

**TITLE:** [CS-CM] Quarterly Budget Review - September 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 first quarter statutory budget review for this financial year and summarises the estimated expenditure and income changes to the 2017/2018 Budget, including the carry over works adopted by Council on 26 October 2017.

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:

1. Quarterly Budget Review Statement as at 30 September 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 2018.

Description	Change to Vote	
	Deficit	Surplus
<b>General Fund</b>		
<b><u>Expenses</u></b>		
Employee costs	202,138	0
Materials & Contracts	21,852,737	0
Interest	0	0
Other Operating costs	0	31,697
Capital	29,396,804	0
Loan Repayments	0	0
Transfers to Reserves	0	0
	51,451,679	31,697

### Income

Rates and Annual Charges	0	68,165
Interest revenue	0	0
Operating Grants & Conts	0	208,905
Capital Grants & Conts	0	3,505,189
User Charges & Fees	0	100,000
Other Operating Revenue	0	13,422
Loan Funds	0	2,709,666
Recoupments	0	3,256,515
Transfers from Reserves	0	41,558,120
Asset Sales	0	0
	<u>0</u>	<u>51,419,982</u>

Net Surplus/(Deficit) 0

	Deficit	Surplus
<b>Sewer Fund</b>		
<u>Expenses</u>		
Employee costs	0	0
Materials & Contracts	184,723	0
Interest	0	0
Other Operating costs	0	0
Capital	922,325	0
Loan Repayments	0	0
Transfers to Reserves	3,527,902	0
	<u>4,634,950</u>	<u>0</u>
<u>Income</u>		
Rates and Annual Charges	0	0
Interest revenue	0	1,712,953
Operating Grants & Conts	0	0
Capital Grants & Conts	0	0
User Charges & Fees	0	2,131,816
Other Operating Revenue	0	0
Loan Funds	0	0
Recoupments	0	405,530
Transfers from Reserves	0	384,651
Asset Sales	0	0
	<u>0</u>	<u>4,634,950</u>

Net Surplus/(Deficit) 0

<b>Water Fund</b>		
<u>Expenses</u>		
Employee costs	0	0
Materials & Contracts	970,246	0
Interest	0	0
Other Operating costs	0	0
Capital	289,889	0
Loan Repayments	0	0
Transfers to Reserves	302,234	0
	<u>1,562,369</u>	<u>0</u>
<u>Income</u>		
Rates and Annual Charges	0	0
Interest revenue	0	1,075,034
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	569,835

<b>Transfers from Reserves</b>	<b>82,500</b>	<b>0</b>
<b>Asset Sales</b>	<b>0</b>	<b>0</b>
	<hr/>	<hr/>
	<b>82,500</b>	<b>1,644,869</b>
<b>Net Surplus/(Deficit)</b>		<hr/>
		<b>0</b>

**REPORT:****Budget Review 30 September 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	\$	\$
	<b>Net Effect on 2017/2018 Budget</b>	<b>Net Effect on LTFP</b>
<b>General Fund</b>		
Regional organisations	-5,000	-5,000
Emergency Services contributions	-19,038	-19,038
Murwillumbah Community Centre	6,203	6,203
Art Gallery electricity		-18,862
Community Development	11,000	11,000
Buchanan St caretakers house rent	9,000	
Recruitment costs	30,000	30,000
Building Control	90,000	90,000
Environmental Health income	-100,000	-100,000
Affordable Housing study	16,000	
Rates revenue	-68,165	-68,165
Community engagement	30,000	30,000
Energy projects officer		50,000
Western Drainage Scheme	115,000	115,000
Roads Unallocated rehabilitation	-115,000	-115,000
	<b>0</b>	<b>6,138</b>

