

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 2024 indicates that Council's projected financial position at 30 June 2024 will be unsatisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure. Noting, this is primarily due to funding and timing of grants despite administrations ongoing operational deferrals. Council's cash position has been positive predominately by the receipt of 100% advance payment of Financial Assistance Grants in the previous financial year.

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 2024 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) 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;*

- 3) Council continues to explore increase in operational income by considering selling assets and to reassess current commercial lease agreements*

Signed: *Roy Jones*

Date: 8/05/2024

Responsible Accounting Officer

Tenterfield Shire Council

Budget Statement for the year ended - 31 March 2024

Income and Expenditure Review by Function

	Original Budget	Approved Changes	Approved Changes	Recommend Changes	PROJECTED	ACTUAL
	2023/24	September Review	December Review	March Review	year end Result 2023/24	YTD as at 31/03/24
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
- Civic Office	-	-	10	-	10	8
- Organisation Leadership	-	-	-	-	-	-
- Economic Growth and Tourism	35	669	(99)	-	605	374
- Arts, Culture and Library Services	224	(30)	(7)	3	190	166
- Workforce Development	169	85	168	-	422	229
- Emergency Services	141	200	159	45	545	277
- Finance and Technology	10,496	519	500	-	11,515	8,211
- Corporate and Governance	2	-	-	-	2	5
- Environmental Management	89	(44)	-	-	45	(41)
- Livestock Saleyards	80	-	-	19	99	78
- Parks, Gardens and Open Spaces	128	192	-	11	331	309
- Planning and Regulation	311	109	139	40	599	426
- Buildings and Amenities	134	667	(34)	-	767	632
- Swimming Complex	-	-	-	-	-	-
- Asset Management and Resourcing	10	-	-	(10)	-	-
- Commercial Works	156	-	-	-	156	160
- Plant, Fleet and Equipment	192	(143)	-	-	49	28
- Transport Network	4,850	29,832	11,724	1,022	47,428	9,187
- Waste Management	3,386	601	101	21	4,109	3,863
- Water Supply	2,952	2,725	1,819	155	7,651	2,208
- Sewerage Service	3,064	-	2,614	-	5,678	2,990
- Stormwater and Drainage	72	-	-	-	72	72
Total Income including Capital Grants & Contributions	26,491	35,382	17,094	1,306	80,273	29,182
Expenses						
- Civic Office	357	(49)	10	-	318	161
- Organisation Leadership	965	80	(145)	-	900	576
- Economic Growth and Tourism	510	(80)	21	(23)	428	322
- Arts, Culture and Library Services	1,079	(105)	16	(97)	893	514
- Workforce Development	1,352	174	67	-	1,593	938
- Emergency Services	708	195	102	94	1,099	623
- Finance and Technology	698	(84)	130	-	744	395
- Corporate and Governance	839	43	(30)	-	852	505
- Environmental Management	349	60	(28)	(65)	316	208
- Livestock Saleyards	150	4	15	-	169	98
- Parks, Gardens and Open Spaces	1,191	(39)	-	7	1,159	761
- Planning and Regulation	596	101	(157)	-	540	280
- Buildings and Amenities	1,407	(147)	(48)	23	1,235	637
- Swimming Complex	279	(8)	-	-	271	191
- Asset Management and Resourcing	1,099	163	(15)	-	1,247	380
- Commercial Works	120	-	-	-	120	77
- Plant, Fleet and Equipment	(499)	(166)	66	-	(599)	(114)
- Transport Network	7,879	8,021	672	-	16,572	6,126
- Waste Management	2,906	170	31	-	3,107	1,722
- Water Supply	2,799	119	1,531	117	4,566	2,155
- Sewerage Service	1,910	303	-	-	2,213	1,166
- Stormwater and Drainage	119	7	-	-	126	61
Total Expenses	26,813	8,762	2,238	56	37,869	17,782
Total Surplus/ (Deficit)	(322)	26,620	14,856	1,250	42,404	11,400
Capital Grants and Contributions	355	29,921	14,806	1,007	46,089	8,827
Net Operating Result excluding Capital Grants and Contributions	(677)	(3,301)	50	243	(3,685)	2,573
Operating Ratio (including Capital Income)	-1.22%				52.82%	39.07%
Operating Ratio (excluding Capital Income)	-2.59%				-10.78%	12.64%

