



LEETON
SHIRE COUNCIL

ORDINARY COUNCIL MEETING
ITEM 7.4 – BUSINESS PAPER

22 NOVEMBER 2023
7:00PM

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

Authorised for release: Jackie Kruger General Manager

CORPORATE MATTERS

**7.4 2023/24 BUDGET REVIEW FOR THE QUARTER ENDING 30
SEPTEMBER 2023.....2**

CORPORATE MATTERS

ITEM 7.4 2023/24 BUDGET REVIEW FOR THE QUARTER ENDING 30 SEPTEMBER 2023

RECORD NUMBER	23/294
RELATED FILE NUMBER	EF22/36
AUTHOR/S	Finance Contractor Director Corporate (Acting)
APPROVER/S	General Manager

SUMMARY/PURPOSE

The purpose of the Quarterly Budget Review (QBR) is to provide a summary of Council's financial position as at the end of the first quarter (30 September 2023) for the Year Ending 30 June 2024.

RECOMMENDATION

THAT Council reviews and considers the Quarterly Budget Review (QBR) as at 30 September 2023, and approves the changes as recommended by Management.

REPORT

(a) Background

The Quarterly Budget Review (QBR) is required to be prepared quarterly in a prescribed format to inform Council of progress against the original budget along with recommended changes and reasons for the variances.

(b) Discussion

A copy of the QBR document is provided at (**Attachment 1**).

Quarterly Budget Review Summary – Consolidated Income Statement

The **recommended budget changes** and detailed explanations and schedules are provided within Attachment 1 as contained within the Income Statement and any associated commentary and supporting schedules.

It is important to note that the majority of recommendations relate to the incorporation of the Capex Carry Overs (being works from 2022/23, previously approved by Council, and not included in the original 2023/24 budget as they were in progress). These are incorporated in the 2023/24 QBR to provide a forecast of Council's financial position at 30 June 2024.

Note: The September Quarterly Review has mainly been focused on adjusting for the carry forward capital projects and any known grant funding revenues. It is intended that there will be further adjustments made to operating revenues and expenses at the December Quarterly Review eg revenues from Interest & Investments is tracking well above the printed y-t-d figures and this and other revenue adjustments will flow through in that next review. Further adjustments will also be needed in regards to operating expenses eg Loan Borrowings with updated schedules to be prepared however as at 30 September, there were no new borrowings undertaken therefore the schedules and any adjustments will be completed as part of the December 2023 Quarterly Review.

After incorporation of the Carry Overs and adjustments, Council's forecast results for 30 June 2024 are:

- *Net operating result for the year* – surplus of \$8.94M (2022/23 unaudited Actual for year ended 30 June 2023: surplus of \$5.19M).
- *Net operating result for the year before grants and contributions provided for capital purposes* - loss of (\$3.4M) (2022/23 unaudited Actual for year ended 30 June 2023: surplus of \$0.241M).

This result is dependent on the completion of all works and receipts of all related income.

Statement of Financial Position

Most notable in the Statement of Financial Position are:

- Reduction in non-current investments (from actual opening balance of \$12.3M to \$5.5M) due to the need to fund the capital program and a shift toward current investment (from \$22M to \$28.8M).
- Increased expenditure on Infrastructure, Property, Plant and Equipment which is a result of completing projects carried over or started from the 2022/23 year as well as current year projects. The original Capital program forecast was \$8.54M plus approximately \$24M in carried forward projects for a total of \$32.9M of capital works expenditure in 2023/24 and depreciation is \$9.0M.
- Council will reconsider the timing and costs associated with borrowings in the December QBR.

Statement of Cashflows

The Statement of Cashflow binds the Income Statement and the Financial Position. It reflects the full cash inflows and outflows of the organisation and as such reflects the full \$32.9M in capital projects, the expected Loan Funding and the additional cash inflows relating to grants not yet received.

Notably the Cashflow highlights the use of borrowings of some \$11.2M resulting in a minor decrease in the cash position overall of (\$0.29M). It also highlights that council will have \$54.3M in Cash and Investments depending on the timing of payments and receipts.

Key Performance Indicators

Of the six performance indicators included in the QBR, three are better than the associated benchmarks with the Operating Ratio, Own Source Revenue and Debt Service Ratio being below benchmark by various degrees which may impact the amount that can be borrowed. Overall, the Performance Indicators show a worsening position over time particularly the Operating Ratio (which is forecast at approximately minus 10%) however it is expected that in the December Quarterly Review there will be positive adjustments to some revenues that will change both the full year projected outcome and these corresponding ratios.

Quarterly Budget Review Summary – Operating & Capital Budget

The changes incorporated into the September Quarterly Review in the operations area is in Capital Grants & Contributions of \$10.8M which reflects the forecast capital grants that have been notified to staff. As this is the first quarter of the year, the main adjustments have been to either carried forward capital project budgets or capital grants with adjustments to operating revenues and expenses to be collated and posted in the December Quarterly Review.

The September Quarterly Review has been adjusted for budget changes to capital projects and in particular any carry forward projects with an additional \$24M expected to be spent on capital during the year in addition to the original forecast of \$8.5M.

