

TITLE: [CS-CM] Quarterly Budget Review - March 2016

SUBMITTED BY: Financial Services

Valid



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 third quarter statutory budget review for this financial year and summarises the estimated expenditure and income changes to the 2015/2016 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 2016 in all Funds.

RECOMMENDATION:

That the:

1. Quarterly Budget Review Statement as at 31 March 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 2016.

Description	Change to Vote	
	Deficit	Surplus
General Fund		
<u>Expenses</u>		
Employee costs	25,000	0
Materials & Contracts	0	68,250
Interest	0	0
Other Operating costs	133,000	0
Capital	765,000	0
Loan Repayments	0	0
Transfers to Reserves	0	0
	923,000	68,250

Description	Change to Vote	
Income		
Rates and Annual Charges	0	0
Interest revenue	0	0
Operating Grants & Conts	0	2,750
Capital Grants & Conts	0	0
User Charges & Fees	0	0
Other Operating Revenue	0	0
Loan Funds	0	0
Recoupments	0	852,000
Transfers from Reserves	0	0
Asset Sales	0	0
	<u>0</u>	<u>854,750</u>
Net Surplus/(Deficit)		<u>0</u>
	Deficit	Surplus
Sewer Fund		
Expenses		
Employee costs	0	0
Materials & Contracts	78,602	0
Interest	0	0
Other Operating costs	0	0
Capital	185,000	0
Loan Repayments	0	0
Transfers to Reserves	0	218,027
	<u>263,602</u>	<u>218,027</u>
Income	0	0
Rates and Annual Charges	0	0
Interest revenue	9,895	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	396,125
Transfers from Reserves	340,655	0
Asset Sales	0	0
	<u>350,550</u>	<u>396,125</u>
Net Surplus/(Deficit)		<u>0</u>
Water Fund		
Expenses		
Employee costs	0	0
Materials & Contracts	114,538	0
Interest	0	0
Other Operating costs	0	0
Capital	35,000	0
Loan Repayments	0	0
Transfers to Reserves	0	166,538
	<u>149,538</u>	<u>166,538</u>

Description	Change to Vote	
Income		
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	0
Transfers from Reserves	17,000	0
Asset Sales	0	0
	<hr/>	<hr/>
	17,000	0
Net Surplus/(Deficit)	<hr/>	<hr/>
		0

REPORT:**Budget Review 31 March 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. Also listed are what effect the variations will have, if any, on the various Fit for the Future ratios. The changes which will have such an effect are listed below:

Description	\$	\$	
			Net Effect on 2015/2016 Budget
			Net Effect on LTFP
			Fit for the Future Impact
General Fund			
Additional resources DA environmental assessment	25,000		Negative
Conduct Review Panel	10,000		Negative
Printing & Stationery	-48,200		Positive
Software maintenance	13,200		Negative
	0	0	

Detailed list of changes

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
1. Proposed Variations						
General						
Ex	1	Ex-Op	Eviron gardens Visitors Centre	360,000	-313,000	Re allocation
Ex	1	Ex-Capital	Tweed Heads Museum Building	0	313,000	Replacement
Ex	2	Ex-Op	Anchorage Revetment wall	0	70,000	Repairs
Ex	2	Ex-Op	Waterways program		-30,000	Funding for above
Ex	2	Ex-Op	Coastal landscape costs	200,000	-40,000	Funding for above
Ex	3	Ex-OpEmp	Development Applications - additional resources - environmental assessment	0	25,000	Increase in environmental assessment for DAs Additional car parking Carlin Reserve
Ex	4	Ex-Capital	Car Parking - Carlin Reserve	0	55,000	
Ex	4	Ex-Capital	Unexpended grant funds	100,485	-55,000	Funding for above
Ex	5	Ex-Op	Conduct Review Panel	77,569	10,000	Increased activity
Ex	5	Ex-Op	Printing & Stationery	137,917	-48,200	Re allocation
Ex	5	Ex-Op	Software maintenance	1,076,768	13,200	eRecruitment software
Ex	6	Ex-Op	Speed zone review - Dungay Ck Road		2,750	RMS funded project
In	6	In-OG&C	RMS grant funding		-2,750	Funding for above
Ex	7	Ex-Op	Development assessment consultancies		17,000	External consultancy/investigations
Ex	7	Ex-OpOther	DA legal expenses	265,225	-17,000	Funding for above
Ex	8	Ex-Capital	Pottsville Rd - Coronation Ave to house 1128		1,200,000	Road upgrade
Ex	8	Ex-Capital	Unallocated Rehabilitation	3,308,245	-748,000	Funding for above
In	8	In-Recoup	Contribution Plan 4 (Roads)	-467,220	-452,000	Funding for above Adjust Construction budget
Ex	9	Ex-Capital	Ballymore Crt Banora Point	160,000	-160,000	(Drainage)

