment (increased interest, timing of capital works)</b>		353,193
<b>15 Water Reserve - Forecast cashflow adjustment (reduced fees, increased interest, timing of capital works)</b>		(419,998)
<b>15 Sewer Reserve - Forecast cashflow (increased interest, timing of capital works)</b>		182,766

**LEETON SHIRE COUNCIL**  
**Recommended Changes**

**Adjustments**

**Operating Budgets**

		\$
<b><u>REVENUE</u></b>		
<b><u>User charges and fees</u></b>		
3	Water Consumption charges	(650,000)
		<u>(650,000)</u>
<b><u>Interest Revenue</u></b>		
15	General Fund	50,000
	Sewer Fund	50,000
	Water Fund	180,000
	Domestic Waste Management	20,000
		<u>300,000</u>
<b><u>Operating Grants and Contributions</u></b>		
4	Grant - Local and Regional Roads Repair Grant	838,749
1	Grant - State Library Infrastructure	76,374
13	Grant - Flood restoration	-
	WR Connect - Business Case & Strategy	371,000
		<u>1,286,123</u>
<b><u>Capital Grants and Contributions</u></b>		<u>-</u>
<b>Total Income Increases</b>		<b>936,123</b>
<b><u>EXPENDITURE VARIATIONS</u></b>		
<b><u>Materials and Contracts</u></b>		
1	Grant - State Library Infrastructure	76,374
4	Local and Regional Roads Repair Grant additional works	838,749
12	Art Deco Way - Temporary Signage	66,335
2	Business Case and strategy development fund - WR Connect	371,000
		<u>1,352,458</u>
<b><u>Gain/Losses from Disposal of Assets - Decreases</u></b>		
14	Roxy - Loss on disposal of asset	(650,000)
		<u>(650,000)</u>
<b><u>Depreciation, Amortisation and Impairment Expenses</u></b>		
6	Leeton Aquatic Centre remediation	490,000
13	Roads affected by Flood damage	1,000,000
		<u>1,490,000</u>
<b>Total Expenditure Increases</b>		<b>2,192,458</b>
<b>Net Variations</b>		<b>(1,256,335)</b>
<b><u>Restrictions and Reserves - Recommended changes</u></b>		
<i>Reserve transfers may move from changes above or changes to timing of capital projects as they reflect cash and not operating result.</i>		
<b><u>Internal</u></b>		
7	Infrastructure Reserve	(41,079)
8	Renewable Energy Efficiencies	(94,000)
<b><u>External</u></b>		
	Section 94a Reserve	292,762
	Unexpended Loan Reserve (Roxy and Vance estimate)	(7,280,964)
	DWM Reserve	353,193
	Water Reserve	(419,998)
	Sewer Reserve	182,766
		<u>(7,007,320)</u>

Notes relate to Notes on Page 3 and 4.



**LEETON SHIRE COUNCIL**  
**Recommended Changes**

	Total	Grant	Loan	GF	Restriction
<b><u>Capital Projects</u></b>					
<b>New Assets</b>	<b>(348,188)</b>	<b>90,865</b>	<b>73,000</b>	<b>(12,053)</b>	<b>94,000</b>
<b>Land and Buildings</b>	<b>(348,188)</b>	<b>90,865</b>	<b>73,000</b>	<b>(12,053)</b>	<b>94,000</b>
8 Depot Solar Array	32,000				32,000
8 Library Solar (2021-22)	37,000				37,000
8 LELC Solar Array	25,000				25,000
9 LELC Upgrade	73,000		73,000		-
5 Gogelderie Weir Cabins	(500,000)				-
10 Leeton Tower Art - Chelmsford Place	90,865	90,865			-
11 Stadium Design Preliminaries	(12,053)			(12,053)	-
<b>Renewals</b>	<b>543,132</b>	<b>-</b>	<b>-</b>	<b>502,053</b>	<b>41,079</b>
<b>Land and Buildings</b>	<b>543,132</b>	<b>-</b>	<b>-</b>	<b>502,053</b>	<b>41,079</b>
6 Leeton Aquatic Centre Slide	41,079				41,079
6 Leeton Aquatic Centre Remediation	490,000			490,000	-
11 Stadium Scoreboards	12,053			12,053	-
	-				-
<b>Total Capital</b>	<b>194,944</b>	<b>90,865</b>	<b>73,000</b>	<b>490,000</b>	<b>135,079</b>

Notes relate to Notes on Page 3 and 4.

**LEETON SHIRE COUNCIL**  
**Budgeted Income Statement - Consolidated**  
**July to March 2023 Quarterly Budget Review Summary**

