

TITLE: [FRIT-CM] Quarterly Budget Review - March 2019

SUBMITTED BY: Financial Services

mhm



Making decisions with you

We're in this together

LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK:

2	Making decisions with you
2.2	Engagement
2.2.5	Financial Services - To collect and manage Council funds and provide information and advice to support sound financial decision-making.

ROLE: **Leader**

SUMMARY OF REPORT:

This is the third quarter statutory budget review for this financial year and summarises the estimated expenditure and income changes to the 2018/2019 Budget.

This statutory report is prepared in accordance with the Local Government (General) Regulations 2005, sections 202 and 203. Council will have a balanced budget as at 30 June 2019 in all Funds.

RECOMMENDATION:

That the:

- Quarterly Budget Review Statement as at 31 March 2019 be adopted.
- Expenditure and income, as summarised below and detailed within the report, be voted and adjusted in accordance with the revised total expenditure and income for the year ending 30 June 2019.

Description	Change to Vote	
	Deficit	Surplus
General Fund		
<u>Expenses</u>		
Employee costs	0	130,186
Materials & Contracts	575,008	0
Interest	0	0
Other Operating costs	0	0
Capital	0	2,409,911
Loan Repayments	0	0
Transfers to Reserves	1,570,560	0
	2,145,568	2,540,097

Income

Rates and Annual Charges	0	0
Interest revenue	0	0
Operating Grants & Conts	0	208,341
Capital Grants & Conts	0	27,708
User Charges & Fees	51,517	0
Other Operating Revenue	0	252,500
Loan Funds	0	0
Recoupments	0	0
Transfers from Reserves	41,800	0
Asset Sales	789,761	0
	<u>883,078</u>	<u>488,549</u>

Net Surplus/(Deficit)		<u>0</u>
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	Deficit	Surplus
Sewer Fund		
<u>Expenses</u>		
Employee costs	0	0
Materials & Contracts	0	679,181
Interest	0	0
Other Operating costs	0	0
Capital	95,000	0
Loan Repayments	0	0
Transfers to Reserves	644,181	0
	<u>739,181</u>	<u>679,181</u>

<u>Income</u>	0	0
Rates and Annual Charges	0	0
Interest revenue	0	0
Operating Grants & Conts	0	0
Capital Grants & Conts	0	0
User Charges & Fees	0	0
Other Operating Revenue	0	0
Loan Funds	0	0
Recoupments	0	37,800
Transfers from Reserves	0	22,200
Asset Sales	0	0
	<u>0</u>	<u>60,000</u>

Net Surplus/(Deficit)		<u>0</u>
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Water Fund**Expenses**

Employee costs	0	0
Materials & Contracts	0	228,206
Interest	0	0
Other Operating costs	0	0
Capital	0	488,254
Loan Repayments	0	0
Transfers to Reserves	803,954	0
	<u>803,954</u>	<u>716,460</u>

Income

Rates and Annual Charges	0	0
Interest revenue	0	21,494
Operating Grants & Conts	0	0
Capital Grants & Conts	0	0
User Charges & Fees	0	0
Other Operating Revenue	0	0
Loan Funds	0	0

Recoupments	0	0
Transfers from Reserves	0	66,000
Asset Sales	0	0
	<hr/>	<hr/>
	0	87,494
Net Surplus/(Deficit)	<hr/>	<hr/>
		0

REPORT:**Budget Review 31 March 2019 (Quarterly Budget Review)**

In accordance with section 203(1) of the Local Government (General) Regulation 2005, a Budget Review Statement and revision of the estimates of income and expenditure must be submitted to council within two months of the close of each quarter.

The Regulation requires that the quarterly financial review must include the following:

- A revised estimate for income and expenditure for the year.
- A report as to whether or not such statements indicate that the financial position of the Council is satisfactory and if the position is unsatisfactory, make recommendations for remedial action.

Report by Responsible Accounting Officer – Quarterly Budget Review Statements

The Quarterly Budget Review Reports are prepared to provide Council and the community with information in relation to Council's financial performance and proposed amendments to its budget and forward estimates. The reports are prepared under accrual accounting principles in accordance with the requirements of the Local Government Act 1993.

