

TITLE: [FRIT-CM] Quarterly Budget Review - March 2018

SUBMITTED BY: Financial Services

mhm



Making decisions with you

We're in this together

LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK:

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

ROLE: **Leader**

SUMMARY OF REPORT:

This is the third quarter statutory budget review for this financial year and summarises the estimated expenditure and income changes to the 2017/2018 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 2018 in all Funds.

RECOMMENDATION:

That the:

- Quarterly Budget Review Statement as at 31 March 2018 be adopted.**
- Expenditure and income, as summarised below and detailed within the report, be voted and adjusted in accordance with the revised total expenditure and income for the year ending 30 June 2018.**

Description	Change to Vote	
	Deficit	Surplus
General Fund		
<u>Expenses</u>		
Employee costs	0	118,910
Materials & Contracts	14,367,292	0
Interest	0	0
Other Operating costs	0	0
Capital	3,762,906	0
Loan Repayments	0	0
Transfers to Reserves	0	200,000
	18,130,198	318,910

Description	Change to Vote	
Income		
Rates and Annual Charges	0	0
Interest revenue	0	0
Operating Grants & Conts	0	13,172,479
Capital Grants & Conts	0	4,695,751
User Charges & Fees	0	136,551
Other Operating Revenue	0	595,091
Loan Funds	776,000	0
Recoupments	0	40,000
Transfers from Reserves	52,584	0
Asset Sales	0	0
	828,584	18,639,872
Net Surplus/(Deficit)		0
	Deficit	Surplus
Sewer Fund		
Expenses		
Employee costs	0	0
Materials & Contracts	0	80,000
Interest	0	0
Other Operating costs	0	0
Capital	0	2,105,207
Loan Repayments	0	0
Transfers to Reserves	756,707	0
	756,707	2,185,207
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	840,500	0
Transfers from Reserves	588,000	0
Asset Sales	0	0
	1,428,500	0
Net Surplus/(Deficit)		0
Water Fund		
Expenses		
Employee costs	0	0
Materials & Contracts	0	0
Interest	0	0
Other Operating costs	0	0
Capital	0	1,633,600
Loan Repayments	0	0
Transfers to Reserves	197,000	0
	197,000	1,633,600
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

Description	Change to Vote	
Other Operating Revenue	0	0
Loan Funds	0	0
Recoupments	1,079,000	0
Transfers from Reserves	357,600	0
Asset Sales	0	0
	1,436,600	0
Net Surplus/(Deficit)		0

REPORT:**Budget Review 31 March 2018 (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 2017/2018 Budget	
General Fund		Net Effect on LTFP
NRM salaries change in funding	100,000	100,000
Legal Fees - DA/Compliance	200,000	220,000
Workers compensation adjustments	-300,000	
	0	320,000

Detailed list of changes

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
1. Proposed Variations						
General Fund						
Ex	1	Ex-Op	Lower Tweed Management Plan	670,341	-40,000	Restructure Waterways budget
Ex	1	Ex-Op	Catchment Water Quality	254,396	40,000	Restructure Waterways budget
Ex	1	Ex-Op	Tweed Coastal Zone Management	93,029	-35,000	Restructure Waterways budget
Ex	1	Ex-Op	Tweed Coast Estuary Management	50,599	35,000	Restructure Waterways budget
Ex	2	Ex-Op	Rail trail project development	168,226	50,000	Temporary funding pre-emptive of grant
Ex	2	Ex-Op	Cycleways program	107,830	-50,000	Temporary funding for above
Ex	3	Ex-Capital	Cudgen Creek bridge	776,000	-776,000	Project completed
In	3	In-Loan	Loan funding	-776,000	776,000	No longer required
Ex	4	Ex-Op	NRM Salaries	997,317	100,000	Discontinue funding from Lower Tweed Management Plan
Ex	5	Ex-Op	Legal Fees - DA/Compliance	832,535	200,000	Ongoing legal fees for Assessment and Compliance
Ex	6	Ex-Op	Dave Burns Field cricket nets		5,975	Grant funded project
In	6	In-OG&C	Infrastructure and Regional Development		-5,975	Funding for above
Ex	7	Ex-Op	Rail trail project development	218,226	13,036,000	Rail Trail
In	7	In-OG&C	Federal and State grant funding		13,036,000	Funding for above
Ex	8	Ex-Capital	Anchorage Boardwalk		885,000	Replacement
In	8	In-CG&C	RMS Grant funding		-685,000	Funding for above
Ex	8	Ex-TTR	Coastal Landscape recurrent costs	200,000	-200,000	Funding for above
Ex	9	Ex-Op	Legal Fees - Environmental Health	22,456	10,000	Revised projections
In	9	In-Fees	Skin penetration registration & inspection	-9,119	-4,000	Revised projections
In	9	In-Fees	Approvals to Operate (Caravan Parks)	-54,182	10,000	Revised projections
In	9	In-Fees	Annual food premises admin fee	-111,706	-30,000	Revised projections
In	9	In-Fees	Food premises fit-out plan processing fee		-6,000	Revised projections
Ex	9	Ex-Op	Sundry Health Admin expenses	11,228	-10,000	Revised projections
In	9	In-Fees	Plumbing inspection fee	-261,293	-20,000	Revised projections
In	9	In-Fees	Plumbing/drainage Permits	-28,202	20,000	Revised projections
In	9	In-Fees	Building DA application fees	-509,205	50,000	Revised projections

