

**TITLE:** [CS-CM] Quarterly Budget Review - December 2016

**SUBMITTED BY:** Financial Services

Validms



## Civic Leadership

### LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK:

- 1 Civic Leadership
- 1.2 Improve decision making by engaging stakeholders and taking into account community input
- 1.2.3 Financial requirements and the community's capacity to pay will be taken into account when meeting the community's desired levels of service

### SUMMARY OF REPORT:

This is the second quarter statutory budget review for this financial year and summarises the estimated expenditure and income changes to the 2016/2017 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 2017 in all Funds.

### RECOMMENDATION:

That the:

1. Quarterly Budget Review Statement as at 31 December 2016 be adopted.
2. 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 2017.

Description	Change to Vote	
	Deficit	Surplus
<b>General Fund</b>		
<b><u>Expenses</u></b>		
Employee costs	33,000	0
Materials & Contracts	563,593	0
Interest	0	0
Other Operating costs	0	18,980
Capital	1,368,391	0
Loan Repayments	0	0
Transfers to Reserves	0	0
	1,964,984	18,980

**Income**

Rates and Annual Charges	0	0
Interest revenue	0	0
Operating Grants & Conts	0	706,468
Capital Grants & Conts	0	1,290,000
User Charges & Fees	0	29,602
Other Operating Revenue	0	30,000
Loan Funds	0	0
Recoupments	228,066	0
Transfers from Reserves	0	118,000
Asset Sales	0	0
	<u>228,066</u>	<u>2,174,070</u>

Net Surplus/(Deficit)	<u>0</u>
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	Deficit	Surplus
<b>Sewer Fund</b>		
<b><u>Expenses</u></b>		
Employee costs	0	0
Materials & Contracts	0	0
Interest	0	0
Other Operating costs	0	0
Capital	0	3,361,750
Loan Repayments	0	0
Transfers to Reserves	37,419	0
	<u>37,419</u>	<u>3,361,750</u>
<b><u>Income</u></b>	0	0
Rates and Annual Charges	0	0
Interest revenue	349,081	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	2,708,858	0
Transfers from Reserves	266,392	0
Asset Sales	0	0
	<u>3,324,331</u>	<u>0</u>

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

Employee costs	0	0
Materials & Contracts	0	0
Interest	0	0
Other Operating costs	0	0
Capital	0	4,406,000
Loan Repayments	0	0
Transfers to Reserves	199,940	0
	<u>199,940</u>	<u>4,406,000</u>

<u>Income</u>		
Rates and Annual Charges	0	0
Interest revenue	218,082	0
Operating Grants & Conts	0	0
Capital Grants & Conts	0	0
User Charges & Fees	0	78,022
Other Operating Revenue	0	0
Loan Funds	0	0
Recoupments	3,413,000	0
Transfers from Reserves	653,000	0
Asset Sales	0	0
	<hr/>	<hr/>
	4,284,082	78,022
Net Surplus/(Deficit)	<hr/>	<hr/>
		0

**REPORT:****Budget Review 31 December 2016 (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	\$	\$
	<b>Net Effect on 2016/2017 Budget</b>	<b>Net Effect on LTFP</b>
<b>General Fund</b>		
Pensioner rate subsidy	-43,518	
Section 603 Certificates	-30,000	
Tweed Heads Library expansion/refit	4,100	
Kingscliff beach odour abatement	5,000	
Valuation fees	-100,000	
Development assessment legal costs	131,020	
Electricity	-140,000	
Auditorium lighting and audio upgrades	140,000	
Environmental Health fees	33,398	33,398
	<b>0</b>	<b>33,398</b>

## Detailed list of changes

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
<b>1. Proposed Variations</b>						
<b>General</b>						
In	1	In-OG&C	RMS Natural Disaster Funding		-447,791	Grant funding for June 2016 flood event
Ex	1	Ex-Op	Local roads emergency works		13,292	Expenditure for June 2016 flood event
Ex	1	Ex-Op	Local roads restoration works		418,661	Expenditure for June 2016 flood event
Ex	1	Ex-Op	Regional roads emergency works		6,892	Expenditure for June 2016 flood event
Ex	1	Ex-Op	Regional roads restoration works		8,946	Expenditure for June 2016 flood event
Ex	2	Ex-Op	Fox and rabbit control		32,433	Den/warren identification & fumigation
In	2	In-OG&C	DPI Grant Funding		-26,979	Funding for above
Ex	2	Ex-Op	Lot 500 Bushland	144,609	-2,727	Funding for above
Ex	2	Ex-Op	Tweed Coast Parks maintenance	137,571	-2,727	Funding for above
Ex	3	Ex-Capital	Project Management System		133,000	System upgrade
In	3	In-TFR	Asset Replacement Reserve		-40,000	Funding for above
Ex	3	Ex-Op	Passive recreation asset maintenance		-5,000	Funding for above
Ex	3	Ex-OpOther	Roads FAG maintenance		-10,000	Funding for above
In	3	In-TFR	IT Innovation Reserve		-78,000	Funding for above
Ex	4	Ex-Op	Emerging Vector Response Plan		58,400	Public health program
In	4	In-OG&C	Local Government NSW Grant Funding		-58,400	Funding for above
Ex	5	Ex-Op	Bus shelters		80,000	Lighting

