

**TITLE:** [CS-CM] Quarterly Budget Review - March 2014

**SUBMITTED BY:** Financial Services

Valid



## Civic Leadership

### LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK:

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

### SUMMARY OF REPORT:

This is the third quarter statutory budget review for this financial year and summarises the estimated expenditure and income changes to the 2013/2014 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 2014 in all Funds.

### RECOMMENDATION:

That the:

1. Quarterly Budget Review Statement as at 31 March 2014 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 2014:

Description	Change to Vote	
	Deficit	Surplus
<b>General Fund</b>		
<b><u>Expenses</u></b>		
Employee costs	72,500	0
Materials & Contracts	34,632	0
Interest	0	0
Other Operating costs	0	72,500
Capital	90,074	0
Loan Repayments	0	0
Transfers to Reserves	165,700	0
	<b>362,906</b>	<b>72,500</b>

Description	Change to Vote	
<b>Income</b>		
Rates and Annual		
Charges	0	0
Interest revenue	0	0
Operating Grants & Conts	0	140,442
Capital Grants & Conts	58,536	0
User Charges & Fees	0	37,500
Other Operating Revenue	0	0
Loan Funds	0	0
Recoupments	0	0
Transfers from Reserves	0	0
Asset Sales	0	171,000
	<b>58,536</b>	<b>348,942</b>
Net Surplus/(Deficit)		<b>0</b>
<b>Sewer Fund</b>		
<b>Expenses</b>		
Employee costs	0	0
Materials & Contracts	96,250	0
Interest	0	0
Other Operating costs	0	0
Capital	0	2,273,500
Loan Repayments	0	0
Transfers to Reserves	963,483	0
	<b>1,059,733</b>	<b>2,273,500</b>
<b>Income</b>	<b>0</b>	<b>0</b>
Rates and Annual		
Charges	0	0
Interest revenue	0	180,983
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	752,250	0
Transfers from Reserves	642,500	0
Asset Sales	0	0
	<b>1,394,750</b>	<b>180,983</b>
Net Surplus/(Deficit)		<b>0</b>
<b>Water Fund</b>		
<b>Expenses</b>		
Employee costs	0	0
Materials & Contracts	0	358,750
Interest	0	0
Other Operating costs	0	0
Capital	8,000	0
Loan Repayments	0	0
Transfers to Reserves	382,603	0
	<b>390,603</b>	<b>358,750</b>
<b>Income</b>		
Rates and Annual		
Charges	0	0
Interest revenue	0	29,157
Operating Grants & Conts	0	0
Capital Grants & Conts	0	0

Description	Change to Vote	
User Charges & Fees	0	0
Other Operating Revenue	0	0
Loan Funds	0	0
Recoupments	0	0
Transfers from Reserves	0	2,696
Asset Sales	0	0
	0	31,853
<b>Net Surplus/(Deficit)</b>		<b>0</b>

**REPORT:****Budget Review 31 March 2014 (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.

From the 2011/2012 financial year, councils have been 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>General Fund</b>	<b>Net Effect on 2013/2014 Budget</b>	<b>Net Effect on LTFP</b>
Art Gallery salaries	3,500	
Conduct Review Panel	15,000	
Seabreeze fig tree removal/replanting	11,000	
Local Heritage Assistance Fund	8,000	
Development assessment fees	(37,500)	
	0	0

