



WALCHA COUNCIL

**QUARTERLY BUDGET REVIEW**

**30 SEPTEMBER 2022**



## **Report by Responsible Accounting Officer**

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

It is my opinion that the Quarterly Budget Review Statement for Walcha Council for the quarter ended 30 September 2022 indicates that Council's projected financial position at 30 June 2022 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure

**Signed**

**Christian Martin** \_\_\_\_\_ **Date** \_\_\_\_\_

**Responsible Accounting Officer**

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# 1 HIGHLIGHTS

## INCOME STATEMENT

	Original Budget	Q1 2023 Proposed Var	Amended	YTD Actual	YTD Budget	Comment
General Fund	(1,280,505)	(854,568)	(2,135,073)	3,774,053	5,149,122	EPA Grant for tree clean up expected completion June 2021 with no budget for expenditure in 2023 causing a budget adjustment and expenditure increase of \$804,195. No cashflow impact as funds held in external restrictions. <b>Permanent change.</b> Timing of FAGS budget. Budget of \$2.8M included in Q1 however majority will be received in Q4 2023 recognised as income in year received. This will self correct in Q4. <b>Timing.</b>
Water Fund	91,282	0	91,282	34,689	(18,679)	No Q1 changes with a small surplus currently. This fund is still expected to generate a small surplus in 2023. <b>No change.</b>
Sewer Fund	33,607	0	33,607	8,001	825	No Q1 changes with a small surplus currently. This fund is still expected to generate a small surplus in 2023. <b>No change.</b>
<b>Consolidated Funds</b>	<b>(1,155,616)</b>	<b>(854,568)</b>	<b>(2,010,184)</b>	<b>3,816,743</b>	<b>5,131,268</b>	

The original approved general fund budget is a loss of (1,280,505) with an adjustment of (854,568) for the EPA Greenwaste Grant. This was not included in the approved budget as at the point of adoption of the budget it was expected that all work would be completed in the 2021/22 financial year. This takes the operating loss to (2,135,073). This has no cashflow impact as it is fully funded and funds are currently restricted.

# CAPITAL SUMMARY

	Q1 2023					
	Original Budget	Proposed Var	Amended	YTD Actual	YTD Budget	Comment
General Fund	15,291,558	5,835,166	21,126,724	1,656,119	3,831,651	1.6M Black Summer Bushfire Recovery announced after original budget approved. 3.1M Fixing Country Roads not included in original budget. 441K LRCI round 3 after original budget approved. 491K Increase in bridge funding.
Water Fund	8,010,000	2,317,991	10,327,991	5,526,524	2,002,497	Original budget of 8M updated for increase and work order split.
Sewer Fund	50,000	79,798	129,798	(1,838)	12,498	Re establish NSW Regional Water & Wastewater Backlog Program
<b>Consolidated Funds</b>	<b>23,351,558</b>	<b>8,232,955</b>	<b>31,584,513</b>	<b>7,180,805</b>	<b>5,846,646</b>	

The original consolidated approved capital budget is \$23M with total variations of \$8.2M. This largely consists of additions of the Black Summer Bushfire Recovery funding, Fixing Country Roads not originally included in the original budget, the next round of LRCI funding and an increase to bridge funding.

The General Fund has a carry over and budget changes of \$5.8M

The Water Fund

# CASHFLOW SUMMARY

	Q1 2023		Amended	YTD Actual	YTD Budget	Comment
	Original Budget	Proposed Var				
General Fund	31,777	(378,399)	(346,622)	3,408,201	(5,251,486)	Timing of asset purchases. Less expenditure on asset renewal than budgeted YTD.
Water Fund	30,905	0	30,905	(3,992,471)	(363,255)	Timing of asset renewal works with expenditure ahead of schedule.
Sewer Fund	136	(39,899)	(39,763)	9,838	(161,673)	Improved performance of fund against budget.
<b>Consolidated Funds</b>	<b>62,818</b>	<b>(418,298)</b>	<b>(355,480)</b>	<b>(574,432)</b>	<b>(5,776,414)</b>	

Note that the amended cashflow indicates a (346,622) deficit in the general fund. This is due to an error in calculating our costs that need to meet the Roads to Recovery reference rate where depreciation was included in the total. This is not allowed under the guidelines. Finance is working with the director of Infrastructure re plan and move back to a small surplus by the next budget review.

The YTD Actual vs YTD Budget cashflow for the general fund demonstrates Walcha Council's significant funding and the challenge of expending this.