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
In	5	In-OG&C	NSW Department of Justice Grant Funding		-80,000	Funding for above
Ex	6	Ex-Op	Impaired road users program		5,000	Road Safety Programs
In	6	In-OG&C	RMS Road Safety grant		-5,000	Funding for above
Ex	6	Ex-Op	Safer speeds program		5,000	Road Safety Programs
In	6	In-OG&C	RMS Road Safety grant		-5,000	Funding for above
Ex	6	Ex-Op	Bike Week activities		2,780	Road Safety Programs
In	6	In-OG&C	RMS Road Safety grant		-2,780	Funding for above
Ex	7	Ex-Op	Saleyards		5,660	Increased operating costs
Ex	7	Ex-Op	Economic Development - Internal	527,343	-5,660	Funding for above
In	8	In-Fees	Health Approvals	-29,182	-33,000	Caravan park compliance activity higher than budget
Ex	8	Ex-OpEmp	Environmental Health Compliance	85,626	33,000	Employee costs associated with above
Ex	9	Ex-Op	Overdue Rates Expenses	413,800	30,000	Higher than anticipated debt recovery action. Costs recovered
In	9	In-OpOther	Legal matters income (Rates)	-420,000	-30,000	Recovery of debt recovery costs
In	10	In-OG&C	Pensioner Rate Subsidy	-920,000	-43,518	Higher number of pension rebates than anticipated
In	11	In-Fees	Section 603 Certificates	-165,470	-30,000	Higher number of requests for rating information than anticipated
Ex	12	Ex-Capital	Tweed Heads Library expansion/refit	2,450,365	4,100	Architectural 3D imaging
Ex	13	Ex-Capital	Byangum Canoe Launch Facility	55,000	9,357	Improved access
Ex	13	Ex-Capital	Budd Park Pontoon Relocation	50,000	15,000	Improved access
Ex	13	Ex-Op	Access and Inclusion Plan	70,121	-24,357	Allocation to above projects
Ex	14	Ex-Op	Kingscliff beach odour abatement		5,000	Emergency measures to drain naturally pooled water from the beach
Ex	15	Ex-Capital	Tweed Valley Way/Riverside Drive		290,000	Upgrade
In	15	In-CG&C	RMS Black Spot funding		-290,000	Funding for above
Ex	16	Ex-Capital	Clothiers Creek Road		550,000	Curve realignment
In	16	In-CG&C	RMS Black Spot funding		-550,000	Funding for above
In	17	In-CG&C	RMS Black Spot Funding	0	-450,000	Funding for Fraser Drive/Terranora Road roundabout
Ex	17	Ex-Capital	Blackspot Program - Fraser Drive/Terranora Road Intersection	0	82,500	Allocate Blackspot funding
Ex	17	Ex-Capital	Blackspot Program - Clothiers Creek Road/Condor Place	0	139,434	Allocate Blackspot funding
Ex	17	In-Recoup	Reverse 15/16 recoupment from CP4	1,100,000	228,066	Allocate Blackspot funding
Ex	18	Ex-Capital	Pottsville Road - Coronation Ave to House 1128	1,025,088	-164,702	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Cabarita Road	340,404	-340,404	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Vintage Lakes Drive Tweed Heads South	325,284	-323,708	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Main Rd 2016/17 Rehab Program	266,436	-135,000	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Darling Drive South of Leisure Drive	123,412	-41,544	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Byangum Rd	143,513	-10,002	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Fraser Drive Rehab Amaroo to Botanical	32,512	-30,841	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Hastings Road	168,280	-5,683	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Holden Street	120,509	-16,588	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Pumpenbil Road	102,717	-4,576	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Endeavour Pde	138,454	-4,576	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Quarry Road	63,597	-86,403	Adjust Infrastructure Delivery budget

