

## Replacement Report

### REPORTS FROM THE DIRECTOR CORPORATE SERVICES

#### 21 [CS-CM] Quarterly Budget Review - September 2016

**SUBMITTED BY:** Financial Services

Validms



### Civic Leadership

#### LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK:

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

#### SUMMARY OF REPORT:

This is the first 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, clauses 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 30 September 2016 be adopted.
2. Expenditure and income, as summarised below and detailed within the report, be voted and adjusted in accordance with the revised total expenditure and income for the year ending 30 June 2017.

Description	Change to Vote	
	Deficit	Surplus
General Fund		
<u>Expenses</u>		
Employee costs	274,450	0
Materials & Contracts	0	1,609,538
Interest	0	0
Other Operating costs	0	0

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Description	Change to Vote	
Capital	24,586,089	0
Loan Repayments	0	0
Transfers to Reserves	18,700	0
	24,879,239	1,609,538
<b><u>Income</u></b>		
Rates and Annual Charges	0	0
Interest revenue	0	0
Operating Grants & Conts	0	488,758
Capital Grants & Conts	0	10,810,600
User Charges & Fees	0	125,036
Other Operating Revenue	0	138,055
Loan Funds	0	180,000
Recoupments	0	2,929,665
Transfers from Reserves	0	8,597,587
Asset Sales	0	0
	0	23,269,701
<b>Net Surplus/(Deficit)</b>		<b>0</b>
	<b>Deficit</b>	<b>Surplus</b>
<b>Sewer Fund</b>		
<b><u>Expenses</u></b>		
Employee costs	0	0
Materials & Contracts	0	0
Interest	0	0
Other Operating costs	0	0
Capital	2,133,387	0
Loan Repayments	0	0
Transfers to Reserves	222,630	0
	2,356,017	0
<b><u>Income</u></b>		
Rates and Annual Charges	0	0
Interest revenue	0	423,186
Operating Grants & Conts	0	0
Capital Grants & Conts	0	513,376
User Charges & Fees	0	0
Other Operating Revenue	0	0
Loan Funds	0	0
Recoupments	0	1,071,698
Transfers from Reserves	0	347,757
Asset Sales	0	0
	0	2,356,017
<b>Net Surplus/(Deficit)</b>		<b>0</b>
<b>Water Fund</b>		
<b><u>Expenses</u></b>		
Employee costs	0	0
Materials & Contracts	0	0

## Replacement Report

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Description	Change to Vote	
Interest	0	0
Other Operating costs	0	0
Capital	283,500	0
Loan Repayments	0	0
Transfers to Reserves	0	128,335
	283,500	128,335
 <b>Income</b>		
Rates and Annual Charges	0	0
Interest revenue	0	309,000
Operating Grants & Conts	0	0
Capital Grants & Conts	0	0
User Charges & Fees	0	95,985
Other Operating Revenue	0	0
Loan Funds	0	0
Recoupments	52,500	0
Transfers from Reserves	197,320	0
Asset Sales	0	0
	249,820	404,985
 <b>Net Surplus/(Deficit)</b>		<b>0</b>

## Replacement Report

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### REPORT:

#### **Budget Review 30 September 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)

## Replacement Report

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

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

Description	\$	\$
	<b>Net Effect on 2016/2017 Budget</b>	<b>Net Effect on LTFP</b>
<b>General Fund</b>		
Emergency Services Contributions	8,777	8,777
Flying Foxes	35,000	0
Financial Assistance Grant	-432,773	0
Software Maintenance	13,200	13,200
Statecover WHS performance rebate	-125,000	0
Building Control/Swimming Pool compliance	174,000	174,000
Kingscliff Foreshore Management Plan	199,796	0
Heritage projects	7,000	7,000
Election expenses	100,000	
The Anchorage Boardwalk	20,000	
	<b>0</b>	<b>202,977</b>

### Detailed list of changes

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
<b>1. Proposed Variations</b>						
<b>General</b>						
Ex	1	Ex-OpEmp	Development Engineering technical officer		<b>86,150</b>	Increased demand for water & sewer inspections
Ex	1	Ex-Op	Development Engineering vehicle expenses		<b>15,240</b>	Additional vehicle associated with above
In	1	In-Operating	Inspection fees	-54,357	<b>-50,000</b>	Additional fees associated with above
Ex	1	Ex-Op	Internal charges to Water & Sewer	-474,985	<b>-51,390</b>	Funding for above
Ex	2	Ex-Op	Fire and Rescue NSW Contribution	394,962	<b>-13,360</b>	Contribution advice received
Ex	2	Ex-Op	Rural Fire Services Contribution	238,642	<b>-1,265</b>	Contribution advice received
Ex	2	Ex-Op	State Emergency Services Contribution	143,754	<b>23,402</b>	Contribution advice received
Ex	3	Ex-Op	Flying foxes	0	<b>35,000</b>	Council resolution 21 July 2016
In	4	In-OG&C	FAG - General	-6,840,245	<b>-432,773</b>	Grant advice received.
In	4	In-OG&C	FAG - Roads	-2,643,800	<b>-12,685</b>	Grant advice received.
Ex	4	Ex-Op	FAG grant maintenance	2,643,800	12,685	Allocation of above
In	5	In-OG&C	Regional roads block grant	-1,977,836	76,836	Grant advice received.