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
In	9	In-Fees	Building construction certificates	-153,217	-50,000	Revised projections
In	9	In-Fees	Footpath Usage Licence	-128,991	30,000	Revised projections
Ex	10	Ex-Capital	Depot Improvements Tweed Heads	15,167	35,000	Emulsion tank replacement
Ex	10	Ex-Op	Depot Murwillumbah	232,768	-20,000	Funding for above
Ex	10	Ex-Op	Depot Tweed Heads	118,614	-15,000	Funding for above
Ex	11	Ex-Capital	KFMP foreshore protection	3,928,515	-10,000	Budget transfer for project management
Ex	11	Ex-Capital	KFMP holiday park upgrade	6,737,838	-10,000	Budget transfer for project management
Ex	11	Ex-Capital	KFMP central park	3,612,369	-10,000	Budget transfer for project management
Ex	11	Ex-OpEmp	Recreation Services management	1,303,218	30,000	Budget transfer for project management
Ex	12	Ex-Op	Tweed Heads Museum Precinct Redevelopment		31,549	Grant funded project
In	12	In-OG&C	Office of Environment and Heritage		-31,549	Funding for above
Ex	13	Ex-Capital	Social Enterprise Café and Cultural Plaza Tweed Heads		1,128,000	New project
In	13	In-CG&C	Building Better Regions grant		-564,000	Potential funding for above
In	13	In-OpOther	Insurance payment Bray Park Community Centre		-564,000	Potential funding for above
Ex	14	Ex-Op	Border Art Prize - current budget	3,000	-3,000	Adjustments to Gallery Budget
Ex	14	Ex-Op	Border Art Prize - rollovers	9,015	-9,015	Adjustments to Gallery Budget
In	14	In-TFR	Works Carried Forward Reserve	-9,015	9,015	Reverse funding for above
In	14	In-OpOther	Artworks acquisitions (donations)		-14,300	Adjustments to Gallery Budget
Ex	14	Ex-Capital	Artworks acquisitions		56,300	Adjustments to Gallery Budget
Ex	14	Ex-OpEmp	Art Gallery Salaries	663,910	66,090	Adjustments to Gallery Budget
In	14	In-OpOther	Contribution to salaries		-16,791	Adjustments to Gallery Budget
Ex	14	Ex-Op	Exhibition signage	4,912	6,879	Adjustments to Gallery Budget
Ex	14	Ex-Op	Hockney exhibition		21,508	Adjustments to Gallery Budget
Ex	14	Ex-Op	Security	13,620	-5,000	Adjustments to Gallery Budget
Ex	14	Ex-Op	Working expenses	53,732	-14,435	Adjustments to Gallery Budget
Ex	14	Ex-Op	Margaret Olley Art Centre	31,967	-8,000	Adjustments to Gallery Budget
In	14	In-Fees	Sales Shop income	-240,000	-25,664	Adjustments to Gallery Budget
Ex	14	Ex-Op	Artwork sales expenses	33,000	2,640	Adjustments to Gallery Budget
In	14	In-Fees	Artwork sales	-40,298	-4,000	Adjustments to Gallery Budget
In	14	In-Fees	Workshops income	-10,000	5,000	Adjustments to Gallery Budget
In	14	In-OG&C	Art gallery donations	-15,000	-42,000	Adjustments to Gallery Budget
Ex	14	Ex-Op	Collection expenses - Valuations	1,852	2,148	Adjustments to Gallery Budget
Ex	14	Ex-Op	Collection expenses - Installation Photography	0	500	Adjustments to Gallery Budget
Ex	14	Ex-Op	Collection expenses - Freight / Cartage / Courier	832	3,168	Adjustments to Gallery Budget
Ex	14	Ex-Op	Collection expenses - Conservation	6,771	5,229	Adjustments to Gallery Budget
Ex	14	Ex-Op	Collection expenses - Framing	1,000	14,500	Adjustments to Gallery Budget
Ex	14	Ex-Op	Olive Cotton Prize - current budget	30,945	-30,945	Adjustments to Gallery Budget
Ex	14	Ex-Op	Olive Cotton Prize - rollovers	36,940	-16,940	Adjustments to Gallery Budget
In	14	In-TFR	Works Carried Forward Reserve	-16,940	16,940	Reverse funding for above
Ex	14	Ex-Op	Border Art Prize	10,000	12,015	Adjustments to Gallery Budget
In	14	In-Fees	Gallery Hire income	-7,120	3,000	Adjustments to Gallery Budget
Ex	14	Ex-Op	Gallery construction - rollovers	12,129	-12,129	Adjustments to Gallery Budget
In	14	In-TFR	Community facilities reserve	-12,129	12,129	Reverse funding for above
In	14	In-Fees	Artist in Residence hire fees	-3,000	3,000	Adjustments to Gallery Budget
Ex	14	Ex-Op	Artist in Residence fees	5,000	4,000	Adjustments to Gallery Budget
In	14	In-Fees	Artist in Residence artist fees income		-9,000	Adjustments to Gallery Budget
Ex	14	Ex-Capital	Artist in Residence Studio Covered Walkway	20,000	10,000	Adjustments to Gallery Budget
Ex	14	Ex-Op	Artwork valuation - rollovers	15,000	-14,500	Adjustments to Gallery Budget
In	14	In-TFR	Works Carried Forward Reserve	-15,000	14,500	Reverse funding for above
In	14	In-Fees	Other Income - Contribution From Others		-1,326	Adjustments to Gallery Budget
In	14	In-Fees	Other Income - Postage	-500	-500	Adjustments to Gallery Budget