Management will continue to monitor the capital program to ensure its delivery in full or to ensure prioritization of projects, if required.

Quarterly Budget Review Summary – Cash and Investments

The **recommended budget changes** and any explanations are provided within Attachment 1.

After incorporation of the Carry Overs and other changes, being completed on time and on cost, Council's 2023/24 Cash and Investments position is forecast to decrease by \$0.29M from \$54.5M as at 30 June 2023 to \$54.3M as at 30 June 2024.

FOR NOTING - the forecast Cash and Investments position is conditional on work completion, loan borrowings being finalised and timing of receipt of milestone payments as well as the operational activities undertaken.

Conclusion

The QBR recommendations include the incorporation of the Carry Overs and Re-votes from the prior year as well as changes that have been identified since completion of the 2023/24 Budget. These recommendations have a significant impact on the forecast financial position, capital budget and cash position of Council as at 30 June 2024.

(c) Options

THAT Council:

1. Reviews and considers the Quarterly Budget Review as at 30 September 2023, and approves the changes as recommended by Management. ***This is the recommended option.***
2. Reviews, considers and approves the Quarterly Budget Review as at 30 September as recommended by Management with amendments.

IMPLICATIONS TO BE ADDRESSED

(a) Financial

Overall Position

The Responsible Accounting Officer Statement (**Page 2 of Attachment 1**) indicates that Council's position at 30 September 2023 is considered satisfactory compared to the original 2023/24 Budget which was adopted by Council.

(b) Policy

The Quarterly Budget Review is required in accordance with clause 203 of the Local Government (General) Regulation 2021.

(c) Legislative/Statutory

Specifically, clause 203 of the Local Government (General) Regulation 2021 states the following:

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 the 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.
3. A budget review statement must also include any information required by the Code to be included in such a statement.

(d) Risk

If Council does not adopt the September 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 September 2023 QBR Report



Leeton Shire Council

July to September 2023 Quarterly Budget Review Summary

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Based on Unaudited Financials

Leeton Shire Council
July to September 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 30 September, 2023 indicates that Council's projected financial position at 30 June 2024 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: 31/10/23

Based on Unaudited Financials

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

BUDGET REVIEWS FOR 2022/2023

	2023/24	Changes Sought	2023/24		2023/24	
	Original Budget	1st Quarter Budget	Revised Budget	Orig. Shift %	Actual YTD	YTD%
	\$	\$	\$		\$	
Inflows from Continuing Operations						
Rates and Annual Charges	14,931,419	-	14,931,419	0%		0%
User Fees and Charges	8,660,069	-	8,660,069	0%		0%
Interest and Investment Revenue	748,962	-	748,962	0%		0%
Grants and contributions provided for capital purposes	1,578,895	10,776,442	12,355,336	683%		0%
Grants and contributions provided for operating purposes	7,349,962	-	7,349,962	0%		0%
Rental Income	293,700	-	293,700	0%		0%
Other revenues	557,905	-	557,905	0%		0%
Net Gains from Disposal of Assets	430,000	-	430,000			
Total Income	34,550,913	10,776,442	45,327,355	31%	-	0%
Outflows from Continuing Operations						
Employee benefits and on-costs	13,507,577	-	13,507,577	0%		0%
Materials and contracts	12,161,954	-	12,161,954	0%		0%
Borrowing costs	455,610	-	455,610	0%		0%
Depreciation and amortisation	8,990,784	-	8,990,784	0%		0%
Other expenses	616,928	-	616,928	0%		0%
Net losses from the disposal of assets	650,000	-	650,000			
Total Expenses	36,382,853	-	36,382,853	0%	-	0%
Operating Result from Continuing Operations	(1,831,940)	10,776,442	8,944,502		-	
Net Operating Result for the Year before Grants and Contributions Provided for Capital Purposes	(3,410,835)	-	(3,410,835)		-	