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
Ex	18	Ex-Op	Quarries & Gravel Pits	20,562	-6,000	Adjust Infrastructure Delivery budget
Ex	18	Ex-Op	Walls Quarry	20,000	-4,000	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Buchanan St, Murwillumbah	183,685	-49,119	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Oyster Point Road, Banora Point East	151,084	-151,079	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Ocean Drive, Chinderah	513,027	-145,547	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Avoca Street, Chinderah	193,179	-99,188	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Banks Ave Tweed Heads	0	8,093	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Booka Road causeway stabilisation	0	130,000	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Palmvale Rd Causeway replacement	0	240,000	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Spring Valley Road Culvert Rehabilitation	0	350,000	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Brett St Tweed Heads	177,323	52,522	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Duranbah Road	156,820	65,032	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Overall Drive	0	274,000	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Plantation Road	109,489	20,973	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Airfield Avenue	75,454	83,967	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Riverside Drive, Tumbulgum	66,795	153,059	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Altair Street Rehabilitation 2015-2016	129,383	71,238	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Cudgen Road	0	35,797	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Tweed Heads main street	0	43,000	Adjust Infrastructure Delivery budget
Ex	18	Ex-Op	Taggets Quarry	0	5,000	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Chinderah Road	703,644	46,356	Adjust Infrastructure Delivery budget
Ex	18	Ex-Capital	Unallocated rehabilitation	1,025,220	39,923	Adjust Infrastructure Delivery budget
Ex	19	Ex-Op	Koala Habitat Restoration & Community Awareness Strategy	0	23,250	Rehabilitation
Ex	19	Ex-Op	Koala Habitat Restoration & Community Awareness Strategy	0	3,750	Community engagement
In	19	In-OG&C	Office of Environment & Heritage Grant Funding	27,000	-27,000	Funding for above
Ex	20	Ex-Op	Bio-engineered River Bank Erosion Stabilisation	135,408	10,000	Additional Grant funding received
In	20	In-OG&C	Office of Environment & Heritage Grant Funding	0	-10,000	Funding for above
Ex	21	Ex-Op	Valuation fees (roads & drainage)	160,000	-100,000	Not required this year
Ex	22	Ex-OpOther	Development assessment legal costs	274,973	131,020	Legal action
Ex	23	Ex-OpOther	Art Gallery electricity	351,088	-150,000	Revised projections
Ex	23	Ex-OpOther	Museum electricity	41,055	10,000	Reallocate TRAG electricity budget
Ex	23	Ex-Capital	Murwillumbah Auditorium		70,000	Lighting & Audio upgrade
Ex	23	Ex-Capital	Tweed Heads Auditorium		70,000	Lighting & Audio upgrade
Ex	24	Ex-Op	Immunisation expenses	2,732	-2,732	Internal budget restructure
Ex	24	Ex-Op	Sundry Health administration expenses	8,196	2,732	Internal budget restructure
Ex	24	Ex-Op	Alcohol Free Zone	1,764	-1,764	Internal budget restructure
Ex	24	Ex-Op	Health Education & Equipment	18,742	1,764	Internal budget restructure
In	24	In-Fees	Health Approvals (circuses etc)	-4,469	4,469	Internal budget restructure
In	24	In-Fees	Market approvals	-32,529	28,929	Internal budget restructure

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
Ex	25	Ex-OpEmp	On-site Sewage Management Systems	179,954	30,000	Additional inspections
In	25	Ex-OpEmp	Internal income	0	-30,000	Contribution from Water Fund
					0	
			<b>Sewer Fund</b>			
Ex	47	Ex-Dep	Depreciation		165,708	Revised estimates
Ex	47	Ex-Deprev	Depreciation reversal		-165,708	Adjustment for non-cash items
					-	
Ex	47	Ex-Capital	Various Capital Works		3,361,750	Deferrals and adjustments
In	47	In-Interest	Interest		349,081	Revised estimates
Ex	47	Ex-TTR	Transfers to Asset Replacement Res.		37,419	Funding adjustment
In	47	In-Recoup	Transfers from Capital Contributions Res.		2,708,858	Funding adjustment
In	47	In-TFR	Transfers from Asset Replacement Res.		266,392	Funding adjustment
					0	
			<b>Water Fund</b>			
Ex	48	Ex-Dep	Depreciation		76,457	Revised estimates
Ex	48	Ex-Deprev	Depreciation reversal		-76,457	Adjustment for non-cash items
					-	
Ex	48	Ex-Capital	Various Capital Works		4,406,000	Deferrals and adjustments
In	48	In-Interest	Interest		218,082	Revised estimates
In	48	In-Fees	Water sales		-78,022	Revised estimates water sales
Ex	48	Ex-TTR	Transfers to Asset Replacement Res.		199,940	Funding adjustment
In	48	In-Recoup	Transfers from Capital Contributions Res.		3,413,000	Funding adjustment
In	48	In-TFR	Transfers from Asset Replacement Res.		653,000	Funding adjustment
					0	
			<b>2. Variations Arising from Council Resolutions</b>			
			Nil		0	
					0	
			<b>Summary of Votes by Type</b>			
			2016/17 Variations		0	
			Council Resolutions		0	
					0	
			<b>Key to Category codes</b>			
		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			