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In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
Ex	5	Ex-Op	Regional roads maintenance	1,977,836	-76,836	Reduce expenditure to match above
Ex	6	Ex-Capital	Fraser Drive Cycleway		440,000	Vintage Lakes Drive to Dry Dock Road
In	6	In-CG&C	RMS grant		-220,000	Funding for above
In	6	In-Recoup	Contribution Plan 22 - Cycleways		-220,000	Funding for above
Ex	7	Ex-Op	Software maintenance	1,109,073	13,200	Scout e-recruitment
Ex	8	Ex-Op	Tweed Road Development Strategy		180,000	Update strategy
In	8	In-Recoup	Contribution Plan 4 - Roads Depot improvements		-180,000	Funding for above
Ex	9	Ex-Capital	Murwillumbah		80,000	Solar power installation
In	9	In-TFR	Transfer from Plant Operations Reserve		-80,000	Funding for above
Ex	10	Ex-Op	Rous River Riparian Restoration		201,550	Environmental Trust project
In	10	In-OG&C	Environmental Trust grant		-100,000	Funding for above
Ex	10	In-TFR	Catchment Water Quality Reserve		-101,550	Funding for above
Ex	11	Ex-Capital	Condong Boat Ramp & Toilet		357,000	NSW Boating Now Program
Ex	11	Ex-Capital	Byangum Canoe Launch Facility		55,000	NSW Boating Now Program
Ex	11	Ex-Capital	Budd Park Pontoon		50,000	NSW Boating Now Program
Ex	11	Ex-Capital	Commercial Road Boat Ramp		80,000	NSW Boating Now Program
Ex	11	Ex-Capital	Fingal Boat Harbour Pontoon		50,000	NSW Boating Now Program
Ex	11	Ex-Capital	Kennedy Drive Boat Ramp		71,500	NSW Boating Now Program
Ex	11	Ex-Capital	Carpark		60,500	NSW Boating Now Program
Ex	11	Ex-Capital	Chinderah Boat Ramp		70,000	NSW Boating Now Program
In	11	In-CG&C	Tumbulgum Pontoon Construction		-659,000	Funding for above
Ex	11	Ex-Op	Transport NSW grant		-135,000	Funding for above
Ex	11	Ex-Op	Lower Tweed Management Plan	346,165	-135,000	Funding for above
Ex	12	Ex-Op	Art Gallery expenses	594,771	13,055	Building maintenance
In	12	In-OpOther	Art & Culture miscellaneous funding		-13,055	Funding for above
In	13	In-OpOther	Mutual Performance Rebate Distribution		-125,000	Funding for above
Ex	14	Ex-Capital	Statecover		280,000	341 Tweed Valley Way
In	14	In-Loan	Land purchase		-180,000	Funding for above
In	14	In-TFR	Unexpended loans		-100,000	Funding for above
Ex	15	Ex-Capital	Asset Management Reserve		100,000	Public toilet
Ex	15	Ex-Capital	Knox Park		-100,000	Funding for above
Ex	15	Ex-Capital	Public Toilets capital		23,000	Correction of original budget
Ex	16	Ex-OpEmp	Building Control Salaries	1,414,331	23,000	Correction of original budget
Ex	16	Ex-OpEmp	Swimming Pool Compliance salaries	0	151,000	Omitted from original budget
Ex	17	Ex-Capital	Korns Bridge Crystal Creek		115,000	Bridge replacement initial works
In	17	In-CG&C	RMS grant		-115,000	Funding for above
Ex	18	Ex-Capital	s94 Broadwater Parkway		1,100,000	Purchase of land & building
In	18	In-Recoup	Contribution Plan 4 - Roads		-1,100,000	Funding for above
Ex	19	Ex-Capital	Pottsville Tennis Court		27,000	Lighting & switchboard upgrade
Ex	19	Ex-Op	Active Recreation asset maintenance program	319,416	-10,000	Funding for above
In	19	In-Recoup	Contribution Plan 5 - Open Space		-17,000	Funding for above
Ex	20	Ex-OpEmp	Waste salaries	442,893	14,300	Re-allocation
Ex	20	Ex-TTR	Waste reserves and funding	1,136,694	-14,300	Funding for above
Ex	21	Ex-Op	Tweed Coastal Zone	52,539	-18,000	Reallocate funding to project