# 2 INCOME STATEMENT

## WALCHA COUNCIL - INCOME STATEMENT

WALCHA COUNCIL - INCOME STATEMENT													
		2022-2023 ORIGINAL BUDGET				QBR1 - PROPOSED BUDGET				YTD ACTUAL			
		Consolidated	General Fund	Water Fund	Sewer Fund	Consolidated	General Fund	Water Fund	Sewer Fund	Consolidated	General Fund	Water Fund	Sewer Fund
<b>Income from Continuing Operations</b>													
Rates & Annual Charges	B2-1	5,466,365	4,619,410	462,693	384,262	5,508,723	4,661,768	462,693	384,262	4,853,627	4,637,580	122,348	93,699
User Charges & Fees	B2-2	4,240,824	3,521,554	554,655	164,615	4,240,824	3,521,554	554,655	164,615	2,441,844	2,288,843	113,312	39,689
Other Revenues	B2-3	336,145	336,145	0	0	336,145	336,145	0	0	64,153	64,153	0	0
Grants & Contributions- Operating	B2-4	5,477,223	5,477,223	0	0	5,237,607	5,237,607	0	0	540,932	540,932	0	0
Grants & Contributions - Capital	B2-4-c	19,855,323	11,855,323	8,000,000	0	21,042,545	14,502,646	6,500,000	39,899	2,851,886	1,351,886	1,500,000	0
Interest & Investment Income	B2-5	9,238	3,338	4,000	1,900	209,238	203,338	4,000	1,900	31,842	13,544	16,493	1,805
Other Income	B2-6	68,726	68,726	0	0	68,726	68,726	0	0	28,597	28,597	0	0
<b>Total Income from Continuing Operations</b>		<b>35,453,844</b>	<b>25,881,719</b>	<b>9,021,348</b>	<b>550,777</b>	<b>36,643,808</b>	<b>28,531,784</b>	<b>7,521,348</b>	<b>590,676</b>	<b>10,812,882</b>	<b>8,925,536</b>	<b>1,752,153</b>	<b>135,193</b>
<b>Expenses from Continuing Operations</b>													
Employee Benefits & Oncosts	B3-1	5,984,376	5,692,476	154,700	137,200	5,984,376	5,692,476	154,700	137,200	1,683,254	1,611,492	42,660	29,102
Materials & Contracts	B3-2	6,160,648	5,576,111	371,096	213,441	6,999,379	6,414,842	371,096	213,441	2,581,351	2,309,165	174,095	98,091
Borrowing Costs	B3-3	85,240	73,240	12,000	0	85,240	73,240	12,000	0	725	17	708	0
Depreciation & Impairment	B3-4	4,211,073	3,652,274	392,270	166,529	4,211,073	3,652,274	392,270	166,529	4,437	4,437	0	0
Other Expenses	B3-5	312,800	312,800	0	0	331,378	331,378	0	0	-125,515	-125,515	0	0
Net loss from disposal of assets	B4-1	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Expenses from Continuing Operations</b>		<b>16,754,137</b>	<b>15,306,901</b>	<b>930,066</b>	<b>517,170</b>	<b>17,611,446</b>	<b>16,164,210</b>	<b>930,066</b>	<b>517,170</b>	<b>4,144,253</b>	<b>3,799,596</b>	<b>217,463</b>	<b>127,193</b>
			-	-	2,500						4,665		
<b>Net Operating Result from Continuing Operations</b>		<b>18,699,707</b>	<b>10,574,818</b>	<b>8,091,282</b>	<b>33,607</b>	<b>19,032,362</b>	<b>12,367,574</b>	<b>6,591,282</b>	<b>73,506</b>	<b>6,668,629</b>	<b>5,125,939</b>	<b>1,534,689</b>	<b>8,001</b>
<b>Net Operating Result before Grants &amp; Contributions for Capital Purposes</b>		<b>(1,155,616)</b>	<b>(1,280,505)</b>	<b>91,282</b>	<b>33,607</b>	<b>(2,010,184)</b>	<b>(2,135,073)</b>	<b>91,282</b>	<b>33,607</b>	<b>3,816,743</b>	<b>3,774,053</b>	<b>34,689</b>	<b>8,001</b>

The increase in operating loss is a result of the omission of the EPA green waste expenditure in 2022/23 due to the assumption that all works would be completed by June 2022. This was the assumption at the point the original budget was approved.

There is no cashflow impact as the funding is currently in external restrictions.

# 3 GENERAL FUND SUMMARY

WALCHA COUNCIL - FUNCTION DETAIL								
FUNCTION	Approved Current Year Budget	YTD Current Budget	Actual YTD 2023	YTD Variance %	YTD Variance	Forecast to June 2023	Variance	Comment
<b>GENERAL FUND</b>								
<b>INCOME</b>								
Administration	1	121,708	30,427	49,466	38%	19,039	121,708	-
Public Order & Safety	2	80,928	77,230	(74,448)	204%	(151,678)	80,928	-
Health	3	1,200	300	297	(1%)	(3)	1,200	-
Environment	4							-
Waste Management Services		1,000,617	932,838	1,003,046	7%	70,208	1,056,011	55,394
Community Services & Education	5							-
Preschool		733,800	183,451	191,948	4%	8,497	733,800	-
Early Intervention		60,000	15,000	19,205	22%	4,205	60,000	-
WCCC		428,400	107,101	61,880	(73%)	(45,221)	428,400	-
Community Recovery Officer		-	-	24,448	100%	24,448	-	-
Other Community Services & Education		2,400	600	6,165	90%	5,565	8,400	6,000
Housing & Community Amenities	6							-
Cemetery		114,554	28,638	25,107	(14%)	(3,531)	114,554	-
Council Housing		22,344	5,586	12,660	56%	7,074	22,344	-
Town Planning		58,582	14,646	15,467	5%	821	58,582	-
Recreation & Culture	7							-
Other Sport & Recreation		1,500	375	192	(95%)	(183)	1,500	-
Libraries		69,000	17,249	424	(3,968%)	(16,825)	69,000	-
Swimming Pool		28,000	-	0	0%	0	28,000	-
Walcha Community Gym		32,000	8,001	12,849	38%	4,848	32,000	-
Halls & Community Centres		-	-	0	0%	0	8,826	8,826
Mining, Manufacturing and Construction	8							-
Building Control		16,920	4,227	7,484	44%	3,257	16,920	-
Transport & Communication	9							-
Bridges - Rural Sealed Roads		-	-	24,369	100%	24,369	-	-
Bridges - Rural Unsealed Roads		-	-	53,055	100%	53,055	36,970	36,970
Urban Roads		273,750	68,437	0	0%	(68,437)	-	-273,750
Regional Sealed Roads		771,000	192,750	0	0%	(192,750)	786,000	15,000
Sealed Rural Roads		150,000	37,500	0	0%	(37,500)	75,000	-75,000
Unsealed Rural Roads		279,340	69,835	30,000	(133%)	(39,835)	-	-279,340
State Roads		2,840,000	709,998	2,125,888	67%	1,415,890	2,840,000	-
RTA Inspection Bay		3,500	875	996	12%	121	3,500	-
Street Lighting		11,000	2,751	0	0%	(2,751)	11,000	-
Aerodrome		13,500	3,375	91	(3,612%)	(3,284)	13,500	-
Depot		6,000	1,500	0	0%	(1,500)	6,000	-
Economic Affairs	10							-
Private Works		185,000	46,251	30,992	(49%)	(15,259)	185,000	-
Tourism		120,000	20,000	44,640	55%	24,640	120,000	-
Truck Wash Bay		31,800	7,950	3,312	(140%)	(4,638)	31,800	-
Other Land & Property		6,762	1,689	1,350	(25%)	(339)	6,762	-
Economic Development		-	-	0	0%	0	321,678	321,678
Capital Grants & Contributions	13							-
Recreation & Culture		2,720,718	680,178	27,500	(2,373%)	(652,678)	2,491,323	-229,395
Bridges - Rural Sealed & Unsealed		3,890,250	972,561	91,302	(965%)	(881,259)	4,201,070	310,820
Footpaths & Bike Tracks		-	-	0	0%	0	1,777,810	1,777,810
Kerb & Gutter		-	-	0	0%	0	441,250	441,250
Urban Roads		2,441,810	610,452	0	0%	0	87,372	-2,354,438
Regional Sealed Roads		144,685	36,171	220,625	(177%)	(389,827)	2,839,357	2,839,357
Sealed Rural Roads		1,200,500	300,126	668,788	95%	632,617	2,984,042	2,839,357
Unsealed Rural Roads		1,457,360	364,341	129,914	(131%)	(170,213)	442,015	-758,485
Aerodrome		-	-	213,758	(70%)	(150,584)	789,764	-667,596
General Purpose Revenues	14							-
Rates Revenue		3,697,358	3,697,358	3,672,336	(1%)	(25,022)	3,684,322	-13,037
Investment Interest		-	-	11,695	100%	11,695	200,000	200,000
FAGs - general purpose		1,747,914	1,747,914	138,709	(1,160%)	(1,609,205)	1,747,914	-
FAGs - roads		1,117,519	1,117,519	75,363	(1,383%)	(1,042,156)	1,117,519	-
<b>General Fund Income</b>		<b>25,881,719</b>	<b>12,115,200</b>	<b>8,920,870</b>	<b>(36%)</b>	<b>(3,194,330)</b>	<b>28,531,784</b>	<b>2,650,065</b>

