

TITLE: [CS-CM] Quarterly Budget Review - March 2017

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 third 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 March 2017 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
General Fund		
<u>Expenses</u>		
Employee costs	20,000	0
Materials & Contracts	508,089	0
Interest	0	0
Other Operating costs	0	5,082
Capital	553,388	0
Loan Repayments	0	0
Transfers to Reserves	0	0
	1,081,477	5,082

Description	Change to Vote	
	Deficit	Surplus
<u>Income</u>		
Rates and Annual Charges	0	0
Interest revenue	0	0
Operating Grants & Conts	0	815,828
Capital Grants & Conts	0	0
User Charges & Fees	0	40,035
Other Operating Revenue	0	42,782
Loan Funds	0	0
Recoupments	0	0
Transfers from Reserves	0	177,750
Asset Sales	0	0
	0	<u>1,076,395</u>
Net Surplus/(Deficit)		<u>0</u>
Sewer Fund		
<u>Expenses</u>		
Employee costs	0	0
Materials & Contracts	0	0
Interest	0	0
Other Operating costs	0	0
Capital	86,000	0
Loan Repayments	0	0
Transfers to Reserves	0	30,000
	<u>86,000</u>	<u>30,000</u>
<u>Income</u>		
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	56,000
Transfers from Reserves	0	0
Asset Sales	0	0
	0	<u>56,000</u>
Net Surplus/(Deficit)		<u>0</u>
Water Fund		
<u>Expenses</u>		
Employee costs	0	0
Materials & Contracts	0	0
Interest	0	0
Other Operating costs	0	0
Capital	0	0
Loan Repayments	0	0
Transfers to Reserves	0	0
	<u>0</u>	<u>0</u>

Description	Change to Vote	
	Deficit	Surplus
<u>Income</u>		
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	0	0
Asset Sales	0	0
	<hr/>	<hr/>
	0	0
Net Surplus/(Deficit)		<hr/>
		0

REPORT:**Budget Review 31 March 2017 (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 2016/2017 Budget	Net Effect on LTFP
General Fund		
No variations		
	<u>0</u>	<u>0</u>

Detailed list of changes

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
1. Proposed Variations						
General						
Ex	1	Ex-Capital	Access & Inclusion Plan	70,121	67,068	Hearing loops
In	1	In-TFR	Access Reserve	-24,357	-67,068	Funding for above
Ex	2	Ex-Capital	Rous River Way Park		45,117	Embellishment
In	2	In-Fees	Contribution - Riva Vue		-45,117	Funding for above
Ex	3	Ex-Op	Amenities Hall Kingscliff (7YP)	124,799	-124,799	Rationalise budgets
Ex	3	Ex-Capital	KFMP Amenities Hall upgrade	212,500	56,365	Rationalise budgets
Ex	3	Ex-Op	Kingscliff Community Hall	30,472	68,434	Rationalise budgets
Ex	4	Ex-Op	Community facilities infrastructure framework	17,062	-17,062	Rationalise budgets
Ex	4	Ex-Capital	Tweed Library expansion/refit	2,346,765	17,062	Rationalise budgets
In	5	In-OG&C	Library Local Priority Grant	-77,000	-8,479	Funding received
Ex	5	Ex-Op	Library grant expenditure	77,000	-1,521	Allocation of grant funding
Ex	5	Ex-Capital	Tweed Library expansion/refit	2,346,765	10,000	Allocation of grant funding
Ex	6	Ex-Op	Catchment Water Quality	205,942	20,000	Adjust Natural Resource Mgt budgets
Ex	6	Ex-Op	Tweed Coast Cudgen Creek	33,516	17,000	Adjust Natural Resource Mgt budgets
Ex	6	Ex-Op	Bilambil Creek Riparian restoration	0	20,000	Adjust Natural Resource Mgt budgets
Ex	6	Ex-Op	Bio-engineered River bank erosion stabilisation	145,408	10,000	Adjust Natural Resource Mgt budgets
Ex	6	Ex-Op	Tygalgah - Tweed River estuary riparian restoration	0	12,000	Adjust Natural Resource Mgt budgets
Ex	6	Ex-Op	National Tree Day site 2015	0	4,682	Adjust Natural Resource Mgt budgets
Ex	6	Ex-Op	Uki riparian parks	0	13,000	Adjust Natural Resource Mgt budgets
Ex	6	Ex-Op	Cudgenbil hole - National Tree Day 2016	0	14,000	Adjust Natural Resource Mgt budgets
In	6	In-TFR	Catchment Water Quality Reserve	-334,803	-110,682	Funding for above
Ex	7	Ex-Op	Food & Garden Organics Collection System		590,546	Environmental Trust funded project
In	7	In-OG&C	NSW Environmental Trust		-590,546	Funding for above
Ex	8	Ex-Op	Art Gallery grant expenditure	91,500	48,500	Actual funding received
In	8	In-OG&C	Arts NSW grant funding	-51,500	-48,500	Funding for above