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
Ex	9	Ex-Capital	Banner Lane Murwillumbah	70,000	-70,000	Adjust Construction budget (Drainage)
Ex	9	Ex-Capital	Elanora Avenue Pottsville	650,000	797,112	Adjust Construction budget (Drainage)
Ex	9	Ex-Capital	Drainage construction unallocated	567,112	-567,112	Adjust Construction budget (Drainage)
Ex	10	Ex-Op	Salt SLSC	85,000	250,000	Contribution to club
Ex	10	Ex-OpOther	Fingal SLSC	78,692	150,000	Contribution to club
In	10	In-Recoup	Contribution Plan 16 (Surf Life Saving)	-85,000	-400,000	Funding for above
					<u>0</u>	
			Sewer Fund			
In	11	Ex-Op	Operations		78,602	Budget reassessed
Ex	11	Ex-Capital	Various Capital Works		185,000	New or brought forward projects
In	11	In-Interest	Interest		9,895	Funding adjustment
Ex	11	Ex-TTR	Transfers to Asset Replacement Res. Transfers from Capital Contributions		-218,027	Funding adjustment
In	11	In-Recoup	Res. Transfers from Asset Replacement		-396,125	Funding adjustment
In	11	In-TFR	Res.		340,655	Funding adjustment
					<u>0</u>	
			Water Fund			
In	12	Ex-Op	Operations		114,538	Budget reassessed
Ex	12	Ex-Capital	Various Capital Works		35,000	New project
Ex	12	Ex-TTR	Transfers to Asset Replacement Res. Transfers from Asset Replacement		-166,538	Funding adjustment
In	12	In-TFR	Res.		17,000	Funding adjustment
					<u>0</u>	
			2. Variations Arising from Council Resolutions			
Ex	13	Ex-Op	Entry Statements	55,000	90,000	February 18, 2016 Council resolution
Ex	13	Ex-Op	Major Event Attraction	172,250	-55,000	February 18, 2016 Council resolution
Ex	13	Ex-Op	Economic Development Fund	321,757	-35,000	February 18, 2016 Council resolution
Ex	14	Ex-Op	Festivals Policy funding	66,648	10,000	March 17, 2016 Council resolution
Ex	14	Ex-Op	Major Event Attraction	117,250	-10,000	Funding for above
					<u>0</u>	
			Summary of Votes by Type			
			2015/16 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
In-Rates	Rates & annual charges
In-Interest	Interest income
In-OG&C	Operating grants & contributions
In-CG&C	Capital grants & contributions
In-Operating	User charges & fees
In-OpOther	Other operating income
In-Loan	Loan funds

In/E x	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
		In-Recoup	Recoupment from s64 & s94 funds			
		In-TFR	Transfers from reserves			
		In-Sales	Proceeds from sale of assets			
			<u>Expenses</u>			
			Employee costs		25,000	
			Materials & Contracts		124,890	
			Interest		0	
			Other Operating costs		133,000	
			Capital		985,000	
			Loan Repayments		0	
			Transfers to Reserves		-384,565	
					<u>883,325</u>	
			<u>Income</u>			
			Rates and Annual Charges		0	
			Interest revenue		9,895	
			Operating Grants & Conts		-2,750	
			Capital Grants & Conts		0	
			User Charges & Fees		0	
			Other Operating Revenue		0	
			Loan Funds		0	
					-	
			Recoupments		1,248,125	
			Transfers from Reserves		357,655	
			Asset Sales		0	
					<u>-883,325</u>	
			Net		<u>0</u>	
			Summary of Votes - by Division			
			Corporate Services		-80,000	
			Planning & Regulation		25,000	
			Community & Natural Resources		0	
			Engineering		55,000	
			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 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	98,087	-	-	98,087	-	98,087	75,920
User Charges and Fees	41,375	-	75	41,450	-	41,450	33,254
Interest and Investment Revenue	7,752	640	(5)	8,387	(10)	8,377	6,854
Other Revenues	1,875	128	-	2,003	-	2,003	1,900
Grants & Contributions - Operating	16,273	52	230	16,555	3	16,558	14,884
Grants and Contributions - Capital	3,006	1,152	2,425	6,583	-	6,583	3,672
- Contributions (S94)	6,744	-	-	6,744	-	6,744	7,193
Net gain from the disposal of assets	-	-	-	-	-	-	37
Total Income	175,112	1,972	2,725	179,809	(7)	179,802	143,714

