

TITLE: [FRIT-CM] Quarterly Budget Review - September 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 first quarter statutory budget review for this financial year and summarises the estimated expenditure and income changes to the 2018/2019 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:

1. Quarterly Budget Review Statement as at 30 September 2018 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 2019.

Description	Change to Vote	
	Deficit	Surplus
General Fund		
<u>Expenses</u>		
Employee costs	278,408	0
Materials & Contracts	15,182,447	0
Interest	0	0
Other Operating costs	0	150,000
Capital	45,488,016	0
Loan Repayments	0	0
Transfers to Reserves	525,338	0
	61,474,209	150,000

Income

Rates and Annual Charges	0	0
Interest revenue	0	0
Operating Grants & Conts	135,961	0
Capital Grants & Conts	0	6,805,904
User Charges & Fees	0	72,814
Other Operating Revenue	0	0
Loan Funds	0	1,152,622
Recoupments	0	1,553,281
Transfers from Reserves	0	51,875,549
Asset Sales	0	0
	<u>135,961</u>	<u>61,460,170</u>

Net Surplus/(Deficit) 0

Deficit Surplus

Sewer Fund**Expenses**

Employee costs	0	0
Materials & Contracts	613,491	0
Interest	0	0
Other Operating costs	0	0
Capital	1,565,984	0
Loan Repayments	0	0
Transfers to Reserves	0	412,966
	<u>2,179,475</u>	<u>412,966</u>

Income

Rates and Annual Charges	0	0
Interest revenue	0	65,330
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	215,869
Transfers from Reserves	0	1,485,310
Asset Sales	0	0
	<u>0</u>	<u>1,766,509</u>

Net Surplus/(Deficit) 0

Water Fund**Expenses**

Employee costs	0	0
Materials & Contracts	168,485	0
Interest	0	0
Other Operating costs	0	0
Capital	3,022,205	0
Loan Repayments	0	0
Transfers to Reserves	0	340,086
	<u>3,190,690</u>	<u>340,086</u>

Income

Rates and Annual Charges	0	0
Interest revenue	33,766	0
Operating Grants & Conts	0	0
Capital Grants & Conts	0	57,500
User Charges & Fees	0	0
Other Operating Revenue	0	0
Loan Funds	0	0

Recoupments	0	2,192,210
Transfers from Reserves	0	634,660
Asset Sales	0	0
	33,766	2,884,370
Net Surplus/(Deficit)		0

REPORT:**Budget Review 30 September 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 2018/2019 Budget	Net Effect on LTFP
General Fund		
General Managers Sundry Expenses	10,000	10,000
Councillor Professional Development	80,000	80,000
Tumbulgum flood gauge	23,000	
Communication tower rental income	12,155	12,155
Emergency Services levies	-53,809	-53,809
Financial Assistance Grant	-774,499	
Regional Cities	5,000	
Community Services	46,097	46,097
New pound	600,000	
Coolamon Centre	25,056	
Community Halls Advisory Committee	27,000	27,000
	0	121,443

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	General Managers Sundry Expenses	2,395	10,000	Performance reviews, subscriptions etc
Ex	2	Ex-Op	Sth Mbah Industrial Precinct Infrastructure Joint Venture		50,000	Master Planning Mbah properties
In	2	In-TFR	Land development Reserve		-50,000	Funding
Ex	3	Ex-OpOther	Public Liability/Professional Indemnity reserve	920,956	-150,000	Reduced premium
Ex	3	Ex-TTR	Transfer saving to reserve		150,000	
Ex	4	Ex-Capital	Richards Deviation Bridge	384,000	-384,000	Deferral to 2019/2020
Ex	4	Ex-Capital	Palmers Road Bridge	432,000	-432,000	Deferral to 2019/2020
In	4	In-Loan	Bridges construction funding	-816,000	816,000	Funding no longer required
Ex	5	Ex-Capital	Mount Warning Road		400,000	Culvert upgrade
In	5	In-CG&C	Richmond Roads Package		-400,000	Federal grant
Ex	5	Ex-Capital	Bartletts Road sealing		750,000	Sealing
In	5	In-CG&C	Richmond Roads Package		-750,000	Federal grant
Ex	6	Ex-Op	Councillor Professional Development		80,000	New Policy
Ex	7	Ex-Op	Tumbulgum flood gauge		69,000	Incorporate into BoM flood warning system
In	7	In-OG&C	Office of Environment and Heritage grant		-46,000	Funding for above
Ex	8	Ex-Capital	Stokers Road R2R		340,817	Allocate Roads to Recovery funds
Ex	8	Ex-Capital	R2R Unallocated	340,817	-340,817	Allocate Roads to Recovery funds