BUDGET REVIEWS FOR 2022/2023								
Note	2022/23	2022/23	2022/23	Changes Sought	2022/23		2022/23	
	Original Budget	1st Quarter Requests	2nd Quarter Requests	3rd Quarter Request	Revised Forecast	Orig. Shift %	Actual YTD	YTD%
	\$	\$	\$	\$	\$		\$	
<b>Inflows from Continuing Operations</b>								
	Rates and Annual Charges	14,139,463	-	-	14,139,463	0%	10,098,387	71%
a	User Fees and Charges	8,507,227	200,000	180,000	8,237,227	-3%	5,593,500	68%
b	Interest and Investment Revenue	695,484	-	400,000	1,395,484	101%	1,003,480	72%
	Grants and contributions provided for capital purposes	593,066	7,331,832	4,967,722	12,892,620	2074%	8,061,493	63%
c	Grants and contributions provided for operating purposes	6,139,824	315,056	1,336,648	9,077,651	48%	4,265,828	47%
	Rental Income	301,700	-	-	301,700	0%	247,058	82%
	Other revenues	637,520	-	-	637,520	0%	526,462	83%
	Net Gains from Disposal of Assets	-	-	11,750	11,750		173,795	
	<b>Total Income</b>	<b>31,014,284</b>	<b>7,846,888</b>	<b>6,884,370</b>	<b>46,681,665</b>	<b>151%</b>	<b>29,970,003</b>	<b>64%</b>
<b>Outflows from Continuing Operations</b>								
	Employee benefits and on-costs	12,456,906	-	-	12,456,906	0%	9,360,457	75%
d	Materials and contracts	11,724,201	459,078	1,328,000	14,863,737	27%	8,269,110	56%
	Borrowing costs	189,198	-	(74,753)	114,445	-40%	55,234	48%
e	Depreciation, amortisation and Impairment	8,570,048	-	-	10,060,048	17%	6,531,824	65%
	Other expenses	481,000	-	-	481,000	0%	221,415	46%
f	Net losses from the disposal of assets	650,000	-	11,750	11,750		-	
	<b>Total Expenses</b>	<b>34,071,354</b>	<b>459,078</b>	<b>1,264,997</b>	<b>37,987,886</b>	<b>11%</b>	<b>24,438,041</b>	<b>64%</b>
	<b>Operating Result from Continuing Operations including Capital grants and contributions</b>	<b>(3,057,070)</b>	<b>7,387,811</b>	<b>5,619,373</b>	<b>8,693,779</b>	<b>-384%</b>	<b>5,531,962</b>	
	<b>Net Operating Result for the Year before Grants and Contributions Provided for Capital Purposes</b>	<b>(3,650,136)</b>	<b>55,979</b>	<b>4,282,725</b>	<b>(4,198,841)</b>	<b>15%</b>	<b>(2,529,531)</b>	

**Notes - Refer page 3 for further details**

- a Adjusted Water consumption income forecast. The latest estimates show lower than anticipated consumption of residential water.
- b Increased based on interest rates and cash balances
- c Reflects the Library infrastructure grant (\$76K), the WR Connect business case and Masterplan and a portion of the RLRRP grant (\$838K).
- d As well as the Library infrastructure grant (\$76K), a portion of the RLRRP grant (\$838K) includes the WR Connect works (\$371K) and Art deco Way signage (\$66K).
- e This impairment relates to flood damaged roads (\$1M) and the Leeton Pool remediation (\$490K).
- f The loss on disposal aligns to the completion of the Roxy which is now in 2023/24. Therefore it is removed (\$650K)

**LEETON SHIRE COUNCIL**  
**Budgeted Income Statement by Fund**  
**July to March 2023 Quarterly Budget Review Summary**

Note	General Fund (less DWM)			Domestic Waste Management			Water Fund			Sewer Fund		
	Original Budget	Revised Budget	Actual YTD	Original Budget	Revised Budget	Actual YTD	Original Budget	Revised Budget	Actual YTD	Original Budget	Revised Budget	Actual YTD
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Income from Continuing Operations</b>												
a Rates and annual charges	7,809,447	7,809,448	5,363,554	2,111,830	2,111,830	1,583,232	1,539,595	1,539,595	1,159,540	2,678,590	2,678,590	1,992,060
b User charges and fees	3,803,817	4,133,820	3,582,687	1,063,000	913,000	596,409	3,246,690	2,596,688	1,059,512	393,720	593,719	354,892
c Interest and investment revenue	332,311	632,309	458,331	86,480	106,480	75,274	165,514	445,515	318,467	111,179	211,180	151,407
d Grants and contributions for capital purposes	510,445	12,810,002	7,991,407	-	-	-	53,858	53,857	63,561	28,763	28,761	6,524
e Grants and contributions for operating purposes	6,139,824	9,077,651	4,262,326	-	-	-	-	-	3,502	-	-	-
Rental Income	301,700	301,700	247,058	-	-	-	-	-	-	-	-	-
Other revenues	534,554	534,553	470,342	41,162	41,162	15,424	55,546	55,545	38,776	6,259	6,260	1,920
f Net Gains from Disposal of Assets	-	-	173,795	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>19,432,098</b>	<b>35,299,483</b>	<b>22,549,501</b>	<b>3,302,472</b>	<b>3,172,472</b>	<b>2,270,340</b>	<b>5,061,202</b>	<b>4,691,200</b>	<b>2,643,358</b>	<b>3,218,512</b>	<b>3,518,510</b>	<b>2,506,804</b>
<b>Expenses from Continuing Operations</b>												
g Employee benefits and on-costs	8,842,315	8,842,315	6,667,138	783,204	783,204	768,766	1,673,216	1,673,216	1,105,804	1,158,171	1,158,171	818,750
Materials and contracts	7,711,239	10,850,773	5,881,897	1,507,619	1,507,619	959,776	1,597,995	1,597,997	831,089	907,348	907,348	596,349
h Borrowing costs	189,198	114,445	55,234	-	-	-	-	-	-	-	-	-
i Depreciation, amortisation and impairment	5,782,839	7,272,839	4,480,088	265,020	265,020	234,152	1,467,545	1,467,545	1,087,677	1,054,644	1,054,644	729,907
Other expenses	231,000	231,000	221,415	250,000	250,000	-	-	-	-	-	-	-
j Net losses from the disposal of assets	650,000	11,750	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>23,406,591</b>	<b>27,323,122</b>	<b>17,305,772</b>	<b>2,805,843</b>	<b>2,805,843</b>	<b>1,962,693</b>	<b>4,738,756</b>	<b>4,738,758</b>	<b>3,024,569</b>	<b>3,120,163</b>	<b>3,120,163</b>	<b>2,145,006</b>
<b>Operating Result from Continuing Operations</b>	<b>(3,974,493)</b>	<b>7,976,361</b>	<b>5,243,729</b>	<b>496,629</b>	<b>366,629</b>	<b>307,646</b>	<b>322,446</b>	<b>(47,558)</b>	<b>(381,211)</b>	<b>98,348</b>	<b>398,347</b>	<b>361,797</b>
<b>Net Operating Result for the Year before Grants and Contributions Provided for Capital Purposes</b>	<b>(4,484,938)</b>	<b>(4,833,641)</b>	<b>(2,747,678)</b>	<b>496,629</b>	<b>366,629</b>	<b>307,646</b>	<b>268,589</b>	<b>(101,415)</b>	<b>(444,772)</b>	<b>69,585</b>	<b>369,586</b>	<b>355,273</b>