### Detailed list of changes

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
<b>1. Proposed Variations</b>						
<b>General</b>						
			Communications & Customer Service			
Ex	1	Ex-OpEmp		309,618	<b>72,500</b>	Communications officer
Ex	1	Ex-OpOther	C&CS Charge to Water & Sewer	-2,365,702	<b>-72,500</b>	Funding for above
Ex	2	Ex-Capital	Arkinstall Park upgrade	7,912,559	<b>-258,536</b>	Reduce by prior years expenditure
In	2	In-CG&C	Capital grants	-5,000,000	<b>258,536</b>	Funding for above Casual staff due to MOAC demand
Ex	3	Ex-Op	Art Gallery salaries	387,908	<b>3,500</b>	
Ex	4	Ex-Op	Bogangar Public School zone		<b>7,900</b>	Installation costs
In	4	In-OG&C	RMS contribution		<b>-7,900</b>	Funding for above
Ex	5	Ex-Op	Conduct Review Panel	5,304	<b>15,000</b>	Higher than anticipated
Ex	6	Ex-Op	Kennedy Drive speed zone adjustments		<b>3,932</b>	Installation costs
In	6	In-OG&C	RMS contribution		<b>-3,932</b>	Funding for above
Ex	7	Ex-Capital	Murwillumbah Civic Centre Landscaping		<b>73,000</b>	Upgrading works around library
Ex	7	Ex-Op	Library grant expenditure	150,678	<b>-23,000</b>	Funding for above
Ex	7	Ex-Op	Passive Recreation Asset Maintenance	317,610	<b>-50,000</b>	Funding for above
Ex	8	Ex-Op	Kingscliff library roof replacement	30,000	<b>28,000</b>	Original estimate inadequate
Ex	8	Ex-Op	Library grant expenditure	150,678	<b>-28,000</b>	Funding for above
Ex	9	Ex-Op	Northern Rivers Fire Biodiversity Consortium	10,830	<b>5,000</b>	Coordinator costs
Ex	9	Ex-Op	Fire hazard reduction	78,942	<b>-5,000</b>	Funding for above
Ex	10	Ex-Op	Northern Rivers Fire Biodiversity Consortium		<b>25,000</b>	Strategic Plan preparation
In	10	In-OG&C	Local Land Services		<b>-25,000</b>	Funding for above
Ex	11	Ex-Op	Bilambil Creek riparian restoration		<b>38,000</b>	New project
In	11	In-OG&C	Department of Primary Industries		<b>-26,000</b>	Funding for above
Ex	11	Ex-Op	Catchment water quality	259,178	<b>-12,000</b>	Funding for above Western boundary Billabong caravan park
Ex	12	Ex-Capital	TRCP drainage improvements	120,000	<b>75,610</b>	
Ex	12	In-OG&C	RMS contribution		<b>-75,610</b>	Funding for above
Ex	13	Ex-Op	Banora Point Community Centre		<b>2,000</b>	Broadband for Seniors training
In	13	In-OG&C	Department of Social Services		<b>-2,000</b>	Funding for above
Ex	14	Ex-Capital	Minjunbal Drive (Banora Pt		<b>200,000</b>	Drainage works

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
			handover)			
In	14	In-CG&C	RMS contribution		<b>-200,000</b>	Funding for above
Ex	15	Ex-Capital	Numinbah Road - Segment 120		<b>250,000</b>	Repair program
Ex	15	Ex-Capital	Numinbah Road - Segment 60	500,000	<b>-250,000</b>	Funding for above
In	16	In-Operating	Development assessment fees	<b>-631,225</b>	<b>-37,500</b>	Projected income
					<b>-19,000</b>	
			<b>Sewer Fund</b>			
Ex	20	Ex-Op	Operations		<b>96,250</b>	Operational adjustments
Ex	20	Ex-Capital	Various Capital Works		<b>-2,273,500</b>	Deferrals & adjustments
In	20	In-Interest	Interest		<b>-180,983</b>	Funding adjustment
Ex	20	Ex-TTR	Transfers to Asset Replacement Res.		<b>77,564</b>	Funding adjustment - restricted asset
Ex	20	Ex-TTR	Transfers to Asset Replacement Res.		<b>885,919</b>	Funding adjustment
In	20	In-Recoup	Transfers from Capital Contributions Res.		<b>752,250</b>	Funding adjustment
In	20	In-TFR	Transfers from Asset Replacement Res.		<b>642,500</b>	Funding adjustment
					<b>0</b>	
			<b>Water Fund</b>			
Ex	21	Ex-Op	Operations		<b>-358,750</b>	Deferrals & adjustments
In	21	In-Interest	Interest		<b>-29,157</b>	Funding adjustment
Ex	21	Ex-Capital	Various Capital Works		<b>8,000</b>	Deferrals & adjustments
In	21	In-TFR	Transfers from Asset Replacement Res.		<b>-2,696</b>	Funding adjustment
Ex	20	Ex-TTR	Transfers to Asset Replacement Res.		<b>382,603</b>	Funding adjustment - restricted asset
					<b>0</b>	
			<b>2. Variations Arising from Council Resolutions</b>			
Ex	22	Ex-Op	Seabreeze fig tree removal/replanting		<b>11,000</b>	Council meeting 19/9/2013
Ex	23	Ex-Op	Local Heritage Assistance Fund		<b>8,000</b>	Council meeting 13/12/2012
In	24	In-Sales	Sale of 21 Piggabeen Road		<b>-171,000</b>	Council meeting 23/1/2014
Ex	23	Ex-Op	Conveyancing costs for above		<b>5,300</b>	Council meeting 23/1/2014
Ex	24	Ex-TTR	Transfer net proceeds to reserve		<b>165,700</b>	Council meeting 23/1/2014
Ex	24					
					<b>19,000</b>	
			<b>Summary of Votes by Type</b>			
			2012/13 Variations		<b>-19,000</b>	
			Council Resolutions		<b>19,000</b>	
					<b>0</b>	
			<b>Key to Category codes</b>			
		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			
		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			