Ex	9	Ex-Capital	Tweed Heads Cultural Plaza Upgrade – Central Access		846,000	
Ex	9	Ex-Capital	Tweed Heads Cultural Plaza Upgrade – Auditorium		196,993	
Ex	9	Ex-Capital	Tweed Heads Cultural Plaza Upgrade – Café		85,007	
In	9	In-CG&C	grant funding		-1,128,000	
Ex	10	Ex-Op	Illegal Dumping Costs		81,000	Per Delivery Plan
In	10	In-Fees	Landfill management charge	-1,854,412	-81,000	\$2 per assessment per Delivery Plan
Ex	11	Ex-Op	Regional road maintenance	1,953,280	22,561	Actual grant advice received
In	11	In-OG&C	RMS contributions	-1,953,280	-22,561	Actual grant advice received
Ex	12	Ex-Capital	Kingscliff Library solar project		19,568	Renewable Energy Action Plan
In	12	In-TFR	Revolving Energy Reserve		-19,568	Funding for above
In	13	In-Fees	Communication tower rental income	-12,155	12,155	Lease to NBN approved in 2013 did not go ahead. Rent never received
Ex	14	Ex-Capital	Anchorage Boardwalk construction	857,156	50,672	RMS Active Transport Program
In	14	In-CG&C	RMS Cycleways grant		-225,000	Grant funding for above
Ex	14	Ex-TTR	Coastal Landscape recurrent costs		174,328	Repay 7 year Plan reserve funds voted in March 2018
Ex	15	Ex-Capital	Cudgen Creek Foreshore Boardwalk		169,953	RMS Active Transport Program
In	15	In-CG&C	RMS Priority Cycleways grant		-169,953	Funding for above
Ex	16	Ex-Capital	Marine Parade shared path, Kingscliff		44,456	RMS Active Transport Program
In	16	In-CG&C	RMS Connecting Centres grant		-22,228	Funding for above
Ex	16	Ex-Op	Cycleways Program	110,795	-22,228	Funding for above
Ex	17	Ex-Capital	Elrond Drive shared path, Kingscliff		149,850	RMS Active Transport Program
In	17	In-CG&C	RMS Connecting Centres grant		-74,925	Funding for above
Ex	17	Ex-Op	Cycleways Program	88,567	-74,925	Funding for above
Ex	18	Ex-Capital	Treasures of the Tweed mural		5,000	Part of Stronger Communities project
Ex	18	Ex-Op	Public Art Maintenance	32,322	-5,000	Funding for above
Ex	19	Ex-Capital	Lot 603		2,700,000	Industry Central land swap
In	19	In-CG&C	Office of Environment & Heritage		-2,700,000	Funding for above
Ex	20	Ex-Op	Fire and Rescue NSW	406,243	-12,902	Contribution advice received
Ex	21	Ex-Op	Rural Fire Service	250,446	-13,715	Contribution advice received
Ex	22	Ex-Op	State Emergency Service	153,991	-27,192	Contribution advice received
In	23	In-OG&C	Financial Assistance Grant - General	-6,977,733	-774,499	Grant estimates received
In	23	In-OG&C	Financial Assistance Grant - Roads	-2,696,940	-178,780	Grant estimates received
Ex	23	Ex-Op	FAG Roads maintenance	932,392	178,780	Allocation of FAG roads income
Ex	24	Ex-Op	Investing in the future of Pottsville's koalas		11,020	Environmental Trust funded project
Ex	25	Ex-Op	Pottsville Wetland	8,699	-8,000	Funding for above
Ex	25	Ex-Op	Koala Management Plan	138,835	-3,020	Funding for above
Ex	26	Ex-Op	South Murwillumbah Industrial Precinct Infrastructure Joint Venture		50,000	Consultancy costs associated with preparation of future business case
In	26	In-TFR	Land Development Reserve		-50,000	Funding for above
Ex	27	Ex-Op	Regional Cities membership		5,000	
Ex	28	Ex-Capital	Depot improvements Murwillumbah	367,513	-199,843	Defer and place in reserve
Ex	28	Ex-Capital	Depot improvements Tweed Heads	81,051	-50,167	Defer and place in reserve
Ex	28	Ex-TTR	Infrastructure reserve		250,010	Transfer above funds to reserve
Ex	29	Ex-Capital	Nullum Street road rehabilitation		310,000	Delivery Program item previously unfunded
Ex	29	Ex-Capital	Boyd Street road rehabilitation		560,000	Delivery Program item previously unfunded
In	29	In-TFR	Infrastructure reserve		-870,000	Replace Roads to Recovery funding
Ex	30	Ex-OpEmp	Natural Resource Management	1,133,078	49,000	Budget adjustment
Ex	30	Ex-TTR	Coastal Landscape recurrent costs	90,466	-49,000	Budget adjustment
Ex	31	Ex-OpEmp	Art Gallery Salaries	706,362	35,000	Reallocation of Art Gallery budget
Ex	31	Ex-Op	Art Exhibitions - Invitations	7,564	-3,039	Reallocation of Art Gallery budget
Ex	31	Ex-Op	Art Exhibitions - Sundries	20,078	-15,000	Reallocation of Art Gallery budget
Ex	31	Ex-Op	Art Exhibitions - Miscellaneous exhibitions	50,678	-50,678	Reallocation of Art Gallery budget
Ex	31	Ex-Op	TRAG - Working expenses	55,209	-5,000	Reallocation of Art Gallery budget
Ex	31	Ex-Op	TRAG - Conservation	21,622	-4,000	Reallocation of Art Gallery budget