See the Budgeted Incomes Statement, Consolidated on pages 3 and 4 for details on the recommended budget changes.

**Notes for Year to Date**

- a Rates and Annual Charges are considered income in July although they are for the entire year. Council has implemented a system to spread recognition over the year to provide more meaningful reports.  
General Fund - Rates and Annual Charges are sitting at 69% of budget. This is a permanent difference due to changes in property valuation done post Budget.
- b Water Fund - Water Consumption fees and charges are well under budget due to wet weather and potentially better water management. Consumption charges have been reduced by \$650K to reflect latest forecast.  
This possibility was noted in the December QBR.
- c Council is currently receiving good returns. To reflect this, an additional \$300K has been included in this QBR. However the market is still considered volatile.
- d Much of the capital program being carried forward has associated grant income which is reflected here. The variance is due to timing which will be affected by the Carry Overs to 2023/24.
- e With the prepayment of the FAG's 3rd payment last year the budget timing needs adjusting. Council is still expecting a full 12 month's of FAG's in 2022/23.  
If the full 12 months does not eventuate then this will have a negative impact on the operating result.  
Further Council has received \$1.6M in RLRRP grant of which \$839K is recognised here (\$800K in 2023/24) this is as yet unallocated. Conservatively expenses have been increased to match this income.
- f No surplus on sales of assets was budgeted. The YTD amount reflects proceeds. This will be adjusted at end of year.
- g Employee costs are at 75% of budget for the year.
- h Borrowing costs are well under budget primarily due to timing. Further new loans have been delayed. No budget changes have been made pending establishment of the LELC loan.
- i Depreciation costs are slightly over budget. The impairment of \$1.M for flood damage to roads and \$490K for pool remediation is cause of the big change.
- j These budgeted losses are primarily related to the completion of the Roxy and are now moved to 2023/24.

**LEETON SHIRE COUNCIL**  
**Budgeted Statement of Financial Position - Consolidated**  
**For Year Ending 30 June 2023**

	2022-23		
	Original Budget	Actual Opening balance	Current Forecast
<b>Current Assets</b>			
Cash and Cash Equivalents	1,133,576	15,007,000	11,798,720
Investments	26,850,000	20,760,000	27,260,000
Receivables	2,637,171	4,410,000	4,410,000
Inventories	1,205,152	1,166,000	1,166,000
Other	59,486	49,000	49,000
<b>Total Current Assets</b>	<b>31,885,385</b>	<b>41,392,000</b>	<b>44,683,720</b>
<b>Non-Current Assets</b>			
Investments	5,000,000	14,500,000	6,000,000
Receivables	44,681	286,000	286,000
Infrastructure, Property, Plant & Equipment	335,010,299	315,705,000	327,317,558
Intangible Assets	8,315,900	9,565,000	9,565,000
<b>Total Non-Current Assets</b>	<b>348,370,880</b>	<b>340,056,000</b>	<b>343,168,558</b>
<b>Total Assets</b>	<b>380,256,265</b>	<b>381,448,000</b>	<b>387,852,277</b>
<b>Current Liabilities</b>			
Payables	2,742,924	2,852,000	2,852,000
Contract Liabilities	558,814	3,267,000	558,814
Borrowings	556,579	417,000	461,234
Provisions	2,621,079	2,814,000	2,814,000
<b>Total Current Liabilities</b>	<b>6,479,396</b>	<b>9,350,000</b>	<b>6,686,048</b>
<b>Non-Current Liabilities</b>			
Borrowings	7,494,355	2,434,000	2,501,466
Employee Benefit Provisions	226,984	170,000	226,984
Provisions	3,886,200	4,322,000	4,572,000
<b>Total Non-Current Liabilities</b>	<b>11,607,539</b>	<b>6,926,000</b>	<b>7,300,450</b>
<b>Total Liabilities</b>	<b>18,086,935</b>	<b>16,276,000</b>	<b>13,986,498</b>
<b>Net Assets</b>	<b>362,169,330</b>	<b>365,172,000</b>	<b>373,865,779</b>
<b>Equity</b>			
Retained Earnings	150,601,330	136,736,000	145,429,779
Revaluation Reserves	211,568,000	228,436,000	228,436,000
<b>Total Equity</b>	<b>362,169,330</b>	<b>365,172,000</b>	<b>373,865,779</b>