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
			<u>Expenses</u>			
			Employee costs		72,500	
			Materials & Contracts		-227,868	
			Interest		0	
			Other Operating costs		-72,500	
			Capital		-2,175,426	
			Loan Repayments		0	
			Transfers to Reserves		1,511,786	
					<u>-891,508</u>	
			<u>Income</u>			
			Rates and Annual Charges		0	
			Interest revenue		-210,140	
			Operating Grants & Conts		-140,442	
			Capital Grants & Conts		58,536	
			User Charges & Fees		-37,500	
			Other Operating Revenue		0	
			Loan Funds		0	
			Recoupments		752,250	
			Transfers from Reserves		639,804	
			Asset Sales		-171,000	
					<u>891,508</u>	
			Net		0	
			<b>Summary of Votes - by Division</b>			
			Corporate Services		0	
			Planning & Regulation		-29,500	
			Community & Natural Resources		14,500	
			Engineering		0	
			General Manager		15,000	
					<u>0</u>	

### Results by fund:

#### General Fund

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

#### Water Fund

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

#### Sewer Fund

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

## Quarterly Budget Review Statements

### Income and Expense - Consolidated Budget Review Statement for the quarter ended 31 March 2014

Original Budget (000's)	Approved Changes			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	90,063	27	-	90,090	-	90,090	68,475
User Charges and Fees	36,296	3,554	(315)	39,535	38	39,573	29,448
Interest and Investment Revenue	6,266	3,092	(1,085)	8,273	210	8,483	6,763
Other Revenues	2,030	-	-	2,030	-	2,030	2,101
Grants & Contributions - Operating	15,065	145	(136)	15,074	139	15,213	11,786
Grants and Contributions - Capital	8,629	-	-	8,629	(59)	8,570	5,305
- Contributions (S94)	6,749	-	(1,181)	5,568	-	5,568	8,444
Net gain from the disposal of assets	-	-	-	-	-	-	-
<b>Total Income</b>	<b>165,098</b>	<b>6,818</b>	<b>(2,717)</b>	<b>169,199</b>	<b>328</b>	<b>169,527</b>	<b>132,322</b>

#### Expense

Employee costs	44,740	(50)	296	44,986	72	45,058	33,807
Borrowing Costs	13,419	-	-	13,419	-	13,419	8,687
Materials & Contracts	44,840	855	18,926	64,621	(228)	64,393	35,425
Depreciation	40,809	-	-	40,809	-	40,809	30,607
Legal Costs	387	-	-	387	-	387	607
Consultants	352	29	-	381	-	381	395
Other Expenses	13,847	85	80	14,012	(73)	13,939	9,510
Net Loss from Disposal of Assets	-	-	-	-	-	-	271
<b>Total Expenses</b>	<b>158,394</b>	<b>919</b>	<b>19,302</b>	<b>178,615</b>	<b>(229)</b>	<b>178,386</b>	<b>119,309</b>

#### Net Operating Result

	6,704	5,899	(22,019)	(9,416)	557	(8,859)	13,013
--	-------	-------	----------	---------	-----	---------	--------

#### Net Operating Result before capital items

	(1,925)	5,899	(22,019)	(18,045)	616	(17,429)	7,708
--	---------	-------	----------	----------	-----	----------	-------



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

	Original Budget (000's)	Approved Changes			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)		
Operating Result (Income Statement)	6,704	5,899	(22,019)	(9,416)	557	(8,859)
<b>Add Back non-funded items:</b>						
Depreciation	40,809	-	-	40,809	-	40,809
		-	-	-	-	-
<b>Add non-operating funding sources</b>						
Transfers from Externally Restricted Cash	19,325	(1,425)	2,476	20,376	(752)	19,624
Transfers from Internally Restricted Cash	10,858	2,308	20,917	34,083	(640)	33,443
Proceeds from sale of assets	2,806	-	1,650	4,456	171	4,627
Loan Funds Utilised	2,076	260	9,346	11,682	-	11,682
Repayments from Deferred Debtors	-	-	-	-	-	-
<b>Funds Available</b>	<b>82,578</b>	<b>7,042</b>	<b>12,370</b>	<b>101,990</b>	<b>(664)</b>	<b>101,326</b>
<b>Funds were applied to:</b>						
Purchase and construction of assets	51,593	1,943	16,854	70,390	(2,176)	68,214
Repayment of principal on loans	7,655	-	-	7,655	-	7,655
Transfers to Externally Restricted Cash	6,749	-	-	6,749	-	6,749
Transfers to Internally Restricted Cash	16,581	4,990	(3,450)	18,121	1,512	19,633
<b>Funds Used</b>	<b>82,578</b>	<b>6,933</b>	<b>13,404</b>	<b>102,915</b>	<b>(664)</b>	<b>102,251</b>
<b>Increase/(Decrease) in Available Working Capital</b>	<b>-</b>	<b>109</b>	<b>(1,034)</b>	<b>(925)</b>	<b>-</b>	<b>(925)</b>