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

	General Fund			Water Fund			Sewer Fund			DWM			Consolidated		
	Original Budget	Revised Budget	Actual YTD	Original Budget	Revised Budget	Actual YTD	Original Budget	Revised Budget	Actual YTD	Original Budget	Revised Budget	Actual YTD	Original Budget	Revised Budget	Actual YTD
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations															
Rates and annual charges	7,982,302	7,982,302	1,995,576	1,644,984	1,644,984	411,246	2,928,508	2,928,508	732,127	2,375,625	2,375,625	593,906	14,931,419	14,931,419	3,732,855
User charges and fees	4,289,266	4,289,266	618,932	3,246,690	3,246,690	564,636	278,459	278,459	11,078	845,655	845,655	169,315	8,660,069	8,660,069	1,363,961
Interest and investment revenue	379,312	379,312	125,030	165,514	165,514	8,277	1,111,179	1,111,179	6,762	92,958	92,958	3,562	748,962	748,962	143,631
Grants and contributions provided for capital purposes	503,000	11,279,442	1,737,644	552,894	552,894	15,372	523,000	523,000	19,792	-	-	320	1,578,895	12,355,336	1,773,128
Grants and contributions provided for operating purposes	7,349,962	7,349,962	4,054,153	-	-	-	-	-	32	-	-	-	7,349,962	7,349,962	4,054,185
Rental Income	293,700	293,700	103,921	-	-	-	-	-	-	-	-	-	293,700	293,700	103,921
Other revenues	453,538	453,538	151,134	55,546	55,546	44,229	6,259	6,259	-	42,563	42,563	47,867	557,905	557,905	243,230
Net Gains from Disposal of Assets	430,000	430,000	-	-	-	-	-	-	-	-	-	-	430,000	430,000	-
Total Income	21,481,080	32,457,522	8,786,390	5,665,628	5,665,628	1,043,760	3,847,404	3,847,404	769,791	3,356,801	3,356,801	814,970	34,550,913	45,327,355	11,414,911
Expenses from Continuing Operations															
Employee benefits and on-costs	9,446,059	9,446,059	1,636,914	1,884,342	1,884,342	296,653	1,290,116	1,290,116	201,230	887,060	887,060	175,279	13,507,577	13,507,577	2,310,076
Materials and contracts	7,840,080	7,840,080	2,115,918	1,750,301	1,750,301	266,152	967,338	967,338	221,477	1,604,236	1,604,236	270,324	12,161,954	12,161,954	2,873,871
Borrowing costs	455,610	455,610	6,711	-	-	-	-	-	-	-	-	-	455,610	455,610	6,711
Depreciation and amortisation	5,938,555	5,938,555	1,484,639	1,467,545	1,467,545	366,886	1,054,644	1,054,644	263,661	530,040	530,040	132,510	8,990,784	8,990,784	2,247,696
Other expenses	336,928	336,928	-	-	-	67,960	-	-	-	280,000	280,000	12,441	616,928	616,928	80,401
Net losses from the disposal of assets	650,000	650,000	-	-	-	-	-	-	-	-	-	-	650,000	650,000	-
Total Expenses	24,667,232	24,667,232	5,244,182	5,102,188	5,102,188	997,651	3,312,098	3,312,098	686,368	3,301,336	3,301,336	590,554	36,382,853	36,382,853	7,518,756
Operating Result from Continuing Operations	(2,986,151)	7,790,291	3,542,208	563,440	563,440	46,109	535,306	535,306	83,423	55,465	55,465	224,416	(1,831,940)	8,944,502	3,896,156
Net Operating Result for the Year before Grants and Contributions Provided for Capital Purposes	(3,489,151)	(3,489,151)	1,804,564	10,546	10,546	30,737	12,306	12,306	63,631	55,465	55,465	224,096	(3,410,835)	(3,410,835)	2,123,028

Based on Unaudited Financials

LEETON SHIRE COUNCIL
Budgeted Statement of Financial Position - Consolidated
For Year Ending 30 June 2024

	2023-24		
	Opening balance as on 30th Jun'23	Original Budget	Current Forecast
Current Assets			
Cash and Cash Equivalents	20,254,955	10,425,331	19,964,832
Investments	22,000,446	18,760,000	28,800,446
Receivables	3,290,025	4,552,350	3,290,025
Inventories	1,109,605	1,166,000	1,109,605
Other	49,137	49,000	49,137
Total Current Assets	46,704,168	34,952,681	53,214,045
Non-Current Assets			
Investments	12,300,000	10,500,000	5,500,000
Receivables	16,000	427,464	16,000
Infrastructure, Property, Plant & Equipment	331,316,393	344,124,752	355,220,348
Intangible Assets	9,765,700	9,565,000	9,765,700
Total Non-Current Assets	353,398,093	364,617,216	370,502,048
Total Assets	400,102,261	399,569,897	423,716,093
Current Liabilities			
Payables	2,899,000	2,852,000	2,899,000
Contract Liabilities	4,845,377	-	-
Borrowings	294,882	600,535	600,208
Employee Benefit Provisions	2,638,686	2,814,000	2,638,686
Total Current Liabilities	10,677,946	6,266,535	6,137,895
Non-Current Liabilities			
Payables	-	-	-
Borrowings	2,139,286	7,997,868	7,997,868
Employee Benefit Provisions	143,323	226,984	226,984
Provisions	4,585,429	4,602,000	4,850,429
Total Non-Current Liabilities	6,868,038	12,826,852	13,075,281
Total Liabilities	17,545,983	19,093,388	19,213,176
Net Assets	382,556,278	380,476,509	404,502,917
Equity			
Retained Earnings	141,925,000	152,040,508	163,871,640
Revaluation Reserves	240,631,278	228,436,001	240,631,278
Total Equity	382,556,278	380,476,509	404,502,917

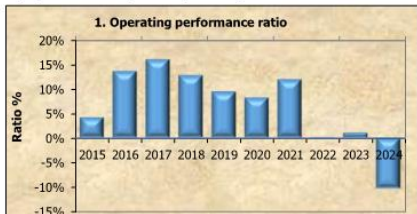
LEETON SHIRE COUNCIL
Budgeted Cash Flow - Consolidated
For Year Ending 30 June 2024