Ex	31	Ex-Op	TRAG - Marketing	37,240	5,000	Reallocation of Art Gallery budget
Ex	31	Ex-Op	TRAG - 30th Anniversary dinner	0	4,000	Reallocation of Art Gallery budget
Ex	31	Ex-Op	MOAC - Miscellaneous	11,964	-11,964	Reallocation of Art Gallery budget
Ex	31	Ex-Op	MOAC - Freight	1,087	6,528	Reallocation of Art Gallery budget
Ex	31	Ex-Op	MOAC - Moyra Dyring exhibition	5,438	-5,438	Reallocation of Art Gallery budget
Ex	31	Ex-Op	MOAC - The Yellow Room exhibition	6,528	-6,528	Reallocation of Art Gallery budget
Ex	31	Ex-Op	MOAC - A Painter's House exhibition	0	5,438	Reallocation of Art Gallery budget
Ex	31	Ex-Op	MOAC - Margaret Olley Collection show	0	2,000	Reallocation of Art Gallery budget
Ex	31	Ex-Op	Collection expenses - Vernon licence fee	0	2,680	Reallocation of Art Gallery budget
Ex	31	Ex-Op	Collection expenses - Framing	1,028	11,177	Reallocation of Art Gallery budget
Ex	31	Ex-Op	Artist in Residence Expenses	5,138	6,974	Reallocation of Art Gallery budget
In	31	In-Fees	Artist in Residence Income	-3,150	-3,969	Reallocation of Art Gallery budget
Ex	31	Ex-Op	International exhibitions 2017 to 2019	10,275	-10,275	Reallocation of Art Gallery budget
Ex	31	Ex-Op	Grant expenditure - Artworks sales	8,700	-8,700	Reallocation of Art Gallery budget
Ex	31	Ex-Op	Grant expenditure - Publications	10,874	-4,000	Reallocation of Art Gallery budget
Ex	31	Ex-Op	Grant expenditure - Furniture and fittings	0	12,700	Reallocation of Art Gallery budget
Ex	31	Ex-Op	Art Exhibition - Experimenta	0	728	Reallocation of Art Gallery budget
Ex	31	Ex-Op	Art Exhibition - Deirdre Bean	0	1,678	Reallocation of Art Gallery budget
Ex	31	Ex-Op	Art Exhibition - Graeme Drendel	0	2,632	Reallocation of Art Gallery budget
Ex	31	Ex-Op	Art Exhibition - Laith McGregor	0	3,036	Reallocation of Art Gallery budget
Ex	31	Ex-Op	Art Exhibition - Marion Hall Best	0	9,750	Reallocation of Art Gallery budget
Ex	31	Ex-Op	Art Exhibition - 30 Year Anniversary Show	0	4,050	Reallocation of Art Gallery budget
Ex	31	Ex-Op	Art Exhibition - Abstract Women	0	2,900	Reallocation of Art Gallery budget
Ex	31	Ex-Op	Art Exhibition - Salient	0	2,045	Reallocation of Art Gallery budget
Ex	31	Ex-Op	Art Exhibition - Art Deco - NGA	0	10,275	Reallocation of Art Gallery budget
Ex	32	Ex-Op	Artist in Residence Expenses	0	4,000	Reallocation of Art Gallery rollovers
Ex	32	Ex-Op	Art Exhibition - Australian Exotica	0	8,896	Reallocation of Art Gallery rollovers
Ex	32	Ex-Op	Art Exhibition - Marion Hall Best	9,750	25,000	Reallocation of Art Gallery rollovers
Ex	32	Ex-Op	Art Exhibition - Salient	2,045	5,000	Reallocation of Art Gallery rollovers
Ex	32	Ex-Op	Art Exhibition - 30 Year Anniversary Show	4,050	3,000	Reallocation of Art Gallery rollovers
Ex	32	Ex-Op	Art Exhibition - Les Peterkin	0	1,382	Reallocation of Art Gallery rollovers
Ex	32	Ex-Op	Art Exhibition - Self-made:zine and art books	0	6,000	Reallocation of Art Gallery rollovers
Ex	32	Ex-Op	Art Exhibition - Use	0	6,500	Reallocation of Art Gallery rollovers
Ex	32	Ex-Op	Art Exhibition - Dean Home	0	6,500	Reallocation of Art Gallery rollovers
Ex	32	Ex-Op	Art Exhibitions - CAEP	0	4,000	Reallocation of Art Gallery rollovers
Ex	32	Ex-Op	Art Exhibition - Fred Jessup	0	60,000	Reallocation of Art Gallery rollovers
Ex	32	Ex-Op	Art Exhibition - Olley Collection show 2019	0	2,000	Reallocation of Art Gallery rollovers
Ex	32	Ex-Op	Grant expenditure	0	-132,278	Reallocation of Art Gallery rollovers
Ex	32	Ex-Capital	Gallery Garden Walk-way	0	88,317	Reallocation of Art Gallery rollovers
Ex	32	Ex-Capital	Gallery Carpark unisex accessible toilets	138,617	-88,317	Reallocation of Art Gallery rollovers
Ex	33	Ex-Op	COP Operating Costs	69,687	-69,687	Updating of Community Services budget
Ex	33	Ex-Op	COP Client Expenses	93,587	-93,587	Updating of Community Services budget
Ex	33	Ex-Op	COP Commonwealth Funded Operating Costs	748,637	-748,637	Updating of Community Services budget
In	33	In-OG&C	COPs Commonwealth Grant Income	-471,551	471,551	Updating of Community Services budget
Ex	33	Ex-Op	COP Grandfathering Client Expenses	134,638	-102,638	Updating of Community Services budget
In	33	In-OG&C	COP Other	-550,614	518,614	Updating of Community Services budget
In	33	In-OG&C	NDIS - Income	0	-260,000	Updating of Community Services budget
Ex	33	Ex-Op	NDIS - Expenditure	0	260,000	Updating of Community Services budget
Ex	33	Ex-Op	Regional Assessment Service (RAS)	0	136,467	Updating of Community Services budget
In	33	In-OG&C	Regional Assessment Service (RAS)	-5,195	-131,272	Updating of Community Services budget
In	33	In-OG&C	Commonwealth Home Support Program (CHSP)	0	-145,165	Updating of Community Services budget
Ex	33	Ex-Op	Commonwealth Home Support Program (CHSP)	0	145,165	Updating of Community Services budget
In	33	In-OG&C	SUPPORT COORDINATION (OPC) Income	-730,527	730,527	Updating of Community Services budget