Budget Variations - Explanations

C/F = Carry-forward from 2022/23 financial year

Recommended Income Variations this Quarter	(\$'000)	Explanation:
- Arts, Culture and Library Services	3	New Operating grant income: Youth Week 2024 grant \$3,412
- Emergency Services	45	New Operating grant income: SES Urbenville - Painting & Security System - Building Grant \$14,366
		Addition to Operating income: Reimbursement for expenditure on October 2023 Fires - RFS Section 44 expenses \$31,000
- Livestock Saleyards	19	Addition to Operating income: Saleyards Dues \$12,000; WHS Surcharge \$4,000; Sundry income \$3,000
- Parks, Gardens and Open Spaces	11	Addition to Operating income: Cemetery Fees \$7,000; Parks & Sporting Ground Fees \$4,000
- Planning and Regulation	40	Addition to Capital income: Developer Contributions Section 7.11 (General Fund) \$40,000
- Asset Management and Resourcing	(10)	Reduction to Operating income: Sale of Surplus/Obsolete Plant & Materials -\$10,000
- Transport Network	1,022	Addition to Operating income: Permits/Application Fees \$15,000; North West Weight of Loads Group income \$11,000
		Disaster Recovery Funding Agreement (DRFA) program - Capital works income: DRFA AGRN1012 February 2022 EPAR - Billirimba Creek Bridge Reconstruction \$995,678
- Waste Management	21	Addition to Operating income: Recycling income \$50,000
		Addition to Capital income: Developer Contributions Section 7.11 (Waste Fund) \$5,000
		Reduction to Capital grant income: Torrington Landfill Closure & Transfer Station Construction -\$34,135 (invoice accrued at 30/06/23 was cancelled)
- Water Supply	155	Addition to Operating income: Water Usage Charges \$140,000; Installation Charges \$10,000; Standpipe income \$5,000
Total Recommended Income Variations this Quarter	1,306	

Recommended Expenditure Variations this Quarter	(\$'000)	Explanation:
- Economic Growth and Tourism	(23)	Reduction: Economic Development costs -\$15,000; New England High Country Marketing contribution -\$8,405
- Arts, Culture and Library Services	(97)	New Operating grant income: Youth Week 2024 grant \$3,412
		Reduction: Payroll costs -\$100,000
- Emergency Services	94	New Operating grant: SES Urbenville - Painting & Security System - Building Grant \$14,366
		Addition: SES Building Maintenance \$80,000
- Environmental Management	(65)	Reduction: Companion Animal Control Expenses -\$65,000
- Parks, Gardens and Open Spaces	7	Addition: Village Cemeteries Burial Costs \$7,000
- Buildings and Amenities	23	Addition: Childcare Centre Urgent Repairs \$23,000
- Water Supply	117	Addition: Water Treatment expenses \$82,000; Water Network maintenance \$24,500; Water Purchases from Southern Downs Regional Council \$10,000
Total Recommended Expenditure Variations this Quarter	56	

This document forms part of Tenterfield Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 2024 and should be read in conjunction with other documents in the QBRS.

Tenterfield Shire Council

Budget Statement for the year ended - 31 March 2024

Capital Budget Review

	Original Budget	Approved Changes	Approved Changes	Recommended Changes	REVISED Budget	ACTUAL YTD
	2023/24	September Review	December Review	March Review	2023/24	as at 31/03/24
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital Funding						
<i>Rates and other untied funding</i>	6,379	2,185	(1,779)	140	6,924	1,514
<i>Capital Grants & Contributions</i>	355	29,921	14,806	1,007	46,089	8,827
External Restrictions						
- <i>Specific Purpose Unexpended Grants</i>	-	55	-	-	55	55
- <i>Developer Contributions</i>	-	-	-	-	-	-
- <i>Water Supply Fund</i>	670	347	15	151	1,183	1,183
- <i>Sewerage Service Fund</i>	1,055	709	-	(335)	1,429	1,429
- <i>Domestic Waste Management Fund</i>	1,000	2,509	304	34	3,847	3,847
- <i>Stormwater Management Fund</i>	420	(290)	-	-	130	130
Internal restrictions						
- <i>Plant & Vehicle Replacement Reserve</i>	-	-	-	-	-	-
Other Capital Funding Sources						
<i>Income from sale of assets</i>	2,530	-	(967)	300	1,863	1,695
Total Capital Funding	12,409	35,436	12,379	1,297	61,520	18,680