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
Ex	9	Ex-Op	Bio-engineered River bank erosion stabilisation	145,408	40,000	OEH funded project
In	9	In-OG&C	Office of Environment & Heritage Mitigating Dog Attacks in the Tweed Coast	-10,000	-40,000	Funding for above
Ex	10	Ex-Op	Office of Environment & Heritage		28,000	OEH funded project
In	10	In-OG&C	Love Cats Love Wildlife		-28,000	Funding for above
Ex	11	Ex-Op	NSW Environmental Trust		47,068	Environmental Trust funded project
In	11	In-OG&C	Community Sponsorship Policy		-47,068	Funding for above
Ex	12	OpOther	Festivals Policy	34,503	12,000	Re-allocate rollovers from 2015/2016
Ex	12	OpOther	Design Misc Projects - Engineering	76,027	-12,000	Re-allocate rollovers from 2015/2016
Ex	13	OpEmp	Design Misc Projects - Other	120,170	-10,000	Internal budget re-allocation
Ex	13	OpEmp	Investing in the future of Pottsville's koalas	26,084	10,000	Internal budget re-allocation
Ex	14	Ex-Op	NSW Environmental Trust		38,235	Environmental Trust funded project
In	14	In-OG&C	341 Tweed Valley Way		-38,235	Funding for above
Ex	15	Ex-Capital	341 Tweed Valley Way		16,100	Refurbishment costs
Ex	15	Ex-Op	341 Tweed Valley Way		6,894	Operating & maintenance costs
In	15	OpOther	341 Tweed Valley Way		-4,006	Rental income
Ex	15	Ex-Op	Passive recreation asset maintenance program		-18,988	Funding for above
Ex	16	Ex-Op	Flying fox camp management	35,000	15,000	Frangela Drive reserve
In	16	In-OG&C	Office of Local Government		-15,000	Funding for above
Ex	17	Ex-Capital	Sportsfield capital work	176,475	20,000	Black Rocks gate
Ex	17	Ex-Op	Les Burger Field	23,695	4,000	Weed control
Ex	17	Ex-Capital	Koala Beach sportsfield lights	8,600	2,200	Approvals
Ex	17	Ex-Capital	751 Eviron Road		18,500	Renovations
Ex	17	Ex-Capital	Ron Wilkinson field		44,200	Lighting
Ex	17	Ex-Capital	Koala Beach sportsfield		200,000	Lighting etc
Ex	17	Ex-Capital	Pottsville Tennis facility	27,000	31,000	Lighting
Ex	17	Ex-Capital	Arkinstall Park Stage 2		7,000	Feasibility study
Ex	17	Ex-Op	Active recreation asset maintenance program	740,020	-326,900	Funding for above
In	18	OpOther	Round Mountain Pony Club		-38,776	Insurance settlement storm damage
In	18	Ex-Capital	Round Mountain Pony Club		38,776	Repairs to structure
In	19	In-Fees	Plumbing inspection fee	-248,850	-50,000	Adjust Building/Environmental Health budget
In	19	In-Fees	Building DA application fees	-451,624	75,000	Adjust Building/Environmental Health budget
Ex	19	OpOther	Environmental Health Legal Expenses	21,855	-1,082	Adjust Building/Environmental Health budget
In	19	In-Fees	Environmental Health Legal Income	-1,082	1,082	Adjust Building/Environmental Health budget
Ex	19	OpEmp	Administrative assistant	59,651	25,000	Adjust Building/Environmental Health budget
Ex	19	OpEmp	Building Control	1,437,331	-25,000	Adjust Building/Environmental Health budget
In	19	OpEmp	Environmental Compliance - caravan parks	118,626	10,000	Adjust Building/Environmental Health budget
In	19	OpEmp	Environmental Health	549,472	-10,000	Adjust Building/Environmental Health budget
Ex	19	OpOther	Building Legal Expenses	33,021	-4,000	Adjust Building/Environmental Health budget
In	19	In-Fees	Building Legal income	-7,091	4,000	Adjust Building/Environmental Health budget
In	19	In-Fees	Stormwater drainage applications	-42,810	5,000	Adjust Building/Environmental Health budget
In	19	In-Fees	Driveway, K&G, Path applications	-9,755	3,500	Adjust Building/Environmental Health budget
In	19	In-Fees	Inspection fee for construction certificate	-170,640	-8,500	Adjust Building/Environmental Health budget
In	19	In-Fees	Health approvals	-269,400	-28,091	Adjust Building/Environmental Health budget