## Detailed list of changes

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
<b>1. Proposed Variations</b>						
<b>General Fund</b>						
Ex	1	Ex-Op	Regional Organisations	40,498	-5,000	NOROC invoice received
Ex	2	Ex-Op	Subscriptions	17,590	35,000	Reflecting recent costs
Ex	2	Ex-Op	Postage	122,168	-35,000	Reflecting recent costs
Ex	3	Ex-Op	Contact Centre	1,216,371	15,000	Bpoint
In	3	In-TFR	Software and Equipment reserve		-15,000	Funding for above
Ex	4	Ex-OpOther	Fire and Rescue contributions	393,463	2,987	Advice received
Ex	4	Ex-OpOther	Rural Fire Service contributions	243,940	-202	Advice received
Ex	4	Ex-OpOther	SES contributions	171,109	-21,823	Advice received
Ex	5	Ex-OpOther	Murwillumbah Community Centre	117,355	6,203	Lease payment - Department of Industry Business investment and marketing package
Ex	6	Ex-Op	Economic Development - Internal	355,187	45,455	
In	6	In-OG&C	Regional Growth and Marketing Fund		-45,455	Dept of Planning funding
Ex	7	Ex-Op	Koala habitat restoration in Richmond		19,200	Site planning
Ex	7	Ex-Op	Koala habitat restoration in Richmond		132,000	Restoration
In	7	In-OG&C	Improving Your Local Parks and Environment program		-151,200	Dept of Industry, Innovation and Science funding
Ex	8	Ex-Op	Vertebrate Pest Management		5,292	Restructure Pest Management budget

Ex	8	Ex-Op	Invertebrate and Building Pest Management	115,771	-5,292	Restructure Pest Management budget
Ex	9	Ex-OpEmp	Emergency Management Plan implementation	76,500	-76,500	Restructure of emergency management salaries budget
Ex	9	Ex-OpEmp	Environmental Health officers	740,007	76,500	Restructure of emergency management salaries budget
Ex	10	Ex-Capital	Knox Park toilets		10,000	Demolition costs
Ex	10	Ex-Capital	Public toilets capital	100,000	-10,000	Funding for above
Ex	11	Ex-Capital	Art Gallery solar project	120,841	18,862	Cost adjustment
Ex	11	Ex-OpOther	Art Gallery electricity	201,588	-18,862	Funding for above
Ex	12	Ex-Capital	Roads to Recovery projects	1,251,202	1,251,202	Additional funds received
In	12	In-CG&C	Roads to Recovery funding	-1,251,202	-1,251,202	Funding for above
Ex	13	Ex-OpEmp	Community Development	284,278	11,000	Correct salary budgeted hours
Ex	14	Ex-Capital	Tw eed Valley Way Tumbulgum		1,167,735	Wire rope barrier and shoulder widening
Ex	14	Ex-Capital	Kyogle Road Uki		752,772	Surface improvement and roadside barriers
Ex	14	Ex-Capital	Numinbah Kynnumboon		333,480	Realignment, widening, and guardrail
In	14	In-CG&C	Black Spot program		-2,253,987	Funding for above
Ex	15	Ex-Op	Tw eed Coast koala habitat contribution fund		4,584	Adjust Koala management budget
Ex	15	Ex-Op	Koala Management Plan	134,147	-4,584	Adjust Koala management budget
Ex	16	In-OpOther	Buchanan St caretakers house rent	-17,365	9,000	Untenanted for flood restoration work
Ex	17	Ex-OpEmp	Recruitment costs	30,848	30,000	LinkedIn and Fit2Work costs
Ex	18	Ex-Op	Communications	636,772	29,342	Rationalise communications budget
Ex	18	Ex-Op	Community engagement	29,342	-29,342	Rationalise communications budget
Ex	19	Ex-Capital	Old Ferry Road Banora Point	520,000	-200,000	Split roads rehab job
Ex	19	Ex-Capital	Mariners Court Banora Point		200,000	Split roads rehab job
Ex	20	Ex-OpEmp	Building Control	1,498,486	90,000	Planner position not in original budget
In	21	In-Fees	Health approvals	-236,428	-41,000	Revised projections
In	21	In-Fees	Environmental Health income	-96,991	-32,000	Revised projections
In	21	In-Fees	On-site sewage management income	-299,000	-27,000	Revised projections
Ex	22	Ex-Op	Noxious weeds	186,442	12,250	Bitou Bush control
In	22	In-OG&C	NSW Department of Primary Industries		-12,250	Funding for above
Ex	23	Ex-Op	Affordable Housing study		32,000	Notice of motion July
Ex	23	Ex-Op	Strategic Planning projects	53,743	-16,000	Funding for above
In	24	In-Rates	Rates revenue	57,693,362	-68,165	Revised projections
					-30,000	
			<b>Sewer Fund</b>			
Ex	25	Ex-Op	Operations		184,723	Revisions and carry forward works
In	25	In-Interest	Interest on investments		-1,712,953	Adjustment due to budget changes
In	25	In-Fees	Fees & Charges		-2,131,816	Revision of Sewerage Charge budget
Ex	25	Ex-Capital	Capital works		922,325	Revisions and carry forward works
In	25	In-TFR	Transfers from reserves		-384,651	Funding adjustments
In	25	In-Recoup	Recoupment from s64		-405,530	Funding adjustments
Ex	25	Ex-TTR	Transfers to reserves		3,527,902	Funding adjustments
					0	
			<b>Water Fund</b>			
Ex	26	Ex-Op	Operations		970,246	Revisions including Weir options
In	26	In-Interest	Interest on investments		-1,075,034	Adjustment due to budget changes
Ex	26	Ex-Capital	Capital works		289,889	Revisions and carry forward works
In	26	In-TFR	Transfers from reserves		82,500	Funding adjustments
In	26	In-Recoup	Recoupment from s64		-569,835	Funding adjustments
Ex	26	Ex-TTR	Transfers to reserves		302,234	Funding adjustments
					0	
			<b>2. Variations Arising from Council Resolutions</b>			
Ex	27	Ex-Op	Public art maintenance	7,267	25,000	Resolution 15 June 2017 Item 27
In	27	In-TFR	Community Facilities Asset Management Reserve		-25,000	Funding for above
Ex	28	Ex-Op	Communications - community engagement	666,114	30,000	Resolution 15 June 2017 Item 27