\* Includes Carried Forward Works revotes

## Income and Expense- General Fund Budget Review Statement for the quarter ended 31 March 2014

Original Budget (000's)	Approved Changes			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	63,551	27		63,578		63,578	48,038
User Charges and Fees	17,703	3,554		21,257	38	21,295	14,464
Interest and Investment Revenue	3,112	300		3,412	-	3,412	2,937
Other Revenues	1,797			1,797	-	1,797	1,739
Grants & Contributions - Operating	14,105	145		14,250	140	14,390	10,992
Grants and Contributions - Capital	6,348			6,348	(59)	6,289	4,493
- Contributions (S64/S94)	2,330			2,330		2,330	4,082
Net gain from the disposal of assets				-		-	
<b>Total Income</b>	<b>108,946</b>	<b>4,026</b>	<b>-</b>	<b>112,972</b>	<b>119</b>	<b>113,091</b>	<b>86,745</b>

### Expense

Employee costs	34,949	(50)	296	35,195	72	35,267	26,365
Borrowing Costs	6,199	-		6,199		6,199	3,879
Materials & Contracts	35,854	822	18,360	55,036	35	55,071	29,548
Depreciation	24,837			24,837		24,837	18,628
Legal Costs	387			387		387	607
Consultants	99	29		128		128	348
Other Expenses	9,980	85	80	10,145	(73)	10,072	6,622
Net Loss from Disposal of Assets				-		-	271
<b>Total Expenses</b>	<b>112,305</b>	<b>886</b>	<b>18,736</b>	<b>131,927</b>	<b>34</b>	<b>131,961</b>	<b>86,268</b>

### Net Operating Result

	(3,359)	3,140	(18,736)	(18,955)	85	(18,870)	477
--	---------	-------	----------	----------	----	----------	-----

### Net Operating Result before capital items

	(12,037)	3,140	(18,736)	(25,303)	144	(25,159)	(4,016)
--	----------	-------	----------	----------	-----	----------	---------

## Funding Statement - General Fund - Source and Application of Funds

	Original Budget (000's)	Approved Changes			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)		
Operating Result (Income Statement)	(3,359)	3,140	(18,736)	(18,955)	85	(18,870)
<b>Add Back non-funded items:</b>						
Depreciation	24,837			24,837	-	24,837
<b>Add non-operating funding sources</b>						
Transfers from Externally Restricted Cash	4,312	145	4,600	9,057	-	9,057
Transfers from Internally Restricted Cash	2,168	590	21,429	24,187	-	24,187
Proceeds from sale of assets	2,806	-	1,650	4,456	171	4,627
Loan Funds Utilised	2,076	260	9,346	11,682	-	11,682
Internal charges	7,551			7,551		7,551
Repayments from Deferred Debtors				-		-
<b>Funds Available</b>	40,391	4,135	18,289	62,815	256	63,071
<b>Funds were applied to:</b>						
Purchase and construction of assets	28,854	4,026	18,566	51,446	90	51,536
Repayment of principal on loans	3,485	-		3,485		3,485
Transfers to Externally Restricted Cash	2,330			2,330		2,330
Transfers to Internally Restricted Cash	5,722	-	757	6,479	166	6,645
<b>Funds Used</b>	40,391	4,026	19,323	63,740	256	63,996
<b>Increase/(Decrease) in Available Working Capital</b>	-	109	(1,034)	(925)	-	(925)

## Income and Expense- Sewer Fund Budget Review Statement for the quarter ended 31 March 2014

	Approved Changes			Recommended changes for Council Resolution (000's)	Projected year end result (000's)	Actual YTD (000's)
	Original Budget (000's)	Sep Review (000's)	Dec Review (000's) *			
<b>Income</b>						
Rates and Annual Charges	22,138			22,138	22,138	17,138
User Charges and Fees	1,274			1,274	1,274	1,492
Interest and Investment Revenue	2,183	1,831	(688)	3,326	181	2,904
Other Revenues	20			20	20	69
Grants & Contributions - Operating	468		(18)	450	-	467
Grants and Contributions - Capital	1,149			1,149		317
- Contributions (S64/S94)	753		(543)	210	-	1,412
Net gain from the disposal of assets				-		-
<b>Total Income</b>	<b>27,985</b>	<b>1,831</b>	<b>(1,249)</b>	<b>28,567</b>	<b>181</b>	<b>23,799</b>
<b>Expense</b>						
Employee costs	5,811	-		5,811	5,811	4,412
Borrowing Costs	2,494	-		2,494	2,494	1,285
Materials & Contracts	3,942	26	426	4,394	97	2,461
Depreciation	9,160			9,160		6,870
Legal Costs				-		-
Consultants	50			50	50	11
Other Expenses	2,119	-		2,119	-	1,552
Net Loss from Disposal of Assets				-		-
<b>Total Expenses</b>	<b>23,576</b>	<b>26</b>	<b>426</b>	<b>24,028</b>	<b>97</b>	<b>16,591</b>
<b>Net Operating Result</b>	<b>4,409</b>	<b>1,805</b>	<b>(1,675)</b>	<b>4,539</b>	<b>84</b>	<b>7,208</b>
<b>Net Operating Result before capital items</b>	<b>3,260</b>	<b>1,805</b>	<b>(1,675)</b>	<b>3,390</b>	<b>84</b>	<b>6,891</b>