New South Wales councils are required to prepare a Quarterly Budget Review Statement, which includes the following information:

- The original budget
- Approved changes to the original budget
- Recommendations by Council officers regarding changes to the revised budget
- A projected year end result
- Actual year to date figures
- Key Performance Indicators
- New contracts entered into during the quarter
- Consultancy and legal expenses

This information is presented in the following reports:

- List of changes which will impact on revenue, i.e. will affect the Operational Plan (budget) or Long Term Financial Plan
- Detailed list of recommended changes, including those recommended by officers and those adopted by Council
- Income and Expenses Statement, consolidated and by fund
- Funding Statement, consolidated and by fund, which gives the total budget result
- Capital Budget Review Statement
- Cash & Investments Budget Review Statement
- Budget Review Key Performance Indicators Statement
- Budget Review Contracts (part A) and Other Expenses (part B)

Impacts on the Operational Plan and/or Long Term Financial Plan

Some recommended changes will have no net effect on the Operational Plan (1 year budget). Others will have long term effects and will need to be reflected in the next revision of the Long Term Financial Plan. The changes which will have such an effect are listed below:

Description	\$	\$
	Net Effect on 2018/2019 Budget	Net Effect on LTFP
General Fund		
Murwillumbah museum	42,926	42,926
Art Gallery electricity	-42,926	-42,926
Community buildings	14,487	14,487
Compliance	28,463	32,150
Records storage facility	5,000	
Printing & stationery	-19,000	
Swimming Pool compliance	-28,950	
	0	46,637

Detailed list of changes

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
1. Proposed Variations						
General Fund						
Ex	1	Ex-OpOther	Murwillumbah Museum recurring costs	79,523	42,926	Revision of Community & Cultural budget
Ex	1	Ex-OpOther	Art Gallery electricity	186,758	-42,926	Revision of Community & Cultural budget
In	2	In-Fees	Rents & Sundry Income	-17,868	17,868	Revision of Community & Cultural budget
In	2	In-Fees	Rent - various facilities		-2,580	Revision of Community & Cultural budget
In	2	In-Fees	Rent - Northern Rivers Childrens Service	-21,800	-801	Revision of Community & Cultural budget
In	3	In-OpOther	Infringement Income & Fee - Animal	-102,047	37,747	Revision of Compliance budget
Ex	4	Ex-Op	Environmental Compliance (Building)	122,875	-14,000	Revision of Compliance budget
Ex	4	Ex-Op	Building Compliance Officer	103,804	14,000	Revision of Compliance budget
Ex	4	Ex-Op	Impounding Income & Expenses - Motor Vehicle	2,502	5,539	Revision of Compliance budget
Ex	4	Ex-Op	Stott's Island Impounding Facility Income	0	-4,534	Revision of Compliance budget
Ex	4	Ex-Op	Companion Animal Act Expenses	12,241	700	Revision of Compliance budget
Ex	4	Ex-Op	Animal Impounding Facility Expenses	71,346	-10,887	Revision of Compliance budget
Ex	4	Ex-Op	Straying Livestock Expense	1,154	1,046	Revision of Compliance budget
Ex	4	Ex-Op	Regulatory Legal Expenses	5,767	12,233	Revision of Compliance budget
In	4	In-Fees	Impounding Income	-75,280	11,280	Revision of Compliance budget
Ex	4	Ex-Op	Ranger Expenses	109,874	7,836	Revision of Compliance budget
In	4	In-OpOther	Infringement Income & Fee - Parking	-70,070	-48,247	Revision of Compliance budget
In	4	In-Fees	Environmental enforcement levy	-99,750	15,750	Revision of Compliance budget
Ex	5	Ex-Capital	Tweed Heads Cultural Plaza	196,933	15,000	Hearing loops
In	5	In-TFR	Access reserve		-15,000	Funding for above
Ex	6	Ex-OpEmp	Infrastructure Delivery Salaries	857,917	-48,346	Revision of Infrastructure Delivery Budget
Ex	6	Ex-OpEmp	Contracts Section	690,603	-33,435	Revision of Infrastructure Delivery Budget
Ex	7	Ex-Capital	Capital plant purchases	7,169,957	2,561,735	Revision of Fleet Budget
In	7	In-Sales	Capital plant sales	2,210,437	789,761	Revision of Fleet Budget