Ex	29	Ex-Op	Renew able Energy Action Plan (General fund projects)		<b>211,495</b>	Resolution 2 November 2017
In	29	In-TFR	Revolving Energy fund		<b>-211,495</b>	Resolution 2 November 2017
Ex	29	Ex-OpEmp	Climate Change Fund - energy projects officer	27,578	<b>22,422</b>	Resolution 2 November 2017
In	29	In-OpOther	Contribution from Water and Sewer		<b>-22,422</b>	Resolution 2 November 2017
Ex	30	Ex-Op	Western Drainage weed bed/landscaping/revegetation		<b>652,913</b>	Resolution 26 October 2017 Item 38.2
In	30	In-Recoup	Contribution Plan 2		<b>-652,913</b>	Resolution 26 October 2017 Item 38.2
Ex	30	Ex-Op	Western Drainage maintenance/weed harvesting	112,450	<b>80,000</b>	Resolution 26 October 2017 Item 38.3
Ex	30	Ex-Op	Western Drainage community group funding		<b>35,000</b>	Resolution 26 October 2017 Item 38.5
Ex	30	Ex-Capital	Roads Unallocated rehabilitation	2,586,046	<b>-115,000</b>	Funding for above
Ex	31	Ex-Op	Carry over works - materials & contracts		<b>20,583,424</b>	Resolution 26 October 2017
Ex	31	Ex-OpEmp	Carry over works - employee costs		<b>48,716</b>	Resolution 26 October 2017
Ex	31	Ex-Capital	Carry over works - capital works		<b>25,987,753</b>	Resolution 26 October 2017
In	31	In-TFR	Carry over works funding - reserves, unexpended grants		<b>41,306,625</b>	Resolution 26 October 2017
In	31	In-Recoup	Carry over works funding - s94		<b>-2,603,602</b>	Resolution 26 October 2017
In	31	In-Loan	Carry over works funding - unexpended loans		<b>-2,709,666</b>	Resolution 26 October 2017

**30,000**

#### Summary of Votes by Type

2017/18 Variations	<b>-30,000</b>
Council Resolutions	<b>30,000</b>
	<b>0</b>

#### 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

#### Expenses

Employee costs	<b>202,138</b>
Materials & Contracts	<b>23,007,706</b>
Interest	<b>0</b>
Other Operating costs	<b>-31,697</b>
Capital	<b>30,609,018</b>
Loan Repayments	<b>0</b>
Transfers to Reserves	<b>3,830,136</b>
	<b>57,617,301</b>

<u>Income</u>	
Rates and Annual Charges	-68,165
Interest revenue	-2,787,987
Operating Grants & Conts	-208,905
Capital Grants & Conts	-3,505,189
User Charges & Fees	-2,231,816
Other Operating Revenue	-13,422
Loan Funds	-2,709,666
Recoupments	-4,231,880
	-
Transfers from Reserves	41,860,271
Asset Sales	0
	-
	57,617,301
Net	0

#### Summary of Votes - by Division

Corporate Services	-108,703
Planning & Regulation	82,500
Community & Natural Resources	17,203
Engineering	9,000
General Manager	0
	0

## Results by fund:

### General Fund

The General Fund is expected to remain as a “balanced budget”.