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
In	19	In-Fees	Environmental Health income - general	-7,091	7,091	Adjust Building/Environmental Health budget
In	19	In-Fees	Footpath usage income	-92,372	15,000	Adjust Building/Environmental Health budget
In	19	In-Fees	On-Site Sewage Management fees	-253,796	-19,000	Adjust Building/Environmental Health budget
					0	
			Sewer Fund			
Ex	20	Ex-Capital	Various Capital Works		86,000	New minor projects
Ex	20	Ex-TTR	Transfers to Asset Replacement Res.		-30,000	Funding adjustment
In	20	In-Recoup	Transfers from Capital Contributions Res.		-56,000	Funding adjustment
					0	
			Water Fund			
			No variations			
					0	
			2. Variations Arising from Council Resolutions			
Ex	21	Ex-Capital	Tweed Heads Library expansion/re-fit	2,450,365	-20,000	Council report 16 June 2016
Ex	21	OpEmp	Library salaries - consultancy	0	20,000	Council report 16 June 2016
					0	
			Summary of Votes by Type			
			2016/17 Variations		0	
			Council Resolutions		0	
					0	
			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			
			<u>Expenses</u>			
			Employee costs		20,000	

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
			Materials & Contracts		508,089	
			Interest		0	
			Other Operating costs		-5,082	
			Capital		639,388	
			Loan Repayments		0	
			Transfers to Reserves		-30,000	
					<u>1,132,395</u>	
			<u>Income</u>			
			Rates and Annual Charges		0	
			Interest revenue		0	
			Operating Grants & Conts		-815,828	
			Capital Grants & Conts		0	
			User Charges & Fees		-40,035	
			Other Operating Revenue		-42,782	
			Loan Funds		0	
			Recoupments		-56,000	
			Transfers from Reserves		-177,750	
			Asset Sales		0	
					<u>-</u>	
					<u>1,132,395</u>	
			Net		<u>0</u>	
			Summary of Votes - by Division			
			Corporate Services		0	
			Planning & Regulation		0	
			Community & Natural Resources		0	
			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 2017

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	-	79,183
User Charges and Fees	44,047	85	108	44,240	40	36,274
Interest and Investment Revenue	9,922	774	(567)	10,129	-	7,205
Other Revenues	1,986	220	30	2,236	43	1,798
Grants & Contributions - Operating	20,358	18	706	21,082	816	16,102
Grants and Contributions - Capital	3,759	10,811	1,290	15,860	-	3,915
- Contributions (S94)	11,609	513	-	12,122	-	11,340
Net gain from the disposal of assets	-	-	-	-	-	-
Total Income	195,296	12,424	1,567	209,287	899	155,817
Expense						
Employee costs	57,662	741	33	58,436	20	38,621
Borrowing Costs	12,550	-	-	12,550	-	8,098
Materials & Contracts	47,497	21,099	564	69,160	509	31,585
Depreciation	43,227	(481)	-	42,746	-	32,420
Legal Costs	460	-	-	460	-	547
Consultants	568	-	-	568	-	137
Other Expenses	15,611	10	(19)	15,602	(5)	10,697
Net Loss from Disposal of Assets	-	-	-	-	-	3
Total Expenses	177,575	21,369	578	199,522	524	122,108
Net Operating Result	17,721	(8,945)	989	9,765	375	33,709
Net Operating Result before capital items	2,353	(20,269)	(301)	(18,217)	375	18,454