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
In	14	In-Fees	Other Income - Mail inserts income	-2,641	2,641	Adjustments to Gallery Budget
In	14	In-Fees	Other Income - AIRS Hire fees & income	-7,500	7,500	Adjustments to Gallery Budget
In	14	In-Fees	Other Income - Sundry Income	-15,000	15,000	Adjustments to Gallery Budget
In	14	In-Fees	Other Income - Freight / Cartage / Courier		-454	Adjustments to Gallery Budget
In	14	In-Fees	Other Income - Public Programs	-600	-8,400	Adjustments to Gallery Budget
In	14	In-Fees	Other Income - Gallery Hire Income	-5,000	5,000	Adjustments to Gallery Budget
In	14	In-Fees	Other Income - Border Art Prize	-2,000	0	Adjustments to Gallery Budget
In	14	In-Fees	Other Income - Education Income	-6,000	-4,000	Adjustments to Gallery Budget
In	14	In-Fees	Other Income - Lease of Cafe	-23,152	-17,848	Adjustments to Gallery Budget
In	14	In-Fees	Other Income - Hockney Exhibition		-21,500	Adjustments to Gallery Budget
In	14	In-OG&C	Grant income	-63,660	-46,955	Adjustments to Gallery Budget
Ex	14	Ex-Op	Art Exhibition - Experimenta		15,000	Adjustments to Gallery Budget
Ex	14	Ex-Op	Art Exhibition - Abstract Women		10,000	Adjustments to Gallery Budget
Ex	14	Ex-Op	Art Exhibition - Andrew Antoniou		3,000	Adjustments to Gallery Budget
Ex	15	Ex-Op	Flood recovery stories and projects Northern Rivers Community Recovery Fund	122,546	10,000	Additional funding
In	15	In-OG&C		-122,546	-10,000	Grant funding
Ex	16	Ex-Capital	Art gallery disabled toilet & walkway	10,000	133,830	Stronger Country Communities project
Ex	16	Ex-Capital	Museum solar		64,372	Stronger Country Communities project
Ex	16	Ex-Op	Coastal cycleway lighting		992,145	Stronger Country Communities project
Ex	16	Ex-Capital	TRAC solar		198,202	Stronger Country Communities project
Ex	16	Ex-Capital	Knox Park toilet	163,985	198,202	Stronger Country Communities project
In	16	In-CG&C	Stronger Country Communities grant		-1,586,751	Grant funding
Ex	17	Ex-Capital	Murwillumbah art precinct		887,000	Grant funded project
Ex	17	Ex-Capital	Captain Cook memorial and lighthouse		973,000	Grant funded project
In	17	In-CG&C	Regional growth, environment and tourism grant		-1,860,000	Grant funding
In	18	In-Fees	Workers compensation incentive payment	-45,000	-85,000	Payment received
Ex	19	Ex-OpEmp	Workers compensation insurance	1,011,418	-215,000	Revised projections
					0	
			Sewer Fund			
Ex	20	Ex-Op	Operations		-80,000	Revisions and deferrals
Ex	20	Ex-Capital	Capital works		-2,105,207	Revisions and deferrals
In	20	In-TFR	Transfers from reserves		588,000	Funding adjustments
In	20	In-Recoup	Recoupment from s64		840,500	Funding adjustments
Ex	20	Ex-TTR	Transfers to reserves		756,707	Funding adjustments
					0	
			Water Fund			
Ex	21	Ex-Capital	Capital works		-1,633,600	Revisions and deferrals
In	21	In-TFR	Transfers from reserves		357,600	Funding adjustments
In	21	In-Recoup	Recoupment from s64		1,079,000	Funding adjustments
Ex	21	Ex-TTR	Transfers to reserves		197,000	Funding adjustments
					0	
			2. Variations Arising from Council Resolutions			
Ex	22	Ex-Op	Community Development Strategy		45,000	Resolution 22 March Item 27
Ex	22	Ex-Op	Youth Strategy and Action Plan		-40,000	Resolution 22 March Item 27
Ex	22	Ex-Op	Age Friendly Community Policy		-5,000	Resolution 22 March Item 27
Ex	23	Ex-Op	Community Infrastructure Framework		40,000	Resolution 19 March Item 12
In	23	In-Recoup	Contribution Plan 15		-40,000	Resolution 19 March Item 12