### Water Fund

The Water Fund is expected to remain as a “balanced budget”.

### Sewer Fund

The Sewer Fund is expected to remain as a “balanced budget”.

## Quarterly Budget Review Statements

### Income and Expense - Consolidated Budget Review Statement for the quarter ended 30 September 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	106,898	-	-	106,898	68	106,966	26,905
User Charges and Fees	42,491	-	-	42,491	2,232	44,723	10,746
Interest and Investment Revenue	9,084	-	-	9,084	2,788	11,872	2,896
Other Revenues	2,651	-	-	2,651	13	2,664	976
Grants & Contributions - Operating	17,583	-	-	17,583	209	17,792	2,795
Grants and Contributions - Capital	3,070	-	-	3,070	3,505	6,575	601



- Contributions (S94)	14,079	-	-	14,079	-	14,079	3,512
Net gain from the disposal of assets	-	-	-	-	-	-	5
<b>Total Income</b>	<b>195,856</b>	<b>-</b>	<b>-</b>	<b>195,856</b>	<b>8,815</b>	<b>204,671</b>	<b>48,436</b>

**Expense**

Employee costs	54,269	-	-	54,269	202	54,471	13,298
Borrowing Costs	12,153	-	-	12,153	-	12,153	3,039
Materials & Contracts	47,069	-	-	47,069	23,009	70,078	8,681
Depreciation	41,503	-	-	41,503	-	41,503	10,376
Legal Costs	463	-	-	463	-	463	240
Consultants	436	-	-	436	-	436	25
Other Expenses	16,093	-	-	16,093	(32)	16,061	4,381
Net Loss from Disposal of Assets	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>171,986</b>	<b>-</b>	<b>-</b>	<b>171,986</b>	<b>23,179</b>	<b>195,165</b>	<b>40,040</b>

**Net Operating Result**

	23,870	-	-	23,870	(14,364)	9,506	8,396
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**Net Operating Result before capital items**

	6,721	-	-	6,721	(17,869)	(11,148)	4,283
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**Funding Statement - Consolidated - Source & Application of Funds**

Operating Result (Income Statement)	23,870	-	-	23,870	(14,364)	9,506
<b>Add Back non-funded items:</b>						
Depreciation	41,503	-	-	41,503	-	41,503
		-	-	-	-	-
<b>Add non-operating funding sources</b>						
Transfers from Externally Restricted Cash	33,346	-	-	33,346	4,233	37,579
Transfers from Internally Restricted Cash	9,074	-	-	9,074	41,860	50,934
Proceeds from sale of assets	2,174	-	-	2,174	-	2,174
Loan Funds Utilised	1,976	-	-	1,976	2,710	4,686
Repayments from Deferred Debtors	-	-	-	-	-	-
<b>Funds Available</b>	<b>111,943</b>	<b>-</b>	<b>-</b>	<b>111,943</b>	<b>34,439</b>	<b>146,382</b>
<b>Funds were applied to:</b>						
Purchase and construction of assets	57,110	-	-	57,110	30,609	87,719
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	-	-	4,137	3,830	7,967
<b>Funds Used</b>	<b>111,943</b>	<b>-</b>	<b>-</b>	<b>111,943</b>	<b>34,439</b>	<b>146,382</b>

## Increase/(Decrease) in Available Working Capital

-	-	-	-	-	-
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\* Includes Carry over works

## Income and Expense- General Fund Budget Review Statement for the quarter ended 30 September 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				-		-	
<b>Total Income</b>	<b>120,830</b>	<b>11,083</b>	<b>2,056</b>	<b>133,969</b>	<b>899</b>	<b>134,868</b>	<b>101,075</b>

## 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				-		-	
<b>Total Expenses</b>	<b>116,302</b>	<b>21,850</b>	<b>578</b>	<b>138,730</b>	<b>524</b>	<b>139,254</b>	<b>87,065</b>

## Net Operating Result

4,528	(10,767)	1,478	(4,761)	375	(4,386)	14,010
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## Net Operating Result before capital items

(1,023)	(21,578)	188	(22,413)	375	(22,038)	4,472
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## Funding Statement - General Fund - Source &amp; Application of Funds

Operating Result (Income Statement)	4,528	(10,767)	1,478	(4,761)	375	(4,386)
<b>Add Back non-funded items:</b>						
Depreciation					-	