	2023-2024	2023-2024
	Original Budget (adjusted O/B)	Forecast
Cash Flow from Operating Activities		
Receipts:		
Rates and Annual Charges	14,931,419	14,931,419
User Fees and Charges	8,660,069	8,660,069
Interest and Investment Revenue	748,962	748,962
Grants & Contributions - Capital	1,578,895	12,355,336
Grants & Contributions - Operating	6,549,962	6,549,962
Other	851,605	851,605
Payments:		
Employee Costs	(13,507,577)	(13,507,577)
Borrowing Costs	(455,610)	(455,610)
Materials and Contracts	(12,161,954)	(12,161,954)
Other	(336,928)	(336,928)
Net Cash Provided (or used) in Operating Activities	6,858,844	17,635,286
Cash Flow from Investing Activities		
Receipts:		
Maturity of Investments	4,000,000	4,000,000
Deposits on Sale Real Estate Assets	4,150,000	4,150,000
Disposal of Infrastructure, Property, Plant & Equipment	655,000	655,000
Deferred Debtor Receipts	-	-
Payments:		
Purchase of Investments	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(23,929,055)	(32,894,739)
Deferred Debtor Advances Made	-	-
Net Cash Provided (or used) in Investing Activities	(15,124,055)	(24,089,739)
Cash Flow from Financing Activities		
Receipts:		
Borrowings and Advances (External)	10,591,866	11,164,866
Other	-	-
Payments:		
Borrowings and Advances	(5,000,535)	(5,000,535)
Other	-	-
Net Cash Provided (or used) in Financing Activities	5,591,330	6,164,330
Net Increase/(Decrease) in Cash & cash Equivalents	(2,673,881)	(290,123)
Cash and Cash Equivalents at Beginning of Period	20,254,955	20,254,955
Cash and Cash Equivalents at End of Period	17,581,074	19,964,832
Plus Investments on Hand - End of Year	30,300,446	34,300,446
Total Cash, Cash Equivalents and Investments	47,881,519	54,265,277
Movement in Cash and Investments	(6,673,881)	(290,123)

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

For Year Ending 30 June 2024
 (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: — Minimum $\geq 0.00\%$
 Source for benchmark: Code of Accounting Practice and Financial Reporting #26



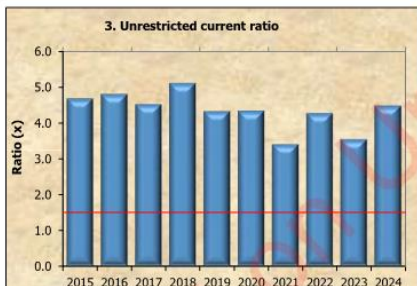
Purpose of own source operating revenue ratio