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In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
			Management			below
Ex	21	Ex-Op	Protect Threatened Fauna on Fingal Peninsular Kingscliff Foreshore		18,000	Funding for above
Ex	22	Ex-Capital	Management Plan		8,818,100	Foreshore protection
Ex	22	Ex-Op	Coastal Management Plan implementation		-1,774,567	Funding for above
In	22	In-TFR	Seven Year Plan reserve		-265,837	Funding for above
In	22	In-CG&C	Grant Kingscliff Foreshore		-6,577,900	Funding for above
Ex	23	Ex-Capital	Management Plan		204,300	Cycleway
In	23	In-TFR	Seven Year Plan reserve Kingscliff Foreshore		-204,300	Funding for above
Ex	24	Ex-Capital	Management Plan		4,150,700	Kingscliff Central Park
In	24	In-CG&C	Grant		-3,150,700	Funding for above
In	24	In-Recoup	Contribution Plan 26 - Shirewide Open Space Kingscliff Foreshore		-1,000,000	Funding for above
Ex	25	Ex-Capital	Management Plan		203,900	Kingscliff car parking
In	25	In-Recoup	Contribution Plan 23 - Carparking Kingscliff Foreshore		-203,900	Funding for above
Ex	26	Ex-Capital	Management Plan		212,500	Kingscliff amenities hall upgrade
In	26	In-CG&C	Grant		-88,000	Funding for above
Ex	26	Ex-Op	Amenities Hall Kingscliff Kingscliff Foreshore	206,314	-124,500	Funding for above
Ex	27	Ex-Capital	Management Plan		93,000	Lions park Furniture Upgrade
Ex	27	Ex-Op	Passive Recreation Asset Maintenance Program	79,620	-79,620	Funding for above
Ex	27	Ex-Op	Amenities Hall Kingscliff Kingscliff Foreshore	206,314	-13,380	
Ex	28	Ex-Capital	Management Plan		7,525,900	Kingscliff holiday park upgrade
In	28	In-TFR	Tweed Coast Holiday Parks		-7,525,900	Funding for above
Ex	29	Ex-Capital	Library upgrade	1,921,600	528,765	Council resolution 21 July 2016
In	29	In-Recoup	S94 CP 11 Libraries		-208,765	Funding for above
In	29	In-TFR	Community Facilities Reserve		-320,000	Funding for above
Ex	30	Ex-Op	Rowing club building	4,398	-4,398	Not required
Ex	30	Ex-Op	Sportsfield asset management Pottsville Environment Park	385,294	4,398	Transfer from above
Ex	31	Ex-Op	Building Pottsville Environment Park	63,239	-33,770	Rationalise budget
Ex	32	Ex-Op	maintenance		33,770	Rationalise budget Increased costs due to Constitutional Referendum and rescheduled election
Ex	33	Ex-Op	Election expenses	475,000	100,000	Transfer to Community Sponsorship
Ex	34	Ex-OpOther	Life Education	6,365	-6,365	Transfer from Life Education
Ex	34	Ex-OpOther	Community Sponsorship	32,382	6,365	Transfer to Community Engagement
Ex	35	Ex-Op	Communications	28,644	-28,644	Transfer from Communications
Ex	35	Ex-Op	Community Engagement	0	28,644	Investigation
Ex	36	Ex-Op	Anchorage Boardwalk Community Buildings	0	20,000	
Ex	37	Ex-Op	Maintenance	108,318	-33,000	Transfer to sinking fund
Ex	37	Ex-TTR	Community Buildings Funding		33,000	Transfer from Community Buildings Maintenance
In	38	In-Operating	Artist in Residence Fees Artist in Residence		-3,000	Income received
Ex	38	Ex-Op	Exhibitions/Programs	3,104	3,000	Exhibitions
Ex	39	Ex-Op	Aboriginal Network		58,500	Expenditure