In/E x	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
			<u>Expenses</u>			
			Employee costs		33,000	
			Materials & Contracts		563,593	
			Interest		0	
			Other Operating costs		-18,980	
					-	
			Capital		6,399,359	
			Loan Repayments		0	
			Transfers to Reserves		237,359	
					-	
					5,584,387	
			<u>Income</u>			
			Rates and Annual Charges		0	
			Interest revenue		567,163	
			Operating Grants & Conts		-706,468	
					-	
			Capital Grants & Conts		1,290,000	
			User Charges & Fees		-107,624	
			Other Operating Revenue		-30,000	
			Loan Funds		0	
			Recoupments		6,349,924	
			Transfers from Reserves		801,392	
			Asset Sales		0	
					5,584,387	
			Net		0	
			<b>Summary of Votes - by Division</b>			
			Corporate Services		-247,418	
			Planning & Regulation		164,418	
			Community & Natural Resources		5,000	
			Engineering		78,000	
			General Manager		0	
					0	

**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 December 2016

Original Budget (000's)				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	103,615	3	-	103,618	-	103,618	52,753
User Charges and Fees	44,047	85	-	44,132	108	44,240	23,623
Interest and Investment Revenue	9,922	774	-	10,696	(567)	10,129	4,706
Other Revenues	1,986	220	-	2,206	30	2,236	2,381
Grants & Contributions - Operating	20,358	18	-	20,376	706	21,082	10,932
Grants and Contributions - Capital	3,759	10,811	-	14,570	1,290	15,860	2,945
- Contributions (S94)	11,609	513	-	12,122	-	12,122	8,324
Net gain from the disposal of assets	-	-	-	-	-	-	-
<b>Total Income</b>	<b>195,296</b>	<b>12,424</b>	<b>-</b>	<b>207,720</b>	<b>1,567</b>	<b>209,287</b>	<b>105,664</b>

#### Expense

Employee costs	57,662	741	-	58,403	33	58,436	26,778
Borrowing Costs	12,550	-	-	12,550	-	12,550	6,338
Materials & Contracts	47,497	21,099	-	68,596	564	69,160	21,114
Depreciation	43,227	(481)	-	42,746	-	42,746	21,373
Legal Costs	460	-	-	460	-	460	432
Consultants	568	-	-	568	-	568	95
Other Expenses	15,611	10	-	15,621	(19)	15,602	3,795
Net Loss from Disposal of Assets	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>177,575</b>	<b>21,369</b>	<b>-</b>	<b>198,944</b>	<b>578</b>	<b>199,522</b>	<b>79,925</b>

#### Net Operating Result

	17,721	(8,945)	-	8,776	989	9,765	25,739
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#### Net Operating Result before capital items

	2,353	(20,269)	-	(17,916)	(301)	(18,217)	14,470
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Original Budget  (000's)				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)			

### Funding Statement - Consolidated - Source & Application of Funds

Operating Result (Income Statement)	17,721	(8,945)	-	8,776	989	9,765
<b>Add Back non-funded items:</b>						
Depreciation	43,227	(481)	-	42,746	-	42,746
<b>Add non-operating funding sources</b>						
Transfers from Externally Restricted Cash	18,103	5,130	-	23,233	(6,350)	16,883
Transfers from Internally Restricted Cash	9,257	33,487	-	42,744	(801)	41,943
Proceeds from sale of assets	1,457	-	-	1,457	-	1,457
Loan Funds Utilised	1,976	6,501	-	8,477	-	8,477
Repayments from Deferred Debtors	-	-	-	-	-	-
<b>Funds Available</b>	<b>91,741</b>	<b>35,692</b>	<b>-</b>	<b>127,433</b>	<b>(6,162)</b>	<b>121,271</b>
<b>Funds were applied to:</b>						
Purchase and construction of assets	40,875	35,579	-	76,454	(6,399)	70,055
Repayment of principal on loans	8,047	-	-	8,047	-	8,047
Transfers to Externally Restricted Cash	12,386	222	-	12,608	-	12,608
Transfers to Internally Restricted Cash	30,433	(109)	-	30,324	237	30,561
<b>Funds Used</b>	<b>91,741</b>	<b>35,692</b>	<b>-</b>	<b>127,433</b>	<b>(6,162)</b>	<b>121,271</b>
<b>Increase/(Decrease) in Available Working Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Includes Carried Forward Works revotes