Ex	7	Ex-Op	Fleet administration	382,303	-26,703	Revision of Fleet Budget
In	7	In-TFR	Fleet reserve	-288,052	288,052	Revision of Fleet Budget
Ex	7	Ex-TTR	Fleet reserve	0	1,570,560	Revision of Fleet Budget
Ex	7	Ex-Op	Workshop mechanics	419,354	-47,620	Revision of Fleet Budget
Ex	7	Ex-Op	Workshop metal fabrication	154,957	-12,315	Revision of Fleet Budget
Ex	7	Ex-Op	Workshop small plant	16,773	6,247	Revision of Fleet Budget
Ex	7	Ex-Op	Buchanan St residence	20,036	9,000	Revision of Procurement Budget
Ex	7	Ex-Capital	Depot improvements Tweed Heads	30,884	29,116	Revision of Procurement Budget
Ex	7	Ex-OpEmp	Storekeeping	390,484	-83,405	Revision of Procurement Budget
Ex	7	Ex-Op	Non-Inventory Store Issued Items	26,810	7,304	Revision of Procurement Budget
Ex	7	Ex-Op	Depot Murwillumbah	614,031	-106,554	Revision of Procurement Budget
Ex	7	Ex-Op	Depot Tweed Heads	271,519	4,935	Revision of Procurement Budget
Ex	7	Ex-Capital	Depot improvements Murwillumbah	167,670	207,138	Revision of Procurement Budget
In	7	In-OpOther	Gravel sales & royalties	-10,000	8,000	Revision of Procurement Budget
Ex	8	Ex-Op	Mooball Creek retaining wall		155,000	Single Coastal Reserve expenses
Ex	8	Ex-OpEmp	Coastal ranger		95,000	Single Coastal Reserve expenses
In	8	In-OpOther	Crown reserves transfer from TCHP		-250,000	Funding for above
Ex	9	Ex-Op	E Zone review		40,000	Consultancy
Ex	9	Ex-OpEmp	Strategic Planning	996,750	-40,000	Funding for above
Ex	10	Ex-Op	Youth Strategy	2,836	2,591	Youth Week activities
Ex	10	In-OG&C	Family and Community Services		-2,591	Funding for above
Ex	11	Ex-Op	Small Farms Big Changes		59,050	Environmental education project
In	11	In-OG&C	Environmental Trust		-59,050	Funding for above
Ex	12	Ex-Capital	Pools asset management	58,994	27,708	TRAC LED lights
In	12	In-CG&C	Australian Sports Commission		-27,708	Funding for above Remediate drainage issue Industry Central
Ex	13	Ex-Capital	Lundberg Drive stormwater		80,000	
Ex	13	Ex-Op	Stormwater drainage rehabilitation	633,205	-80,000	Funding for above
Ex	14	Ex-Op	Murwillumbah Visitor Information Centre	408,748	91,252	Restoration works
In	14	In-TFR	Works Carried Forward reserve		-91,252	Funding for above
Ex	15	Ex-Op	Tweed Aboriginal Cultural Heritage Oral History Project		34,700	Community heritage project
In	15	In-OG&C	Office of Environment & Heritage		-34,700	Funding for above
Ex	16	Ex-Op	Road Safety Programs		5,000	Safety Around Schools
In	16	In-OG&C	Road Safety Grants		-5,000	Funding for above
Ex	16	Ex-Op	Road Safety Programs		5,000	Impaired Road Users
In	16	In-OG&C	Road Safety Grants		-5,000	Funding for above
Ex	16	Ex-Op	Road Safety Programs		2,000	Bike Week activities
In	16	In-OG&C	Road Safety Grants		-2,000	Funding for above
Ex	17	Ex-Op	Flood Mitigation lot consolidation	300,000	60,000	Flood mitigation
In	17	In-TFR	Infrastructure reserve		-60,000	Funding for above
Ex	18	Ex-Op	Condong Creek Stage 3		10,000	Stormwater drainage
In	18	In-TFR	Infrastructure reserve		-10,000	Funding for above
Ex	19	Ex-Op	Dulguigan Road Road Safety Design		50,000	Road safety
In	19	In-TFR	Infrastructure reserve		-50,000	Funding for above
Ex	20	Ex-Op	Tiny homes		20,000	Tiny Home Village proposal
In	20	In-TFR	Land Development Reserve		-20,000	Funding for above
Ex	21	Ex-Op	Records storage facility	134,490	5,000	Security doors
Ex	22	Ex-Op	Printing & stationery	122,058	-19,000	Revision of budget
Ex	23	Ex-OpEmp	Swimming Pool compliance	141,859	-20,000	Revision of Building & Env. Health budget
In	23	In-Fees	Swimming Pool certificate fees	-76,727	10,000	Revision of Building & Env. Health budget
In	23	In-Fees	On-Site Sewage pre-purchase fees	-23,100	10,000	Revision of Building & Env. Health budget
In	23	In-Fees	On-Site Sewage new install inspections	-42,000	-10,000	Revision of Building & Env. Health budget
Ex	23	Ex-Op	Environmental Health	110,138	-18,950	Revision of Building & Env. Health budget
					0	
			Sewer Fund			
Ex	24	Ex-Op	Operations		-619,048	Various revisions
In	24	Ex-Op	Annual charges		-60,133	Various revisions
Ex	24	In-Interest	Interest received			No adjustments this quarter

In	24	In-Fees	Fees		No adjustments this quarter
In	24	In-CG&C	s64 income		No adjustments this quarter
Ex	24	In-CG&C	Capital grants		No adjustments this quarter
Ex	24	Ex-Capital	Capital works	95,000	New minor projects
In	24	In-TFR	Transfers from reserves	-22,200	Funding adjustments
In	24	In-Recoup	Recoupment from s64	-37,800	Funding adjustments
	24	Ex-TTR	s64 reversal		No adjustments this quarter
Ex	24	Ex-TTR	Transfers to reserves	644,181	Funding adjustments
				<u>0</u>	