SUPPORT COORDINATION (OPC)						
Ex	33	Ex-Op	Expenses	671,359	-671,359	Updating of Community Services budget
In	33	In-OG&C	COP Podiatry Income	-30,056	30,056	Updating of Community Services budget
Ex	33	Ex-Op	COP Podiatry Expenses	28,706	-28,706	Updating of Community Services budget
In	33	In-OG&C	Continuity of Supports Income		-29,328	Updating of Community Services budget
Ex	33	Ex-Op	Continuity of Supports Expenditure		34,096	Updating of Community Services budget
Ex	34	Ex-Capital	Pottsville Beach Community Centre		46,500	Floor renewal
Ex	34	Ex-Op	Community Buildings Maintenance	440,371	-16,500	Funding for above
In	34	In-CG&C	Crown Reserves Improvement Fund		-30,000	Funding for above
Ex	35	Ex-OpEmp	Human Resources Salaries	826,477	275,408	Additional positions
Ex	35	Ex-Op	IT Resourcing Strategy	814,208	-68,877	Funding for above
Ex	35	Ex-OpEmp	Workers Comp Wages	89,889	-50,000	Funding for above
Ex	35	Ex-Op	Health & Safety Initiatives Fund	120,986	-14,531	Funding for above
Ex	35	Ex-OpEmp	Executive Salaries	1,642,271	-131,000	Funding for above
In	35	In-TFR	Works Carried Forward Reserve		-11,000	Funding for above
Ex	36	Ex-OpEmp	Gallery Down Town		100,000	Curator and ancillary expenses
Ex	36	Ex-Op	Economic Development	525,000	-100,000	Funding for above
Ex	37	Ex-Op	Foxes & Rabbits on the Tweed Coast		29,909	Control & Monitoring program
In	37	In-OG&C	NSW Department of Industry		-27,182	Funding for above
Ex	37	Ex-Op	Feral Animal Control	11,157	-2,727	Funding for above
Ex	38	Ex-Capital	New pound		600,000	Relocation of facility
Ex	39	Ex-Capital	Coolamon Centre		25,056	Building repairs
					-27,000	

Sewer Fund

Ex	40	Ex-Op	Operations		613,491	SCADA and hydraulic model projects, revisions
Ex	40	Ex-Capital	Capital works		1,565,984	Revisions and carry over projects
Ex	40	In-Interest	Interest received		-65,330	Funding adjustments
In	40	In-TFR	Transfers from reserves		-1,485,310	Funding adjustments
In	40	In-Recoup	Recoupment from s64		-215,869	Funding adjustments
Ex	40	Ex-TTR	Transfers to reserves		-412,966	Funding adjustments
					0	

Water Fund

Ex	41	Ex-Op	Operations		168,485	Reservoir repairs and SCADA/mobility projects, revisions
Ex	41	Ex-Capital	Capital works		3,022,205	Revisions and carry over projects
Ex	41	In-Interest	Interest received		33,766	Funding adjustments
Ex	41	In-CG&C	Capital grants		-57,500	Funding adjustments
In	41	In-TFR	Transfers from reserves		-634,660	Funding adjustments
In	41	In-Recoup	Recoupment from s64		-2,192,210	Funding adjustments
Ex	41	Ex-TTR	Transfers to reserves		-340,086	Funding adjustments
					0	