# WALCHA COUNCIL - FUNCTION DETAIL

FUNCTION	Approved Current Year Budget	YTD Current Budget	Actual YTD 2023	YTD Variance %	YTD Variance	Forecast to June 2023	Variance	Comment
<b>EXPENDITURE</b>								
Administration	15							
Elected Members		239,899	105,300	25,592	311%	79,708	239,899	-
Administration Operating		2,020,932	537,231	926,683	(42%)	(389,452)	1,957,932	-63,000 Overhead recovery - correction to budget
Human Resources		301,459	75,369	59,524	27%	15,845	301,459	-
Workplace Health & Safety		136,792	30,449	12,018	153%	18,431	136,792	-
Engineering & Works Support		68,420	17,106	62,310	(73%)	(45,204)	68,420	-
Purchasing & Supply		106,102	26,526	29,343	(10%)	(2,817)	106,102	-
Public Order & Safety	16							
Animal Control		60,024	14,007	4,672	200%	9,335	60,024	-
Rural Fire Services		202,116	3,880	(181,530)	(102%)	185,410	202,116	- Timing - Accrual reversal and waiting on Armidale Council invoices.
State Emergency Services		5,400	1,350	8,316	(84%)	(6,966)	5,400	- Emergency service levy higher than original budget
Urban Fire Brigade		16,000	4,000	17,889	(78%)	(13,889)	16,000	- Full year commitments raised
Health	17							
Environment	18							
Noxious Plants, Insect & Vermin Control		95,000	95,000	21,775	336%	73,225	113,578	18,578 Carry over Moona-Winterbourne Fence project - external restriction
Stormwater Drainage		129,443	33,859	26,365	28%	7,494	129,443	-
Waste Management Services		928,120	207,165	121,057	71%	86,108	928,120	-
Community Services & Education	19							
Youth Services		22,600	4,590	4,483	2%	107	28,600	6,000
Preschool		733,800	193,226	182,443	6%	10,783	733,800	-
Early Intervention		60,000	15,026	20,395	(26%)	(5,369)	60,000	-
WCCC		423,300	108,654	134,473	(19%)	(25,819)	423,180	-
Community Recovery Officer		-	-	31,044	(100%)	(31,044)	-	- Funding announced after budget approved. Cost neutral as funded
Housing & Community Amenities	20							
Street Tree Maintenance		37,200	9,300	12,287	(24%)	(2,987)	37,200	- Timing of expenditure
Streetscape Maintenance		40,513	22,364	23,657	(5%)	(1,293)	40,513	- Timing of expenditure
Public Amenities		82,812	24,828	23,268	7%	1,560	82,812	-
Cemetery		99,261	24,815	39,057	(36%)	(14,242)	106,330	7,069 Carry over Woolbrook Cemetery Project - external restriction
Council Housing		38,806	14,409	7,866	83%	6,543	38,806	-
Town Planning		181,497	45,372	29,122	56%	16,250	181,497	-
Recreation & Culture	21							
Parks & Reserves		316,084	85,487	39,806	115%	45,681	316,084	-
Other Sport Ground & Recreation Facilities		154,345	46,116	26,391	75%	19,725	154,345	-
Other Sport & Recreation		45,427	12,910	5,697	127%	7,213	45,427	-
Libraries		171,476	31,044	31,338	(1%)	(294)	171,476	-
Swimming Pool		324,245	45,038	27,967	61%	17,071	324,245	-
Walcha Community Gym		67,195	19,960	9,443	111%	10,517	67,195	-
Halls & Community Centres		5,620	530	1,069	(50%)	(539)	93,756	88,136 Nowendoc Hall Water Infrastructure - Black Summer Bushfires & External Restrictions
Australia Day		500	-	0	0%	0	500	-
Regional Arts Development		4,600	4,600	4,758	(3%)	(158)	4,600	-
Junior Sports Development		5,000	5,000	0	0%	5,000	5,000	-
Public Art Maintenance		43,574	10,893	1,250	771%	9,643	43,574	-
Other Cultural Service		2,674	669	0	0%	669	2,674	-
Mining, Manufacturing and Construction	22							
Quarries & Pits		62,436	7,863	0	0%	7,863	62,436	-
Building Control		48,328	12,081	12,711	(5%)	(630)	48,328	-
Transport & Communication	23							
Bridges - Urban Roads		6,107	1,673	(496)	(437%)	2,169	6,107	-
Bridges - Rural Sealed Roads		218,939	54,738	1,198	4,471%	53,540	218,939	-
Bridges - Rural Unsealed Roads		286,847	71,712	0	0%	71,712	286,847	-
Bridges - Regional Sealed Roads		217,954	54,489	0	0%	54,489	217,954	-
Bus Shelters		11,600	2,898	4,210	(31%)	(1,312)	11,600	-
Footpaths & Bike Tracks		69,211	17,304	410	4,122%	16,894	69,211	-
Kerb & Gutter		46,627	11,655	170	6,755%	11,485	46,627	-
Urban Roads		359,454	89,865	42,835	110%	47,030	359,454	-
Regional Sealed Roads		1,029,549	263,010	66,806	294%	196,204	1,025,880	-3,669 Adjustment to expenses based on Block Grant/ TBW C/S
Sealed Rural Roads		670,552	170,886	67,678	152%	103,208	670,552	-
Unsealed Rural Roads		1,273,051	320,616	348,207	(8%)	(27,591)	1,273,051	- Timing of expenditure
State Roads		2,840,000	710,001	533,987	33%	176,014	2,840,000	-
Road Safety		20,000	17,501	0	0%	17,501	20,000	-
Other Transport		88,574	22,143	0	0%	22,143	88,574	-
Street Lighting		40,000	9,999	31,317	(68%)	(21,318)	40,000	- Full year purchase orders raised
Aerodrome		21,177	10,298	3,550	190%	6,748	21,177	-
Works Depot		102,720	35,393	44,379	(20%)	(8,986)	102,720	- Ahead of budget - Responsible owner reviewing to pull back expenditure
Economic Affairs	24							
Private Works		148,700	41,451	30,284	37%	11,167	148,700	-
Concrete Batching Plant		2,132	534	0	0%	534	2,132	-
Tourism Operation		148,170	37,079	31,805	17%	5,274	148,170	-
Tourism Development		287,200	78,799	64,514	22%	14,285	287,200	-
Truck Wash Bay		79,160	23,165	10,466	121%	12,699	79,160	-
Other Land & Property		27,695	13,063	8,978	46%	4,085	27,695	-
Economic Development		682	682	649,306		(648,624)	804,877	804,195 EPA Green Waste - Funding + external restriction
Internal Plant	996		37,127	44,962		(7,835)	-	-
<b>General Fund Expenditure</b>		<b>15,306,901</b>	<b>4,002,249</b>	<b>3,794,931</b>	<b>95%</b>	<b>207,318</b>	<b>16,164,090</b>	<b>857,309</b>
		0	0	0			120	-
<b>GENERAL FUND OPERATING RESULT</b>		<b>10,574,818</b>	<b>8,112,951</b>	<b>5,125,939</b>		<b>(3,401,648)</b>	<b>12,367,694</b>	<b>1,792,756</b>
Less: Capital Grants & Contributions		11,855,323	2,963,829	1,351,886		-1,611,943	14,502,646	2,647,323
<b>GENERAL FUND OPERATING RESULT excl CAPITAL</b>		<b>-1,280,505</b>	<b>5,149,122</b>	<b>3,774,053</b>		<b>-1,789,705</b>	<b>-2,134,953</b>	<b>-854,568</b>
<b>CAPITAL WORKS</b>								
Administration	15	34,000	34,000	29,308	86%	4,692	51,427	17,427
Housing & Community Amenities	20	15,000	15,000	1,693	11%	13,307	15,000	-35,000
Recreation & Culture	21	2,793,229	2,793,229	447,249	16%	2,345,980	2,944,918	302,109
Mining, Manufacturing and Construction	22	35,000	35,000	-	0%	35,000	89,272	54,272
Transport & Communication	23	12,414,329	12,414,329	1,177,869	9%	11,236,460	17,848,919	5,434,590
Economic Affairs	24	-	-	-	0%	0	-	-
<b>General Fund Capital Works</b>		<b>15,291,558</b>	<b>15,291,558</b>	<b>1,656,119</b>	<b>11%</b>	<b>13,635,439</b>	<b>20,949,536</b>	<b>5,773,398</b>