Water Fund

Ex	25	Ex-Op	Operations	-216,447	Various revisions
In	25	Ex-Op	Annual charges	-11,759	Various revisions
Ex	25	In-Interest	Interest received	-21,494	Funding adjustments
In	25	In-Fees	Fees		No adjustments this quarter
In	25	In-CG&C	s64 income		No adjustments this quarter
Ex	25	In-CG&C	Capital grants		No adjustments this quarter
Ex	25	Ex-Capital	Capital works	-488,254	Deferrals and revisions
In	25	In-TFR	Transfers from reserves	-66,000	Funding adjustments
In	25	In-Recoup	Recoupment from s64		No adjustments this quarter
	25	Ex-TTR	s64 reversal		No adjustments this quarter
Ex	25	Ex-TTR	Transfers to reserves	803,954	Funding adjustments
				<u>0</u>	

2. Variations Arising from Council Resolutions

Ex	26	Ex-Op	Tweed Coastal Management Program	150,000	Resolution 25 October 2018 Item 25
In	26	In-OG&C	Office of Environment and Heritage	-100,000	Resolution 25 October 2018 Item 25
Ex	26	Ex-Op	Tweed Coastal Zone Management	96,390	Resolution 25 October 2018 Item 25
				<u>0</u>	

Summary of Votes by Type

2018/19 Variations	0
Council Resolutions	0
	<u>0</u>

Key to Category codes

Ex-OpEmp	Employee costs
Ex-Op	Materials & contracts
Ex-Interest	Interest on loans
Ex-OpOther	Other operating expenses
Ex-Capital	Capital works
Ex-Loan	
Reps	Repayment on principal on loans
Ex-TTR	Transfers to reserves
Ex-Dep	Depreciation
Ex-Deprev	Depreciation reversal
In-Rates	Rates & annual charges
In-Interest	Interest income
In-OG&C	Operating grants & contributions
In-CG&C	Capital grants & contributions
In-Fees	User charges & fees
In-OpOther	Other operating income
In-Loan	Loan funds
In-Recoup	Recoupment from s64 & s94 funds
In-TFR	Transfers from reserves
In-Sales	Proceeds from sale of assets

Expenses

Employee costs	-130,186
Materials & Contracts	-539,517
Interest	0
Other Operating costs	0
	-
Capital	2,596,027
Loan Repayments	0
Transfers to Reserves	3,018,695
	-247,035
<u>Income</u>	
Rates and Annual Charges	0
Interest revenue	-21,494
Operating Grants & Conts	-208,341
Capital Grants & Conts	-27,708
User Charges & Fees	51,517
Other Operating Revenue	-252,500
Loan Funds	0
Recoupments	-37,800
Transfers from Reserves	-46,400
Asset Sales	789,761
	247,035
Net	0

Summary of Votes - by Division

Corporate Services	-14,000
Planning & Regulation	-487
Community & Natural Resources	14,487
Engineering	0
General Manager	0
	<u>0</u>

Results by fund:**General Fund**

The General Fund is expected to remain as a “balanced budget”.

Water Fund

The Water Fund is expected to remain as a “balanced budget”.

Sewer Fund

The Sewer Fund is expected to remain as a “balanced budget”.

Quarterly Budget Review Statements**Income and Expense - Consolidated Budget Review Statement for the quarter ended 31 March 2019**

Original Budget (000's)	Previously approved			Recommended changes for Council Resolution (000's)	Projected year end result (000's)	Actual YTD (000's)
	Sep Review (000's) *	Dec Review (000's)	Revised Budget (000's)			

Income

Rates and Annual Charges	111,135	-	(72)	111,063	-	111,063	83,212
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User Charges and Fees	46,920	73	(17)	46,976	(52)	46,924	37,209
Interest and Investment Revenue	9,821	31	(86)	9,766	21	9,787	7,715
Other Revenues	2,955	-	69	3,024	253	3,277	4,857
Grants & Contributions - Operating	17,123	(136)	5,133	22,120	208	22,328	22,660
Grants and Contributions - Capital	1,017	6,806	62	7,885	28	7,913	3,796
- Contributions (S94)	16,732	58	(11,959)	4,831	-	4,831	6,016
Net gain from the disposal of assets	-	-	-	-	-	-	-
Total Income	205,703	6,832	(6,870)	205,665	458	206,123	165,465

Expense

Employee costs	57,916	393	30	58,339	(130)	58,209	42,167
Borrowing Costs	11,666	-	-	11,666	-	11,666	7,535
Materials & Contracts	46,739	15,488	4,736	66,963	(541)	66,422	34,682
Depreciation	42,623	-	-	42,623	-	42,623	31,968
Legal Costs	476	363	-	839	-	839	653
Consultants	492	-	-	492	-	492	133
Other Expenses	16,931	(150)	-	16,781	-	16,781	10,389
Net Loss from Disposal of Assets	-	-	-	-	-	-	183
Total Expenses	176,843	16,094	4,766	197,703	(671)	197,032	127,710

Net Operating Result

	28,860	(9,262)	(11,636)	7,962	1,129	9,091	37,755
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Net Operating Result before capital items