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

	Original Budget (000's)	Approved Changes			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)		
Operating Result (Income Statement)	4,409	1,805	(1,675)	4,539	84	4,623
<b>Add Back non-funded items:</b>						
Depreciation	9,160	-	-	9,160	-	9,160
<b>Add non-operating funding sources</b>						
Transfers from Externally Restricted Cash	7,556	(280)	(1,969)	5,307	(752)	4,555
Transfers from Internally Restricted Cash	5,563	1,217	(768)	6,012	(643)	5,369
Proceeds from sale of assets				-		-
Loan Funds Utilised				-	-	-
Repayments from Deferred Debtors				-		-
<b>Funds Available</b>	26,688	2,742	(4,412)	25,018	(1,311)	23,707
<b>Funds were applied to:</b>						
Purchase and construction of assets	12,905	(1,787)	(1,446)	9,672	(2,274)	7,398
Repayment of principal on loans	3,102	-		3,102		3,102
Transfers to Externally Restricted Cash	753			753		753
Transfers to Internally Restricted Cash	6,139	4,529	(2,966)	7,702	963	8,665
Internal charges	3,789			3,789		3,789
<b>Funds Used</b>	26,688	2,742	(4,412)	25,018	(1,311)	23,707
<b>Increase/(Decrease) in Available Working Capital</b>	-	-	-	-	-	-

## Income and Expense- Water Fund Budget Review Statement for the quarter ended 31 March 2014

Original Budget (000's)	Approved Changes			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	4,374			4,374		4,374	3,299
User Charges and Fees	17,319		(315)	17,004	-	17,004	13,492
Interest and Investment Revenue	971	961	(397)	1,535	29	1,564	922
Other Revenues	213			213		213	293
Grants & Contributions - Operating	492		(118)	374	(1)	373	327
Grants and Contributions - Capital	1,132			1,132		1,132	495
- Contributions (S64/S94)	3,666		(638)	3,028	-	3,028	2,950
Net gain from the disposal of assets				-		-	
<b>Total Income</b>	<b>28,167</b>	<b>961</b>	<b>(1,468)</b>	<b>27,660</b>	<b>28</b>	<b>27,688</b>	<b>21,778</b>

### Expense

Employee costs	3,980			3,980		3,980	3,030
Borrowing Costs	4,726			4,726		4,726	3,523
Materials & Contracts	5,044	7	140	5,191	(360)	4,831	3,416
Depreciation	6,812			6,812		6,812	5,109
Legal Costs				-		-	
Consultants	203			203		203	36
Other Expenses	1,748			1,748		1,748	1,336
Net Loss from Disposal of Assets				-		-	
<b>Total Expenses</b>	<b>22,513</b>	<b>7</b>	<b>140</b>	<b>22,660</b>	<b>(360)</b>	<b>22,300</b>	<b>16,450</b>

### Net Operating Result

	5,654	954	(1,608)	5,000	388	5,388	5,328
--	-------	-----	---------	-------	-----	-------	-------

### Net Operating Result before capital items

	4,522	954	(1,608)	3,868	388	4,256	4,833
--	-------	-----	---------	-------	-----	-------	-------

### Funding Statement - Water Fund - Source and Application of Funds

	Original Budget (000's)	Approved Changes			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)		
Operating Result (Income Statement)	5,654	954	(1,608)	5,000	388	5,388
<b>Add Back non-funded items:</b>						
Depreciation	6,812	-	-	6,812	-	6,812
<b>Add non-operating funding sources</b>						
Transfers from Externally Restricted Cash	7,457	(1,290)	(155)	6,012	-	6,012
Transfers from Internally Restricted Cash	3,127	501	256	3,884	3	3,887
Proceeds from sale of assets				-		-
Loan Funds Utilised				-	-	-
Repayments from Deferred Debtors				-		-
<b>Funds Available</b>	23,050	165	(1,507)	21,708	391	22,099
<b>Funds were applied to:</b>						
Purchase and construction of assets	9,834	(296)	(266)	9,272	8	9,280
Repayment of principal on loans	1,068	-		1,068		1,068
Transfers to Externally Restricted Cash	3,666			3,666		3,666
Transfers to Internally Restricted Cash	4,720	461	(1,241)	3,940	383	4,323
Internal charges	3,762			3,762		3,762
<b>Funds Used</b>	23,050	165	(1,507)	21,708	391	22,099
<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 31 March 2014 and should be read in conjunction with other documents in the QBRS.