# 4 WATER SEWER & WASTE SUMMARY

Waste, Water & Sewer Summary									
Quarterly Budget Review - September 2022									
FUNCTION	Approved Current Year Budget	AMENDED ANNUAL BUDGET	YTD Current Budget	Actual YTD 2023	YTD Variance %	YTD Variance	Forecast to June 2023	Variance	Comment
<b>WASTE MANAGEMENT SERVICES</b>									
<b>Operating Income</b>									
Domestic Waste Income	519,761	-	509,761	539,903	6%	30,142	551,866	32,105	
Other Waste Income	480,856	-	423,077	463,143	9%	40,066	504,145	23,289	
<b>Total Income</b>	<b>1,000,617</b>	<b>-</b>	<b>932,838</b>	<b>1,003,046</b>	<b>8%</b>	<b>70,208</b>	<b>1,056,011</b>	<b>55,394</b>	
<b>Operating Expenses</b>									
Domestic waste collections	154,400	-	38,600	-	100%	38,600	154,400	-	Delay in invoicing by Uralia Council
Domestic waste other costs	3,448	-	1,571	353	78%	1,218	3,448	-	
Domestic waste depreciation	24,732	-	6,183	-	100%	6,183	24,732	-	
Drumuster / Chem Collect / Asbestos clean up	6,500	-	1,625	58	96%	1,567	6,500	-	
Materials Recovery Facility (MRF)	90,108	-	23,953	15,808	34%	8,145	90,108	-	
Walcha tip operations	144,713	-	27,426	44,340	(62%)	(16,914)	144,713	-	Timing of annual licence payments
Woolbrook tip operations	30,000	-	7,500	7,598	(1%)	(98)	30,000	-	
Nowendoc tip operations	32,720	-	8,181	8,560	(5%)	(379)	32,720	-	
Yarrowitch & Kangaroo Flat Rd Waste	19,380	-	4,845	4,875	(1%)	(30)	19,380	-	
Commercial Roadside Garbage Collection	19,560	-	4,890	5,092	(4%)	(202)	19,560	-	
Annual Compliance Survey	13,000	-	-	-	0%	0	13,000	-	
Waste Engineering & Supervision	24,720	-	6,180	2,551	59%	3,629	24,720	-	
Landfill Cell Operations	32,000	-	8,001	19,173	(140%)	(11,172)	32,000	-	Timing landfill cell operations brought forward
Other waste collections	69,340	-	17,335	156	99%	17,179	69,340	-	
Waste transfer to Tamworth	22,000	-	-	-	0%	0	22,000	-	
Walcha WTS Gate	95,860	-	26,965	12,492	54%	14,473	95,860	-	
Other waste depreciation	95,639	-	23,910	-	100%	23,910	95,639	-	
Admin Overheads	50,000	-	-	-	0%	0	50,000	-	
<b>Total Expenses</b>	<b>928,120</b>	<b>-</b>	<b>207,165</b>	<b>121,057</b>	<b>42%</b>	<b>86,108</b>	<b>928,120</b>	<b>-</b>	
<b>Operating Result</b>	<b>72,497</b>	<b>-</b>	<b>725,673</b>	<b>881,989</b>		<b>156,316</b>	<b>127,891</b>	<b>55,394</b>	
Less: Capital Grants & Contributions	-	-	-	-		0	0	0	
<b>WASTE MANAGEMENT OPERATING RESULT excl CAPITAL GRANTS</b>	<b>72,497</b>	<b>0</b>	<b>725,673</b>	<b>881,989</b>		<b>156,316</b>	<b>127,891</b>	<b>55,394</b>	