	11,111	(16,126)	261	(4,754)	1,101	(3,653)	27,943
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Funding Statement - Consolidated - Source & Application of Funds

Operating Result (Income Statement)	28,860	(9,262)	(11,636)	7,962	1,129	9,091
Add Back non-funded items:						
Depreciation	42,623	-	-	42,623	-	42,623
Add non-operating funding sources						
Transfers from Externally Restricted Cash	25,659	3,961	1,237	30,857	38	30,895
Transfers from Internally Restricted Cash	3,499	53,996	(2,680)	54,815	46	54,861
Proceeds from sale of assets	2,210	-	-	2,210	(790)	1,420
Loan Funds Utilised	3,066	1,153	-	4,219	-	4,219
Repayments from Deferred Debtors	-	-	-	-	-	-
Funds Available	105,917	49,848	(13,079)	142,686	423	143,109
Funds were applied to:						
Purchase and construction of assets	45,771	50,076	(2,302)	93,545	(2,596)	90,949

Repayment of principal on loans	8,838	-	-	8,838	-	8,838
Transfers to Externally Restricted Cash	47,590	-	-	47,590	-	47,590
Transfers to Internally Restricted Cash	3,718	(228)	(10,777)	(7,287)	3,019	(4,268)
Funds Used	105,917	49,848	(13,079)	142,686	423	143,109
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

* Includes Carried Forward Works revotes

Income & Expense- General Fund Budget Review Statement for the quarter ended 31 March 2019

Original Budget (000's)	Previously approved			Recommended changes for Council Resolution (000's)	Projected year end result (000's)	Actual YTD (000's)
	Sep Review (000's) *	Dec Review (000's)	Revised Budget (000's)			

Income

Rates and Annual Charges	74,731	-	-	74,731	-	74,731	56,615
User Charges and Fees	19,177	73	(15)	19,235	(52)	19,183	15,862
Interest and Investment Revenue	5,243	-	-	5,243	-	5,243	4,461
Other Revenues	2,624	-	69	2,693	253	2,946	4,292
Grants & Contributions - Operating	16,209	(136)	5,133	21,206	208	21,414	21,781
Grants and Contributions - Capital	1,017	6,806	62	7,885	28	7,913	3,796
- Contributions (S64/S94)	1,856	-	-	1,856	-	1,856	3,508
Net gain from the disposal of assets	-	-	-	-	-	-	-
Total Income	120,857	6,743	5,249	132,849	437	133,286	110,315

Expense

Employee costs	45,838	393	30	46,261	(130)	46,131	33,050
Borrowing Costs	5,393	-	-	5,393	-	5,393	3,323
Materials & Contracts	25,620	14,706	4,669	44,995	367	45,362	27,717
Depreciation	24,978	-	-	24,978	-	24,978	18,734
Legal Costs	476	363	-	839	-	839	650
Consultants	94	-	-	94	-	94	116
Other Expenses	12,708	(150)	-	12,558	-	12,558	8,145
Net Loss from Disposal of Assets	-	-	-	-	-	-	170
Total Expenses	115,107	15,312	4,699	135,118	237	135,355	91,905

Net Operating Result

5,750	(8,569)	550	(2,269)	200	(2,069)	18,410
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Net Operating Result before capital items

2,877	(15,375)	488	(12,010)	172	(11,838)	11,106
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Funding Statement - General Fund - Source & Application of Funds

Operating Result (Income Statement)	5,750	(8,569)	550	(2,269)	200	(2,069)
Add Back non-funded items:						
Depreciation	24,978			24,978	-	24,978
Add non-operating funding sources						
Transfers from Externally Restricted Cash	1,554	1,553		3,107	-	3,107
Transfers from Internally Restricted Cash	3,499	51,876	1,377	56,752	(42)	56,710
Proceeds from sale of assets	2,210	-		2,210	(790)	1,420
Loan Funds Utilised	3,066	1,153		4,219	-	4,219
Internal charges				-		-
Repayments from Deferred Debtors				-		-
Funds Available	41,057	46,013	1,927	88,997	(632)	88,365
Funds were applied to:						
Purchase and construction of assets	25,543	45,488	1,891	72,922	(2,203)	70,719
Repayment of principal on loans	4,419	-	-	4,419	-	4,419
Transfers to Externally Restricted Cash	7,377			7,377		7,377
Transfers to Internally Restricted Cash	3,718	525	36	4,279	1,571	5,850
Funds Used	41,057	46,013	1,927	88,997	(632)	88,365
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

* Includes Carried Forward Works revotes

Income & Expense- Sewer Fund Budget Review Statement for the quarter ended 31 March 2019

Original Budget (000's)	Previously approved			Recommended changes for Council Resolution (000's)	Projected year end result (000's)	Actual YTD (000's)
	Sep Review (000's)	Dec Review (000's)	Revised Budget (000's)			