	25,629			25,629		25,629
<b>Add non-operating funding sources</b>						
Transfers from Externally Restricted Cash	2,819	4,111	(228)	6,702	-	6,702
Transfers from Internally Restricted 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				-		-
<b>Funds Available</b>	36,784	33,182	1,368	71,334	553	71,887
<b>Funds were applied to:</b>						
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
<b>Funds Used</b>	36,784	33,182	1,368	71,334	553	71,887
<b>Increase/(Decrease) in Available Working Capital</b>	-	-	-	-	-	-

\* Includes Carry over works

### Income and Expense- Sewer Fund Budget Review Statement for the quarter ended 30 September 2017

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	7,140
User Charges and Fees	1,437			1,437	2,132	3,569	694
Interest and Investment Revenue	2,296			2,296	1,713	4,009	692
Other Revenues	16			16	-	16	22
Grants & Contributions - Operating	491			491	-	491	29
Grants and Contributions - Capital				-		-	
- Contributions (S64/S94)	4,021			4,021	-	4,021	667
Net gain from the disposal of assets				-		-	
<b>Total Income</b>	37,694	-	-	37,694	3,845	41,539	9,244

#### Expense

Employee costs	6,908			6,908	-	6,908	1,769
Borrowing Costs	2,124			2,124	-	2,124	531
Materials & Contracts	9,666			9,666	186	9,852	892

Depreciation	10,112			10,112	-	10,112	2,528
Legal Costs				-	-	-	
Consultants	154			154	-	154	
Other Expenses	2,673			2,673	-	2,673	324
Net Loss from Disposal of Assets				-		-	
<b>Total Expenses</b>	<b>31,637</b>	<b>-</b>	<b>-</b>	<b>31,637</b>	<b>186</b>	<b>31,823</b>	<b>6,044</b>

<b>Net Operating Result</b>	<b>6,057</b>	<b>-</b>	<b>-</b>	<b>6,057</b>	<b>3,659</b>	<b>9,716</b>	<b>3,200</b>
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<b>Net Operating Result before capital items</b>	<b>2,036</b>	<b>-</b>	<b>-</b>	<b>2,036</b>	<b>3,659</b>	<b>5,695</b>	<b>2,533</b>
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### Funding Statement - Sewer Fund - Source & Application of Funds

Operating Result (Income Statement)	6,057	-	-	6,057	3,659	9,716
<b>Add Back non-funded items:</b>						
Depreciation	10,112	-	-	10,112	-	10,112
<b>Add non-operating funding sources</b>						
Transfers from Externally Restricted Cash	9,799			9,799	406	10,205
Transfers from Internally Restricted Cash				-	385	385
Proceeds from sale of assets				-	-	-
Loan Funds Utilised				-	-	-
Repayments from Deferred Debtors				-	-	-
<b>Funds Available</b>	<b>25,968</b>	<b>-</b>	<b>-</b>	<b>25,968</b>	<b>4,450</b>	<b>30,418</b>
<b>Funds were applied to:</b>						
Purchase and construction of assets	7,278			7,278	922	8,200
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	3,528
Internal charges				-	-	-
<b>Funds Used</b>	<b>25,968</b>	<b>-</b>	<b>-</b>	<b>25,968</b>	<b>4,450</b>	<b>30,418</b>
<b>Increase/(Decrease) in Available Working Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Income and Expense- Water Fund Budget Review Statement for the quarter ended 30 September 2017

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	1,429
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User Charges and Fees	23,498			23,498	-	23,498	4,942
Interest and Investment Revenue	1,643			1,643	1,075	2,718	847
Other Revenues	300			300	-	300	141
Grants & Contributions - Operating	399			399	-	399	
Grants and Contributions - Capital				-		-	
- Contributions (S64/S94)	8,234			8,234	-	8,234	1,281
Net gain from the disposal of assets				-		-	
<b>Total Income</b>	<b>39,571</b>	<b>-</b>	<b>-</b>	<b>39,571</b>	<b>1,075</b>	<b>40,646</b>	<b>8,640</b>