Quarterly Budget Review - September 2022									
FUNCTION	Approved Current Year Budget	AMENDED ANNUAL BUDGET	YTD Current Budget	Actual YTD 2023	YTD Variance %	YTD Variance	Forecast to June 2023	Variance	Comment
<b>WATER FUND</b>									
<b>Operating Income</b>									
Rates & Charges	466,693	-	116,672	123,121	6%	6,449	466,693	0	
User Charges	554,655	-	142,414	113,312	(20%)	(29,102)	554,655	0	Current quarterly water reading to come for Q1 in Q2
Capital Grants	8,000,000	-	2,000,001	1,500,000	(25%)	(500,001)	6,500,000	(1,500,000)	Some funding already received
Interest & Investment Income	-	-	-	15,720	0%	15,720	-	0	
<b>Total Income</b>	<b>9,021,348</b>	<b>-</b>	<b>2,259,087</b>	<b>1,752,153</b>	<b>-22%</b>	<b>(506,934)</b>	<b>7,521,348</b>	<b>(1,500,000)</b>	
<b>Operating Expenses</b>									
Engineering & Supervision	38,400	-	9,600	9,417	2%	183	38,400	-	
Off Creek Storage, operations & maintenance	47,780	-	11,946	8,124	32%	3,822	47,780	-	
Water Mains, operations & maintenance	59,516	-	14,880	13,996	6%	884	59,516	-	
Water Reservoirs, operations & maintenance	3,860	-	963	711	26%	252	3,860	-	
Pumping Station, operations & maintenance	70,400	-	22,849	17,471	24%	5,378	70,400	-	
Water Treatment, operations & maintenance	248,880	-	101,595	129,022	(27%)	(27,427)	248,880	-	Timing of property insurance 53K actual, \$45K budget
Private Works	6,460	-	1,614	39,359	(2,339%)	(37,745)	6,460	-	Incorrectly allocated SAFE licence fee
Depreciation	392,270	-	98,067	-	100%	98,067	392,270	-	Depreciation not yet run
Admin Overheads	65,000	-	16,251	-	100%	16,251	65,000	-	
<b>Total Expenses</b>	<b>932,566</b>	<b>-</b>	<b>277,765</b>	<b>218,100</b>	<b>21%</b>	<b>59,665</b>	<b>932,566</b>	<b>-</b>	
<b>Operating Result</b>	<b>8,088,782</b>	<b>-</b>	<b>1,981,322</b>	<b>1,534,053</b>	<b>-29%</b>	<b>(566,599)</b>	<b>6,588,782</b>	<b>(1,500,000)</b>	
Less: Capital Grants & Contributions	8,000,000	0	2,000,001	1,500,000	-0	(500,001)	6,500,000	(1,500,000)	
<b>WATER FUND OPERATING RESULT excl CAPITAL GRANTS</b>	<b>88,782</b>	<b>0</b>	<b>-18,679</b>	<b>34,053</b>		<b>(66,598)</b>	<b>88,782</b>	<b>0</b>	
<b>SEWER FUND</b>									
<b>Operating Income</b>									
Rates & Charges	385,762	-	96,440	93,987	303%	291,775	385,762	-	
User Charges	165,015	-	45,003	39,739	278%	125,276	165,015	-	
Capital Grants	-	-	-	-	0%	0	39,899	39,899	
Interest & Investment Income	-	-	-	1,467	0%	(1,467)	-	-	
<b>Total Income</b>	<b>550,777</b>	<b>-</b>	<b>141,443</b>	<b>135,193</b>	<b>294%</b>	<b>415,584</b>	<b>590,676</b>	<b>39,899</b>	
<b>Operating Expenses</b>									
Engineering & Supervision	25,800	-	6,450	4,785	26%	1,665	25,800	-	
Mains, operations & maintenance	29,240	-	7,311	1,891	74%	5,420	29,240	-	
Pumping Stations, operations & maintenance	36,302	-	14,101	10,128	28%	3,973	36,302	-	
Sewer Treatment, operations & maintenance	191,819	-	54,253	97,420	(80%)	(43,167)	191,819	-	
Private Works	2,480	-	621	12,969	(1,988%)	(12,348)	2,480	-	
Depreciation	166,529	-	41,631	-	100%	41,631	166,529	-	
Admin Overheads	65,000	-	16,251	-	100%	16,251	65,000	-	
<b>Total Expenses</b>	<b>517,170</b>	<b>-</b>	<b>140,618</b>	<b>127,193</b>	<b>10%</b>	<b>13,425</b>	<b>517,170</b>	<b>-</b>	
<b>Operating Result</b>	<b>33,607</b>	<b>-</b>	<b>825</b>	<b>8,001</b>		<b>429,009</b>	<b>73,506</b>	<b>39,899</b>	
Less: Capital Grants & Contributions	0	0	0	0		0	39,899	39,899	
<b>SEWER FUND OPERATING RESULT excl CAPITAL GRANTS</b>	<b>33,607</b>	<b>0</b>	<b>825</b>	<b>8,001</b>		<b>429,009</b>	<b>33,607</b>	<b>0</b>	