Income

Rates and Annual Charges	30,680		(60)	30,620	-	30,620	22,159
User Charges and Fees	3,389		(14)	3,375	-	3,375	2,666
Interest and Investment Revenue	2,687	65	-	2,752	-	2,752	2,060
Other Revenues	17		-	17	-	17	2
Grants & Contributions - Operating	505		-	505	-	505	508
Grants and Contributions - Capital				-		-	
- Contributions (S64/S94)	4,877		(3,902)	975	-	975	929
Net gain from the disposal of assets				-		-	
Total Income	42,155	65	(3,976)	38,244	-	38,244	28,324

Expense

Employee costs	7,381			7,381	-	7,381	5,375
Borrowing Costs	2,030			2,030	-	2,030	1,028
Materials & Contracts	10,268	613	477	11,358	(679)	10,679	3,489
Depreciation	10,196			10,196	-	10,196	7,647
Legal Costs				-	-	-	
Consultants	158			158	-	158	7
Other Expenses	2,761			2,761	-	2,761	1,274
Net Loss from Disposal of Assets				-		-	13
Total Expenses	32,794	613	477	33,884	(679)	33,205	18,833

Net Operating Result

	9,361	(548)	(4,453)	4,360	679	5,039	9,491
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Net Operating Result before capital items

	4,484	(548)	(551)	3,385	679	4,064	8,562
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Funding Statement - Sewer Fund - Source & Application of Funds

Operating Result (Income Statement)	9,361	(548)	(4,453)	4,360	679	5,039
Add Back non-funded items:						
Depreciation	10,196	-	-	10,196	-	10,196
Add non-operating funding sources						
Transfers from Externally Restricted Cash	8,631	216	(3)	8,844	38	8,882
Transfers from Internally Restricted Cash		1,485	162	1,647	22	1,669
Proceeds from sale of assets				-	-	-
Loan Funds Utilised				-	-	-
Repayments from Deferred Debtors				-	-	-
Funds Available	28,188	1,153	(4,294)	25,047	739	25,786
Funds were applied to:						
Purchase and construction of assets	5,933	1,566	191	7,690	95	7,785
Repayment of principal on loans	2,867	-	-	2,867	-	2,867
Transfers to Externally Restricted Cash	19,388	-	-	19,388	-	19,388
Transfers to Internally Restricted Cash		(413)	(4,485)	(4,898)	644	(4,254)
Internal charges				-		-
Funds Used	28,188	1,153	(4,294)	25,047	739	25,786
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

Original Budget (000's)	Previously approved			Recommended changes for Council Resolution (000's)	Projected year end result (000's)	Actual YTD (000's)
	Sep Review (000's)	Dec Review (000's)	Revised Budget (000's)			

Income

Rates and Annual Charges	5,724		(12)	5,712	-	5,712	4,438
User Charges and Fees	24,354		12	24,366	-	24,366	18,681
Interest and Investment Revenue	1,891	(34)	(86)	1,771	21	1,792	1,194
Other Revenues	314	-	-	314	-	314	563
Grants & Contributions - Operating	409	-	-	409	-	409	371
Grants and Contributions - Capital				-		-	-
- Contributions (S64/S94)	9,999	58	(8,057)	2,000	-	2,000	1,579
Net gain from the disposal of assets				-		-	
Total Income	42,691	24	(8,143)	34,572	21	34,593	26,826

Expense

Employee costs	4,697			4,697	-	4,697	3,742
Borrowing Costs	4,243			4,243	-	4,243	3,184
Materials & Contracts	10,851	169	(410)	10,610	(229)	10,381	3,476
Depreciation	7,449			7,449	-	7,449	5,587
Legal Costs				-	-	-	3
Consultants	240			240	-	240	10
Other Expenses	1,462			1,462	-	1,462	970
Net Loss from Disposal of Assets				-		-	
Total Expenses	28,942	169	(410)	28,701	(229)	28,472	16,972

Net Operating Result

	13,749	(145)	(7,733)	5,871	250	6,121	9,854
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Net Operating Result before capital items

	3,750	(203)	324	3,871	250	4,121	8,275
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Funding Statement - Water Fund - Source & Application of Funds

Operating Result (Income Statement)	13,749	(145)	(7,733)	5,871	250	6,121
Add Back non-funded items:						
Depreciation	7,449	-	-	7,449	-	7,449
Add non-operating funding sources						
Transfers from Externally Restricted Cash	15,474	2,192	1,240	18,906	-	18,906
Transfers from Internally Restricted Cash		635	(4,219)	(3,584)	66	(3,518)
Proceeds from sale of assets				-		-
Loan Funds Utilised				-		-

Repayments from Deferred Debtors				-		-
Funds Available	36,672	2,682	(10,712)	28,642	316	28,958
Funds were applied to:						
Purchase and construction of assets	14,295	3,022	(4,384)	12,933	(488)	12,445
Repayment of principal on loans	1,552	-	-	1,552	-	1,552
Transfers to Externally Restricted Cash	20,825	-	-	20,825	-	20,825
Transfers to Internally Restricted Cash		(340)	(6,328)	(6,668)	804	(5,864)
Internal charges				-		-
Funds Used	36,672	2,682	(10,712)	28,642	316	28,958
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 2019 and should be read in conjunction with other documents in the QBRS.