## Capital Budget Review Statement - Consolidated - for the quarter ended 31 March 2014

Original Budget (000's)	Approved Changes			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	26,927	27	(991)	25,963	73	26,036	12,872
Capital Grants & Contributions	9,309	3,554		12,863	17	12,880	6,825
Internal Restrictions (Reserves)	10,237	300	2,551	13,088	(1,513)	11,575	8,213
External Restrictions							
- s64 & s94 funds	8,035	(1,938)	4,299	10,396	(752)	9,644	5,730
Other Capital Funding Sources							
- loans	1,976		9,346	11,322		11,322	5,999
Income from sale of assets							
- plant and equipment	2,406			2,406		2,406	1,275
- Land,Buildings,Furniture,Fittings			1,650	1,650		1,650	
<b>Total Capital Funding</b>	<b>58,890</b>	<b>1,943</b>	<b>16,855</b>	<b>77,688</b>	<b>(2,175)</b>	<b>75,513</b>	<b>40,914</b>

### Capital Expenditure

#### New Assets

- Plant and Equipment	448		342	790		790	33
- Land,Buildings,Furniture,Fittings	246	325	4,828	5,399		5,399	5,680
- Roads, Bridges, Footpaths	322		2,839	3,161		3,161	7,176
- Drainage							
- Water & Sewer Infrastructure	6,874	(296)	(2,405)	4,173	(900)	3,273	1,256
- Other	9,350		672	10,022	(259)	9,763	1,083

#### Renewals (Replacement)

- Plant and Equipment	5,958		105	6,063		6,063	2,498
- Land,Buildings,Furniture,Fittings	168		702	870		870	21
- Roads, Bridges, Footpaths	8,854		5,292	14,146		14,146	4,578
- Drainage			1,635	1,635		1,635	738
- Water & Sewer Infrastructure	2,540		(915)	1,625	(42)	1,583	1,330
- Other	350			350		350	755

#### Upgrades

- Plant and Equipment							10
- Land,Buildings,Furniture,Fittings	124	2,789	1	2,914		2,914	117
- Roads, Bridges, Footpaths	1,276	765	1,438	3,479		3,479	1,537
- Drainage	1,100	120	230	1,450	276	1,726	309
- Water & Sewer Infrastructure	13,325	(1,787)	1,609	13,147	(1,323)	11,824	7,762
- Other	300	27	482	809	73	882	452

Loan Repayments (principal)

	7,655			7,655		7,655	5,579
<b>Total Capital Expenditure</b>	<b>58,890</b>	<b>1,943</b>	<b>16,855</b>	<b>77,688</b>	<b>(2,175)</b>	<b>75,513</b>	<b>40,914</b>



## Capital Budget Review Statement - General Fund - for the quarter ended 31 March 2014

Original Budget (000's)	Approved Changes			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	13,014	27		13,041	73	13,114	5,977
Capital Grants & Contributions	9,309	3,554		12,863	17	12,880	6,825
Internal Restrictions (Reserves)	2,000	300	2,970	5,270		5,270	2,792
External Restrictions							
- s64 & s94 funds	3,276	145	4,600	8,021		8,021	4,250
Other Capital Funding Sources							
- loans	1,976		9,346	11,322		11,322	5,999
Income from sale of assets							
- plant and equipment	2,406			2,406		2,406	1,275
- Land,Buildings,Furniture,Fittings			1,650	1,650		1,650	
<b>Total Capital Funding</b>	<b>31,981</b>	<b>4,026</b>	<b>18,566</b>	<b>54,573</b>	<b>90</b>	<b>54,663</b>	<b>27,118</b>

### Capital Expenditure

#### New Assets

- Plant and Equipment	448		342	790		790	33
- Land,Buildings,Furniture,Fittings	246	325	4,828	5,399		5,399	5,680
- Roads, Bridges, Footpaths	322		2,839	3,161		3,161	7,176
- Drainage							
- Other	9,350		672	10,022	(259)	9,763	1,083
<u>Renewals</u> <u>(Replacement)</u>							
- Plant and Equipment	5,958		105	6,063		6,063	2,498
- Land,Buildings,Furniture,Fittings	168		702	870		870	21
- Roads, Bridges, Footpaths	8,854		5,292	14,146		14,146	4,578
- Drainage			1,635	1,635		1,635	738
- Other	350			350		350	755
<u>Upgrades</u>							
- Plant and Equipment							10
- Land,Buildings,Furniture,Fittings	124	2,789	1	2,914		2,914	117
- Roads, Bridges, Footpaths	1,276	765	1,438	3,479		3,479	1,537
- Drainage	1,100	120	230	1,450	276	1,726	309
- Other	300	27	482	809	73	882	452
Loan Repayments (principal)	3,485			3,485		3,485	2,131
<b>Total Capital Expenditure</b>	<b>31,981</b>	<b>4,026</b>	<b>18,566</b>	<b>54,573</b>	<b>90</b>	<b>54,663</b>	<b>27,118</b>