2. Variations Arising from Council Resolutions

Ex	42	Ex-Capital	Kyogle Road (West of Clarrie Hall Dam Road) Black Spot		214,036	Resolution 21 June, Item 18
Ex	42	Ex-Capital	Clothiers Creek Rd (Nth of Condor Place) Black Spot		87,052	Resolution 21 June, Item 18
Ex	42	Ex-Capital	Kyogle Road (Byrrill Creek Rd Intersection) Black Spot		552,000	Resolution 21 June, Item 18
Ex	42	Ex-Capital	Kyogle Road (Bakers Road Intersection) Black Spot		349,760	Resolution 21 June, Item 18
Ex	42	Ex-Capital	Numinbah Road (East of Crystal Cr Rd) Black Spot		102,950	Resolution 21 June, Item 18
In	42	In-CG&C	Kyogle Road (West of Clarrie Hall Dam Road) Black Spot grant funding		-214,036	Resolution 21 June, Item 18
In	42	In-CG&C	Clothiers Creek Rd (Nth of Condor Place) Black Spot grant funding		-87,052	Resolution 21 June, Item 18
In	42	In-CG&C	Kyogle Road (Byrrill Creek Rd Intersection) Black Spot grant funding		-552,000	Resolution 21 June, Item 18

In	42	In-CG&C	Kyogle Road (Bakers Road Intersection) Black Spot grant funding		-349,760	Resolution 21 June, Item 18
In	42	In-CG&C	Numinbah Road (East of Crystal Cr Rd) Black Spot grant funding		-102,950	Resolution 21 June, Item 18
Ex	43	Ex-Op	Sacred Littoral Project	10,000	-10,000	Resolution 20 September, Item 10
Ex	43	Ex-Op	Festivals & Events - Christmas decorations		10,000	Resolution 20 September, Item 10
Ex	44	Ex-Op	LED Street lighting replacement - Casuarina/Salt		85,000	Resolution 19 July, Item 31
In	44	In-TFR	Asset Management Reserve - Infrastructure		-85,000	Funding for above
Ex	45	Ex-Op	Community Halls Advisory Committee	0	27,000	Resolution 20 September, Item 31
Ex	46	Ex-Op	Rollovers - materials & contracts		16,022,711	Resolution 25 October Item 42
Ex	46	Ex-Capital	Rollovers - capital works		38,289,173	Resolution 25 October Item 42
In	46	In-TFR	Rollover funding - reserves, unexpended grants		50,789,981	Resolution 25 October Item 42
In	46	In-Recoup	Rollover funding - s94		-1,553,281	Resolution 25 October Item 42
In	46	In-Loan	Rollover funding - unexpended loans		-1,968,622	Resolution 25 October Item 42
					27,000	

Summary of Votes by Type

2018/19 Variations	-27,000
Council Resolutions	27,000
	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	
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	613.491
In-Sales	Proceeds from sale of assets

Expenses

Employee costs	278,408
Materials & Contracts	15,964,423
Interest	0
Other Operating costs	-150,000
Capital	50,076,205
Loan Repayments	0
Transfers to Reserves	-227,714
	65,941,322

Income

Rates and Annual Charges	0
Interest revenue	-31,564
Operating Grants & Conts	135,961
Capital Grants & Conts	-6,863,404

User Charges & Fees	-72,814
Other Operating Revenue	0
Loan Funds	-1,152,622
Recoupments	-3,961,360
	-
Transfers from Reserves	53,995,519
Asset Sales	0
	-
	65,941,322
 Net	 0

Summary of Votes - by Division

Corporate Services	56,501
Planning & Regulation	-53,809
Community & Natural Resources	73,097
Engineering	60,211
General Manager	-136,000
	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 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	111,135	-	-	111,135	-	111,135	27,708
User Charges and Fees	46,920	-	-	46,920	73	46,993	12,246
Interest and Investment Revenue	9,821	-	-	9,821	31	9,852	3,749
Other Revenues	2,955	-	-	2,955	-	2,955	1,097
Grants & Contributions - Operating	17,123	-	-	17,123	(136)	16,987	5,005
Grants and Contributions - Capital	1,017	-	-	1,017	6,806	7,823	685
- Contributions (S94)	16,732	-	-	16,732	58	16,790	4,180
Net gain from the disposal of assets	-	-	-	-	-	-	-
Total Income	205,703	-	-	205,703	6,832	212,535	54,670

Expense

Employee costs	57,916	-	-	57,916	278	58,194	14,139
Borrowing Costs	11,666	-	-	11,666	-	11,666	2,917
Materials & Contracts	46,739	-	-	46,739	15,966	62,705	10,845
Depreciation	42,623	-	-	42,623	-	42,623	10,656
Legal Costs	476	-	-	476	-	476	164
Consultants	492	-	-	492	-	492	14
Other Expenses	16,931	-	-	16,931	(150)	16,781	3,386
Net Loss from Disposal of Assets	-	-	-	-	-	-	-
Total Expenses	176,843	-	-	176,843	16,094	192,937	42,121

Net Operating Result

	28,860	-	-	28,860	(9,262)	19,598	12,549
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Net Operating Result before capital items

	11,111	-	-	11,111	(16,126)	(5,015)	7,684
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Funding Statement - Consolidated - Source & Application of Funds