Expense

Employee costs	51,595	535	-	52,130	25	52,155	35,882
Borrowing Costs	12,976	(71)	-	12,905	-	12,905	8,334
Materials & Contracts	47,452	21,598	236	69,286	125	69,411	27,081
Depreciation	42,058	-	-	42,058	-	42,058	31,544
Legal Costs	447	-	-	447	-	447	303
Consultants	385	-	-	385	-	385	293
Other Expenses	15,293	79	(138)	15,234	133	15,367	7,515
Net Loss from Disposal of Assets	-	-	-	-	-	-	-
Total Expenses	170,206	22,141	98	192,445	283	192,728	110,952

Net Operating Result

	4,906	(20,169)	2,627	(12,636)	(290)	(12,926)	32,762
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Net Operating Result before capital items

	(4,844)	(21,321)	202	(25,963)	(290)	(26,253)	21,897
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Funding Statement - Consolidated - Source & Application of Funds

Operating Result (Income Statement)	4,906	(20,169)	2,627	(12,636)	(290)	(12,926)
Add Back non-funded items:						
Depreciation	42,058	-	-	42,058	-	42,058
Add non-operating funding sources						
		-	-	-	-	-

	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)			
Transfers from Externally Restricted Cash	9,912	1,177	3,178	14,267	8,774	23,041	
Transfers from Internally Restricted Cash	10,382	29,604	(429)	39,557	(7,884)	31,673	
Proceeds from sale of assets	3,559	-	-	3,559	-	3,559	
Loan Funds Utilised	1,976	9,102	-	11,078	-	11,078	
Repayments from Deferred Debtors	-	-	-	-	-	-	
Funds Available	72,793	19,714	5,376	97,883	600	98,483	
Funds were applied to:							
Purchase and construction of assets	31,145	20,491	4,462	56,098	985	57,083	
Repayment of principal on loans	7,731	(4)	-	7,727	-	7,727	
Transfers to Externally Restricted Cash	7,490	-	-	7,490	-	7,490	
Transfers to Internally Restricted Cash	26,427	(773)	914	26,568	(385)	26,183	
Funds Used	72,793	19,714	5,376	97,883	600	98,483	
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-	

Income and Expense- General Fund Budget Review Statement for the quarter ended 31 March 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	67,629			67,629		67,629	52,170
User Charges and Fees	19,270		75	19,345	-	19,345	15,834
Interest and Investment Revenue	3,837		-	3,837	-	3,837	3,752
Other Revenues	1,594	128	-	1,722	-	1,722	1,552
Grants & Contributions - Operating	15,417	52	230	15,699	3	15,702	14,009
Grants and Contributions - Capital	3,006	1,152	2,425	6,583	-	6,583	3,672
- Contributions (S64/S94)	1,722			1,722		1,722	3,749
Net gain from the disposal of assets				-		-	37
Total Income	112,475	1,332	2,730	116,537	3	116,540	94,775

Expense

Employee costs	40,643	535		41,178	25	41,203	29,456
Borrowing Costs	6,149	(71)		6,078	-	6,078	3,766
Materials & Contracts	29,017	21,057	708	50,782	(68)	50,714	20,750
Depreciation	25,959			25,959		25,959	19,469
Legal Costs	447			447		447	303
Consultants	94			94		94	236
Other Expenses	11,473	79	(138)	11,414	133	11,547	5,902
Net Loss from Disposal of Assets				-		-	
Total Expenses	113,782	21,600	570	135,952	90	136,042	79,882

Net Operating Result

(1,307)	(20,268)	2,160	(19,415)	(87)	(19,502)	14,893
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**Net Operating Result before
capital items**

(6,035)	(21,420)	(265)	(27,720)	(87)	(27,807)	7,472
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Funding Statement - General Fund - Source & Application of Funds

Operating Result (Income Statement)	(1,307)	(20,268)	2,160	(19,415)	(87)	(19,502)
Add Back non-funded items:						
Depreciation	25,959			25,959	-	25,959
Add non-operating funding sources						
Transfers from Externally Restricted Cash	1,374	751	523	2,648	8,378	11,026
Transfers from Internally Restricted Cash	1,317	27,140	614	29,071	(7,526)	21,545

	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)				
Proceeds from sale of assets	3,559			3,559	-	3,559	
Loan Funds Utilised	1,976	9,102		11,078	-	11,078	
Internal charges				-		-	
Repayments from Deferred Debtors				-		-	
Funds Available	32,878	16,725	3,297	52,900	765	53,665	
Funds were applied to:							
Purchase and construction of assets	21,916	16,656	3,095	41,667	765	42,432	
Repayment of principal on loans	3,867	(4)	-	3,863	-	3,863	
Transfers to Externally Restricted Cash	2,468			2,468		2,468	
Transfers to Internally Restricted Cash	4,627	73	202	4,902	-	4,902	
Funds Used	32,878	16,725	3,297	52,900	765	53,665	
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-	