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
					0	
			Summary of Votes by Type			
			2017/18 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			-80		
	In-Sales		Proceeds from sale of assets			
			<u>Expenses</u>			
			Employee costs		-118,910	
			Materials & Contracts		14,287,292	
			Interest		0	
			Other Operating costs		0	
			Capital		24,099	
			Loan Repayments		0	
			Transfers to Reserves		753,707	
					14,946,188	
			<u>Income</u>			
			Rates and Annual Charges		0	
			Interest revenue		0	
					-	
			Operating Grants & Conts		13,172,479	
			Capital Grants & Conts		-4,695,751	
			User Charges & Fees		-136,551	
			Other Operating Revenue		-595,091	
			Loan Funds		776,000	
			Recoupments		1,879,500	
			Transfers from Reserves		998,184	
			Asset Sales		0	
					-	
					14,946,188	
			Net		0	
			Summary of Votes - by Division			
			Corporate Services		-85,000	
			Planning & Regulation		200,000	
			Community & Natural Resources		-1,107,145	

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
			Engineering		992,145	
			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 March 2018

Original Budget (000's)	Previously approved			Recommended changes for Council Resolution (000's)	Projected year end result (000's)	Actual YTD (000's)
	Sep Review (000's)*	Dec Review (000's)	Revised Budget (000's)			
Income						
Rates and Annual Charges	106,898	68	200	107,166	-	81,167
User Charges and Fees	42,491	2,232	60	44,783	137	35,547
Interest and Investment Revenue	9,084	2,788	(20)	11,852	-	7,397
Other Revenues	2,651	13	2,533	5,197	595	4,995
Grants & Contributions - Operating	17,583	209	319	18,111	13,172	17,083
Grants and Contributions - Capital	3,070	3,505	(2,325)	4,250	4,696	5,492
- Contributions (S94)	14,079	-	-	14,079	-	9,537
Net gain from the disposal of assets	-	-	-	-	-	-
Total Income	195,856	8,815	767	205,438	18,600	161,218
Expense						
Employee costs	54,269	202	(148)	54,323	(119)	40,925
Borrowing Costs	12,153	186	-	12,339	-	6,125
Materials & Contracts	47,069	22,823	(374)	69,518	14,286	35,666
Depreciation	41,503	-	-	41,503	-	31,127
Legal Costs	463	-	-	463	-	1,076