Operating Result (Income Statement)	28,860	-	-	28,860	(9,262)	19,598
Add Back non-funded items:						
Depreciation	42,623	-	-	42,623	-	42,623
		-	-	-	-	-
Add non-operating funding sources						
Transfers from Externally Restricted Cash	25,659	-	-	25,659	3,961	29,620
Transfers from Internally Restricted Cash	3,499	-	-	3,499	53,996	57,495
Proceeds from sale of assets	2,210	-	-	2,210	-	2,210
Loan Funds Utilised	3,066	-	-	3,066	1,153	4,219
Repayments from Deferred Debtors	-	-	-	-	-	-
Funds Available	105,917	-	-	105,917	49,848	155,765
Funds were applied to:						
Purchase and construction of assets	45,771	-	-	45,771	50,076	95,847
Repayment of principal on loans	8,838	-	-	8,838	-	8,838
Transfers to Externally Restricted Cash	47,590	-	-	47,590	-	47,590
Transfers to Internally Restricted Cash	3,718	-	-	3,718	(228)	3,490
Funds Used	105,917	-	-	105,917	49,848	155,765
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

* Includes Carried Forward Works
revotes

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	74,731		74,731	-	74,731	18,851
User Charges and Fees	19,177		19,177	73	19,250	5,772
Interest and Investment Revenue	5,243		5,243	-	5,243	1,954
Other Revenues	2,624		2,624	-	2,624	896
Grants & Contributions - Operating	16,209		16,209	(136)	16,073	4,962
Grants and Contributions - Capital	1,017		1,017	6,806	7,823	685
- Contributions (S64/S94)	1,856		1,856		1,856	2,513
Net gain from the disposal of assets			-		-	-
Total Income	120,857	-	120,857	6,743	127,600	35,633

Expense

Employee costs	45,838		45,838	278	46,116	11,109
Borrowing Costs	5,393		5,393	-	5,393	1,348
Materials & Contracts	25,620		25,620	15,184	40,804	8,793
Depreciation	24,978		24,978		24,978	6,245
Legal Costs	476		476		476	162
Consultants	94		94		94	10
Other Expenses	12,708		12,708	(150)	12,558	2,888
Net Loss from Disposal of Assets			-		-	
Total Expenses	115,107	-	115,107	15,312	130,419	30,555

Net Operating Result

	5,750	-	5,750	(8,569)	(2,819)	5,078
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Net Operating Result before capital items

	2,877	-	2,877	(15,375)	(12,498)	1,880
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Funding Statement - General Fund - Source & Application of Funds

Operating Result (Income Statement)	5,750	-	5,750	(8,569)	(2,819)
Add Back non-funded items:					
Depreciation	24,978		24,978	-	24,978
Add non-operating funding sources					
Transfers from Externally Restricted Cash	1,554		1,554	1,553	3,107
Transfers from Internally Restricted Cash	3,499		3,499	51,876	55,375
Proceeds from sale of assets	2,210		2,210	-	2,210

Loan Funds Utilised	3,066			3,066	1,153	4,219
Internal charges				-		-
Repayments from Deferred Debtors				-		-
Funds Available	41,057	-	-	41,057	46,013	87,070
Funds were applied to:						
Purchase and construction of assets	25,543			25,543	45,488	71,031
Repayment of principal on loans	4,419			4,419	-	4,419
Transfers to Externally Restricted Cash	7,377			7,377		7,377
Transfers to Internally Restricted Cash	3,718			3,718	525	4,243
Funds Used	41,057	-	-	41,057	46,013	87,070
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

* Includes Carried Forward Works revotes

Income & Expense- Sewer Fund Budget Review Statement for the quarter ended 31 December 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	30,680			30,680	-	30,680	7,377
User Charges and Fees	3,389			3,389	-	3,389	824
Interest and Investment Revenue	2,687			2,687	65	2,752	1,238
Other Revenues	17			17	-	17	6
Grants & Contributions - Operating	505			505	-	505	43
Grants and Contributions - Capital				-		-	
- Contributions (S64/S94)	4,877			4,877	-	4,877	612
Net gain from the disposal of assets				-		-	
Total Income	42,155	-	-	42,155	65	42,220	10,100

Expense

Employee costs	7,381			7,381	-	7,381	1,793
Borrowing Costs	2,030			2,030	-	2,030	508
Materials & Contracts	10,268			10,268	613	10,881	1,008
Depreciation	10,196			10,196	-	10,196	2,549
Legal Costs				-	-	-	
Consultants	158			158	-	158	2
Other Expenses	2,761			2,761	-	2,761	316
Net Loss from Disposal of Assets				-		-	

Total Expenses	32,794	-	-	32,794	613	33,407	6,176
Net Operating Result	9,361	-	-	9,361	(548)	8,813	3,924
Net Operating Result before capital items	4,484	-	-	4,484	(548)	3,936	3,312