Income and Expense- Sewer Fund Budget Review Statement for the quarter ended 31 March 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)				
Income							
Rates and Annual Charges	25,366			25,366	-	25,366	19,923
User Charges and Fees	1,343			1,343	-	1,343	2,363
Interest and Investment Revenue	2,500	260	86	2,846	(10)	2,836	1,897
Other Revenues	16			16	-	16	14
Grants & Contributions - Operating	470			470	-	470	495
Grants and Contributions - Capital				-		-	-
- Contributions (S64/S94)	1,458			1,458	-	1,458	1,267
Net gain from the disposal of assets				-		-	
Total Income	31,153	260	86	31,499	(10)	31,489	25,959

Income and Expense- Water Fund Budget Review Statement for the quarter ended 31 March 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	5,092		5,092	-	5,092	3,827
User Charges and Fees	20,762		20,762	-	20,762	15,057
Interest and Investment Revenue	1,415	380	1,704	-	1,704	1,205
Other Revenues	265		265	-	265	334
Grants & Contributions - Operating	386		386	-	386	380
Grants and Contributions - Capital			-		-	-
- Contributions (S64/S94)	3,564		3,564	-	3,564	2,177
Net gain from the disposal of assets			-		-	
Total Income	31,484	380	31,773	-	31,773	22,980
Expense						
Employee costs	4,389		4,389	-	4,389	3,256
Borrowing Costs	4,536		4,536	-	4,536	3,413
Materials & Contracts	9,761	497	9,711	115	9,826	3,453
Depreciation	6,833		6,833	-	6,833	5,125
Legal Costs			-	-	-	-
Consultants	146		146	-	146	33
Other Expenses	1,317		1,317	-	1,317	681
Net Loss from Disposal of Assets			-		-	
Total Expenses	26,982	497	26,932	115	27,047	15,961
Net Operating Result	4,502	(117)	4,841	(115)	4,726	7,019
Net Operating Result before capital items	938	(117)	1,277	(115)	1,162	4,842

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 - Water Fund - Source & Application of Funds

Operating Result (Income Statement)	4,502	(117)	456	4,841	(115)	4,726
Add Back non-funded items:						
Depreciation	6,833	-	-	6,833	-	6,833
Add non-operating funding sources						
Transfers from Externally Restricted Cash	4,639	(19)	3,416	8,036	-	8,036
Transfers from Internally Restricted Cash	2,915	1,432	(511)	3,836	(17)	3,819
Proceeds from sale of assets				-		-
Loan Funds Utilised				-	-	-
Repayments from Deferred Debtors				-		-
Funds Available	18,889	1,296	3,361	23,546	(132)	23,414
Funds were applied to:						
Purchase and construction of assets	2,464	1,352	2,958	6,774	35	6,809
Repayment of principal on loans	1,258			1,258	-	1,258
Transfers to Externally Restricted Cash	3,564			3,564	-	3,564
Transfers to Internally Restricted Cash	11,603	(56)	403	11,950	(167)	11,783
Internal charges				-		-
Funds Used	18,889	1,296	3,361	23,546	(132)	23,414
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 2016 and should be read in conjunction with other documents in the QBRS.

Capital Budget Review Statement - Consolidated - for the quarter ended 31 March 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	11,377	155	(98)	11,434	313	11,747	5,805
Capital Grants & Contributions	3,004	6,177	2,425	11,606		11,606	5,735
Internal Restrictions (Reserves)	10,109	8,261	(1,043)	17,327		17,327	8,563
External Restrictions							
- s64 & s94 funds	8,851	754	3,178	12,783	672	13,455	6,649
Other Capital Funding Sources							
- loans	1,976	5,140		7,116		7,116	3,517
Income from sale of assets							
- plant and equipment	3,559			3,559		3,559	1,759
- Land,Buildings,Furniture,Fittings							
Total Capital Funding	38,876	20,487	4,462	63,825	985	64,810	32,028

Capital Expenditure

New Assets

- Plant and Equipment		2,067		2,067		2,067	420
- Land,Buildings,Furniture,Fittings		1,197		1,197	313	1,510	873
- Roads, Bridges, Footpaths	148	520	3,350	4,018		4,018	1,226
- Drainage							
- Water & Sewer Infrastructure	2,061		2,561	4,622		4,622	657
- Other	300	1,948		2,248		2,248	1,484