Consultants	436	-	-	436	-	436	179
Other Expenses	16,093	(32)	989	17,050	-	17,050	11,074
Net Loss from Disposal of Assets	-	-	-	-	-	-	73
Total Expenses	171,986	23,179	467	195,632	14,167	209,799	126,245
Net Operating Result	23,870	(14,364)	300	9,806	4,433	14,239	34,973
Net Operating Result before capital items	6,721	(17,869)	2,625	(8,523)	(263)	(8,786)	19,944

Funding Statement - Consolidated - Source & Application of Funds

Operating Result (Income Statement)	23,870	(14,364)	300	9,806	4,433	14,239
Add Back non-funded items:						
Depreciation	41,503	-	-	41,503	-	41,503
Add non-operating funding sources						
Transfers from Externally Restricted Cash	33,346	4,233	119	37,698	(1,880)	35,818
Transfers from Internally Restricted Cash	9,074	41,860	1,503	52,437	(999)	51,438
Proceeds from sale of assets	2,174	-	(175)	1,999	-	1,999
Loan Funds Utilised	1,976	2,710	20	4,706	(776)	3,930
Repayments from Deferred Debtors	-	-	-	-	-	-
Funds Available	111,943	34,439	1,767	148,149	778	148,927
Funds were applied to:						
Purchase and construction of assets	57,110	30,609	(89)	87,630	24	87,654
Repayment of principal on loans	8,453	-	-	8,453	-	8,453
Transfers to Externally Restricted Cash	42,243	-	-	42,243	-	42,243
Transfers to Internally Restricted Cash	4,137	3,830	1,856	9,823	754	10,577
Funds Used	111,943	34,439	1,767	148,149	778	148,927
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

* Includes Carried Forward Works revotes

Income & Expense- General Fund Budget Review Statement for the quarter ended 31 March 2018

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

Income

Rates and Annual Charges	71,968	68	200	72,236	-	72,236	55,410
User Charges and Fees	17,556	100	60	17,716	137	17,853	14,746
Interest and Investment Revenue	5,145	-	(20)	5,125	-	5,125	4,012
Other Revenues	2,335	13	2,533	4,881	595	5,476	4,667
Grants & Contributions - Operating	16,693	209	319	17,221	13,172	30,393	16,367
Grants and Contributions - Capital	3,070	3,505	(2,325)	4,250	4,696	8,946	5,492
- Contributions (S64/S94)	1,824			1,824		1,824	4,175
Net gain from the disposal of assets				-		-	-
Total Income	118,591	3,895	767	123,253	18,600	141,853	104,869

Expense

Employee costs	42,233	202	(148)	42,287	(119)	42,168	31,804
Borrowing Costs	5,682	-	-	5,682	-	5,682	2,860
Materials & Contracts	25,773	21,853	227	47,853	14,366	62,219	28,881
Depreciation	24,043			24,043		24,043	18,032
Legal Costs	463			463		463	1,050
Consultants	128			128		128	120
Other Expenses	12,012	(32)	989	12,969	-	12,969	8,679
Net Loss from Disposal of Assets				-		-	73
Total Expenses	110,334	22,023	1,068	133,425	14,247	147,672	91,499

Net Operating Result

	8,257	(18,128)	(301)	(10,172)	4,353	(5,819)	13,370
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Net Operating Result before capital items

	3,363	(21,633)	2,024	(16,246)	(343)	(16,589)	3,703
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Funding Statement - General Fund - Source & Application of Funds

Operating Result (Income Statement)	8,257	(18,128)	(301)	(10,172)	4,353	(5,819)
Add Back non-funded items:						
Depreciation	24,043			24,043	-	24,043
Add non-operating funding sources						
Transfers from Externally Restricted Cash	10,842	3,257		14,099	40	14,139
Transfers from Internally Restricted Cash	9,074	41,558	1,064	51,696	(53)	51,643
Proceeds from sale of assets	2,174	-	(175)	1,999	-	1,999
Loan Funds Utilised	1,976	2,710	20	4,706	(776)	3,930
Internal charges				-		-
Repayments from Deferred Debtors				-		-
Funds Available	56,366	29,397	608	86,371	3,564	89,935

Funds were applied to:						
Purchase and construction of assets	42,145	29,397	(271)	71,271	3,763	75,034
Repayment of principal on loans	4,234			4,234	-	4,234
Transfers to Externally Restricted Cash	5,850			5,850		5,850
Transfers to Internally Restricted Cash	4,137		879	5,016	(200)	4,816
Funds Used	56,366	29,397	608	86,371	3,563	89,934
Increase/(Decrease) in Available Working Capital	-	-	-	-	1	1