**Income and Expense- General Fund Budget Review Statement for the quarter ended 31 December 2016**

Original Budget  (000's)				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	69,860	3		69,863		69,863	36,189
User Charges and Fees	20,042	41		20,083	30	20,113	10,923
Interest and Investment Revenue	4,178			4,178	-	4,178	2,532
Other Revenues	1,693	210		1,903	30	1,933	2,187
Grants & Contributions - Operating	19,506	18		19,524	706	20,230	10,103
Grants and Contributions - Capital	3,759	10,811		14,570	1,290	15,860	2,945
- Contributions (S64/S94)	1,792			1,792		1,792	4,067
Net gain from the disposal of assets				-		-	
<b>Total Income</b>	<b>120,830</b>	<b>11,083</b>	<b>-</b>	<b>131,913</b>	<b>2,056</b>	<b>133,969</b>	<b>68,946</b>

**Expense**

Employee costs	42,172	741		42,913	33	42,946	20,748
Borrowing Costs	5,894			5,894	-	5,894	2,983
Materials & Contracts	30,216	21,099		51,315	564	51,879	16,285
Depreciation	25,629			25,629		25,629	12,814
Legal Costs	460			460		460	432
Consultants	268			268		268	87
Other Expenses	11,663	10		11,673	(19)	11,654	2,543
Net Loss from Disposal of Assets				-		-	
<b>Total Expenses</b>	<b>116,302</b>	<b>21,850</b>	<b>-</b>	<b>138,152</b>	<b>578</b>	<b>138,730</b>	<b>55,892</b>

**Net Operating Result**

	4,528	(10,767)	-	(6,239)	1,478	(4,761)	13,054
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**Net Operating Result before capital items**

	(1,023)	(21,578)	-	(22,601)	188	(22,413)	6,042
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Original Budget  (000's)				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)			

### Funding Statement - General Fund - Source & Application of Funds

Operating Result (Income Statement)	4,528	(10,767)	-	(6,239)	1,478	(4,761)
<b>Add Back non-funded items:</b>						
Depreciation	25,629			25,629	-	25,629
<b>Add non-operating funding sources</b>						
Transfers from Externally Restricted Cash	2,819	4,111		6,930	(228)	6,702
Transfers from Internally Restricted Cash	375	33,337		33,712	118	33,830
Proceeds from sale of assets	1,457			1,457	-	1,457
Loan Funds Utilised	1,976	6,501		8,477	-	8,477
Internal charges				-		-
Repayments from Deferred Debtors				-		-
<b>Funds Available</b>	<b>36,784</b>	<b>33,182</b>	<b>-</b>	<b>69,966</b>	<b>1,368</b>	<b>71,334</b>
<b>Funds were applied to:</b>						
Purchase and construction of assets	24,797	33,162		57,959	1,368	59,327
Repayment of principal on loans	4,012			4,012	-	4,012
Transfers to Externally Restricted Cash	2,569			2,569		2,569
Transfers to Internally Restricted Cash	5,406	20		5,426	-	5,426
<b>Funds Used</b>	<b>36,784</b>	<b>33,182</b>	<b>-</b>	<b>69,966</b>	<b>1,368</b>	<b>71,334</b>
<b>Increase/(Decrease) in Available Working Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Includes Carried Forward Works revotes

## Income and Expense- Sewer Fund Budget Review Statement for the quarter ended 31 December 2016

Original Budget  (000's)				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	28,437			28,437	-	28,437	13,834
User Charges and Fees	1,387			1,387	-	1,387	1,790
Interest and Investment Revenue	3,510	423		3,933	(349)	3,584	1,151
Other Revenues	16			16	-	16	12
Grants & Contributions - Operating	463			463	-	463	451
Grants and Contributions - Capital	-			-	-	-	-
- Contributions (S64/S94)	2,869	513		3,382	-	3,382	1,419
Net gain from the disposal of assets				-		-	
<b>Total Income</b>	<b>36,682</b>	<b>936</b>	<b>-</b>	<b>37,618</b>	<b>(349)</b>	<b>37,269</b>	<b>18,657</b>