### Capital Budget Review Statement - Sewer Fund - for the quarter ended 31 March 2014

Original Budget (000's)	Approved Changes			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	11,152		(991)	10,161		10,161	5,413
Capital Grants & Contributions							
Internal Restrictions (Reserves)	2,836		(419)	2,417	(1,521)	896	687
External Restrictions							
- s64 & s94 funds	2,019	(1,787)	(35)	197	(752)	(555)	(426)
Other Capital Funding Sources							
- loans							
Income from sale of assets							
- plant and equipment							
- Land,Buildings,Furniture,Fittings							
<b>Total Capital Funding</b>	<b>16,007</b>	<b>(1,787)</b>	<b>(1,445)</b>	<b>12,775</b>	<b>(2,273)</b>	<b>10,502</b>	<b>5,674</b>

#### Capital Expenditure

##### New Assets

- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Water & Sewer Infrastructure	3,197		(1,519)	1,678	(900)	778	581
- Other							

##### Renewals (Replacement)

- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Water & Sewer Infrastructure	1,292		119	1,411	(50)	1,361	791
- Other							

##### Upgrades

- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Water & Sewer Infrastructure	8,416	(1,787)	(45)	6,584	(1,323)	5,261	1,676
- Other							
Loan Repayments (principal)	3,102			3,102		3,102	2,626
<b>Total Capital Expenditure</b>	<b>16,007</b>	<b>(1,787)</b>	<b>(1,445)</b>	<b>12,775</b>	<b>(2,273)</b>	<b>10,502</b>	<b>5,674</b>

## Capital Budget Review Statement - Water Fund - for the quarter ended 31 March 2014

	Approved Changes			Recommended changes for Council Resolution (000's)	Projected year end result (000's)	Actual YTD (000's)
	Original Budget (000's)	Sep Review (000's)	Dec Review (000's)			
<b>Capital Funding *</b>						
Rates and other untied funding	2,761			2,761	2,761	1,482
Capital Grants & Contributions						
Internal Restrictions (Reserves)	5,401			5,401	8	5,409
External Restrictions						
- s64 & s94 funds	2,740	(296)	(266)	2,178		2,178
Other Capital Funding Sources						
- loans						
Income from sale of assets						
- plant and equipment						
- Land,Buildings,Furniture,Fittings						
<b>Total Capital Funding</b>	<b>10,902</b>	<b>(296)</b>	<b>(266)</b>	<b>10,340</b>	<b>8</b>	<b>10,348</b>
<b>Capital Expenditure</b>						
<u>New Assets</u>						
- Plant and Equipment						
- Land,Buildings,Furniture,Fittings						
- Water & Sewer Infrastructure	3,677	(296)	(886)	2,495		2,495
- Other						675
<u>Renewals (Replacement)</u>						
- Plant and Equipment						
- Land,Buildings,Furniture,Fittings						
- Water & Sewer Infrastructure	1,248		(1,034)	214	8	222
- Other						539
<u>Upgrades</u>						
- Plant and Equipment						
- Land,Buildings,Furniture,Fittings						
- Water & Sewer Infrastructure	4,909		1,654	6,563		6,563
- Other						
Loan Repayments (principal)	1,068			1,068		1,068
<b>Total Capital Expenditure</b>	<b>10,902</b>	<b>(296)</b>	<b>(266)</b>	<b>10,340</b>	<b>8</b>	<b>10,348</b>

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 2014 and should be read in conjunction with other documents in the QBRs.