* Includes Carried Forward Works revotes

Income & Expense- Sewer Fund Budget Review Statement for the quarter ended 31 March 2018

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

Income

Rates and Annual Charges	29,433			29,433	-	29,433	21,467
User Charges and Fees	1,437	2,132		3,569	-	3,569	2,647
Interest and Investment Revenue	2,296	1,713		4,009	-	4,009	1,918
Other Revenues	16			16	-	16	48
Grants & Contributions - Operating	491			491	-	491	502
Grants and Contributions - Capital				-		-	
- Contributions (S64/S94)	4,021			4,021	-	4,021	1,881
Net gain from the disposal of assets				-		-	
Total Income	37,694	3,845	-	41,539	-	41,539	28,463

Expense

Employee costs	6,908			6,908	-	6,908	5,389
Borrowing Costs	2,124	186		2,310	-	2,310	1,073
Materials & Contracts	9,666		227	9,893	(80)	9,813	2,884
Depreciation	10,112			10,112	-	10,112	7,584
Legal Costs				-	-	-	
Consultants	154			154	-	154	6
Other Expenses	2,673			2,673	-	2,673	1,479
Net Loss from Disposal of Assets				-		-	
Total Expenses	31,637	186	227	32,050	(80)	31,970	18,415

Net Operating Result

	6,057	3,659	(227)	9,489	80	9,569	10,048
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Net Operating Result before capital items

	2,036	3,659	(227)	5,468	80	5,548	8,167
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Funding Statement - Sewer Fund - Source & Application of Funds

Operating Result (Income Statement)	6,057	3,659	(227)	9,489	80	9,569
Add Back non-funded items:						
Depreciation	10,112	-	-	10,112	-	10,112
Add non-operating funding sources						
Transfers from Externally Restricted Cash	9,799	406	119	10,324	(841)	9,483
Transfers from Internally Restricted Cash		385	159	544	(588)	(44)
Proceeds from sale of assets				-	-	-
Loan Funds Utilised				-	-	-
Repayments from Deferred Debtors				-	-	-
Funds Available	25,968	4,450	51	30,469	(1,349)	29,120
Funds were applied to:						
Purchase and construction of assets	7,278	922	396	8,596	(2,105)	6,491
Repayment of principal on loans	2,772	-		2,772	-	2,772
Transfers to Externally Restricted Cash	15,918	-		15,918	-	15,918
Transfers to Internally Restricted Cash		3,528	(345)	3,183	757	3,940
Internal charges				-		-
Funds Used	25,968	4,450	51	30,469	(1,348)	29,121
Increase/(Decrease) in Available Working Capital	-	-	-	-	(1)	(1)

Income & Expense- Water Fund Budget Review Statement for the quarter ended 31 March 2018

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

Income

Rates and Annual Charges	5,497			5,497	-	5,497	4,290
User Charges and Fees	23,498			23,498	-	23,498	18,154
Interest and Investment Revenue	1,643	1,075		2,718	-	2,718	1,467
Other Revenues	300			300	-	300	280
Grants & Contributions - Operating	399			399	-	399	214
Grants and Contributions - Capital				-		-	
- Contributions (S64/S94)	8,234			8,234	-	8,234	3,481
Net gain from the disposal of assets				-		-	
Total Income	39,571	1,075	-	40,646	-	40,646	27,886

Expense

Employee costs	5,128			5,128	-	5,128	3,732
Borrowing Costs	4,347			4,347	-	4,347	2,192
Materials & Contracts	11,630	970	(828)	11,772	-	11,772	3,901
Depreciation	7,348			7,348	-	7,348	5,511
Legal Costs				-	-	-	26
Consultants	154			154	-	154	53
Other Expenses	1,408			1,408	-	1,408	916
Net Loss from Disposal of Assets				-		-	
Total Expenses	30,015	970	(828)	30,157	-	30,157	16,331

Net Operating Result	9,556	105	828	10,489	-	10,489	11,555
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Net Operating Result before capital items	1,322	105	828	2,255	-	2,255	8,074
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Funding Statement - Water Fund - Source & Application of Funds

Operating Result (Income Statement)	9,556	105	828	10,489	-	10,489
Add Back non-funded items:						
Depreciation	7,348	-	-	7,348	-	7,348
Add non-operating funding sources						
Transfers from Externally Restricted Cash	12,705	570		13,275	(1,079)	12,196
Transfers from Internally Restricted Cash		(83)	280	197	(358)	(161)
Proceeds from sale of assets				-		-
Loan Funds Utilised				-	-	-
Repayments from Deferred Debtors				-		-
Funds Available	29,609	592	1,108	31,309	(1,437)	29,872
Funds were applied to:						
Purchase and construction of assets	7,687	290	(214)	7,763	(1,634)	6,129
Repayment of principal on loans	1,447	-		1,447	-	1,447
Transfers to Externally Restricted Cash	20,475	-		20,475	-	20,475
Transfers to Internally Restricted Cash		302	1,322	1,624	197	1,821
Internal charges				-		-
Funds Used	29,609	592	1,108	31,309	(1,437)	29,872
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 2018 and should be read in conjunction with other documents in the QBRs.