**Expense**

Employee costs	5,128			5,128	-	5,128	1,208
Borrowing Costs	4,347			4,347	-	4,347	1,087
Materials & Contracts	11,630			11,630	970	12,600	987
Depreciation	7,348			7,348	-	7,348	1,837
Legal Costs				-	-	-	14
Consultants	154			154	-	154	
Other Expenses	1,408			1,408	-	1,408	353
Net Loss from Disposal of Assets				-		-	
<b>Total Expenses</b>	<b>30,015</b>	<b>-</b>	<b>-</b>	<b>30,015</b>	<b>970</b>	<b>30,985</b>	<b>5,486</b>

**Net Operating Result**

	9,556	-	-	9,556	105	9,661	3,154
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**Net Operating Result before capital items**

	1,322	-	-	1,322	105	1,427	1,873
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**Funding Statement - Water Fund - Source & Application of Funds**

Operating Result (Income Statement)	9,556	-	-	9,556	105	9,661
<b>Add Back non-funded items:</b>						
Depreciation	7,348	-	-	7,348	-	7,348
<b>Add non-operating funding sources</b>						
Transfers from Externally Restricted Cash	12,705			12,705	570	13,275
Transfers from Internally Restricted Cash				-	(83)	(83)
Proceeds from sale of assets				-		-
Loan Funds Utilised				-		-
Repayments from Deferred Debtors				-		-
<b>Funds Available</b>	<b>29,609</b>	<b>-</b>	<b>-</b>	<b>29,609</b>	<b>592</b>	<b>30,201</b>
<b>Funds were applied to:</b>						
Purchase and construction of assets	7,687			7,687	290	7,977
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	302
Internal charges				-		-
<b>Funds Used</b>	29,609	-	-	29,609	592	30,201
<b>Increase/(Decrease) in Available Working Capital</b>	-	-	-	-	-	-

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 2017 and should be read in conjunction with other documents in the QBRS.

#### Capital Budget Review Statement - Consolidated - for the quarter ended 30 September 2017

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)			

#### Capital Funding \*\*

Rates and other untied funding	30,207			30,207	18	30,225	4,973
Capital Grants & Contributions	4,226			4,226	3,505	7,731	1,272
Internal Restrictions (Reserves)	21,178			21,178	22,245	43,423	7,144
External Restrictions					237	237	39
- s64 & s94 funds	5,801			5,801	2,682	8,483	1,396
Other Capital Funding Sources							
- loans	1,976			1,976	2,037	4,013	660
Income from sale of assets							
- plant and equipment	2,174			2,174		2,174	358
- Land, Buildings, Furniture, Fittings							
<b>Total Capital Funding</b>	65,562			65,562	30,724	96,286	15,842

#### Capital Expenditure

##### New Assets

- Plant and Equipment	78			78	93	171	156
- Land, Buildings, Furniture, Fittings	9,854			9,854	2,731	12,585	1,121
- Roads, Bridges, Footpaths	2,500			2,500	1,969	4,469	50
- Drainage							
- Water & Sewer Infrastructure	6,663			6,663	74	6,737	838
- Other	9,860			9,860	737	10,597	
<u>Renewals (Replacement)</u>							
- Plant and Equipment	7,537			7,537		7,537	2,389
- Land, Buildings, Furniture, Fittings	100			100	1,779	1,879	785
- Roads, Bridges, Footpaths	10,982			10,982	9,377	20,359	3,205
- Drainage	436			436		436	8
- Water & Sewer Infrastructure	3,085			3,085	1,080	4,165	457
- Other					7,634	7,634	3,901
<u>Upgrades</u>							

- Plant and Equipment						
- Land, Buildings, Furniture, Fittings				154	154	2
- Roads, Bridges, Footpaths	2,064		2,064	4,194	6,258	1,497
- Drainage	950		950	426	1,376	341
- Water & Sewer Infrastructure	3,000		3,000	59	3,059	209
- Other				302	302	
Loan Repayments (principal)	8,453		8,453		8,453	883
<b>Total Capital Expenditure</b>	<b>65,562</b>		<b>65,562</b>	<b>30,609</b>	<b>96,171</b>	<b>15,842</b>

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 2017 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 30 September 2017