**Expense**

Employee costs	9,101			9,101	-	9,101	3,626
Borrowing Costs	2,211			2,211	-	2,211	1,115
Materials & Contracts	7,619			7,619	-	7,619	2,255
Depreciation	10,183	(294)		9,889	-	9,889	4,945
Legal Costs	-			-	-	-	-
Consultants	150			150	-	150	4
Other Expenses	2,586			2,586	-	2,586	825
Net Loss from Disposal of Assets				-		-	
<b>Total Expenses</b>	<b>31,850</b>	<b>(294)</b>	<b>-</b>	<b>31,556</b>	<b>-</b>	<b>31,556</b>	<b>12,770</b>

**Net Operating Result**

	4,832	1,230	-	6,062	(349)	5,713	5,887
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**Net Operating Result before capital items**

	1,963	717	-	2,680	(349)	2,331	4,468
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**Funding Statement - Sewer Fund - Source & Application of Funds**

Operating Result (Income Statement)	4,832	1,230	-	6,062	(349)	5,713
<b>Add Back non-funded items:</b>						
Depreciation	10,183	(294)	-	9,889	-	9,889
<b>Add non-operating funding sources</b>						
Transfers from Externally Restricted Cash	4,765	1,072		5,837	(2,709)	3,128
Transfers from Internally Restricted Cash	5,125	347		5,472	(266)	5,206
Proceeds from sale of assets				-	-	-
Loan Funds Utilised				-	-	-
Repayments from Deferred Debtors				-	-	-

<b>Funds Available</b>	24,905	2,355	-	27,260	(3,324)	23,936
<b>Funds were applied to:</b>						
Purchase and construction of assets	6,950	2,133		9,083	(3,361)	5,722
Repayment of principal on loans	2,686			2,686	-	2,686
Transfers to Externally Restricted Cash	2,869	222		3,091	-	3,091
Transfers to Internally Restricted Cash	12,400			12,400	37	12,437
Internal charges				-		-
<b>Funds Used</b>	24,905	2,355	-	27,260	(3,324)	23,936
<b>Increase/(Decrease) in Available Working Capital</b>	-	-	-	-	-	-

### Income and Expense- Water Fund Budget Review Statement for the quarter ended 31 December 2016

	Original Budget (000's)			Revised Budget (000's)	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)				
<b>Income</b>							
Rates and Annual Charges	5,318			5,318	-	5,318	2,730
User Charges and Fees	22,618	44		22,662	78	22,740	10,910
Interest and Investment Revenue	2,234	351		2,585	(218)	2,367	1,023
Other Revenues	277	10		287	-	287	182
Grants & Contributions - Operating	389			389	-	389	378
Grants and Contributions - Capital	-			-	-	-	-
- Contributions (S64/S94)	6,948			6,948	-	6,948	2,838
Net gain from the disposal of assets				-		-	-
<b>Total Income</b>	37,784	405	-	38,189	(140)	38,049	18,061
<b>Expense</b>							
Employee costs	6,389			6,389	-	6,389	2,404
Borrowing Costs	4,445			4,445	-	4,445	2,240
Materials & Contracts	9,662			9,662	-	9,662	2,574
Depreciation	7,415	(187)		7,228	-	7,228	3,614
Legal Costs	-			-	-	-	-
Consultants	150			150	-	150	4
Other Expenses	1,362			1,362	-	1,362	427
Net Loss from Disposal of Assets				-		-	-
<b>Total Expenses</b>	29,423	(187)	-	29,236	-	29,236	11,263
<b>Net Operating Result</b>	8,361	592	-	8,953	(140)	8,813	6,798

	Original Budget  (000's)			Revised Budget  (000's)	Recommended changes for Council  Resolution  (000's)	Projected year end result  (000's)	Actual  YTD  (000's)
		Sep	Dec				
		Review  (000's)	Review  (000's)				
<b>Net Operating Result before capital items</b>	1,413	592	-	2,005	(140)	1,865	3,960