Tenterfield Shire Council

Budget Statement for the year ended - 31 March 2024

Capital Budget Review

	Original Budget	Approved Changes	Approved Changes	Recommended Changes	REVISED Budget	ACTUAL YTD
	2023/24	September Review	December Review	March Review	2023/24	as at 31/03/24
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital Expenditure						
New Assets						
- Civic Office	-	-	-	-	-	-
- Organisation Leadership	-	-	-	-	-	-
- Economic Growth and Tourism	-	835	(250)	-	585	323
- Arts, Culture and Library Services	-	-	-	-	-	-
- Workforce Development	-	-	-	-	-	-
- Emergency Services	-	-	-	-	-	-
- Finance and Technology	-	-	-	-	-	-
- Corporate and Governance	-	-	-	-	-	-
- Environmental Management	-	-	-	-	-	-
- Livestock Saleyards	-	-	-	-	-	-
- Parks, Gardens and Open Spaces	60	-	-	-	60	61
- Planning and Regulation	-	-	-	-	-	-
- Buildings and Amenities	-	-	-	-	-	-
- Swimming Complex	-	-	-	-	-	-
- Asset Management and Resourcing	-	-	-	-	-	-
- Commercial Works	-	-	-	-	-	-
- Plant, Fleet and Equipment	-	-	-	-	-	-
- Transport Network	-	600	-	-	600	-
- Waste Management	670	3,139	(70)	-	3,739	377
- Water Supply	-	683	250	-	933	31
- Sewerage Service	-	50	-	70	120	-
- Stormwater and Drainage	-	-	-	-	-	-
Asset Renewals/Replacement						
- Civic Office	-	-	-	-	-	-
- Organisation Leadership	-	-	-	-	-	-
- Economic Growth and Tourism	-	-	-	-	-	-
- Arts, Culture and Library Services	13	64	-	-	77	33
- Workforce Development	-	-	-	-	-	-
- Emergency Services	-	-	-	-	-	-
- Finance and Technology	125	(93)	-	-	32	-
- Corporate and Governance	-	-	-	-	-	-
- Environmental Management	-	-	-	-	-	-
- Livestock Saleyards	-	56	-	-	56	14
- Parks, Gardens and Open Spaces	-	187	123	20	330	201
- Planning and Regulation	-	-	-	-	-	-
- Buildings and Amenities	-	1,066	(237)	20	849	357
- Swimming Complex	-	18	-	-	18	-
- Asset Management and Resourcing	450	(205)	(235)	-	10	10
- Commercial Works	-	-	-	-	-	-
- Plant, Fleet and Equipment	3,737	-	(2,238)	400	1,899	1,651
- Transport Network	4,299	26,380	11,506	996	43,181	4,808
- Waste Management	219	(29)	374	-	564	18
- Water Supply	456	2,316	656	151	3,579	1,423
- Sewerage Service	947	659	2,500	(405)	3,701	653
- Stormwater and Drainage	420	(290)	-	-	130	2
Loan Repayments (principal)	1,013	-	-	-	1,013	920
Total Capital Expenditure	12,409	35,436	12,379	1,252	61,476	10,882

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

Capital Expenditure Budget Variations - Explanations

Proposed Expenditure Variations (\$'000) C/F = Carry-forward from 2022/23 financial year

New Assets

- Sewerage Service	70	Increase budget for Sewer fund capital project: Tenterfield STP - 3 Bay Shed for Storage \$70,000
Total New Asset Budget Adjustments	70	

Renewal Assets

- Parks, Gardens and Open Spaces	20	Addition General fund capital project: Urbenville Cemetery - Fence Upgrades (SRV 2023) \$20,000
- Buildings and Amenities	20	Addition General fund capital project: Housing 53 Welburn Lane - Replace Flooring \$20,000
- Plant, Fleet and Equipment	400	Increase budget for General fund capital project: Plant Purchases \$400,000 (light vehicles)
- Transport Network	996	Disaster Recovery Funding Agreement (DRFA) program - Capital works: DRFA AGRN1012 February 2022 EPAR - Billirimba Creek Bridge Reconstruction \$995,678
- Water Supply	151	Increase budget for Water fund capital project: Shirley Park Bore Refurbishment \$453,544
		Reduction Water fund capital projects: Tenterfield Mains Replacement -\$285,000; Jennings Mains Replacement -\$11,800; Urbenville Water Treatment Plant Upgrade -\$5,949
- Sewerage Service	(405)	Reduction Sewer fund capital projects: Tenterfield New Pump Station - Molesworth St -\$200,000; Tenterfield Mains Relining -\$100,000; Tenterfield Man Hole Level Alterations -\$65,000; Urbenville Telemetry From PS to STP -\$10,300; Urbenville Dehydrator -\$10,000; Urbenville Telemetry Upgrade -\$10,000; Urbenville Removal Sludge from Tertiary Ponds/Renewal of Capacity -\$10,000
Total Renewal Asset Budget Adjustments	1,182	

Liabilities

Total Liabilities Budget Adjustments	0
Total Proposed Expenditure Variations	1,252

This document forms part of Tenterfield Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 2024 and should be read in conjunction with other documents in the QBRS.