**LEETON SHIRE COUNCIL  
Budgeted Cashflow  
For Year Ending 30 June 2023**

		2022-2023				2022-2023	
		*Original Budget (adjusted O/B)	General Fund - Other	DWM	Water	Sewer	Forecast
* The opening balances have been adjusted to reflect the end of year actuals rather than budget.							
Notes	<b>Cash Flow from Operating Activities</b>						
	<b>Receipts:</b>						
	Rates and Annual Charges	14,139,463	7,809,448	2,111,830	1,539,595	2,678,590	14,139,463
	User charges and fees	8,507,227	4,133,820	913,000	2,596,688	593,719	8,237,227
	Interest and Investment Revenue	695,484	632,309	106,480	445,515	211,180	1,395,484
	Grants & Contributions - Capital	593,066	12,810,002	-	53,857	28,761	12,892,620
	Grants & Contributions - Operating	6,139,824	9,916,400	-	-	-	9,916,400
	Rental Income	301,700	301,700	-	-	-	301,700
	Other Revenues	637,520	534,553	41,162	55,545	6,260	637,520
	<b>Payments:</b>						
	Employee benefits and on-costs	(12,797,081)	(8,842,315)	(783,204)	(1,673,216)	(1,158,171)	(12,456,906)
	Materials and Contracts	(11,424,201)	(10,850,773)	(1,507,619)	(1,597,997)	(907,348)	(14,863,737)
	Borrowing Costs	(189,198)	(114,445)	-	-	-	(114,445)
	Other	(481,000)	(231,000)	-	-	-	(231,000)
b	<b>Net Cash Provided (or used) in Operating Activities</b>	<b>6,122,803</b>	<b>16,099,699</b>	<b>881,649</b>	<b>1,419,987</b>	<b>1,452,991</b>	<b>19,854,326</b>
	<b>Cash Flow from Investing Activities</b>						
	<b>Receipts:</b>						
	Maturity of Investments	2,000,000	-	-	2,000,000	-	2,000,000
	Deposits on Sale Real Estate Assets	1,000,000	250,000	-	-	-	250,000
	Disposal of Infrastructure, Property, Plant & Equipment	315,000	315,000	-	-	-	315,000
	<b>Payments:</b>						
	Purchase of Investments	-	-	-	-	-	-
	Purchase of Infrastructure, Property, Plant & Equipment	(12,613,395)	(19,403,561)	(171,204)	(2,493,510)	(3,671,098)	(25,739,373)
	Deferred Debtor Advances Made	-	-	-	-	-	-
c	<b>Net Cash Provided (or used) in Investing Activities</b>	<b>(9,298,395)</b>	<b>(18,838,561)</b>	<b>(171,204)</b>	<b>(493,510)</b>	<b>(3,671,098)</b>	<b>(23,174,373)</b>
	<b>Cash Flow from Financing Activities</b>						
	<b>Receipts:</b>						
	Borrowings and Advances (External)	5,200,000	573,000	-	-	-	573,000
	<b>Payments:</b>						
	Borrowings and Advances	(556,579)	(461,234)	-	-	-	(461,234)
	Other	-	-	-	-	-	-
d	<b>Net Cash Provided (or used) in Financing Activities</b>	<b>4,643,421</b>	<b>111,766</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>111,766</b>
	<b>Net Increase/(Decrease) in Cash &amp; cash Equivalents</b>	<b>(269,221)</b>	<b>(2,627,096)</b>	<b>710,445</b>	<b>926,477</b>	<b>(2,218,107)</b>	<b>(3,208,280)</b>
	Cash and Cash Equivalents at Beginning of Period	15,007,000	9,157,828	492,172	3,785,000	1,572,000	15,007,000
	<b>Cash and Cash Equivalents at End of Period</b>	<b>14,737,779</b>	<b>6,530,733</b>	<b>1,202,617</b>	<b>4,711,477</b>	<b>(646,107)</b>	<b>11,798,720</b>
	Plus Investments on Hand - End of Year	33,260,000	9,528,925	3,855,004	15,411,907	4,464,163	33,260,000
	<b>Total Cash, Cash Equivalents and Investments</b>	<b>47,997,779</b>	<b>16,059,658</b>	<b>5,057,621</b>	<b>20,123,384</b>	<b>3,818,057</b>	<b>45,058,720</b>
	Brought Forward Balance	50,267,000	18,418,209	4,518,380	17,754,138	9,576,274	50,267,000
a	<b>Movement in Cash and Investments</b>	<b>2,269,221</b>	<b>(2,358,551)</b>	<b>539,242</b>	<b>2,369,246</b>	<b>(5,758,217)</b>	<b>(5,208,280)</b>

For noting - The Original Budget (adjusted o/b) can not include Carry Overs which have a material affect on the subsequent forecasts.

**Notes**

- a General Fund decrease of \$2.4M; DWM increase of \$450K; Water Fund: \$2.4M; Sewer decrease of \$5.8M
- b For all Funds: Net cash provided by Operating Activities is the Operating Deficit/Surplus excluding capital grants/contributions and adjusted for depreciation provisions with the following exceptions:  
General Fund - \$839K additional cash for Regional and Local Roads Repair Grant - \$1.6M received but allocated over 2022/23 and 2023/24.  
DWM - \$250K Lanfill Rehabilitation Provision as it is a non cash item.
- c General Fund ; The net cash used by Investment activities is \$19M being the payment for infrastructure (\$19M) partially funded by Vance Estate sales (\$250K) and cash from disposal of assets (\$315K).  
Water Fund: The net cash used by Investment activities is \$500K being the payment in infrastructure (\$2.5M) partially funded by maturing investments (\$2.0M).  
Sewer Fund: The net cash used by Investment activities is \$3.7M being the payment for infrastructure.
- d General Fund: The net cash used by Financing activities is \$112K being the repayment of existing loans ((\$416K) and the taking out of new loans for the LELC (\$573K).