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In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
			Conference			
In	39	In-Operating	Aboriginal Network Conference		-58,500	Income
Ex	40	Ex-Op	Noxious Weeds	181,452	10,000	Bitou Bush program
In	40	In-OG&C	NSW DPI Bitou Bush control		-10,000	DPI Grant Received
Ex	41	Ex-Op	Food Forum	12,000	17,172	Expenditure
In	41	In-OG&C	Food Forum		-3,636	Contributions
In	41	In-Operating	Food Forum		-13,536	Registration Fees
					<b>-7,000</b>	
			<b>Sewer Fund</b>			
In	42	Ex-Op	Operations			
Ex	42	Ex-Dep	Depreciation		-294,255	Revised estimates
Ex	42	Ex-Deprev	Depreciation reversal		294,255	Adjustment for non-cash items
Ex	42	Ex-Capital	Various Capital Works		2,133,387	New and carried forward projects
In	42	In-CG&C	Developer Contributions		-513,376	Revised estimates
Ex	42	Ex-TTR	Developer Contributions reversal		513,376	Transfer to restricted assets
In	42	In-Interest	Interest		-423,186	Revised estimates
Ex	42	Ex-TTR	Transfers to Asset Replacement Res.		-290,746	Funding adjustment
In	42	In-Recoup	Transfers from Capital Contributions Res.		-1,071,698	Funding adjustment
In	42	In-TFR	Transfers from Asset Replacement Res.		-347,757	Funding adjustment
					<b>0</b>	
			<b>Water Fund</b>			
In	43	Ex-Op	Operations			
Ex	43	Ex-Dep	Depreciation		-187,150	Revised estimates
Ex	43	Ex-Deprev	Depreciation reversal		187,150	Adjustment for non-cash items
Ex	43	Ex-Capital	Various Capital Works		283,500	New and carried forward projects
In	43	In-Interest	Interest		-309,000	Revised estimates
In	43	In-Operating	Water sales		-95,985	Revised estimates water sales
Ex	43	Ex-TTR	Transfers to Asset Replacement Res.		-128,335	Funding adjustment
In	43	In-Recoup	Transfers from Capital Contributions Res.		52,500	Funding adjustment
In	43	In-TFR	Transfers from Asset Replacement Res.		197,320	Funding adjustment
					<b>0</b>	
			<b>2. Variations Arising from Council Resolutions</b>			
Ex	44	Ex-Op	Heritage Advisor		11,000	Council commitment to Heritage programs
Ex	44	Ex-Op	Heritage Fund		-7,000	Grant funding for above
Ex	45	Ex-Op	Heritage Establishment Fund		9,500	Additional funding above grant funding below
In	45	In-OG&C	Grant funding		-6,500	Grant funding for above
Ex	46	Ex-Op	Community Safety	12,924	-12,924	Council meeting 21 April 2016
Ex	46	Ex-Capital	Les Burger Field Informal Youth Space		12,924	Council meeting 21 April 2016
Ex	47	Ex-Capital	Rail Trail Stage 1	207,898	-207,898	Council meeting 18 August 2016
Ex	47	Ex-Capital	Rail Trail Project Development		207,898	Council meeting 18 August 2016
Ex	48	Ex-Op	Art Gallery Marketing	35,273	4,620	Council meeting 21 July 2016
Ex	48	Ex-Op	Festivals Policy Funding	68,647	-4,620	Council meeting 21 July 2016
					<b>7,000</b>	



## Replacement Report

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
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**Summary of Votes by Type**

2016/17 Variations	-7,000
Council Resolutions	7,000
	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 Repts	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-Operating	User charges & fees
In-OpOther	Other operating income
In-Loan	Loan funds
In-Recoup	Recoupment from s64 & s94 funds
In-TFR	Transfers from reserves
In-Sales	Proceeds from sale of assets

Expenses

Employee costs	274,450
Materials & Contracts	-1,609,538
Interest	0
Other Operating costs	0
Capital	27,002,976
Loan Repayments	0
Transfers to Reserves	112,995
	25,780,883

Income

Rates and Annual Charges	0
Interest revenue	-732,186
Operating Grants & Conts	-488,758
Capital Grants & Conts	-11,323,976
User Charges & Fees	-221,021
Other Operating Revenue	-138,055
Loan Funds	-180,000
Recoupments	-3,948,863
Transfers from Reserves	-8,748,024
Asset Sales	0
	-25,780,883

Net	0
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## Replacement Report

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In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
			<b>Summary of Votes - by Division</b>			
			Corporate Services		<b>-449,193</b>	
			Planning & Regulation		<b>224,777</b>	
			Community & Natural Resources		<b>224,416</b>	
			Engineering		<b>0</b>	
			General Manager		<b>0</b>	
					<hr/>	
					<b>0</b>	