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)			
<b>Unrestricted</b>	10,240		10,240		10,240	5,847
<b>Externally restricted</b>						
RTA Contributions			0		0	
Developer contributions	39,608		39,608	(3,257)	36,351	37,675
Domestic waste management	7,662		7,662		7,662	8,000
Special Rates	240		240		240	286
Unexpended grants & contributions	5,626		5,626	(5,626)	0	5,000
Water Supplies	64,900		64,900	(185)	64,715	57,504
Sewerage Services	91,069		91,069	2,738	93,807	88,890
Other	23,301		23,301		23,301	20,000
<b>Total Externally restricted</b>	<b>232,406</b>	<b>0</b>	<b>232,406</b>	<b>(6,330)</b>	<b>226,076</b>	<b>217,355</b>
<b>Internally restricted</b>						
Employee Leave entitlements	8,274		8,274		8,274	8,274
Unexpended untied grants	3,779		3,779	(3,779)	0	3,000
Unexpended loans	3,760		3,760	(2,710)	1,050	3,000
7 Year Plan	2,528		2,528	(2,392)	136	2,500
Works Carried Forward	8,274		8,274	(6,464)	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		31,038	(10,983)	20,055	31,000
Other	13,533		13,533	(12,312)	1,221	13,000
<b>Total Internally restricted</b>	<b>79,766</b>	<b>0</b>	<b>79,766</b>	<b>(38,640)</b>	<b>41,126</b>	<b>77,274</b>

<b>Total Restricted</b>	312,172	0	0	312,172	(44,970)	267,202	294,629
<b>Total cash and investments</b>	322,412	0	0	322,412	(44,970)	277,442	300,476
<b>Available cash</b>	10,240	0	0	10,240	0	10,240	5,847

\* 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	294,629
Total invested funds as per September Investment Report	300,960
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:

	<b>(000's)</b>
Cash and investments as per above	300,476
<b>Cash on hand and at bank</b>	(484)
<b>Investments</b>	<u>300,960</u>
	300,476

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 2017 and should be read in conjunction with other documents in the QBRS.

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



**1. Unrestricted Current Ratio**

	(000's)	
Current assets less all external restrictions	90,966	3.4:1
Current liabilities	26,466	

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
	(000's)	
Debt Service Cost	3,922	9.16%
Selected operating income	42,835	

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 2017 and should be read in conjunction with other documents in the QBRS.

**Budget Review Contracts and Other Expenses for the quarter ended 30 September 2017**

PART A-Contracts Listing		Contract value	Award	Duration of	Budgeted
Contractor	Contract Title	Contract Value \$	Award Date	Duration of Contract	Budgeted (Y/N)
BD Plumbing & Roofing (ABN 68 605 343 851)	RFO2017001 - Hastings Point Wastewater Treatment Plant - Sludge Lagoon Upgrade	\$1,000,000.00	20-Jul-17	16 weeks	Y
Desire Contractors Pty Ltd (ABN 77 167 694 055)	RFO2017077 - Office Refurbishment Buchanan Street Depot	\$155,914.54	20-Jul-17	12 weeks	Y
GEO Stabilise Pty Ltd (ABN 47 166 054 842)	RFO2017067 - Tumbulgum Road Murwillumbah Riverbank Stabilisation	\$485,639.88	20-Jul-17	9 weeks	Y
Desire Contractors Pty Ltd (ABN 77 167 694 055)	RFO2017079 - Youth Recreation Upgrade at Les Burger Cabarita	\$143,790.00	17-Aug-17	12 weeks	Y
Reline Solutions Pty Ltd (ABN 53 119 222 267)	RFO2017047 - Rehabilitation of Gravity Sewerage Reticulation Mains	\$1,051,156.45	17-Aug-17	20 weeks	Y
Zurvas Earthmoving Pty Ltd Trading as GWT Earthmoving (ABN 62 612 104 499)	RFO2017106 - Oxley River Bank Erosion Stabilisation Project	\$186,075.00	17-Aug-17	9 weeks	Y
East Coast Asphalt and Concrete Edging Pty Ltd (ABN 51755877285)	RFO2017100 - Quarry Road Pavement Rehabilitation	\$382,147.36	17-Aug-17	3 weeks	Y

Expense	YTD \$	(Y/N)
Consultancies	29,626	Y
Legal expenses	171,480	Y

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 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 30 September 2017 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 3 November 2017  
**“Responsible Accounting Officer”**  
**Manager Financial Services**  
**Tweed Shire Council**

**OPTIONS:**

Not Applicable

**CONCLUSION:**

Refer to Statutory Statement above

**COUNCIL IMPLICATIONS:**

**a. Policy:**

Not Applicable

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

As detailed within the report.

**c. Legal:**

Not Applicable.

**d. Communication/Engagement:**

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

**UNDER SEPARATE COVER/FURTHER INFORMATION:**

Nil.

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