Funding Statement - Consolidated - Source & Application of Funds

Operating Result (Income Statement)	17,721	(8,945)	989	9,765	375	10,140
Add Back non-funded items:						
Depreciation	43,227	(481)	-	42,746	-	42,746
Add non-operating funding sources						
		-	-	-	-	-
		-	-	-	-	-

	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)				
Transfers from Externally Restricted Cash	18,103	5,130	(6,350)	16,883	56	16,939	
Transfers from Internally Restricted Cash	9,257	33,487	(801)	41,943	178	42,121	
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	-	-	-	-	-	-	
Funds Available	91,741	35,692	(6,162)	121,271	609	121,880	
Funds were applied to:							
Purchase and construction of assets	40,875	35,579	(6,399)	70,055	639	70,694	
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)	237	30,561	(30)	30,531	
Funds Used	91,741	35,692	(6,162)	121,271	609	121,880	
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-	

* Includes Carried Forward Works revotes

Income and Expense- General Fund Budget Review Statement for the quarter ended 31 March 2017

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	54,326
User Charges and Fees	20,042	41	30	20,113	40	20,153	16,453
Interest and Investment Revenue	4,178		-	4,178	-	4,178	4,002
Other Revenues	1,693	210	30	1,933	43	1,976	1,522
Grants & Contributions - Operating	19,506	18	706	20,230	816	21,046	15,234
Grants and Contributions - Capital	3,759	10,811	1,290	15,860	-	15,860	3,915
- Contributions (S64/S94)	1,792			1,792		1,792	5,623
Net gain from the disposal of assets				-		-	
Total Income	120,830	11,083	2,056	133,969	899	134,868	101,075
Expense							
Employee costs	42,172	741	33	42,946	20	42,966	29,858
Borrowing Costs	5,894		-	5,894	-	5,894	3,650
Materials & Contracts	30,216	21,099	564	51,879	509	52,388	24,837
Depreciation	25,629			25,629		25,629	19,221
Legal Costs	460			460		460	547
Consultants	268			268		268	127
Other Expenses	11,663	10	(19)	11,654	(5)	11,649	8,825
Net Loss from Disposal of Assets				-		-	
Total Expenses	116,302	21,850	578	138,730	524	139,254	87,065
Net Operating Result	4,528	(10,767)	1,478	(4,761)	375	(4,386)	14,010
Net Operating Result before capital items	(1,023)	(21,578)	188	(22,413)	375	(22,038)	4,472

Funding Statement - General Fund - Source & Application of Funds

Operating Result (Income Statement)	4,528	(10,767)	1,478	(4,761)	375	(4,386)
Add Back non-funded items:						
Depreciation	25,629			25,629	-	25,629
Add non-operating funding sources						
Transfers from Externally Restricted Cash	2,819	4,111	(228)	6,702	-	6,702
Transfers from Internally Restricted						

	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)				
Cash	375	33,337	118	33,830	178	34,008	
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				-		-	
Funds Available	36,784	33,182	1,368	71,334	553	71,887	
Funds were applied to:							
Purchase and construction of assets	24,797	33,162	1,368	59,327	553	59,880	
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	
Funds Used	36,784	33,182	1,368	71,334	553	71,887	
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-	

* Includes Carried Forward Works revotes

Income and Expense- Sewer Fund Budget Review Statement for the quarter ended 31 March 2017

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	20,762
User Charges and Fees	1,387			1,387	-	1,387	2,398
Interest and Investment Revenue	3,510	423	(349)	3,584	-	3,584	1,731
Other Revenues	16			16	-	16	16
Grants & Contributions - Operating	463			463	-	463	492
Grants and Contributions - Capital	-			-	-	-	-
- Contributions (S64/S94)	2,869	513		3,382	-	3,382	1,946
Net gain from the disposal of assets				-	-	-	
Total Income	36,682	936	(349)	37,269	-	37,269	27,345

Expense

Employee costs	9,101			9,101	-	9,101	5,233
Borrowing Costs	2,211			2,211	-	2,211	1,115
Materials & Contracts	7,619			7,619	-	7,619	3,149
Depreciation	10,183	(294)		9,889	-	9,889	7,637
Legal Costs	-			-	-	-	-
Consultants	150			150	-	150	5
Other Expenses	2,586			2,586	-	2,586	1,217
Net Loss from Disposal of Assets				-	-	-	
Total Expenses	31,850	(294)	-	31,556	-	31,556	18,356