Capital Budget Review Statement - Consolidated - for the quarter ended 31 March 2019

Original Budget (000's)	Previously approved			Recommended changes for Council Resolution (000's)	Projected year end result (000's)	Actual YTD (000's)
	Sep Review (000's) *	Dec Review (000's)	Revised Budget (000's)			

Capital Funding **

Rates and other untied funding	31,961	625	683	33,269	(1,456)	31,813	12,859
Capital Grants & Contributions	928	6,863		7,791	28	7,819	3,161
Internal Restrictions (Reserves)	1,987	25,769	1,209	28,965	15	28,980	11,715
External Restrictions	12,366	13,567	(4,192)	21,741	(393)	21,348	8,630
- s64 & s94 funds	2,205	2,600		4,805		4,805	1,942
Other Capital Funding Sources							
- loans	3,066	652		3,718		3,718	1,503
Income from sale of assets					(790)	(790)	
- plant and equipment	2,210			2,210		2,210	893
- Land, Buildings, Furniture, Fittings							
Total Capital Funding	54,723	50,076	(2,300)	102,499	(2,596)	99,903	40,703

Capital Expenditure

New Assets

- Plant and Equipment	230	106		336		336	308
- Land, Buildings, Furniture, Fittings	3,939	15,799	683	20,421	15	20,436	8,339
- Roads, Bridges, Footpaths	20	6,748	460	7,228		7,228	893
- Drainage							12
- Water & Sewer Infrastructure	7,016	2,504	(3,288)	6,232	(494)	5,738	2,485
- Other	3,200	9,836		13,036		13,036	300
Renewals (Replacement)							

- Plant and Equipment	7,170			7,170	(2,562)	4,608	1,489
- Land,Buildings,Furniture,Fittings	101	219		320		320	357
- Roads, Bridges, Footpaths	11,338	4,288	749	16,375		16,375	10,539
- Drainage	644	134		778	80	858	24
- Water & Sewer Infrastructure	6,845	1,673	52	8,570	166	8,736	3,161
- Other		2,544		2,544		2,544	1,544
Upgrades							
- Plant and Equipment							9
- Land,Buildings,Furniture,Fittings		2,227		2,227	264	2,491	1,130
- Roads, Bridges, Footpaths	630	2,761		3,391		3,391	2,140
- Drainage	800	772		1,572		1,572	892
- Water & Sewer Infrastructure	3,952	411	(956)	3,407	(65)	3,342	1,443
- Other		54		54		54	83
Loan Repayments (principal)	8,838			8,838		8,838	5,236
Total Capital Expenditure	54,723	50,076	(2,300)	102,499	(2,596)	99,903	40,384

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 2019 and should be read in conjunction with other documents in the QBRS.

* Note: Includes Carry over works

* *Note: figures in the Actual YTD column of capital funding are estimates only. Detailed calculations of funding results are performed annually.

Cash and Investments Budget Review Statement for the quarter ended 31 March 2019

Original Budget (000's)	Previously approved			Recommended changes for Council Resolution (000's)	Projected year end result (000's)	Actual * YTD (000's)
	Sep Review (000's)	Dec Review (000's)	Revised Budget (000's)			
Unrestricted	7,814		7,814		7,814	12,661
Externally restricted						
Developer contributions	40,632	(3,961)	36,671	(38)	36,633	43,030
Domestic waste management	20,659	(11,387)	9,272		9,272	20,000
Special Rates	224		224		224	247
Unexpended grants & contributions	6,019	(6,019)	0		0	6,000
Water Supplies	75,087		75,087		75,087	61,172
Sewerage Services	100,861		100,861		100,861	100,605
Other	17,396		17,396		17,396	17,000
Total Externally restricted	260,878	(21,367)	239,511	(38)	239,473	248,054
Internally restricted						
Employee Leave entitlements	13,554		13,554		13,554	13,554
Unexpended untied grants	1,501	(1,501)	0		0	1,500
Unexpended loans	3,091	(1,968)	1,123		1,123	3,000

7 Year Plan	2,445	(2,282)		163		163	2,400
Works Carried Forward	8,508	(7,070)		1,438	(91)	1,347	8,000
Replacement of Plant and Vehicles	5,456			5,456	1,858	7,314	5,000
Tip improvements	14,545	(7,625)		6,920		6,920	14,000
Asset renewals	28,534	(6,163)		22,371	(120)	22,251	28,000
Other	8,844			8,844	(20)	8,824	8,000
Total Internally restricted	86,478	(26,609)	0	59,869	1,627	61,496	83,454
Total Restricted	347,356	(47,976)	0	299,380	1,589	300,969	331,508
Total cash and investments	355,170	(47,976)	0	307,194	1,589	308,783	344,169
Available cash	7,814	0	0	7,814	0	7,814	12,661

* Note: figures in the Actual YTD are estimates only. Detailed calculations of funding results and cash restrictions are performed annually.