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



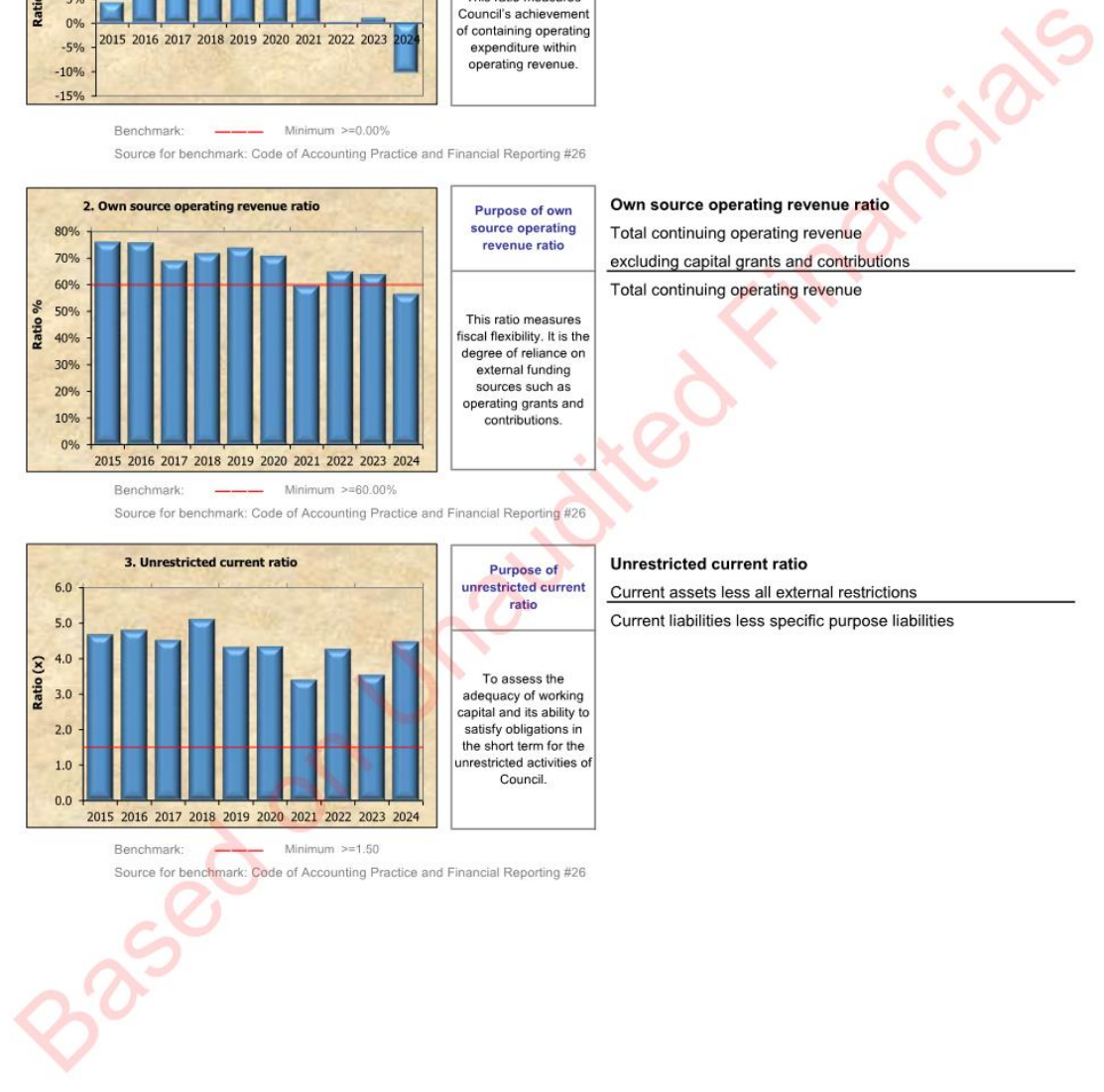
Purpose of unrestricted current ratio

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

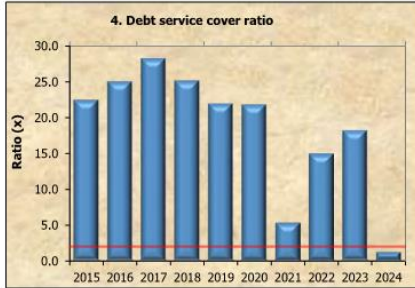
Unrestricted current ratio

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

Benchmark: — Minimum ≥ 1.50
 Source for benchmark: Code of Accounting Practice and Financial Reporting #26



LEETON SHIRE COUNCIL
Performance Measures
consolidated results (graphs)
For Year Ending 30 June 2024

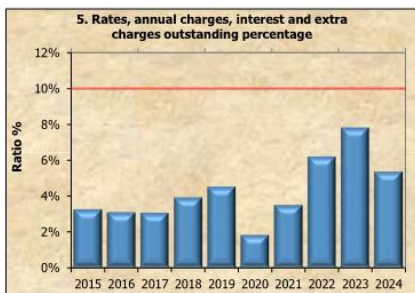


Benchmark: Minimum ≥ 2.00
 Source for benchmark: Code of Accounting Practice and Financial Reporting #26

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
 Operating result before capital excluding interest and depreciation/impairment/amortisation
 Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)

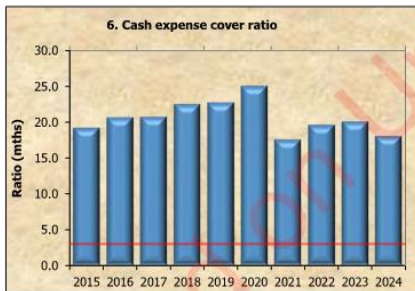


Benchmark: Maximum $< 10.00\%$
 Source for Benchmark: Code of Accounting Practice and Financial Reporting #26

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

LEETON SHIRE COUNCIL

Capital Budget Review

July to September 2023 Quarterly Budget Review Summary

	2023/2024			Actual YTD
	Original Annual Budget	Changes Sought	Revised Annual Forecast	
Capital Expenditure				
New assets				
- office equipment (includes software)	-	354,111	354,111	55,644.65
- plant & equipment	-	36,900	36,900	36,900.00
- land & buildings	58,500	7,870,113	7,928,613	77,532.15
- parks, gardens & recreation	130,000	-	130,000	-
- roads, bridges, Stormwater & footpaths	90,000	63,323	153,323	40,922.98
- waste	655,000	-	655,000	12,075.95
- water supply	1,167,000	-	1,167,000	-
- sewerage services	365,000	1,189,676	1,554,676	1,085,850.32
Renewals (replacements)				
- office equipment (includes software)	192,000	70,000	262,000	20,124.74
- plant & equipment	1,384,000	55,000	1,439,000	320,442.73
- land & buildings	90,000	8,473,167	8,563,167	1,466,910.75
- parks, gardens & recreation	50,000	604,580	654,580	525,442.45
- roads, bridges, Stormwater & footpaths	3,670,184	4,873,185	8,543,369	1,346,273.36
- waste	-	-	-	-
Subtotal of General Fund	7,851,684	23,590,055	31,441,739	4,988,120
- water supply	320,000	548,280	868,280	155,087.34
- sewerage services	375,000	209,720	584,720	351,002.46
Total Capital Expenditure	8,546,684	24,348,055	32,894,739	5,494,210

LEETON SHIRE COUNCIL
Capital Budget Review
2023/24 Budget (including Revotes. Excluding Carry forwards)