Funding Statement - Sewer Fund - Source & Application of Funds

Operating Result (Income Statement)	9,361	-	-	9,361	(548)	8,813
Add Back non-funded items:						
Depreciation	10,196	-	-	10,196	-	10,196
Add non-operating funding sources						
Transfers from Externally Restricted Cash	8,631			8,631	216	8,847
Transfers from Internally Restricted Cash				-	1,485	1,485
Proceeds from sale of assets				-	-	-
Loan Funds Utilised				-	-	-
Repayments from Deferred Debtors				-	-	-
Funds Available	28,188	-	-	28,188	1,153	29,341
Funds were applied to:						
Purchase and construction of assets	5,933			5,933	1,566	7,499
Repayment of principal on loans	2,867			2,867	-	2,867
Transfers to Externally Restricted Cash	19,388			19,388	-	19,388
Transfers to Internally Restricted Cash				-	(413)	(413)
Internal charges				-	-	-
Funds Used	28,188	-	-	28,188	1,153	29,341
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

Income & Expense- Water Fund Budget Review Statement for the quarter ended 31 December 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	5,724		5,724	-	5,724	1,480
User Charges and Fees	24,354		24,354	-	24,354	5,650
Interest and Investment Revenue	1,891		1,891	(34)	1,857	557
Other Revenues	314		314	-	314	195
Grants & Contributions - Operating	409		409	-	409	-
Grants and Contributions - Capital			-		-	-

- Contributions (S64/S94)	9,999			9,999	58	10,057	1,055
Net gain from the disposal of assets				-		-	
Total Income	42,691	-	-	42,691	24	42,715	8,937

Expense

Employee costs	4,697			4,697	-	4,697	1,237
Borrowing Costs	4,243			4,243	-	4,243	1,061
Materials & Contracts	10,851			10,851	169	11,020	1,044
Depreciation	7,449			7,449	-	7,449	1,862
Legal Costs				-	-	-	2
Consultants	240			240	-	240	2
Other Expenses	1,462			1,462	-	1,462	182
Net Loss from Disposal of Assets				-		-	
Total Expenses	28,942	-	-	28,942	169	29,111	5,390

Net Operating Result

	13,749	-	-	13,749	(145)	13,604	3,547
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Net Operating Result before capital items

	3,750	-	-	3,750	(203)	3,547	2,492
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Funding Statement - Water Fund - Source & Application of Funds

Operating Result (Income Statement)	13,749	-	-	13,749	(145)	13,604
Add Back non-funded items:						
Depreciation	7,449	-	-	7,449	-	7,449
Add non-operating funding sources						
Transfers from Externally Restricted Cash	15,474			15,474	2,192	17,666
Transfers from Internally Restricted Cash				-	635	635
Proceeds from sale of assets				-		-
Loan Funds Utilised				-		-
Repayments from Deferred Debtors				-		-
Funds Available	36,672	-	-	36,672	2,682	39,354
Funds were applied to:						
Purchase and construction of assets	14,295			14,295	3,022	17,317
Repayment of principal on loans	1,552			1,552	-	1,552
Transfers to Externally Restricted Cash	20,825			20,825	-	20,825
Transfers to Internally Restricted Cash				-	(340)	(340)
Internal charges				-		-
Funds Used	36,672	-	-	36,672	2,682	39,354

Increase/(Decrease) in Available Working Capital

-	-	-	-	-	-
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This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 2018 and should be read in conjunction with other documents in the QBRS.

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

Capital Funding **

Rates and other untied funding	31,961			31,961	625	32,586	5,051
Capital Grants & Contributions	928			928	6,863	7,791	1,208
Internal Restrictions (Reserves)	1,987			1,987	25,769	27,756	4,303
External Restrictions	12,366			12,366	13,567	25,933	4,020
- s64 & s94 funds	2,205			2,205	2,600	4,805	745
Other Capital Funding Sources							
- loans	3,066			3,066	652	3,718	576
Income from sale of assets							
- plant and equipment	2,210			2,210		2,210	343
- Land,Buildings,Furniture,Fittings							
Total Capital Funding	54,723			54,723	50,076	104,799	16,246

Capital Expenditure

New Assets

- Plant and Equipment	230			230	106	336	59
- Land,Buildings,Furniture,Fittings	3,939			3,939	15,799	19,738	6,796
- Roads, Bridges, Footpaths	20			20	6,748	6,768	661
- Drainage							
- Water & Sewer Infrastructure	7,016			7,016	2,504	9,520	756
- Other	3,200			3,200	9,836	13,036	39

Renewals (Replacement)

- Plant and Equipment	7,170			7,170		7,170	390
- Land,Buildings,Furniture,Fittings	101			101	219	320	353
- Roads, Bridges, Footpaths	11,338			11,338	4,288	15,626	3,663
- Drainage	644			644	134	778	8
- Water & Sewer Infrastructure	6,845			6,845	1,673	8,518	973
- Other					2,544	2,544	313

Upgrades

- Plant and Equipment							
- Land,Buildings,Furniture,Fittings					2,227	2,227	149
- Roads, Bridges, Footpaths	630			630	2,761	3,391	686
- Drainage	800			800	772	1,572	292
- Water & Sewer Infrastructure	3,952			3,952	411	4,363	161
- Other					54	54	