**LEETON SHIRE COUNCIL  
 Performance Measures  
 consolidated results (graphs)**

**For Year Ending 30 June 2023**  
 (adjusted for Major Carry Overs)

**Calculation of Ratio**



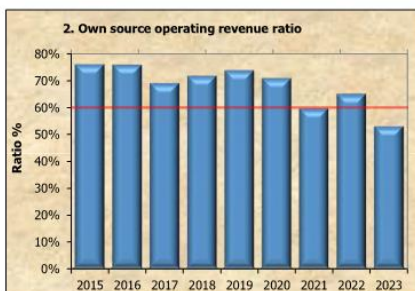
**Purpose of operating performance ratio**

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

**Operating performance ratio**  

$$\frac{\text{Continuing operating revenue excluding capital grants and contributions less operating expenses}}{\text{Total continuing operating revenue excluding capital grants and contributions}}$$

Benchmark:  $\geq 0.00\%$   
 Source for benchmark: Code of Accounting Practice and Financial Reporting #26



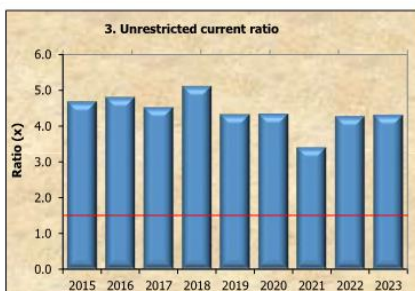
**Purpose of own source operating revenue ratio**

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

**Own source operating revenue ratio**  

$$\frac{\text{Total continuing operating revenue excluding capital grants and contributions}}{\text{Total continuing operating revenue}}$$

Benchmark:  $\geq 60.00\%$   
 Source for benchmark: Code of Accounting Practice and Financial Reporting #26



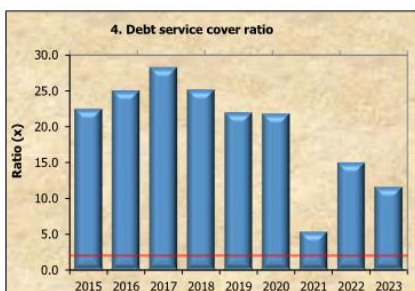
**Purpose of unrestricted current ratio**

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

**Unrestricted current ratio**  

$$\frac{\text{Current assets less all external restrictions}}{\text{Current liabilities less specific purpose liabilities}}$$

Benchmark:  $\geq 1.50$   
 Source for benchmark: Code of Accounting Practice and Financial Reporting #26



**Purpose of debt service cover ratio**

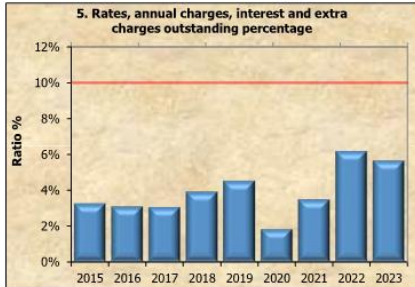
This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

**Debt service cover ratio**  

$$\frac{\text{Operating result before capital excluding interest and depreciation/impairment/amortisation}}{\text{Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)}}$$

Benchmark:  $\geq 2.00$   
 Source for benchmark: Code of Accounting Practice and Financial Reporting #26

**LEETON SHIRE COUNCIL**  
**Performance Measures**  
**consolidated results (graphs)**  
**For Year Ending 30 June 2023**



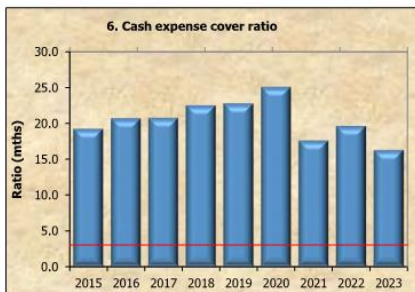
Benchmark: ----- Maximum <10.00%  
 Source for Benchmark: Code of Accounting Practice and Financial Reporting #26

Purpose of rates and annual charges outstanding ratio

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

**Rates, annual charges, interest and outstanding %**

Rates, annual and extra charges outstanding  
 Rates, annual and extra charges collectible



Benchmark: ----- Minimum >=3.00  
 Source for benchmark: Code of Accounting Practice and Financial Reporting #26

Purpose of cash expense cover ratio

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

**Cash expense cover ratio**

Current year's cash and cash equivalents  
 plus all term deposits  
 Payments from cash flow of operating and financing activities

Summary - While Council will still meet 4 out of 6 of the performance benchmarks it is apparent that Council's position is unsustainable.