### 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”.

## Replacement Report

## Quarterly Budget Review Statements

## Income and Expense - Consolidated Budget Review Statement for the quarter ended 30 September 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)			
<b>Income</b>							
Rates and Annual Charges	103,615	-	-	103,615	-	103,615	26,358
User Charges and Fees	44,047	-	-	44,047	221	44,268	11,596
Interest and Investment Revenue	9,922	-	-	9,922	732	10,654	3,242
Other Revenues	1,986	-	-	1,986	138	2,124	675
Grants & Contributions - Operating	20,358	-	-	20,358	489	20,847	4,450
Grants and Contributions - Capital	3,759	-	-	3,759	10,811	14,570	1,549
- Contributions (S94)	11,609	-	-	11,609	513	12,122	3,178
Net gain from the disposal of assets	-	-	-	-	-	-	-
<b>Total Income</b>	<b>195,296</b>	<b>-</b>	<b>-</b>	<b>195,296</b>	<b>12,904</b>	<b>208,200</b>	<b>51,048</b>
<b>Expense</b>							
Employee costs	57,662	446	-	58,108	274	58,382	13,207
Borrowing Costs	12,550	-	-	12,550	-	12,550	3,138
Materials & Contracts	47,497	15,703	-	63,200	(1,608)	61,592	8,853
Depreciation	43,227	-	-	43,227	-	43,227	10,807
Legal Costs	460	-	-	460	-	460	116
Consultants	568	-	-	568	-	568	65
Other Expenses	15,611	-	-	15,611	-	15,611	3,051
Net Loss from Disposal of Assets	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>177,575</b>	<b>16,149</b>	<b>-</b>	<b>193,724</b>	<b>(1,334)</b>	<b>192,390</b>	<b>39,237</b>
<b>Net Operating Result</b>	<b>17,721</b>	<b>(16,149)</b>	<b>-</b>	<b>1,572</b>	<b>14,238</b>	<b>15,810</b>	<b>11,811</b>
<b>Net Operating Result before capital items</b>	<b>2,353</b>	<b>(16,149)</b>	<b>-</b>	<b>(13,796)</b>	<b>2,914</b>	<b>(10,882)</b>	<b>7,084</b>

## Replacement Report

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

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

Operating Result (Income Statement)	17,721	(16,149)	-	1,572	14,238	15,810
<b>Add Back non-funded items:</b>						
Depreciation	43,227	-	-	43,227	-	43,227
		-	-	-	-	-
<b>Add non-operating funding sources</b>						
Transfers from Externally Restricted Cash	18,103	1,181	-	19,284	11,475	30,759
Transfers from Internally Restricted Cash	9,257	24,739	-	33,996	1,223	35,219
Proceeds from sale of assets	1,457	-	-	1,457	-	1,457
Loan Funds Utilised	1,976	6,321	-	8,297	180	8,477
Repayments from Deferred Debtors	-	-	-	-	-	-
<b>Funds Available</b>	<b>91,741</b>	<b>16,092</b>	<b>-</b>	<b>107,833</b>	<b>27,116</b>	<b>134,949</b>
<b>Funds were applied to:</b>						
Purchase and construction of assets	40,875	16,092	-	56,967	27,002	83,969
Repayment of principal on loans	8,047	-	-	8,047	-	8,047
Transfers to Externally Restricted Cash	12,386	-	-	12,386	-	12,386
Transfers to Internally Restricted Cash	30,433	-	-	30,433	114	30,547
<b>Funds Used</b>	<b>91,741</b>	<b>16,092</b>	<b>-</b>	<b>107,833</b>	<b>27,116</b>	<b>134,949</b>
<b>Increase/(Decrease) in Available Working Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Includes Carried Forward Works revotes

## Replacement Report

## Income and Expense- General Fund Budget Review Statement for the quarter ended 30 September 2016

Original Budget (000's)				Recommended changes for Council Resolution (000's)	Projected year end result (000's)
	Sep Review (000's) *	Dec Review (000's)	Revised Budget (000's)		
<b>Income</b>					
Rates and Annual Charges	69,860		69,860		69,860
User Charges and Fees	20,042		20,042	125	20,167
Interest and Investment Revenue	4,178		4,178	-	4,178
Other Revenues	1,693		1,693	138	1,831
Grants & Contributions - Operating	19,506		19,506	489	19,995
Grants and Contributions - Capital	3,759		3,759	10,811	14,570
- Contributions (S64/S94)	1,792		1,792		1,792
Net gain from the disposal of assets			-		-
<b>Total Income</b>	120,830	-	120,830	11,563	132,393

**Expense**

Employee costs	42,172	446	42,618	274	42,892
Borrowing Costs	5,894		5,894	-	5,894
Materials & Contracts	30,216	15,703	45,919	(1,608)	44,311
Depreciation	25,629		25,629		25,629
Legal Costs	460		460		460
Consultants	268		268		268
Other Expenses	11,663		11,663	-	11,663
Net Loss from Disposal of Assets			-		-
<b>Total Expenses</b>	116,302	16,149	132,451	(1,334)	131,117

**Net Operating Result**

	4,528	(16,149)	-	(11,621)	12,897	1,276
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**Net Operating Result before capital items**

	(1,023)	(16,149)	-	(17,172)	2,086	(15,086)
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**Funding Statement - General Fund - Source & Application of Funds**

Operating Result (Income Statement)	4,528	(16,149)	-	(11,621)	12,897	1,276
<b>Add Back non-funded items:</b>						
Depreciation	25,629			25,629	-	25,629