	2022/23 Original Budget	2023/24 Budget (inc. Revotes)	2023/24 Forecast
	Excludes Carry Forwards	Excludes Carry Forwards	includes Carry Forwards
Capital Funding Source			
Rates and other untied funding	3,326,000	2,325,684	4,354,860
*Grants & Contributions - Capital	901,445	1,865,000	7,987,350
Internal Restrictions	1,531,000	1,384,000	100,000
External Restrictions			
- Unexpended grants & contributions	-	-	4,367,987
- stormwater levy	30,000	90,000	90,000
- S7.12 Developer Contributions	200,000	-	-
- domestic waste management	77,000	655,000	655,000
- water supply	1,908,500	950,000	2,035,280
- sewerage services	1,176,500	1,277,000	2,139,396
Loans	3,462,950	-	11,164,866
Total Capital Funding	12,613,395	8,546,684	32,894,739
Capital Expenditure			
New assets			
- office equipment (includes software)	335,000	-	354,111
- plant & equipment	-	-	36,900
- land & buildings	110,000	58,500	7,928,613
- parks, gardens & recreation	775,445	130,000	130,000
- roads, bridges, Stormwater & footpaths	201,000	90,000	153,323
- waste	77,000	655,000	655,000
Subtotal of General Fund	1,498,445	933,500	9,257,947
- water supply	733,500	1,167,000	1,167,000
- sewerage services	181,500	365,000	1,554,676
Renewals (replacements)			
- office equipment (includes software)		192,000	262,000
- plant & equipment	980,000	1,384,000	1,439,000
- land & buildings	3,379,950	90,000	8,563,167
- parks, gardens & recreation	230,000	50,000	654,580
- roads, bridges, Stormwater & footpaths	3,470,000	3,670,184	8,543,369
- waste	-	-	-
Subtotal of General Fund	8,059,950	5,386,184	19,462,116
- water supply	1,175,000	320,000	868,280
- sewerage services	965,000	375,000	584,720
Total Capital Expenditure	12,613,395	8,546,684	32,894,739

LEETON SHIRE COUNCIL
Recommended Changes, Carry Overs

	Carry Over		Adjustments		Total	Total	Total
	Operating	Capital	Operating	Capital	Operating	Capital	
	\$	\$	\$	\$	\$	\$	\$
REVENUE							
<u>Capital Grants and Contributions - Increases</u>							
Unspent Grants reserve (contract Liability)		4,367,987			-	4,367,987	4,367,987
Capital Grants carried forward (estimated)		6,408,455				6,408,455	6,408,455
	-	10,776,442	-	-	-	10,776,442	10,776,442
<u>Loans and Borrowings</u>							
Loan-LELC New Room		573,000			-	573,000	573,000
Loan-Vance State Expansion		5,587,711			-	5,587,711	5,587,711
Loan- Roxy		5,004,155			-	5,004,155	5,004,155
	-	11,164,866	-	-	-	11,164,866	11,164,866
Total Income Increases & Borrowings	-	21,941,307	-	-	-	21,941,307	21,941,307
Included in Income Statement (excludes Borrowings)	-	10,776,442	-	-	-	10,776,442	10,776,442
Net Variations	-	21,941,307	-	-	-	21,941,307	21,941,307
<u>Capital Projects Included</u>							
Asset Management		61,474	-	-	-	61,474	61,474
Element Org		54,000	-	-	-	54,000	54,000
Procure2pay		71,134	-	-	-	71,134	71,134
Leeton Website Upgrade		11,128	-	-	-	11,128	11,128
DPIE Phase 2		8,875	-	-	-	8,875	8,875
E-Services		120,000	-	-	-	120,000	120,000
Council Chamber Media Support Upgrade		20,000	-	-	-	20,000	20,000
CCTV Upgrades		20,000	-	-	-	20,000	20,000
Network Infrastructure		70,000	-	-	-	70,000	70,000
LELC Upgrade		18,876	-	-	-	18,876	18,876
Solar Array Multipurpose Centre		2,324	-	-	-	2,324	2,324
Plant & Vehicle Replacement		-	-	55,000	-	55,000	55,000
Drought Funding round 3		441,270	-	-	-	441,270	441,270
Public Convenience - Wamoon Park		(2,285)	-	-	-	(2,285)	(2,285)
Public Convenience - Sycamore Street		100,000	-	-	-	100,000	100,000
Yanco Women's Changerooms and toilets		100,000	-	-	-	100,000	100,000
Replace Inverters		-	-	(9,000)	-	(9,000)	(9,000)
Plinths & Cemetery Capital Works		29,865	-	-	-	29,865	29,865
Playground upgrades		20,215	-	-	-	20,215	20,215
Leeton Pool - New Slide		514,500	-	-	-	514,500	514,500
Golf Course Maintenance Shed Modifications		40,000	-	-	-	40,000	40,000