**LEETON SHIRE COUNCIL**  
**Capital Budget Review**  
**July to March 2023 Quarterly Budget Review Summary**

Notes

		2022/2023					
		Original Annual Budget	Sept Review	Dec Review	Revised	Changes Sought	Revised Annual Forecast
<b>Capital Expenditure</b>							
<b>New assets</b>							
	- office equipment (includes software)	335,000	169,134	-	504,134	-	504,134
	- plant & equipment	-	-	-	-	-	-
a	- land & buildings	110,000	277,900	10,000	397,900	(348,188)	49,712
	- parks, gardens & recreation	775,445	781,754	-	1,557,199	-	1,557,199
	- roads, bridges, Stormwater & footpaths	201,000	85,000	-	286,000	-	286,000
	- waste	77,000	-	-	77,000	-	77,000
	Subtotal of General Fund	1,498,445	1,313,788	10,000	2,822,233	(348,188)	2,474,045
	- water supply	733,500	38,931	-	772,431	-	772,431
	- sewerage services	181,500	2,681,130	40,000	2,902,630	-	2,902,630
<b>Renewals (replacements)</b>							
	- office equipment (includes software)					-	
	- plant & equipment	980,000	258,000	46,730	1,284,730	-	1,284,730
	- land & buildings	3,379,950	10,343,774	5,290,859	19,014,583	-	19,014,583
b	- parks, gardens & recreation	230,000	281,170	-	511,170	543,132	1,054,302
	- roads, bridges, Stormwater & footpaths	3,470,000	5,647,798	-	9,117,798	-	9,117,798
	- waste	-	94,204	-	94,204	-	94,204
	Subtotal of General Fund	8,059,950	16,624,946	5,337,589	30,022,485	543,132	30,565,618
	- water supply	1,175,000	394,800		1,569,800	-	1,569,800
	- sewerage services	965,000	-		965,000	-	965,000
<b>Total Capital Expenditure</b>		<b>12,613,395</b>	<b>21,053,595</b>	<b>5,387,589</b>	<b>39,054,579</b>	<b>194,944</b>	<b>39,249,523</b>

Notes- Please see pages 3 and 4 for more detail

- a removal of Gogeldrie Weir cabins, added solar, tower art and LELC upgrade.
- b Primarily Pool Remediation and Leeton Slide



**LEETON SHIRE COUNCIL**  
**Summary by Function - Consolidated**  
**July to March 2023 Quarterly Budget Review Summary**

**BUDGET REVIEWS FOR 2022/2023**

	2022-2023	Budget Revotes	Budget Revotes	*Changes Sought	2022-2023	
	Original Budget	1st Quarter Budget	2nd Quarter Budget	3rd Quarter Budget	Revised Budget	Orig% Shift
	\$	\$	\$	\$	\$	
<b>Income</b>						
Corporate and Governance	730,710	200,000	250,000	50,000	1,230,710	68%
Public Order and Safety	158,276			-	158,276	0%
Health and Environment	197,003			-	197,003	0%
Community Services	2,239,240	61,910		-	2,301,149	3%
Housing and Community Amenities	729,854	213,496		-	943,350	29%
Recreation and Culture	787,620	3,397,444	1,399,655	76,374	5,661,093	619%
Manufacturing and Mining	89,337			-	89,337	0%
Transport and Communication	1,663,001	2,308,627	4,234,715	838,749	9,045,092	444%
Economic Affairs	169,446	1,465,412	1,000,000	371,000	3,005,858	
General Purpose Revenues	12,660,277	-		-	12,660,277	0%
Waste Management	3,309,805		(150,000)	20,000	3,179,805	-4%
Water	5,061,202		100,000	(470,000)	4,691,202	-7%
Sewerage	3,218,512	200,000	50,000	50,000	3,518,512	9%
<b>Total Income</b>	<b>31,014,284</b>	<b>7,846,888</b>	<b>6,884,370</b>	<b>936,123</b>	<b>46,681,665</b>	<b>51%</b>
<b>Expenses</b>						
Corporate and Governance	5,698,748	-		-	5,698,748	0%
Public Order and Safety	575,216			-	575,216	0%
Health and Environment	972,342			-	972,342	0%
Community Services	2,485,226	61,910		-	2,547,135	2%
Housing and Community Amenities	1,090,885	137,517		-	1,228,402	13%
Recreation and Culture	4,652,043	20,000	(46,753)	(83,626)	4,541,664	-2%
Manufacturing and Mining	177,642			-	177,642	0%
Transport and Communication	5,896,705	-	1,311,750	1,838,749	9,047,204	53%
Economic Affairs	1,850,451	239,651		437,335	2,527,436	37%
Waste Management	2,813,177			-	2,813,177	0%
Water	4,738,756			-	4,738,756	0%
Sewerage	3,120,163			-	3,120,163	0%
<b>Total Expenses</b>	<b>34,071,354</b>	<b>459,078</b>	<b>1,264,997</b>	<b>2,192,458</b>	<b>37,987,886</b>	<b>11%</b>
<b>Consolidated Net Surplus/(deficit):</b>	<b>(3,057,070)</b>	<b>7,387,811</b>	<b>5,619,373</b>	<b>(1,256,335)</b>	<b>8,693,779</b>	<b>-384%</b>