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

Capital Funding **

Rates and other untied funding	30,207		2,089	32,296	215	32,511	15,502
Capital Grants & Contributions	4,226	3,505	(2,325)	5,406	3,759	9,165	4,370
Internal Restrictions (Reserves)	21,178	22,148	305	43,631	(1,820)	41,811	19,936
External Restrictions		237	(102)	135		135	64
- s64 & s94 funds	5,801	2,682	119	8,602	(1,919)	6,683	3,187
Other Capital Funding Sources					564	564	
- loans	1,976	2,037		4,013	(776)	3,237	1,543
Income from sale of assets							
- plant and equipment	2,174		(175)	1,999		1,999	953
- Land,Buildings,Furniture,Fittings							
Total Capital Funding	65,562	30,609	(89)	96,082	23	96,105	45,555

Capital ExpenditureNew Assets

- Plant and Equipment	78	93		171		171	432
- Land,Buildings,Furniture,Fittings	9,854	2,731		12,585	1,138	13,723	1,445
- Roads, Bridges, Footpaths	2,500	1,969	(2,602)	1,867		1,867	966
- Drainage							
- Water & Sewer Infrastructure	6,663	74	217	6,954	(2,026)	4,928	2,950
- Other	9,860	737		10,597	56	10,653	86
<u>Renewals</u> <u>(Replacement)</u>							
- Plant and Equipment	7,537		1,777	9,314	35	9,349	7,555
- Land,Buildings,Furniture,Fittings	100	1,779		1,879	2,454	4,333	2,262
- Roads, Bridges, Footpaths	10,982	9,377	250	20,609	(776)	19,833	10,801
- Drainage	436			436		436	34
- Water & Sewer Infrastructure	3,085	1,080	(318)	3,847	(531)	3,316	1,922
- Other		7,634		7,634	885	8,519	6,663
<u>Upgrades</u>							
- Plant and Equipment							
- Land,Buildings,Furniture,Fittings		154	230	384		384	56
- Roads, Bridges, Footpaths	2,064	4,194		6,258		6,258	3,267
- Drainage	950	426		1,376		1,376	1,288
- Water & Sewer Infrastructure	3,000	59	283	3,342	(1,182)	2,160	765
- Other		302	74	376	(30)	346	328
Loan Repayments (principal)	8,453			8,453		8,453	5,004
Total Capital Expenditure	65,562	30,609	(89)	96,082	23	96,105	45,824

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 2018 and should be read in conjunction with other documents in the QBRs.

* Note: Includes Carry over works

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

Cash and Investments Budget Review Statement for the quarter ended 31 March 2018

Original Budget (000's)	Previously approved			Recommended changes for Council Resolution (000's)	Projected year end result (000's)	Actual * YTD (000's)
	Sep Review (000's)	Dec Review (000's)	Revised Budget (000's)			
Unrestricted	10,240		10,240		10,240	9,982
Externally restricted						
RTA Contributions			0		0	
Developer contributions	39,608	(3,257)	36,351		36,351	39,914
Domestic waste management	7,662		7,662		7,662	8,000
Special Rates	240		240		240	264
Unexpended grants & contributions	5,626	(5,626)	0		0	5,000
Water Supplies	64,900	(185)	64,715		64,715	63,000
Sewerage Services	91,069	2,738	93,807		93,807	88,000
Other	23,301		23,301		23,301	20,000
Total Externally restricted	232,406	(6,330)	226,076	0	226,076	224,178
Internally restricted						
Employee Leave entitlements	8,274		8,274		8,274	8,274
Unexpended untied grants	3,779	(3,779)	0		0	3,000
Unexpended loans	3,760	(2,710)	1,050		1,050	3,000
7 Year Plan	2,528	(2,392)	136		136	2,500
Works Carried Forward	8,274	(6,464)	1,810		1,810	8,000
Replacement of Plant and Vehicles	2,723		2,723		2,723	2,500
Tip improvements	5,857		5,857		5,857	6,000
Asset renewals	31,038	(10,983)	19,311		19,311	31,000
Other	13,533	(12,312)	1,110		1,110	13,000
Total Internally restricted	79,766	(38,640)	40,271	0	40,271	77,274
Total Restricted	312,172	(44,970)	266,347	0	266,347	301,452
Total cash and investments	322,412	(44,970)	276,587	0	276,587	311,434
Available cash	10,240	0	10,240	0	10,240	9,982