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 purpose.

Statement of compliance with investment policy:

Council's investments have been made in accordance with Council's investment policies.

Reconciliation of restricted funds with current investment report:

	(000's)
Total restricted funds	331,508
Total invested funds as per March Investment Report	341,898

Note, some restricted funds are held as cash as they will be utilised in the current period.

Statement of bank reconciliation:

Cash has been reconciled with the bank statement. Bank reconciliations are up to date.

Reconciliation of cash and investments:

	(000's)
Cash and investments as per above	344,169
Cash on hand and at bank	2,271
Investments	341,898
	344,169

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 2019 and should be read in conjunction with other documents in the QBRs.

Key Performance Indicators Budget Review Statement for the quarter ended 31 March 2019

Note that KPIs may be distorted by the fact that detailed calculations are only prepared on an annual basis.

These ratios should therefore be viewed with caution.

	Amounts	Indicator
1. Unrestricted Current Ratio		
	(000's)	
Current assets less all external restrictions	74,058	2.7:1
Current liabilities	27,754	
Target:		2:1

Purpose:

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

	Amounts	Indicator
2. Debt Service Ratio		
	(000's)	
Debt Service Cost	12,771	9.26%
Selected operating income	137,866	
Target:		15%

Purpose:

To assess the impact of loan principal and interest repayments on the discretionary revenue of Council.

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 2019 and should be read in conjunction with other documents in the QBRs.

Budget Review Contracts and Other Expenses for the quarter ended 31 March 2019

PART A-Contracts Listing					
Contractor	Contract Title	Contract Value \$	Award Date	Duration of Contract	Budgeted (Y/N)
Rod Smith Builder	Marine Parade Footpath Maintenance	\$86,700.00	22-Mar-19	8 Weeks	Y
PT Automation Solutions	Manufacture and Supply of Switchboard for SPS2033	\$87,760.00	25-Mar-19	12 Weeks	Y
Desire Contractors Pty Ltd	Landscape Works for Eunga Street Playground	\$67,075.00	07-Mar-19	12 Weeks	Y
Stabilised Pavements of Australia	Boyd St Insitu Stabilisation Program	\$313,836.07	21-Mar-19	4 Weeks	Y
Arcadis (76 104 485 289)	Detailed Concept Design of Broadwater Parkway, Terranora	\$179,000.00	12-Mar-19	5 Months	Y
HME Services Pty Ltd	Tweed Heads Auditorium- Cabling and Lighting Upgrade	\$184,738.00	17-Jan-19	5 Weeks	Y
East Coast Asphalt and Concrete Edging Pty Lyt	Supply, Lay & Compact AC Terranora Rd, Terranora	\$205,293.00	11-Feb-19	8 Weeks	Y

Concept Engineering Services	Design and Construct Electrical Switchboard Uki Water Treatment Plant	\$169,128.02	08-Feb-19	12 Weeks	Y
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PART B - Consultancy and Legal expenses	Expenditure		Budgeted
	Expense	YTD \$	(Y/N)
Consultancies		212,842	Y
Legal expenses		647,687	Y

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 2019 and should be read in conjunction with other documents in the QBRS.

**Statutory Statement – Local Government (General) Regulations 2005
(Sections 202 & 203) by “Responsible Accounting Officer”**

202 Responsible accounting officer to maintain system for budgetary control

The responsible accounting officer of a council must:

- (a) *establish and maintain a system of budgetary control that will enable the council's actual income and expenditure to be monitored each month and to be compared with the estimate of the council's income and expenditure, and*
- (b) *if any instance arises where the actual income or expenditure of the council is materially different from its estimated income or expenditure, report the instance to the next meeting of the council.*

203 Budget review statements and revision of estimates

- (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.*

Statutory Statement

It is my opinion that the Quarterly Budget Review Statement for Tweed Shire Council for the quarter ended 31 March 2019 indicates that Council's projected financial position at 30 June 2019 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.



M A Chorlton 3 May 2019

“Responsible Accounting Officer”

Executive Manager Finance, Revenue and Information Technology

OPTIONS:

Not Applicable

CONCLUSION:

Refer to Statutory Statement above

COUNCIL IMPLICATIONS:**a. Policy:**

Not Applicable

b. Budget/Long Term Financial Plan:

As detailed within the report.

c. Legal:

Not Applicable.

d. Communication/Engagement:

Inform - We will keep you informed.

UNDER SEPARATE COVER/FURTHER INFORMATION:

Nil.