<b>PROJECT</b>	<b>CARRY OVERS</b>	<b>BUDGET CHANGES</b>	<b>COMMENT</b>
Council Building - Foyer Reurbishment, ServiceNSW Relocation & Planning Portal	17,427		Project fully funded and completed in Q1
Preschool - Carpark Solar Lighting		12,000	Funded work
Preschool - Playground drainage works & water tank		14,768	Funded work
Walcha Cemetery - Capital Upgrade		(9,252)	Reallocation
Walcha Cemetery - Niche Garden & Beams		9,252	Reallocation
Levee Bank - solar lighting installation	68,914		Funded work
Lions Park Upgrade - BLER	103,697		Funded work
Beautification - Rose Garden stage 2		5,000	Budget increase
Skate Park Construction - BLER	121,398		Additional funding obtained
Walcha Pool Refurbishment - BLER	3,100		Funded work
Quarries - Management Plans	54,272		Expect this to be in order of \$35K
Niangala Road Timber Bridge - AM 5632 Dennis Walls		148,640	Timing of funding expended
Winterbourne Road Timber Bridge - AM 6214 Winterbourne	7,552		Timing of funding expended
Tia Diggings Road Timber Bridge - AM 5852 (Bridge 1) Camerons		249,934	Timing of funding expended
Englefield Timber Bridge - AM 4878	59,280		Timing of funding expended
Glen Morrison Road, Stephen's Timber Bridge - AM 5010	14,660		Timing of funding expended
Niangala Road Timber Bridge - AM 5601 Keatons (Army)	(46,155)		Adjustment to project cost
Fixing Country Bridges \$500,346 / Council \$26,334	6,984		Timing of funding expended
Tia Diggings Road Timber Bridge - AM 10811 (Bridge 2)		242,034	Additional funding
Kerb & Gutter - Middle Street		93,500	LRCI R3
Kerb & Gutter - North Street		247,750	LRCI R3
Kerb & Gutter - Pakington Street		100,000	LRCI R3
Middle Street Rehabilitation	19,689		Additional funding
Walsh Street Rehabilitation	20,000		Additional funding allocated
TBW - Corridor Strategy - various projects	3,114,355		Not included in original budget
Road rehabilitation - Moona Plains Road		(150,000)	Complete 2022
Road rehabilitation - Glen Morrison Road	30,934		Additional funding
Aberbaldie Road - 1.9km section rehab & widening (FLR300122)	23,384		Additional funding
Culvert Renewals - R2R		(115,000)	Remove project
Lakes Road Resheeting		(821,700)	Project not going ahead
Lakes Road Gravel Resheeting		109,827	LRCI R3
Forest Way Road sealing (FLR300282)	41,407		Timing of funding expended

Old Brookmount Causeway & Culvert Rectification		247,515	LRCI R3
Hazeldean Road Causeway Restoration		180,000	LRCI R3
Walcha Aerodrome Improvements		1,610,000	Not included in original budget
Off Stream Storage - DWS091 - Project Management	(4,918,571)		Allocation of funding
Off Stream Storage - DWS091 - Embankment & Spillway	4,300,000		Allocation of funding
Off Stream Storage - DWS091 - Early Civil Works	300,000		Allocation of funding
Off Stream Storage - DWS091 - Fencing Construction	50,000		Allocation of funding
Off Stream Storage - DWS091 - Design Development	261,562		Allocation of funding
Off Stream Storage - DWS091 - Principal Supplied Items	850,000		Allocation of funding
Off Stream Storage - DWS091 - Pipeline, Pit & Civil Construction	475,000		Allocation of funding
Off Stream Storage - DWS091 - Mechanical Install	475,000		Allocation of funding
Off Stream Storage - DWS091 - Electrical Install	450,000		Allocation of funding
Off Stream Storage - DWS091 - Telemetry Install	75,000		Allocation of funding
STP Upgrade Projects	79,798		Not included in original budget 50/50 funded
<b>TOTAL CAPITAL MOVEMENT</b>	<b>6,058,687</b>	<b>2,174,268</b>	