### Funding Statement - Water Fund - Source & Application of Funds

Operating Result (Income Statement)	8,361	592	-	8,953	(140)	8,813
<b>Add Back non-funded items:</b>						
Depreciation	7,415	(187)	-	7,228	-	7,228
<b>Add non-operating funding sources</b>						
Transfers from Externally Restricted Cash	10,519	(53)		10,466	(3,413)	7,053
Transfers from Internally Restricted Cash	3,757	(197)		3,560	(653)	2,907
Proceeds from sale of assets				-		-
Loan Funds Utilised				-	-	-
Repayments from Deferred Debtors				-		-
<b>Funds Available</b>	30,052	155	-	30,207	(4,206)	26,001
<b>Funds were applied to:</b>						
Purchase and construction of assets	9,128	284		9,412	(4,406)	5,006
Repayment of principal on loans	1,349			1,349	-	1,349
Transfers to Externally Restricted Cash	6,948			6,948	-	6,948
Transfers to Internally Restricted Cash	12,627	(129)		12,498	200	12,698
Internal charges				-		-
<b>Funds Used</b>	30,052	155	-	30,207	(4,206)	26,001
<b>Increase/(Decrease) in Available Working Capital</b>	-	-	-	-	-	-

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 December 2016 and should be read in conjunction with other documents in the QBRS.



### Capital Budget Review Statement - Consolidated - for the quarter ended 31 December 2016

Original Budget  (000's)				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	21,316	370		21,686	(50)	21,636	8,305
Capital Grants & Contributions	8,368	17,165		25,533	1,290	26,823	10,296
Internal Restrictions (Reserves)		6,885		6,885	128	7,013	2,692
External Restrictions	5,678	1,398		7,076	(1,646)	5,430	2,084
- s64 & s94 funds	10,127	4,186		14,313	(6,122)	8,191	3,144
Other Capital Funding Sources							
- loans	1,976	5,576		7,552		7,552	2,899
Income from sale of assets							
- plant and equipment	1,457			1,457		1,457	559
- Land,Buildings,Furniture,Fittings							
<b>Total Capital Funding</b>	<b>48,922</b>	<b>35,580</b>		<b>84,502</b>	<b>(6,400)</b>	<b>78,102</b>	<b>29,979</b>

#### Capital Expenditure

##### New Assets

- Plant and Equipment	4			4	133	137	37
- Land,Buildings,Furniture,Fittings	2,142	4,030		6,172		6,172	2,387
- Roads, Bridges, Footpaths		1,174		1,174		1,174	361
- Drainage							
- Water & Sewer Infrastructure	6,377	1,827		8,204	(5,476)	2,728	1,045
- Other		1,033		1,033	24	1,057	90

##### Renewals (Replacement)

- Plant and Equipment	4,578			4,578		4,578	2,557
- Land,Buildings,Furniture,Fittings	2,022	1,157		3,179	144	3,323	721
- Roads, Bridges, Footpaths	11,400	5,154		16,554	5	16,559	7,217
- Drainage	450			450		450	47
- Water & Sewer Infrastructure	2,499	1,158		3,657	(398)	3,259	1,116
- Other		13,089		13,089		13,089	596

##### Upgrades

- Plant and Equipment							
- Land,Buildings,Furniture,Fittings		100		100		100	76
- Roads, Bridges, Footpaths	5,693	5,573		11,266	1,062	12,328	4,701
- Drainage	650	1,171		1,821		1,821	1,132
- Water & Sewer Infrastructure	5,060	(568)		4,492	(1,894)	2,598	783
- Other		682		682		682	76
Loan Repayments (principal)	8,047			8,047		8,047	7,036
<b>Total Capital Expenditure</b>	<b>48,922</b>	<b>35,580</b>		<b>84,502</b>	<b>(6,400)</b>	<b>78,102</b>	<b>29,978</b>

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 December 2016 and should be read in conjunction with other documents in the QBRS.