Net Operating Result

	4,832	1,230	(349)	5,713	-	5,713	8,989
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Net Operating Result before capital items

	1,963	717	(349)	2,331	-	2,331	7,043
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Funding Statement - Sewer Fund - Source & Application of Funds

Operating Result (Income Statement)	4,832	1,230	(349)	5,713	-	5,713
Add Back non-funded items:						
Depreciation	10,183	(294)	-	9,889	-	9,889
Add non-operating funding sources						
Transfers from Externally Restricted Cash	4,765	1,072	(2,709)	3,128	56	3,184
Transfers from Internally Restricted Cash	5,125	347	(266)	5,206	-	5,206

				Recommended changes for Council Resolution (000's)	Projected year end result (000's)	Actual YTD (000's)
	Original Budget (000's)	Sep Review (000's)	Dec Review (000's)			
Proceeds from sale of assets				-	-	
Loan Funds Utilised				-	-	
Repayments from Deferred Debtors				-	-	
Funds Available	24,905	2,355	(3,324)	23,936	56	23,992
Funds were applied to:						
Purchase and construction of assets	6,950	2,133	(3,361)	5,722	86	5,808
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		37	12,437	(30)	12,407
Internal charges				-		-
Funds Used	24,905	2,355	(3,324)	23,936	56	23,992
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

Income and Expense- Water Fund Budget Review Statement for the quarter ended 31 March 2017

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	5,318			5,318	-	5,318	4,095
User Charges and Fees	22,618	44	78	22,740	-	22,740	17,423
Interest and Investment Revenue	2,234	351	(218)	2,367	-	2,367	1,472
Other Revenues	277	10		287	-	287	260
Grants & Contributions - Operating	389			389	-	389	376
Grants and Contributions - Capital	-			-	-	-	
- Contributions (S64/S94)	6,948			6,948	-	6,948	3,771
Net gain from the disposal of assets				-	-	-	
Total Income	37,784	405	(140)	38,049	-	38,049	27,397

Expense

Employee costs	6,389			6,389	-	6,389	3,530
Borrowing Costs	4,445			4,445	-	4,445	3,333
Materials & Contracts	9,662			9,662	-	9,662	3,599
Depreciation	7,415	(187)		7,228	-	7,228	5,562
Legal Costs	-			-	-	-	-
Consultants	150			150	-	150	5
Other Expenses	1,362			1,362	-	1,362	655
Net Loss from Disposal of Assets				-	-	-	3
Total Expenses	29,423	(187)	-	29,236	-	29,236	16,687

Net Operating Result

	8,361	592	(140)	8,813	-	8,813	10,710
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Net Operating Result before capital items

	1,413	592	(140)	1,865	-	1,865	6,939
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Funding Statement - Water Fund - Source & Application of Funds

Operating Result (Income Statement)	8,361	592	(140)	8,813	-	8,813
Add Back non-funded items:						
Depreciation	7,415	(187)	-	7,228	-	7,228
Add non-operating funding sources						
Transfers from Externally Restricted Cash	10,519	(53)	(3,413)	7,053	-	7,053
Transfers from Internally Restricted						

	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)			
Cash	3,757	(197)	(653)	2,907	-	2,907	
Proceeds from sale of assets				-		-	
Loan Funds Utilised				-	-	-	
Repayments from Deferred Debtors				-		-	
Funds Available	30,052	155	(4,206)	26,001	-	26,001	
Funds were applied to:							
Purchase and construction of assets	9,128	284	(4,406)	5,006	-	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)	200	12,698	-	12,698	
Internal charges				-		-	
Funds Used	30,052	155	(4,206)	26,001	-	26,001	
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 2017 and should be read in conjunction with other documents in the QBRs.