## Replacement Report

	Original Budget (000's)				Recommended changes for Council Resolution (000's)	Projected year end result (000's)
		Sep Review (000's) *	Dec Review (000's)	Revised Budget (000's)		
<b>Add non-operating funding sources</b>						
Transfers from Externally Restricted Cash	2,819	1,181		4,000	10,456	14,456
Transfers from Internally Restricted Cash	375	24,739		25,114	1,072	26,186
Proceeds from sale of assets	1,457			1,457	-	1,457
Loan Funds Utilised	1,976	6,321		8,297	180	8,477
Internal charges				-		-
Repayments from Deferred Debtors				-		-
<b>Funds Available</b>	36,784	16,092	-	52,876	24,605	77,481
<b>Funds were applied to:</b>						
Purchase and construction of assets	24,797	16,092		40,889	24,586	65,475
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			5,406	19	5,425
<b>Funds Used</b>	36,784	16,092	-	52,876	24,605	77,481
<b>Increase/(Decrease) in Available Working Capital</b>	-	-	-	-	-	-

\* Includes Carried Forward Works revotes

## Replacement Report

## Income and Expense- Sewer Fund Budget Review Statement for the quarter ended 30 September 2016

	Original Budget (000's)				Recommended changes for Council Resolution (000's)	Projected year end result (000's)
		Sep Review (000's)	Dec Review (000's)	Revised Budget (000's)		
<b>Income</b>						
Rates and Annual Charges	28,437			28,437	-	28,437
User Charges and Fees	1,387			1,387	-	1,387
Interest and Investment Revenue	3,510			3,510	423	3,933
Other Revenues	16			16	-	16
Grants & Contributions - Operating	463			463	-	463
Grants and Contributions - Capital	-			-	-	-
- Contributions (S64/S94)	2,869			2,869	513	3,382
Net gain from the disposal of assets				-		-
<b>Total Income</b>	<b>36,682</b>	<b>-</b>	<b>-</b>	<b>36,682</b>	<b>936</b>	<b>37,618</b>
<b>Expense</b>						
Employee costs	9,101			9,101	-	9,101
Borrowing Costs	2,211			2,211	-	2,211
Materials & Contracts	7,619			7,619	-	7,619
Depreciation	10,183			10,183	-	10,183
Legal Costs	-			-	-	-
Consultants	150			150	-	150
Other Expenses	2,586			2,586	-	2,586
Net Loss from Disposal of Assets				-		-
<b>Total Expenses</b>	<b>31,850</b>	<b>-</b>	<b>-</b>	<b>31,850</b>	<b>-</b>	<b>31,850</b>
<b>Net Operating Result</b>	<b>4,832</b>	<b>-</b>	<b>-</b>	<b>4,832</b>	<b>936</b>	<b>5,768</b>
<b>Net Operating Result before capital items</b>	<b>1,963</b>	<b>-</b>	<b>-</b>	<b>1,963</b>	<b>423</b>	<b>2,386</b>

## Replacement Report

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

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

Operating Result (Income Statement)	4,832	-	-	4,832	936	5,768
<b>Add Back non-funded items:</b>						
Depreciation	10,183	-	-	10,183	-	10,183
<b>Add non-operating funding sources</b>						
Transfers from Externally Restricted Cash	4,765			4,765	1,072	5,837
Transfers from Internally Restricted Cash	5,125			5,125	348	5,473
Proceeds from sale of assets				-	-	-
Loan Funds Utilised				-	-	-
Repayments from Deferred Debtors				-		-
<b>Funds Available</b>	24,905	-	-	24,905	2,356	27,261
<b>Funds were applied to:</b>						
Purchase and construction of assets	6,950			6,950	2,133	9,083
Repayment of principal on loans	2,686			2,686	-	2,686
Transfers to Externally Restricted Cash	2,869			2,869	-	2,869
Transfers to Internally Restricted Cash	12,400			12,400	223	12,623
Internal charges				-		-
<b>Funds Used</b>	24,905	-	-	24,905	2,356	27,261
<b>Increase/(Decrease) in Available Working Capital</b>	-	-	-	-	-	-



## Replacement Report

## Income and Expense- Water Fund Budget Review Statement for the quarter ended 30 September 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)			
<b>Income</b>						
Rates and Annual Charges	5,318		5,318	-	5,318	1,363
User Charges and Fees	22,618		22,618	96	22,714	5,450
Interest and Investment Revenue	2,234		2,234	309	2,543	749
Other Revenues	277		277	-	277	120
Grants & Contributions - Operating	389		389	-	389	
Grants and Contributions - Capital	-		-	-	-	1,549
- Contributions (S64/S94)	6,948		6,948	-	6,948	
Net gain from the disposal of assets			-		-	
<b>Total Income</b>	<b>37,784</b>	<b>-</b>	<b>37,784</b>	<b>405</b>	<b>38,189</b>	<b>9,231</b>
<b>Expense</b>						
Employee costs	6,389		6,389	-	6,389	1,200
Borrowing Costs	4,445		4,445	-	4,445	1,111
Materials & Contracts	9,662		9,662	-	9,662	1,023
Depreciation	7,415		7,415	-	7,415	1,854
Legal Costs	-		-	-	-	-
Consultants	150		150	-	150	1
Other Expenses	1,362		1,362	-	1,362	190
Net Loss from Disposal of Assets			-		-	
<b>Total Expenses</b>	<b>29,423</b>	<b>-</b>	<b>29,423</b>	<b>-</b>	<b>29,423</b>	<b>5,379</b>
<b>Net Operating Result</b>	<b>8,361</b>	<b>-</b>	<b>8,361</b>	<b>405</b>	<b>8,766</b>	<b>3,852</b>
<b>Net Operating Result before capital items</b>	<b>1,413</b>	<b>-</b>	<b>1,413</b>	<b>405</b>	<b>1,818</b>	<b>2,303</b>