LEETON SHIRE COUNCIL
Recommended Changes, Carry Overs

	Carry Over		Adjustments		Total	Total	Total
	Operating	Capital	Operating	Capital	Operating	Capital	
	\$	\$	\$	\$	\$	\$	\$
Capital Projects Included - continued							
Capital Projects Included - continued							
Water		308,000	-	-	-	308,000	308,000
Water		70,000	-	-	-	70,000	70,000
Water		49,450	-	-	-	49,450	49,450
Water		130,000	-	-	-	130,000	130,000
Water		42,990	-	-	-	42,990	42,990
Water		40,000	-	-	-	40,000	40,000
Water		2,840	-	-	-	2,840	2,840
Water				(40,000)	-	(40,000)	(40,000)
Water				(40,000)	-	(40,000)	(40,000)
Sewer		1,064,676	-	-	-	1,064,676	1,064,676
Sewer				(15,000)	-	(15,000)	(15,000)
Sewer		9,720	-	-	-	9,720	9,720
Sewer		7,500	-	-	-	7,500	7,500
Sewer		50,000	-	-	-	50,000	50,000
Sewer		125,000	-	-	-	125,000	125,000
Capital Projects Included - continued							
Roads to Recovery				(656,000)	-	(656,000)	(656,000)
R2R - Stoney Pt Road Rehabilitation Mc Neil to Harley 2023/24 - \$250K				250,000	-	250,000	250,000
R2R - Murrumbidgee Road Nth - Irrigation to Draper 2023/24 - \$180K				180,000	-	180,000	180,000
R2R - Boundary Road Stage 2 2023/24 - \$240K				240,000	-	240,000	240,000
Resealing - Short St		15,000				15,000	15,000
Resealing - Caloro St		50,000				50,000	50,000
Resealing - Dooley Ln		40,000				40,000	40,000
LSC Road Rehabilitation				(150,000)		(150,000)	(150,000)
LSC Road Rehabilitation - Vance Road		98,451				98,451	98,451
LSC Road Rehabilitation - Railway Avenue		173,498				173,498	173,498
LSC Road Rehabilitation - Palm Ave East		3,301				3,301	3,301
LSC Road Rehabilitation - Wade Ave Nth		140,000				140,000	140,000
LSC Road Rehabilitation - Euroley Road		97,402				97,402	97,402
LSC Road Rehabilitation - Wilga Road		20,000				20,000	20,000
Roxy Lane - in conjunction with Roxy redevelopment				25,000		25,000	25,000
LSC Road Rehabilitation Mahogany Road - Irrigation way to Road End \$150K		150,000				150,000	150,000
Heavy Patching - Carrington Dr		20,000				20,000	20,000
Heavy Patching - Short St		20,000				20,000	20,000
Heavy Patching - Caloro St		9,806				9,806	9,806
Fixing Local Roads - Canal Street		1,610,600				1,610,600	1,610,600
Gravel Road Resheeting Program		140,129				140,129	140,129
Bus Shelter-Merungle Hill Road & Brown Road		16,600				16,600	16,600

LEETON SHIRE COUNCIL
Recommended Changes, Carry Overs

	Carry Over		Adjustments		Total	Total	Total
	Operating	Capital	Operating	Capital	Operating	Capital	
	\$	\$	\$	\$	\$	\$	\$
Active Transport Karri Road and Cassia Road (Get NSW Active)		5,800				5,800	5,800
Active Transport Petersham Road and Fivebough Road (Get NSW Active)		14,280				14,280	14,280
Capital Projects Included - continued							
Kerb And Gutter - Melaleuca St		17,039				17,039	17,039
Kerb And Gutter - Muntenpen St		9,604				9,604	9,604
CBD Enhancement Stage 3 - Chelmsford Place		2,104,727				2,104,727	2,104,727
Eventide Homes Renewal		100,000				100,000	100,000
Capital Projects Included - continued							
Vance Estate Expansion		7,516,081				7,516,081	7,516,081
Roxy Theatre Redevelopment 21/22 (excludes Water & Roads)		7,667,101				7,667,101	7,667,101
Local Trades resolution - Roxy		200,000				200,000	200,000
CBD Enhancement #2 (Roxy Forecourt)		197,351				197,351	197,351
LMAG Uptairs Development - Room Repairs & Refurb		120,000				120,000	120,000
LMAG Uptairs Development - Lift enabling works		120,000				120,000	120,000
LMAG Uptairs Development - Lift		75,950				75,950	75,950
Art Deco Touring Route Signage		116,882				116,882	116,882
Wiradjuri Story preliminaries		16,500		20,400		36,900	36,900
Total Capital	-	24,487,655	-	(139,600)	-	24,348,055	24,348,055
Net Variations inc. Capital Expenditures	\$ -	\$ 2,546,347	\$ -	\$ (139,600)	\$ -	\$ 2,406,747	\$ 2,406,747
Capital Projects Funding							
Unrestricted Cash	-	6,299,626	-	(139,600)	-	6,160,026	6,160,026
Borrowings		11,164,866		-		11,164,866	11,164,866
Reserve Transfers - for Capital Projects not included in Income Statement							
Eventide Reserve	-	100,000	-	-	-	100,000	100,000
Water Reserve	-	643,280	-	-	-	643,280	643,280
Sewer Reserve	-	1,256,896	-	-	-	1,256,896	1,256,896
Domestic Waste Management	-	655,000	-	-	-	655,000	655,000
Unfinished Works Carry Forwards/Contract Liability	-	4,367,987	-	-	-	4,367,987	4,367,987
	-	24,487,655	-	(139,600)	-	24,348,055	24,348,055