# 6 RESTRICTIONS SUMMARY

## WALCHA COUNCIL - RESTRICTIONS SUMMARY

### Quarterly Budget Review - September 2022

EXTERNAL RESTRICTIONS	June 2022	Budget Transfers In	Budget Transfers Out	QBRs 1		June 2023
				Budget Review Transfers In	Budget Review Transfers Out	
<b>SPECIFIC PURPOSE OPERATING GRANTS</b>						
WCCC	6,813.59					6,814
Walcha community centre	7,443.44					7,443
Pre-school - operating funds	163,228.29			-	26,768	136,460
DPC - Growing Local Economies, Business Case Development	25,000.00					25,000
OLG Innovation Funding - LG Solutions Implementation	8,000.00					8,000
Crown Lands Management Plan	11,798.00					11,798
Bushfire Recovery Funding	26,703.00					26,703
Council Pounds	4,000.00					4,000
Woolbrook Cemetery Aboriginal Graves Project	7,068.85			-	7,069	-
NSW Planning Portal Implementation	8,471.20			-	8,471	-
EPA - Bushfire Generated Green Waste	482,517.00			-	482,517	-
Tourism Development - COVID-19 support	20,162.00			-	20,162	-
Winter Holiday Program	13,413.40					13,413
Black Summer Bushfire Recovery - Nowendoc Hall Enhancement	79,309.72			-	79,310	-
<b>CONTRACT LIABILITIES</b>						
Moona-Winterbourne Linear Barrier Fence	18,676.57			-	18,677	-
BCRRF - Bushfire & Community Recovery & Resilience	72,712.51			-	72,713	-
BLER - Bushfire Local Economic Recovery - pool upgrade	277,084.15			-	277,084	-
BLER - Bushfire Local Economic Recovery - lions park upgrade	95,781.08			-	95,781	-
BLER - Bushfire Local Economic Recovery - skate park upgrade	171,174.80			-	171,175	-
FCB - Fixing Country Bridges - Niangala Road, Keatons AM 5507	157,341.39			-	157,341	-
FCB - Fixing Country Bridges - Mooraback Road AM 5414	37,339.23			-	37,339	-
FCB - Fixing Country Bridges - Niangala Road, Dennis Walls AM 5632	38,738.48			-	38,738	-
FCB - Fixing Country Bridges - Tia Diggings Road, Bridge 1 AM 5852	29,216.66			-	29,217	-
FCB - Fixing Country Bridges - Tia Diggings Road, Bridge 2 AM 10811	24,756.25			-	24,756	-
FCB - Fixing Country Bridges - Winterbourne Road AM 6214	48,368.94			-	48,369	-
FLR - Fixing Local Roads - Glen Morrison Road Rehab	172,686.36			-	172,686	-
FLR - Fixing Local Roads - Walsh Street Rehab	232,925.00			-	232,925	-
FLR - Fixing Local Roads - Middle Street Rehab	259,642.00			-	259,642	-
FLR - Fixing Local Roads - Aberaldie Road Rehab	492,368.80			-	492,369	-
FLR - Fixing Local Roads - Forest Way Sealing	588,984.90			-	588,985	-
Black Summer Bushfire Recovery - Aerodrome Upgrade	321,916.48			-	321,916	-
DWS091 - Offstream Construction	3,817,991.00			-	3,817,991	-
<b>OTHER EXTERNAL</b>						
Water Fund	-	430,000				430,000
Sewer Fund	-	150,000				150,000
<b>Total External</b>	<b>7,721,633</b>	<b>580,000</b>	<b>-</b>	<b>-</b>	<b>7,482,001</b>	<b>819,632</b>
<b>INTERNAL RESTRICTIONS</b>	<b>June 2022</b>	<b>Budget Transfers In</b>	<b>Budget Transfers Out</b>	<b>Budget Review Transfers In</b>	<b>Budget Review Transfers Out</b>	<b>June 2023</b>
Plant & Vehicle Replacement *	1,181,848.00		(250,229)			931,619
ELE	647,000.00					647,000
Tip Site Remediation	295,926.00					295,926
Quarries Remediation	301,431.00					301,431
Infrastructure Replacement	2,044,280.00					2,044,280
Project Development	65,000.00					65,000
FAG - General	1,336,589.00				(1,336,589)	-
FAG - Roads	812,486.00				(812,486)	-
<b>Total Internal</b>	<b>6,684,560</b>	<b>0</b>	<b>(250,229)</b>	<b>0</b>	<b>(2,149,075)</b>	<b>4,285,256</b>

# WALCHA COUNCIL - RESTRICTIONS RECONCILIATION

## Quarterly Budget Review - September 2022

EXTERNAL RESTRICTIONS	June 2021	Operating / Capital	Income Received	Expenditure	Restricted Balance
<b>SPECIFIC PURPOSE OPERATING GRANTS</b>					
WCCC	6,813.59	Operating	61,880	134,473	-65,780
Early Intervention (EI)	-	Operating	19,205	20,395	-1,190
Walcha community centre	7,443.44	Operating			7,443
Pre-school - operating funds	163,228.29	Operating	191,948	182,443	172,733
DPC - Growing Local Economies, Business Case Development	25,000.00	Operating			25,000
OLG Innovation Funding - LG Solutions Implementation	8,000.00	Operating			8,000
Crown Lands Management Plan	11,798.00	Operating		-	11,798
Bushfire Recovery Funding	26,703.00	Operating		26,703	0
Council Pounds	4,000.00	Operating		-	4,000
Woolbrook Cemetery Aboriginal Graves Project	7,068.85	Operating		1,581	5,488
NSW Planning Portal Implementation	8,471.20	Operating		5,649	2,822
EPA - Bushfire Generated Green Waste	482,517.00	Operating	241,259	305,943	417,833
Tourism Development - COVID-19 support	20,162.00	Operating			20,162
Winter Holiday Program	13,413.40	Operating		3,531	9,882
Black Summer Bushfire Recovery - Nowendoc Hall Enhancement	79,309.72	Capital		681	78,629
<b>CONTRACT LIABILITIES</b>					
Moona-Winterbourne Linear Barrier Fence	18,676.57	Operating		18,677	0
BCRRF - Bushfire & Community Recovery & Resilience	72,712.51	Operating		-	72,713
BLER - Bushfire Local Economic Recovery - pool upgrade	277,084.15	Capital		4,644	272,440
BLER - Bushfire Local Economic Recovery - lions park upgrade	95,781.08	Capital		3,708	92,073
BLER - Bushfire Local Economic Recovery - skate park upgrade	171,174.80	Capital		19,577	151,597
FCB - Fixing Country Bridges - Niangala Road, Keatons AM 5507	157,341.39	Capital		1,082	156,259
FCB - Fixing Country Bridges - Mooraback Road AM 5414	37,339.23	Capital		1,082	36,257
FCB - Fixing Country Bridges - Niangala Road, Dennis Walls AM 5632	38,738.48	Capital		32	38,707
FCB - Fixing Country Bridges - Tia Diggings Road, Bridge 1 AM 5852	29,216.66	Capital		2,842	26,374
FCB - Fixing Country Bridges - Tia Diggings Road, Bridge 2 AM 10811	24,756.25	Capital		156	24,600
FCB - Fixing Country Bridges - Winterbourne Road AM 6214	48,368.94	Capital		3,553	44,816
FLR - Fixing Local Roads - Glen Morrison Road Rehab	172,686.36	Capital		-	172,686
FLR - Fixing Local Roads - Walsh Street Rehab	232,925.00	Capital		-	232,925
FLR - Fixing Local Roads - Middle Street Rehab	259,642.00	Capital		-	259,642
FLR - Fixing Local Roads - Aberaldie Road Rehab	492,368.80	Capital		-	492,369
FLR - Fixing Local Roads - Forest Way Sealing	588,984.90	Capital		-	588,985
Black Summer Bushfire Recovery - Aerodrome Upgrade	321,916.48	Capital		511	321,406
DWS091 - Offstream Construction	3,817,991.00	Capital	1,500,000	788,810	4,529,181
LRCI 3 - Middle Street Kerb & Gutter	-	Capital	46,750		46,750
LRCI 3 - North Street Kerb & Gutter	-	Capital	123,875		123,875
LRCI 3 - Pakington Street Kerb & Gutter	-	Capital	50,000		50,000
LRCI 3 - Old Brookmount Causeway	-	Capital	123,758		123,758
LRCI 3 - Hazeldean Road Causeway	-	Capital	90,000		90,000
LRCI 3 - Rose Garden Stage 2	-	Capital	22,500		22,500
LRCI 3 - Crocodile Bridge Safety Improvements	-	Capital	5,000		5,000
LRCI 3 - Aberaldie Road Heavy Patching	-	Capital	75,000		75,000
LRCI 3 - Lakes Road Gravel Resheeting	-	Capital	54,914		54,914
<b>Total External</b>	<b>7,721,633</b>		<b>2,606,087</b>	<b>1,526,075</b>	<b>8,801,645</b>
<b>INTERNAL ALLOCATIONS</b>					
	June 2021		Actual Transfers In	Actual Transfers Out	Allocations Balance
Plant & Vehicle Replacement	1,181,848.00				1,181,848
ELE	647,000.00				647,000
Tip Site Remediation	295,926.00				295,926
Quarries Remediation	301,431.00				301,431
Infrastructure Replacement	2,044,280.00				2,044,280
Project Development	65,000.00				65,000
FAG - General	1,336,589.00			1,336,589	0
FAG - Roads	812,486.00			812,486	0
<b>Total Internal</b>	<b>6,684,560</b>		<b>-</b>	<b>2,149,075</b>	<b>4,535,485</b>