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

## Cash and Investments Budget Review Statement for the quarter ended 31 March 2014

	Approved Changes			Recommended changes for Council Resolution (000's)	Projected year end result (000's)	Actual * YTD (000's)
	Original Budget (000's)	Sep Review (000's)	Dec Review (000's)			
<b>Unrestricted</b>	3,483	735		4,218		4,845
<b>Externally restricted</b>						
RTA Contributions	390			390	390	390
Developer contributions	25,917	(145)	(4,600)	21,172	21,172	23,023
Domestic waste management	10,075			10,075	10,075	10,075
Special Rates	230			230	230	230
Special purpose grants	4,975		(4,975)	0	0	0
Water Supplies	22,701		(1,342)	21,359	21,359	22,237
Sewerage Services	48,915		(228)	48,687	48,687	56,073
Other	17,582			17,582	17,582	33,000
<b>Total Externally restricted</b>	130,785	(145)	(11,145)	119,495	0	145,028
<b>Internally restricted</b>						
Employee Leave entitlements	5,123			5,123	5,123	5,123
Unexpended loans	10,328		(9,346)	982	982	982
Unexpended grants	5,930		(3,860)	2,070	2,070	2,070
7 Year Plan	4,340			4,340	4,340	4,340
Works Carried Forward	8,762		(8,762)	0	0	0
Replacement of Plant and Vehicles	1,528			1,528	1,528	1,528
Tip improvements	7,105			7,105	7,105	7,105
Asset renewals	1,538			1,538	1,538	1,538
Other	2,849	(590)	757	3,016	3,016	3,016
<b>Total Internally restricted</b>	47,503	(590)	(21,211)	25,702	0	25,702
<b>Total Restricted</b>	178,288	(735)	(32,356)	145,197	0	145,197
<b>Total cash and investments</b>	181,771	0	(32,356)	149,415	0	149,415
<b>Available cash</b>	3,483	735	0	4,218	0	4,845

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

### Notes:

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	170,730
Total invested funds as per September Investment Report	176,053

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 31 March 2014.

**Reconciliation of cash and investments:**

	<b>(000's)</b>
Cash and investments as per above	175,575
<b>Cash on hand and at bank</b>	<b>(478)</b>
<b>Investments</b>	<b>176,053</b>
	<u>175,575</u>

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 2014 and should be read in conjunction with other documents in the QBRs.

**Key Performance Indicators Budget Review Statement for the quarter ended 31 March 2014**

Note that KPIs will be distorted by the short reporting period (9 months), and 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**

	<b>(000's)</b>	
Current assets less all external restrictions	<u>50,278</u>	3.1:1
Current liabilities	16,322	

**Purpose:**

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

**Comment:**

Higher than it would be for the annual calculation, as expenditure throughout the year will run down cash and receivables.

<b>2. Debt Service Ratio</b>	<b>Amounts</b>	<b>Indicator</b>
	<b>(000's)</b>	
Debt Service Cost	14,266	12.84%
Selected operating income	111,126	

**Purpose:**

To assess the impact of loan principal and interest repayments on the discretionary revenue of Council.

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 2014 and should be read in conjunction with other documents in the QBRS.

**Budget Review Contracts and Other Expenses for the quarter ended 31 March 2014**

<b>PART A-Contracts Listing</b>		<b>Contract value</b>	<b>Commencement</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>
Bothar Boring & Tunnelling	EQ2013-229 Greenvale Court Steel Culverts Relining	\$150,337	October	Unspecified	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		489,028	Y
Legal expenses		609,994	Y

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 2014 and should be read in conjunction with other documents in the QBRS.

**Statutory Statement – Local Government (General) Regulations 2005  
(Sections 202 & 203) by “Responsible Accounting Officer”**

**202 Responsible accounting officer to maintain system for budgetary control**

*The responsible accounting officer of a council must:*

- (a) *establish and maintain a system of budgetary control that will enable the council’s actual income and expenditure to be monitored each month and to be compared with the estimate of the council’s income and expenditure, and*
- (b) *if any instance arises where the actual income or expenditure of the council is materially different from its estimated income or expenditure, report the instance to the next meeting of the council.*

**203 Budget review statements and revision of estimates**

- (1) *Not later than 2 months after the end of each quarter (except the June quarter), the responsible accounting officer of a council must prepare and submit to the council a budget review statement that shows, by reference to the estimate of income and expenditure set out in the Statement of the council’s revenue policy included in the operational plan for the relevant year, a revised estimate of the income and expenditure for that year.*
- (2) *A budget review statement must include or be accompanied by:*
  - (a) *a report as to whether or not the responsible accounting officer believes that the statement indicates that the financial position of the council is satisfactory, having regard to the original estimate of income and expenditure, and*
  - (b) *if that position is unsatisfactory, recommendations for remedial action.*
- (3) *A budget review statement must also include any information required by the Code to be included in such a statement.*

**Statutory Statement**

It is my opinion that the Quarterly Budget Review Statement for Tweed Shire Council for the quarter ended 31/3/2014 indicates that Council’s projected financial position at 30/6/2014 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 23/4/2014  
**“Responsible Accounting Officer”**  
**Acting Director Corporate 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 in the report.

**c. Legal:**

Not Applicable.

**d. Communication/Engagement:**

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

**UNDER SEPARATE COVER/FURTHER INFORMATION:**

Nil.

---