Renewals (Replacement)

- Plant and Equipment	8,416			8,416		8,416	4,130
- Land,Buildings,Furniture,Fittings	100	643		743		743	1,638
- Roads, Bridges, Footpaths	8,841	4,056	(473)	12,424	(748)	11,676	4,301
- Drainage		1,567		1,567		1,567	107
- Water & Sewer Infrastructure	3,420	3,835	(10)	7,245	220	7,465	2,790
- Other	4	100	(26)	78		78	120

Upgrades

- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							16
- Roads, Bridges, Footpaths	3,006	2,788		5,794	1,200	6,994	4,021
- Drainage	1,100	1,765		2,865		2,865	2,527
- Water & Sewer Infrastructure	3,749		(1,184)	2,565		2,565	2,074
- Other		5	244	249		249	192
Loan Repayments (principal)	7,731	(4)		7,727		7,727	5,452
Total Capital Expenditure	38,876	20,487	4,462	63,825	985	64,810	32,028

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 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 March 2016

	Original Budget			Recommended changes for Council Resolution	Projected year end result	Actual * YTD
	(000's)	Sep Review (000's)	Dec Review (000's)			
Unrestricted	5,185			5,185		5,659
Externally restricted						
RTA Contributions	0			0	0	130
Developer contributions	27,869	(150)	(522)	27,197	(2,056)	28,886
Domestic waste management	15,280			15,280	15,280	15,280
Special Rates	202			202	202	228
Special purpose grants	0			0	0	2,000
Water Supplies	43,208			43,208	43,208	46,000
Sewerage Services	63,105			63,105	63,105	67,000
Other	23,405			23,405	23,405	21,961
Total Externally restricted	173,069	(150)	(522)	172,397	(2,056)	181,485
Internally restricted						
Employee Leave entitlements	11,581			11,581	11,581	11,581
Unexpended loans	0			0	0	6,000
Unexpended grants	0			0	0	2,500
7 Year Plan	0			0	0	3,000
Works Carried Forward	0			0	0	9,000
Replacement of Plant and Vehicles	3,111			3,111	3,111	3,000
Tip improvements	9,093			9,093	9,093	9,159
Asset renewals	8,716			8,716	8,716	8,000
Other	6,687	15	(614)	6,088	6,088	6,000
Total Internally restricted	39,188	15	(614)	38,589	0	58,240
Total Restricted	212,257	(135)	(1,136)	210,986	(2,056)	239,725
Total cash and investments	217,442	(135)	(1,136)	216,171	(2,056)	245,384
Available cash	5,185	0	0	5,185	0	5,659

* 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	239,725
Total invested funds as per March Investment Report	245,195
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 11 February 2016.

Reconciliation of cash and investments:

	(000's)
Cash and investments as per above	245,384
Cash on hand and at bank	189
Investments	<u>245,195</u>
	245,384

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

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

Note that KPIs will be distorted by the short reporting period (9 months), and 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)	
<u>Current assets less all external restrictions</u>	<u>29,171</u>	3.7:1
Current liabilities	7,838	
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.

Comment:

Higher than it would be for the annual calculation, as expenditure throughout the year will run down cash and receivables.

	Amounts	Indicator
2. Debt Service Ratio		
	(000's)	
Debt Service Cost	13,786	10.84%
Selected operating income	127,122	
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 2016 and should be read in conjunction with other documents in the QBRS.

Budget Review Contracts and Other Expenses for the quarter ended 31 March 2016**PART A-Contracts Listing**

Contractor	Contract detail & purpose	Contract value \$	Commencement date	Duration of contract	Budgeted (Y/N)
East Coast Asphalt & Concrete Edging Pty Ltd - ABN 51 755 877 285	RFO2015162 - 2015/2016 Asphalt Resurfacing Program	\$1,106,420.79	29/03/2016	9 weeks	Y
JHA Recruitment & Staff @ Work Pty Ltd - ABN 77 100 120 474	RFO2015126 Provision of Manual Traffic Control Teams for Council Works	Schedule of Rates	01/01/2016	2 years	Y

PART B - Consultancy and Legal expenses

Expense	Expenditure YTD \$	Budgeted (Y/N)
Consultancies	312,922	Y
Legal expenses	308,369	Y

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 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 31/3/2016 indicates that Council’s projected financial position at 30/6/2016 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 26/4/2016
“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 in the report.

c. Legal:

No-Legal advice has not been received.

Attachment of Legal Advice-Not Applicable.

d. Communication/Engagement:

Inform - We will keep you informed.

UNDER SEPARATE COVER/FURTHER INFORMATION:

Nil.