Loan Repayments (principal)	8,838			8,838		8,838	948
Total Capital Expenditure	54,723			54,723	50,076	104,799	16,247

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 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 30 September 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	7,814			7,814		7,814	3,471
Externally restricted							
Developer contributions	40,632			40,632	(3,961)	36,671	42,435
Domestic waste management	20,659			20,659	(11,387)	9,272	20,000
Special Rates	224			224		224	301
Unexpended grants & contributions	6,019			6,019	(6,019)	0	6,000
Water Supplies	75,087			75,087		75,087	62,410
Sewerage Services	100,861			100,861		100,861	98,931
Other	17,396			17,396		17,396	17,000
Total Externally restricted	260,878	0	0	260,878	(21,367)	239,511	247,077
Internally restricted							
Employee Leave entitlements	13,554			13,554		13,554	13,554
Unexpended untied grants	1,501			1,501	(1,501)	0	1,500
Unexpended loans	3,091			3,091	(1,968)	1,123	3,000
7 Year Plan	2,445			2,445	(2,282)	163	2,400
Works Carried Forward	8,508			8,508	(7,070)	1,438	8,000
Replacement of Plant and Vehicles	5,456			5,456		5,456	5,000
Tip improvements	14,545			14,545	(7,625)	6,920	14,000
Asset renewals	28,534		(744)	27,790	(6,163)	21,627	28,000
Other	8,844		(111)	8,733		8,733	8,000
Total Internally restricted	86,478	0	(855)	85,623	(26,609)	59,014	83,454
Total Restricted	347,356	0	(855)	346,501	(47,976)	298,525	330,531
Total cash and investments	355,170	0	(855)	354,315	(47,976)	306,339	334,002
Available cash	7,814	0	0	7,814	0	7,814	3,471

* 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	330,531
Total invested funds as per September Investment Report	327,363
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	334,002
Cash on hand and at bank	6,639
Investments	<u>327,363</u>
	334,002

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 2018 and should be read in conjunction with other documents in the QBRS.

Key Performance Indicators Budget Review Statement for the quarter ended 30 September 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>96,268</u>	3.3:1
Current liabilities	29,463	
Target:		2:1

Purpose:

To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

	Amounts	Indicator
2. Debt Service Ratio		
	(000's)	
Debt Service Cost	3,865	8.38%
Selected operating income	46,111	
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 2018 and should be read in conjunction with other documents in the QBRs.

Budget Review Contracts and Other Expenses for the quarter ended 30 September 2018

PART A-Contracts Listing					
Contractor	Contract Title	Contract Value \$	Award Date	Duration of Contract	Budgeted (Y/N)
OnTime Guardrail Pty Ltd	RFO2018050 - ROAD FLOOD DAMAGE RESTORATION- Guardrails	\$247,650.00	11-Jul-18	8 Weeks	Y
Premier Technologies Pty Ltd	RFO2018021 - Provision and support of browser based Contact Centre solution	\$141,212.00	11-Jul-18	3 Years	Y
Desire Contractors Pty Ltd	RFO2018071 - Lions Park Refurbishment Kingscliff	\$632,871.26	16-Aug-18	12 Weeks	Y
Coughran Electrical Services Pty Ltd	RFO2018073 - Overhead Lighting Coastal Cycleway	\$514,709.64	16-Aug-18	36 Weeks	Y
OnTime Guardrail Pty Ltd	RFO2018074 - Kyogle Road Guardrail System Installation	\$108,180.00	20-Aug-18	N/A	Y
East Coast Asphalt & Concrete Edging Pty Ltd	RFO2018067 - Supply and Place 35mm AC10M Wearing Course at Enid St, Tweed Heads	\$56,380.00	21-Aug-18	4 Weeks	Y
Enco Precast	RFO2018098 - Fabricate Supply & Delivery (FOT) of PSC Bridge Beams for Byrill Creek Bridge	\$163,800.00	18-Sep-18	20 Weeks	Y
Water Infrastructure Services	RFO2017181 - Design and Construct Four Reservoir access Structures	\$420,340.09	20-Sep-18	17 Weeks	Y
Wagstaff Piling	RFO2018097 - Byrill Creek Road Bridge – Piling works	\$372,900.00	20-Sep-18	6 Weeks	Y
NSW Spray Seal	RFO2018079 - Spray Seal Services and Associated Products	\$3,000,000.00	20-Sep-18	2 Years	Y
PT Automation Solutions Pty Ltd	RFO2018100 - Manufacture and Supply of Switchboard for SPS3006	\$94,135.00	26-Sep-18	12 Weeks	Y
COMPLETE Urban	RFO2018126 - Tweed Heads Civic Centre Cultural Plaza Project	\$63,623.64	28-Sep-18	10 Weeks	Y

PART B - Consultancy and Legal expenses

Expense	Expenditure YTD \$	Budgeted (Y/N)
Consultancies	14,149	Y

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 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 30 September 2018 indicates that Council's projected financial position at 30 June 2019 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 2 November 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.