* 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	301,452
Total invested funds as per March Investment Report	310,262
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	311,434
Cash on hand and at bank	1,172
Investments	<u>310,262</u>
	311,434

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 2018 and should be read in conjunction with other documents in the QBRS.

Key Performance Indicators Budget Review Statement for the quarter ended 31 March 2018

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>63,299</u>	2.2:1
Current liabilities	28,713	
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)	
<u>Debt Service Cost</u>	<u>11,129</u>	8.31%
Selected operating income	133,963	

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 2018 and should be read in conjunction with other documents in the QBRS.

Budget Review Contracts and Other Expenses for the quarter ended 31 March 2018**PART A-Contracts Listing**

Contractor	Contract Title	Contract Value \$	Award Date	Duration of Contract	Budgeted (Y/N)
East Coast Asphalt and Concrete Edging Pty Ltd	RFO2017185 - Supply, Place and Supply, Place and Compact Asphaltic Concrete AC10M at Terranora Road, Terranora	\$49,547.00	19-Jan-18	4 Weeks	Y
Workshop Solutions Pty Ltd	RFO2017163 - Supply and Installation of an In Ground Multi-Function Weighbridge and Brake Tester - P898001	\$52,900.00	23-Jan-18	Supply	Y
East Coast Asphalt and Concrete Edging Pty Ltd	RFO2017158 - Asphalt Resurfacing Marine Parade Kingscliff	\$242,493.64	06-Feb-18	4 Weeks	Y
Stabilised Pavement of Australia Pty Ltd	RFO2017179 - Tweed Shire Council Road Pavement Stabilisation Program 2017/2018	\$700,438.75	19-Feb-18	2 years	Y
East Coast Asphalt and Concrete Edging Pty Ltd	RFO2017199 - Tweed Shire Council Road Rehabilitation Program 2017/2018 Asphalt Work	\$722,530.45	19-Feb-18	2 Years	Y
Australian Marine and Civil Pty Ltd	RFO2017187 - Major Flod Repair Work - Landslips by Soil Nails or Other	\$606,136.36	20-Feb-18	28 Weeks	Y
Eco Logical Australia Pty Ltd	RFO2017182 - Environmental Flows Assessment - Raising of Clarrie Hall Dam	\$124,510.00	26-Feb-18	30 Weeks	Y
Hunter Valley Signs Pty Ltd t/as Hi-Vis Group	RFO2017186 - Supply and Install 4x Vehicle Activated (Solar) Curve Warnings Signs	\$66,485.45	28-Feb-18	Supply	Y
Australian Marine and Civil Pty Ltd	RFO2017191 - Major Flood Repair Work - Various Bridge and Culvert Related Works Bundle 2	\$637,818.18	01-Mar-18	20 Weeks	Y
Safegroup Automation Pty Ltd	RFO2017162 - Bray Park Water Treatment Plan Upgrade to Clear SCADA 2017	\$128,092.27	01-Mar-18	16 Weeks	Y
AssetVal Pty Ltd	RFO2017177 - Operational Land and Building Asset Valuation	\$58,000.00	02-Mar-18	4 Months	Y
East Coast Asphalt and Concrete Edging Pty Ltd	RFO2017174 - Wollumbin and Brisbane Street Pavement Rehabilitation	\$1,342,290.59	22-Mar-18	8 Weeks	Y
Roman Contractors Pty Ltd	RFO2018002 - Major Flood Repair Work - Landslip Repairs Bundle 6	\$665,390.91	22-Mar-18	20 Weeks	Y

PART B - Consultancy and Legal expenses

Expense	Expenditure YTD \$	Budgeted (Y/N)
Consultancies	272,694	Y
Legal expenses	1,009,468	Y

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 2018 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 2018 indicates that Council's projected financial position at 30 June 2018 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 30 April 2018

“Responsible Accounting Officer”

**Executive Manager Finance, Revenue and Information Technology
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.