## Replacement Report

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)	8,361	-	-	8,361	405	8,766
<b>Add Back non-funded items:</b>						
Depreciation	7,415	-	-	7,415	-	7,415
<b>Add non-operating funding sources</b>						
Transfers from Externally Restricted Cash	10,519			10,519	(53)	10,466
Transfers from Internally Restricted Cash	3,757			3,757	(197)	3,560
Proceeds from sale of assets				-		-
Loan Funds Utilised				-	-	-
Repayments from Deferred Debtors				-		-
<b>Funds Available</b>	<b>30,052</b>	<b>-</b>	<b>-</b>	<b>30,052</b>	<b>155</b>	<b>30,207</b>
<b>Funds were applied to:</b>						
Purchase and construction of assets	9,128			9,128	283	9,411
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			12,627	(128)	12,499
Internal charges				-		-
<b>Funds Used</b>	<b>30,052</b>	<b>-</b>	<b>-</b>	<b>30,052</b>	<b>155</b>	<b>30,207</b>
<b>Increase/(Decrease) in Available Working Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 2016 and should be read in conjunction with other documents in the QBRS.

## Replacement Report

## Capital Budget Review Statement - Consolidated - for the quarter ended 30 September 2016

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

**Capital Funding \*\***

Rates and other untied funding	21,316		21,316	3,174	24,490	3,114
Capital Grants & Contributions	8,368	6,355	14,723	11,324	26,047	3,312
Internal Restrictions (Reserves)		5,698	5,698	850	6,548	833
External Restrictions	5,678		5,678	7,526	13,204	1,679
- s64 & s94 funds	10,127	417	10,544	3,949	14,493	1,843
Other Capital Funding Sources						
- loans	1,976	3,622	5,598	180	5,778	735
Income from sale of assets						
- plant and equipment	1,457		1,457		1,457	185
- Land,Buildings,Furniture,Fittings						
<b>Total Capital Funding</b>	<b>48,922</b>	<b>16,092</b>	<b>65,014</b>	<b>27,003</b>	<b>92,017</b>	<b>11,701</b>

**Capital Expenditure**New Assets

- Plant and Equipment	4		4		4	6
- Land,Buildings,Furniture,Fittings	2,142	2,702	4,844	1,460	6,304	499
- Roads, Bridges, Footpaths		592	592	644	1,236	435
- Drainage						
- Water & Sewer Infrastructure	6,377		6,377	1,827	8,204	527
- Other		694	694	9,612	10,306	42

Renewals (Replacement)

- Plant and Equipment	4,578		4,578		4,578	934
- Land,Buildings,Furniture,Fittings	2,022	384	2,406		2,406	308
- Roads, Bridges, Footpaths	11,400	5,043	16,443	115	16,558	2,425
- Drainage	450		450		450	
- Water & Sewer Infrastructure	2,499		2,499	1,158	3,657	686
- Other						196

Upgrades

- Plant and Equipment						
- Land,Buildings,Furniture,Fittings				754	754	36
- Roads, Bridges, Footpaths	5,693	5,506	11,199	204	11,403	2,449
- Drainage	650	1,171	1,821		1,821	635
- Water & Sewer Infrastructure	5,060		5,060	(568)	4,492	273
- Other				11,797	11,797	20
Loan Repayments (principal)	8,047		8,047		8,047	2,231
<b>Total Capital Expenditure</b>	<b>48,922</b>	<b>16,092</b>	<b>65,014</b>	<b>27,003</b>	<b>92,017</b>	<b>11,702</b>

## Replacement Report

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 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 30 September 2016