Tenterfield Shire Council

Budget Statement for the year ended - 31 March 2024

Cash and Investment Review

	Opening Balance 30/06/2023 from Audited Financial Statements \$'000	Approved Changes September Review \$'000	Approved Changes December Review \$'000	Recommend Changes March Review \$'001	PROJECTED year end Result 2023/24 \$'000	ACTUAL YTD 31/03/2024 \$'000
Externally restricted						
<i>Specific Purpose Unexpended Grants - General Fund</i>	8,671	(8,671)	-	-	-	16,296
<i>Specific Purpose Unexpended Grants - Water Fund</i>	168	(168)	-	-	-	41
<i>Specific Purpose Unexpended Grants - Sewer Fund</i>	-	-	-	-	-	-
<i>Specific Purpose Unexpended Grants - Waste Fund</i>	446	(446)	-	-	-	106
<i>Specific Purpose Unexpended Grants - Stormwater Fund</i>	-	-	-	-	-	-
<i>Developer Contributions - General Fund</i>	651	126	41	103	921	921
<i>Developer Contributions - Water Fund</i>	94	-	15	-	109	109
<i>Developer Contributions - Sewer Fund</i>	54	-	14	-	68	68
<i>Developer Contributions - Waste Fund</i>	64	13	5	10	92	92
<i>Developer Contributions - Stormwater Fund</i>	7	-	-	-	7	7
<i>RFS Unspent Funds</i>	111	-	-	3	114	114
<i>Water Supply Fund</i>	1,210	(94)	(544)	(112)	460	2,316
<i>Sewerage Service Fund</i>	6,764	(295)	110	335	6,914	7,418
<i>Domestic Waste Management Fund</i>	8,464	(2,272)	(255)	16	5,953	10,398
<i>Stormwater Management Fund</i>	991	(69)	-	-	922	1,039
<i>Trust Fund</i>	382	-	(313)	-	69	69
Total Externally restricted	28,077	(11,876)	(927)	355	15,629	38,994
Internally restricted						
<i>Plant & Vehicle Replacement</i>	-	-	400	-	400	400
<i>Employees Leave Entitlements</i>	-	-	200	-	200	200
<i>Special Projects - Infrastructure Projects Requiring Milestone Expenditure</i>	5,500	(1,000)	(3,000)	-	1,500	1,500
Total Internally restricted	5,500	(1,000)	(2,400)	-	2,100	2,100
Total Restricted	33,577	(12,876)	(3,327)	355	17,729	41,094
Available Cash (Unrestricted Funds)	1,313	(809)	368	-	400	2,830
Total Cash and Investments	34,890	(13,685)	(2,959)	355	18,129	43,924

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.

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 3 April 2024.

Cash Book Reconciliation

\$

Operating Account Cash balance as at 31 March 2024	29,854,987.23
Trust Account Cash balance as at 31 March 2024	69,074.35
Total Cash (Not invested) as at 31 March 2024	29,924,061.58

Reconciliation

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

Financial Institution	Amount	Rating	Interest	Maturity Date
National Australia Bank	1,500,000.00	AA-	5.05%	22/04/2024
National Australia Bank	1,000,000.00	AA-	5.15%	28/05/2024
National Australia Bank	2,000,000.00	AA-	5.15%	11/06/2024
National Australia Bank	1,000,000.00	AA-	4.25%	17/04/2024
Commonwealth Bank	3,000,000.00	AA-	4.74%	18/06/2024
Westpac	1,500,000.00	AA-	4.94%	30/04/2024
Westpac	2,000,000.00	AA-	5.17%	30/05/2024
Westpac	2,000,000.00	AA-	5.11%	12/06/2024
TOTAL INVESTMENTS	14,000,000.00			
TOTAL CASH ON HAND	29,924,061.58			
TOTAL CASH AND INVESTMENTS	43,924,061.58			

Tenterfield Shire Council

Budget review for the quarter ended - 31 March 2024

Contracts

Contractor	Contract detail & purpose	Contract value \$	Commencement date	Duration of contract	Budgeted (Y/N)
Michael Wood and Associates Pty Ltd	Tenterfield Flood Study Grant - Updated Tenterfield Flood Study, Floodplain Risk Management Study and Plan	89,960	18/03/2024	Ongoing	Y
Veeleilix Pty Ltd - Just Sports N Fitness	Management of the Tenterfield War Memorial Baths (Swimming Pool)	135,369	31/03/2023	17/09/2024	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	124,319	Y
Legal Fees	29,502	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.

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