### Budgeted Loan Schedule

Description	Loan % Rate	Final Payment Date	Loans 2022/23	QBR1	QBR2	QBR3	*Adjusted Loans forecast	Annual Repayment	Principal Repayments	Interest Repayments	Principal Outstanding
<b>Community Services</b>											
LIRS 1 Loan - Community Multi-Purpose Cen	5.52%	19/09/2022						68,362	66,530	1,831	0
<b>Roads</b>											
LIRS 2 Loan - Petersham Road Works	4.85%	18/08/2023						138,483	130,418	8,065	67,633
<b>Sporting Grounds and Facilities</b>											
LIRS 3 Loan - Leeton Ovals Complex Dressing Shed Development	4.34%	22/07/2024						124,345	110,560	13,785	235,783
Showground Grandstand	2.59%	30/04/2030						22,751	18,738	4,013	145,166
Leeton Pool Refurbishment	2.99%	30/04/2040						147,625	90,120	57,505	1,985,986
<b>Existing Loans</b>								<b>501,565</b>	<b>416,367</b>	<b>85,198</b>	<b>2,434,567</b>
LELC	6.60%	1/06/2032	300,000	0	200,000	73,000	573,000	79,182	44,867	34,315	528,133
<b>Expected in future years</b>											
**Roxy Theatre	6.60%	1/06/2042	3,000,000	1,131,100	868,900	0	5,000,000	453,851	125,895	327,956	4,874,105
***Vance Estate Development (Loan 1)	6.60%	1/12/2032	1,400,000	1,357,000	2,830,711	0	5,587,711	4,786,076	4,601,682	184,394	986,029
Gogelderie Caravan Park Cabins			500,000	-500,000	0	0	0				
<b>New Loans</b>			<b>5,200,000</b>	<b>1,988,100</b>	<b>3,899,611</b>	<b>73,000</b>	<b>11,160,711</b>	<b>5,319,109</b>	<b>4,772,444</b>	<b>546,665</b>	<b>6,388,267</b>
<b>Total Loans</b>			<b>5,200,000</b>	<b>1,988,100</b>	<b>3,899,611</b>	<b>73,000</b>	<b>11,160,711</b>	<b>5,820,674</b>	<b>5,188,811</b>	<b>631,863</b>	<b>8,822,834</b>

**Note - Roxy and Vance loans are anticipated to be late this year or next year.**

\* The adjusted loan forecast is based on current budget and adjustments

\*\* Roxy loan approved 2020/21 carried forward and additional funding

\*\*\* Vance Estate is forecast to be paid out and refinanced in 2023/24

**Leeton Shire Council**  
**July to March 2023 Quarterly Budget Review Summary**  
**Cash, Investments and Restrictions Forecast**

	Forecast balances of restrictions for movements in Capital and Operating						Revised Annual Forecast
	Opening Balance 1/7/2022 (inc. EOY adj.)	Original Budget movement	Sept Review	Dec Review	Revised Budget	Changes sought 31/03/2023	
<b>Externally Restricted</b>							
Unexpended Loans	-	-	-	7,280,964	7,280,964	(7,280,964)	-
Developer Contributions - General	696,439	(200,000)	(380,900)	503,000	618,539	292,762	911,301
Developer Contributions - Water	30,977	-	-	-	30,977	-	30,977
Developer Contributions - Sewer	-	-	-	-	-	-	-
Specific Purpose Unexpended Grants	3,228,185	-	(3,228,185)	-	(0)	-	(0)
Stormwater Management	166,545	(30,000)	-	-	136,545	-	136,545
Deposits, Bonds & Retentions	309,982	-	-	-	309,982	-	309,982
Water Supply - carry over works	433,731	-	(433,731)	-	-	-	-
Water Supply	17,320,407	(1,908,500)	-	5,131,475	20,543,382	(419,998)	20,123,384
Sewerage Services - carry over works	3,873,354	-	(2,618,874)	-	1,254,481	(927,122)	327,359
Sewerage Services	5,702,919	(1,176,500)	(62,256)	(2,083,354)	2,380,810	1,109,888	3,490,698
Domestic Waste Management	913,375	(327,000)	(94,204)	357,253	849,424	353,193	1,202,617
Landfill Remediation	3,605,004	250,000	-	-	3,855,004	-	3,855,004
<b>Total Externally Restricted</b>	<b>36,280,919</b>	<b>(3,392,000)</b>	<b>(6,818,149)</b>	<b>11,189,338</b>	<b>37,260,108</b>	<b>(6,872,241)</b>	<b>30,387,867</b>
<b>Internally Restricted</b>							
<b>Infrastructure Restrictions</b>							
Aerodrome	200,000	-	-	-	200,000	-	200,000
Buildings	992,801	(196,000)	(70,000)	-	726,801	-	726,801
Infrastructure Replacement	1,681,614	(150,000)	(656,420)	900,000	1,775,194	(41,079)	1,734,115
Plant & Vehicle Replacement	1,268,962	(665,000)	(258,000)	-	345,962	-	345,962
Roads General	1,691,270	(370,000)	(701,684)	-	619,586	-	619,586
Swimming Pool	520,072	-	(520,072)	-	-	-	-
Childcare Centre	245,439	-	(184,755)	-	60,683	-	60,683
<b>Co-Contribution Restrictions</b>	<b>1,393,637</b>	<b>(150,000)</b>	<b>(13,944)</b>	<b>(440,467)</b>	<b>789,226</b>	<b>(94,000)</b>	<b>695,226</b>
Land Development	690,467	-	-	(440,467)	250,000	-	250,000
Leeton Museum & Art Gallery (WCIC)	300,000	(150,000)	-	-	150,000	-	150,000
Renewable Energy Efficiencies	120,000	-	-	-	120,000	(94,000)	26,000
Sportsgrounds Improvements	283,170	-	(13,944)	-	269,226	-	269,226
<b>Provisions</b>	<b>1,638,141</b>	<b>-</b>	<b>-</b>	<b>35,000</b>	<b>1,673,141</b>	<b>-</b>	<b>1,673,141</b>
Employee Leave Entitlements	1,371,080	-	-	-	1,371,080	-	1,371,080
Workers Compensation	165,000	-	-	-	165,000	-	165,000
Façade Painting Reserve	102,061	-	-	-	102,061	-	102,061
Election Reserve	-	-	-	35,000	35,000	-	35,000
<b>Total Internally Restricted</b>	<b>9,631,936</b>	<b>(1,531,000)</b>	<b>(2,404,875)</b>	<b>494,533</b>	<b>6,190,593</b>	<b>(135,079)</b>	<b>6,055,514</b>
<b>Total Restricted</b>	<b>45,912,855</b>	<b>(4,923,000)</b>	<b>(9,223,025)</b>	<b>11,683,871</b>	<b>43,450,701</b>	<b>(7,007,320)</b>	<b>36,443,381</b>
<b>Unrestricted</b>	<b>4,354,509</b>	<b>-</b>	<b>14,343,404</b>	<b>(7,334,155)</b>	<b>(7,402,812)</b>	<b>16,018,151</b>	<b>8,615,339</b>
<b>Total Restricted &amp; Unrestricted Cash &amp; Investments</b>	<b>50,267,364</b>	<b>(4,923,000)</b>	<b>5,120,379</b>	<b>4,349,716</b>	<b>36,047,888</b>	<b>9,010,831</b>	<b>45,058,720</b>
<b>Cash &amp; Investments</b>							
Cash floats	3,400	-	-	-	3,400	-	3,400
Cash floats LELC	400	-	-	-	400	-	400
Cash at Bank	2,237,978	-	770,664	-	2,237,978	9,010,831	11,248,809
Cash at Bank LELC	546,111	-	-	-	546,111	-	546,111
* Investments & Deposits at Call	47,479,476	(4,923,000)	4,349,716	4,349,716	33,260,000	-	33,260,000
<b>Total Cash &amp; Investments</b>	<b>50,267,364</b>	<b>(4,923,000)</b>	<b>5,120,379</b>	<b>4,349,716</b>	<b>36,047,888</b>	<b>9,010,831</b>	<b>45,058,720</b>