	Original Budget			Recommended changes for Council Resolution	Projected year end result	Actual * YTD
	(000's)	Sep Review (000's)	Dec Review (000's)			
<b>Unrestricted</b>	5,974			5,974	5,974	9,451
<b>Externally restricted</b>						
RTA Contributions	0			0	0	0
Developer contributions	31,046			31,046	31,046	34,140
Domestic waste management	14,912			14,912	14,912	14,912
Special Rates	214			214	214	214
Special purpose grants	4,846			4,846	4,846	4,846
Water Supplies	43,616			43,616	43,616	48,480
Sewerage Services	69,816			69,816	69,816	77,616
Other	22,039			22,039	22,039	10,000
<b>Total Externally restricted</b>	186,489	0	0	186,489	186,489	190,208
<b>Internally restricted</b>						
Employee Leave entitlements	11,622			11,622	11,622	12,703
Unexpended loans	0			0	0	7,445
Unexpended grants	0			0	0	3,344
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	6,028
Tip improvements	9,172			9,172	9,172	9,345
Asset renewals	1,938			1,938	1,938	4,808
Other				0	0	12,350
<b>Total Internally restricted</b>	31,391	0	0	31,391	31,391	72,248

## Replacement Report

	Original			Recommended changes for Council Resolution (000's)	Projected year end result (000's)	Actual * YTD (000's)	
	Budget	Sep	Dec				
	(000's)	Review (000's)	Review (000's)				
<b>Total Restricted</b>	217,880	0	0	217,880	0	217,880	262,456
<b>Total cash and investments</b>	223,854	0	0	223,854	0	223,854	271,907
<b>Available cash</b>	5,974	0	0	5,974	0	5,974	9,451

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

The available cash position excludes restricted funds. External restrictions are funds that must be spent for a specific purpose and cannot be used by council for general operations. Internal restrictions are funds that council has determined will be used for a specific purpose.

### Statement of compliance with investment policy:

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

### Reconciliation of restricted funds with current investment report:

	<b>(000's)</b>
Total restricted funds	262,456
Total invested funds as per September Investment Report	271,002
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 November 2016.

### Reconciliation of cash and investments:

	<b>(000's)</b>
Cash and investments as per above	271,907
<b>Cash on hand and at bank</b>	905
<b>Investments</b>	<u>271,002</u>
	271,907

## Replacement Report

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This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 2016 and should be read in conjunction with other documents in the QBRs.

### Key Performance Indicators Budget Review Statement for the quarter ended 30 September 2016

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

These ratios should therefore be viewed with caution.

	Amounts	Indicator
<b>1. Unrestricted Current Ratio</b>		
	(000's)	
<u>Current assets less all external restrictions</u>	<u>132,691</u>	3.1:1
Current liabilities	43,080	
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
<b>2. Debt Service Ratio</b>		
	(000's)	
<u>Debt Service Cost</u>	<u>5,369</u>	12.11%
Selected operating income	44,353	
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 30 September 2016 and should be read in conjunction with other documents in the QBRs.

## Replacement Report

### Budget Review Contracts and Other Expenses for the quarter ended 30 September 2016

<b>PART A-Contracts Listing</b>		<b>Contract value</b>	<b>Award</b>	<b>Duration of</b>	<b>Budgeted</b>
<b>Contractor</b>	<b>Contract detail &amp; purpose</b>	<b>\$</b>	<b>date</b>	<b>contract</b>	<b>(Y/N)</b>
Hydrosphere Consulting Pty Ltd (ATF Howland Family Trust)	Tweed River Estuary Management Plan 2018-2028 Preparation	\$165,629.00	21/07/2016	N/A	Y
JCB Construction Equipment Australia	Supply of Two (2) Wheel Loaders Operating Capacity 4,000Kg > 5,000Kg CCF Class 4 Complete with Attachments	\$689,436.00	21/07/2016	N/A	Y
Computer Systems (Australia) Pty Limited	Supply of Desktop Computers and LCD Monitors	\$292,420.45	18/08/2016	N/A	Y
KC Farm Equipment	Supply of Three (3) Wide Area Mowers	\$334,050.00	18/08/2016	N/A	Y
Toxfree Australia Pty Ltd	Hire of Vacuum Excavation Truck (Fulltime Basis)	\$133,573.00	18/08/2016	N/A	Y
<b>PART B - Consultancy and Legal expenses</b>				<b>Expenditure</b>	<b>Budgeted</b>
<b>Expense</b>				<b>YTD \$</b>	<b>(Y/N)</b>
Consultancies				69,819	Y
Legal expenses				114,699	Y

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 2016 and should be read in conjunction with other documents in the QBRs.

## Replacement Report

### 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 30 September 2016 indicates that Council’s projected financial position at 30 June 2017 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.



M A Chorlton 31/10/2016  
“Responsible Accounting Officer”  
Manager Financial Services  
Tweed Shire Council

#### OPTIONS:

Not Applicable

#### CONCLUSION:

Refer to Statutory Statement above



## Replacement Report

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### **COUNCIL IMPLICATIONS:**

**a. Policy:**

Not Applicable

**b. Budget/Long Term Financial Plan:**

As detailed within the report.

**c. Legal:**

Not Applicable.

**d. Communication/Engagement:**

**Inform** - We will keep you informed.

### **UNDER SEPARATE COVER/FURTHER INFORMATION:**

Nil.

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**Replacement Report**

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