Capital Budget Review Statement - Consolidated - for the quarter ended 31 March 2017

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	(50)	21,636	431	22,067	10,596
Capital Grants & Contributions	8,368	17,165	1,290	26,823	55	26,878	12,907
Internal Restrictions (Reserves)		6,885	128	7,013	67	7,080	3,400
External Restrictions	5,678	1,398	(1,646)	5,430	30	5,460	2,622
- s64 & s94 funds	10,127	4,186	(6,122)	8,191	56	8,247	3,960
Other Capital Funding Sources							
- loans	1,976	5,576		7,552		7,552	3,627
Income from sale of assets							
- plant and equipment	1,457			1,457		1,457	700
- Land,Buildings,Furniture,Fittings							
Total Capital Funding	48,922	35,580	(6,400)	78,102	639	78,741	37,812

Capital Expenditure

New Assets

- Plant and Equipment	4		133	137	67	204	253
- Land,Buildings,Furniture,Fittings	2,142	4,030		6,172		6,172	3,070
- Roads, Bridges, Footpaths		1,174		1,174		1,174	400
- Drainage							
- Water & Sewer Infrastructure	6,377	1,827	(5,476)	2,728	30	2,758	1,420
- Other		1,033	24	1,057	267	1,324	247
<u>Renewals (Replacement)</u>							
- Plant and Equipment	4,578			4,578		4,578	3,069
- Land,Buildings,Furniture,Fittings	2,022	1,157	144	3,323	137	3,460	1,082
- Roads, Bridges, Footpaths	11,400	5,154	5	16,559		16,559	9,021
- Drainage	450			450		450	148
- Water & Sewer Infrastructure	2,499	1,158	(398)	3,259	56	3,315	1,384
- Other		13,089		13,089	75	13,164	966
<u>Upgrades</u>							
- Plant and Equipment							
- Land,Buildings,Furniture,Fittings		100		100		100	83
- Roads, Bridges, Footpaths	5,693	5,573	1,062	12,328		12,328	6,083
- Drainage	650	1,171		1,821		1,821	1,160
- Water & Sewer Infrastructure	5,060	(568)	(1,894)	2,598		2,598	1,230
- Other		682		682	7	689	283
Loan Repayments (principal)	8,047			8,047		8,047	7,913
Total Capital Expenditure	48,922	35,580	(6,400)	78,102	639	78,741	37,812

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 2017 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 2017

	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)
Unrestricted	5,974		5,974		5,974	11,856
Externally restricted						
RTA Contributions	0		0		0	0
Developer contributions	31,046		31,046		31,046	33,801
Domestic waste management	14,912		14,912		14,912	14,912
Special Rates	214		214		214	249
Special purpose grants	4,846		4,846		4,846	4,846
Water Supplies	43,616		43,616		43,616	52,380
Sewerage Services	69,816		69,816		69,816	79,872
Other	22,039		22,039		22,039	10,000
Total Externally restricted	186,489	0	186,489	0	186,489	196,060
Internally restricted						
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
Total Internally restricted	31,391	0	31,391	0	31,391	72,983
Total Restricted	217,880	0	217,880	0	217,880	269,043
Total cash and investments	223,854	0	223,854	0	223,854	280,899
Available cash	5,974	0	5,974	0	5,974	11,856

* 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	269,043
Total invested funds as per March Investment Report	282,124
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	280,899
Cash on hand and at bank	(1,225)
Investments	<u>282,124</u>
	280,899

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 2017 and should be read in conjunction with other documents in the QBRS.

Key Performance Indicators Budget Review Statement for the quarter ended 31 March 2017

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)	
<u>Current assets less all external restrictions</u>	<u>34,620</u>	3.8:1
Current liabilities	8,996	
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	16,011	12.05%
Selected operating income	132,866	
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 2017 and should be read in conjunction with other documents in the QBRs.

Budget Review Contracts and Other Expenses for the quarter ended 31 March 2017

PART A-Contracts Listing		Contract value	Award	Duration of	Budgeted
Contractor	Contract detail & purpose	\$	date	contract	(Y/N)
Frontier Software	Human Resources/Payroll System	\$552,759.00	02-Feb-17	N/A	Y
Xylem Water Solutions Australia Limited	Supply and Servicing of UV Disinfection Lamps and Equipment	\$195,800.00	16-Feb-17	24 months	Y
CSG Enterprise Solutions	Supply and Maintenance of Multifunction Devices and Printers	\$754,502.10	16-Mar-17	N/A	Y

PART B - Consultancy and Legal expenses

Expense	Expenditure	Budgeted
	YTD \$	(Y/N)
Consultancies	210,075	Y
Legal expenses	556,292	Y

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 2017 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 2017 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 1 May 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.