**Leeton Shire Council  
 July 2022 to March 2023, Quarterly Budget Review  
 Contracts**

Contractor	Contract detail & purpose	Contract value (excl GST)	Commenced	Duration of contract	Budgeted (Y/N)
Hygienic Pipeline Solutions	LSC Pit 2 major upgrades	\$63,897	5/07/2022	TBC	Y
Datacom Systems (AU) Pty Ltd	Office 365 Software Licence	\$73,848	22/07/2022	Ongoing 12 Month Commitment	Y
SKM Planning Pty Ltd	Vance Industrial Estate - Planning Documentation	\$90,790	3/08/2022	Extended to June 2023	Y
Integrated Industries Riverina Pty Ltd	Electrical Upgrade, relocation and VSD installation	\$189,179	22/08/2022	30/06/2023	Y
Wagga Trucks	300 SERIES HINO 717 TIPPER - DEPOT POOL TRUCK	\$71,141	27/09/2022	Upon delivery	Y
Wagga Trucks	300 SERIES HINO 717 TIPPER - ROADS MAINTENANCE	\$71,141	27/09/2022	Upon delivery	Y
H2H Plumbing Pty Ltd	Wamoon Sewerage Scheme	\$2,120,535	30/09/2022	30/06/2023	Y
Shell Energy Pty Ltd	Retail Electricity Supply	\$975,000	1/12/2022	1/12/2023	Y
Maxwood Technology	Roxy Theatre Redevelopment - Theatre Seating	\$613,610	22/12/2022	7/06/2023	Y
Swimplex	Dual Waterslide Designs and Construct	\$975,787	16/01/2023	30/09/2023	Y
HME Projects Pty Ltd	Roxy Theatre Redevelopment - Specialist Equipment	\$862,658	31/03/2023	Upon delivery	Y
Lloyd Group Pty Ltd	Construction Contract Roxy Theatre Redevelopment - S2 Notice to Proceed	\$2,031,662	Now under administration		Y

This document forms part of Leeton Shire Council's Quarterly Budget Review Statement for the quarter ended 31/12/2022 and should be read in conjunction with other documents in the QBRs.

**Notes**

1. Minimum reporting level is 1% of estimated income from continuing operations or \$50,000 whichever is the lesser.
2. Contracts listed are those entered into since the beginning of the financial year and have yet to be fully performed excluding plant and fleet which are removed on completion.
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).

**Leeton Shire Council**  
**July 2022 to March 2023, Quarterly Budget Review**  
**Consultancy & Legal Costs**

Company	Details	Expenditure YTD	Budgeted Y/N
<b>Consultancies</b>			
Common Thread Consulting Pty L	Asset & Financial Analysis	\$ 1,400	Y
Engeny Australia Pty Ltd	Leeton & Yanco Flood Mitigation	\$ 6,600	Y
Marsden Jacob Associates Pty L	Water Portfolio Strategy	\$ 20,500	Y
Morrison Low Consultants Pty L	Consultancy - SRV Application, LTFP and Depreciation Review	\$ 110,179	Y
Talis Consultants Pty Ltd	Landfill cell construction documentation	\$ 4,180	Y
<b>Legal Expenses</b>			
General		\$ 68,899	Part
Planning		\$ 1,555	Y
Sewer		\$ 4,024	N

This document forms part of Leeton Shire Council's Quarterly Budget Review Statement for the quarter ended 31/03/2023 and should be read in conjunction with other documents in the QBRs.

**Leeton Shire Council**  
**July 2022 to March 2023, Quarterly Budget Review**  
**Bad Debts**

Details	Original Budget	Cost of Sales YTD	Income YTD	Revised Budget
<b>Bad Debts Written Off Year to Date</b>				
General	\$ -	Nil	Nil	\$ -

This document forms part of Leeton Shire Council's Quarterly Budget Review Statement for the quarter ended 31/12/2022 and should be read in conjunction with other documents in the QBRS.