\* Note: includes carried forward works revotes

\* \*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 December 2016

	Original Budget			Recommended changes for Council Resolution	Projected year end result	Actual * YTD
	Sep Review	Dec Review	Revised Budget			
	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)
<b>Unrestricted</b>	5,974		5,974		5,974	10,216
<b>Externally restricted</b>						
RTA Contributions	0		0		0	0
Developer contributions	31,046		31,046		31,046	31,922
Domestic waste management	14,912		14,912		14,912	14,912
Special Rates	214		214		214	214
Special purpose grants	4,846		4,846		4,846	4,846
Water Supplies	43,616		43,616		43,616	49,012
Sewerage Services	69,816		69,816		69,816	76,773
Other	22,039		22,039		22,039	10,000
<b>Total Externally restricted</b>	186,489	0	186,489	0	186,489	187,679
<b>Internally restricted</b>						
Employee Leave entitlements	11,622		11,622		11,622	12,703
Unexpended loans	0		0		0	7,445
Unexpended grants	0		0		0	5,340
7 Year Plan	4,873		4,873		4,873	4,828
Works Carried Forward	0		0		0	11,397
Replacement of Plant and Vehicles	3,786		3,786		3,786	4,940
Tip improvements	9,172		9,172		9,172	9,172
Asset renewals	1,938		1,938		1,938	4,808
Other			0		0	12,350
<b>Total Internally restricted</b>	31,391	0	31,391	0	31,391	72,983
<b>Total Restricted</b>	217,880	0	217,880	0	217,880	260,662
<b>Total cash and investments</b>	223,854	0	223,854	0	223,854	270,878
<b>Available cash</b>	5,974	0	5,974	0	5,974	10,216

\* 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:**

	<b>(000's)</b>
Total restricted funds	260,662
Total invested funds as per December Investment Report	269,273
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. The last bank reconciliation was completed to 2 February 2017.

**Reconciliation of cash and investments:**

	<b>(000's)</b>
Cash and investments as per above	270,878
<b>Cash on hand and at bank</b>	1,605
<b>Investments</b>	<u>269,273</u>
	270,878

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 December 2016 and should be read in conjunction with other documents in the QBRs.

**Key Performance Indicators Budget Review Statement for the quarter ended 31 December 2016**

Note that KPIs will be distorted by the short reporting period (3 months), and by the fact that detailed calculations are only prepared on an annual basis.

These ratios should therefore be viewed with caution.

	<b>Amounts</b>	<b>Indicator</b>
<b>1. Unrestricted Current Ratio</b>		
	<b>(000's)</b>	
<u>Current assets less all external restrictions</u>	<u>47,764</u>	4.7:1
Current liabilities	10,088	
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	13,374	14.96%
Selected operating income	89,386	

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 December 2016 and should be read in conjunction with other documents in the QBRS.

**Budget Review Contracts and Other Expenses for the quarter ended 31 December 2016**

PART A-Contracts Listing		Contract value	Award	Duration of	Budgeted
Contractor	Contract detail & purpose	\$	date	contract	(Y/N)
Reline Solutions Pty Ltd	Rehabilitation of Gravity Sewerage Reticulation Mains	\$911,727.08	17-Nov-16	16 weeks	Y
Komatsu Australia Pty Ltd	Supply of 1 Backhoe Loader Complete with Attachments	\$185,665.99	17-Nov-16	N/A	Y
Ausroad Systems Pty Ltd	Supply of 2 Truck Mounted Sprayed Emulsion Road Maintenance Units	\$842,787.00	17-Nov-16	N/A	Y
Rico enterprises Pty Ltd	Collection of Municipal Waste, Collection and Processing of Recyclables, Collection of Organics, Collection of Public Place Bins, and Collection of Household Bulky Waste	\$17,493,300.00	17-Nov-16	3 years	Y
Clarks Professional Sportsground Maintenance Pty Ltd	Ground Maintenance of Bilambil Sports Fields	\$164,000.00	15-Dec-16	24 months	Y
Michael Reid Family Trust ATF Crosana Pty Ltd	Construction of Soil Nail Anchor Wall Tumbulgum Road Murwillumbah	\$818,488.45	15-Dec-16	10 weeks	Y
Caltex Australia Petroleum Pty Ltd Ocwen Energy Pty Ltd Park Pty Ltd Puma Energy (Australia) Fuels Pty Ltd	Supply of Bulk Fuels (Panel of Providers)	\$5,300,000.00	15-Dec-16	3 years	Y
L.E.N. Enterprises Pty Ltd	Air-conditioning Systems Maintenance Services for Tweed Shire Council for a Period of Two Years	\$267,867.52	15-Dec-16	2 years	Y
National Management Group Pty Ltd	Provision of Security Services	\$990,000.00	15-Dec-16	3 years	Y
SEE Civil Pty Ltd	Kingscliff Foreshore Revitalisation Construction Works	\$15,506,298.95	15-Dec-16	70 weeks	Y

**PART B - Consultancy and Legal expenses**

Expense	Expenditure YTD \$	Budgeted (Y/N)
Consultancies	140,398	Y
Legal expenses	435,583	Y

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 December 2016 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 December 2016 indicates that Council's projected financial position at 30 June 2017 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 2/2/2017  
**“Responsible Accounting Officer”**  
**Manager Financial Services**  
**Tweed Shire Council**

**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.

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