## UNRESTRICTED CASH RECONCILIATION

	September 2022	June 2022
Total Cash & Investments	16,350,585	13,521,720
External Restrictions:		
Contract Liabilities - General Fund	3,575,645	3,025,730
Contract Liabilities - Water Fund	4,529,181	3,709,846
Specific Purpose Grants	696,819	986,057
Water Fund (interfunding balance)	680,364	701,274
Sewer Fund (interfunding balance)	523,067	502,588
	10,005,075	8,925,495
Internal Allocations	4,535,485	6,684,560
<b>Unrestricted Cash</b>	<b>1,810,024</b>	<b>(2,088,335)</b>

Unrestricted cash is positive due to movement out of internal restrictions of the FAGS allocations. This is expected to move back to a negative position by June 2023 as the FAGS is expended.

# 7 PERFORMANCE RATIOS

## PERFORMANCE RATIOS

### Quarterly Budget Review - September 2022 Forecast to June 2023

Benchmark General Fund Water Fund Sewer Fund Consolidated Comment							
<b>Operating Performance Ratio</b>							
This ratio measures Council's achievement of containing operating expenditure within operating revenue.	Min >0%	-15.22%	8.94%	6.10%	-12.88%	All funds are forecasting an operating deficit. This is not sustainable and Council must find ways to operate within its means.	
	Prior year	2.88%	-7.35%	-25.63%	1.69%		
<b>Own Source Operating Revenue Ratio</b>							
This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants & contributions	Min >60%	30.81%	13.58%	93.25%	28.28%	This Council has recently struggled to meet this ratio due to high levels of funding for Drought and Bushfire affected communities as well as increased infrastructure grant funding.	
	Prior year	38.91%	42.70%	96.55%	40.31%		
<b>Unrestricted Current Ratio</b>							
To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.	Min >1.5	4.63	6.43	74.90	4.96	Council needs to manage its cashflow, particularly with several large projects in progress.	
	Prior year	4.35	1.17	79.88	4.35		
<b>Debt Service Cover Ratio</b>							
This ratio measures the availability of operating cash to service debt including interest, principal & lease payments.	Min >2	48.80	315.87	0.00	66.29	The ratios include the proposed borrowings included in the current budget.	
	Prior year	24.07	19.38	na	23.80		
<b>Rates, Annual Charges, Interest &amp; Extra Charges Outstanding</b>							
To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.	Max <10%	4.41%	14.43%	10.27%	5.76%	Debt collection ratio is very good overall. High water and sewer ratios arise from timing of water billing.	
	Prior year	4.55%	16.99%	11.76%	6.06%		
<b>Cash Expense Cover</b>							
This liquidity ratio indicates the number of months Council can continue to pay for its immediate operating costs without additional cash inflow.	Min >3	7.92	99.11	15.82	11.79	Water Fund ratio is a concern and needs to be carefully managed as construction of the Off Stream Storage gets underway.	
	Prior year	4.76	67.96	-57.37	9.18		
<b>Infrastructure Backlog Ratio</b>							
This ratio shows what proportion the backlog is against the total value of Council's infrastructure value.	Min <2%	0.73%	0.42%	-0.32%	0.69%	This ratio is dependant on Asset Management Plans which are currently out of date.	
	Prior year	2.74	0.65	1.18	2.63		



# 8 CONTRACTS

<b>Contract Services</b>	<b>Amount YTD</b>	<b>Comment</b>
Off Stream Storage	4,466,828	CAPITAL - Contract in place
Levee Bank	134,950	CAPITAL – CAP
Skate Park	237,576	CAPITAL – Contract
State Roads	336,092	Contract
Thunderbolts Way Corridor Strategy	406,742	CAPITAL – Contract in place

<b>Professional Services</b>	<b>Amount YTD</b>	<b>Comment</b>
Administration	15,300	No contract
State Roads	29,190	Contract
Waste	15,638	No contract
Town Planning	13,405	Contract
Timber Bridges	13,398	Contract
Legal – McCullough Robertson	4,994	No contract

The above represents expenditure for contract and professional services. This is required to be included in the QBRs.