**LEETON SHIRE COUNCIL
 Budgeted Loan Repayment Schedule 2023/2024**

Description	Loan % Rate	Final Payment Date	Principal	Annual Repayment	Principal Repayments	Interest Repayments	Principal Outstanding
Roads							
LIRS2-Petersham Road Works	4.85%	18/08/2023	67,633	69,241	67,633	1,609	0
Sporting Grounds and Facilities							
LIRS 3 - Leeton Ovals - Dressing Shed	4.34%	22/07/2024	235,783	124,345	115,375	8,970	120,408
Leeton Pool Refurbishment	4.34%	30/04/2040	1,985,986	147,625	92,661	54,963	1,893,324
Showground Grandstand	4.85%	30/04/2030	145,166	22,751	19,213	3,538	125,953
Community Services							
Existing Loans (30/06/2023)			2,434,567	363,962	294,882	69,080	2,139,685
Vance Estate Development (Loan 1)							
Vance Estate Development (Loan 1)	6.60%	1/09/2034	5,587,711	4,786,897	4,599,682	187,215	988,029
LELC	6.60%	1/04/2033	573,000	79,182	44,867	34,315	528,133
Roxy Theatre	6.60%	1/06/2043	5,004,155	226,926	61,926	165,000	4,942,229
New Loans			11,164,866	5,093,004	4,706,474	386,530	6,458,391
Total Loans			13,599,433	5,456,966	5,001,356	455,610	8,598,077

Note - Vance Estate proceeds will be paid toward the loan above.

For budgeting purposes it is assumed the Vance loan will commence in September and be refinanced in 2024/25.
 The 2023/24 budget forecasts loans to increase by \$10.6M to \$13.6M (2022/23: original budget \$7.5M).

Based on Unaudited Financials

**Leeton Shire Council
 2023/24 Budget
 Cash, Investments and Restrictions Forecast**

Notes	Forecast balances of restrictions for movements in C		
	Opening Balance 1/7/2023 (inc. EOY adj.)	2023/24 Movement	Closing Balance
Externally Restricted			
Unexpended Loans	-	-	-
Developer Contributions - General 7.12	1,111,621	200,000	1,311,621
Developer Contributions - Water S64	31,151	552,894	584,046
Developer Contributions - Sewer S64	-	523,000	523,000
RMS Contributions	-	-	-
Specific Purpose Unexpended Grants	4,367,987	-	4,367,987
Stormwater Management	230,495	56,855	287,349
Deposits, Bonds & Retentions	766,453	-	766,453
Water Supply - carry over works	208,670	(208,670)	-
Water Supply	18,292,792	(1,119,438)	17,173,355
Sewerage Services - carry over works	354,834	(354,834)	-
Sewerage Services	9,068,617	(1,772,513)	7,296,103
Domestic Waste Management	986,061	(599,535)	386,526
Landfill Remediation	4,550,429	280,000	4,830,429
Total Externally Restricted	39,969,110	(2,442,240)	37,526,870
Internally Restricted			
Infrastructure Restrictions			
Aerodrome	200,000		200,000
Buildings	500,000		500,000
Infrastructure Replacement	1,000,000		1,000,000
Plant & Vehicle Replacement	1,401,223	(345,962)	1,055,261
Roads General	1,000,000		1,000,000
Swimming Pool	450,000		450,000
Childcare Centre	200,000		200,000
Co-Contribution Restrictions			
Land Development	500,000	(250,000)	250,000
Leeton Museum & Art Gallery (WCIC)	300,000		300,000
Renewable Energy Efficiencies	120,000		120,000
Sportsgrounds Improvements	300,000		300,000
Provisions			
Employee Leave Entitlements	1,391,005		1,391,005
Workers Compensation	-		-
Façade Painting Reserve	102,061		102,061
Unfinished Works (General) Restriction	1,203,552		1,203,552
Election Reserve	35,000		35,000
Financial Assistance Grant Prepayment	5,659,358		4,244,519
Total Internally Restricted	14,362,199	(595,962)	12,351,397
Total Restricted	54,331,308	(3,038,202)	49,878,267
Unrestricted	223,509		4,387,011
Total Restricted & Unrestricted Cash & Investments	54,554,817		54,265,277
Cash & Investments			
Cash floats	3,400		3,400
Cash floats LELC	400		400
Cash at Bank	2,251,572		19,961,032
Investments & Deposits at Call	52,299,446		34,300,446
Total Cash & Investments	54,554,817		54,265,277

Leeton Shire Council
July 2023 to September 2023, Quarterly Budget Review
Water Trading & Bad Debts

Details	Original Budget	Cost of Sales YTD	Income YTD
Trade Water Sales			
Sale of Investment Water	\$ 100,000	\$ 4,096	\$ 120,000
Sale of Town Water	\$ 100,000	\$ -	\$ -
Total	\$ 200,000	\$ 4,096	\$ 120,000
Bad Debts Written Off Year to Date			
General	\$ -	Nil	Nil

This document forms part of Leeton Shire Council's Quarterly Budget Review Statement for the quarter ended 30/09/2023 and should be read in conjunction with other documents in the QBRs.

Based on Unaudited Financials