

**TITLE:** [CS-CM] Quarterly Budget Review - September 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 first quarter statutory budget review for this financial year and summarises the estimated expenditure and income changes to the 2014/2015 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 2015 in all Funds.

### RECOMMENDATION:

That the:

1. Quarterly Budget Review Statement as at 30 September 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 2015.

Description	Change to Vote	
	Deficit	Surplus
<b>General Fund</b>		
<b><u>Expenses</u></b>		
Employee costs	25,000	0
Materials & Contracts	316,435	0
Interest	0	0
Other Operating costs	0	0
Capital	70,000	0
Loan Repayments	0	0
Transfers to Reserves	120,469	0
	<u>531,904</u>	<u>0</u>
<b><u>Income</u></b>		
Rates and Annual Charges	0	0
Interest revenue	0	0
Operating Grants & Conts	0	456,904
Capital Grants & Conts	0	0

Description	Change to Vote	
User Charges & Fees	0	30,000
Other Operating Revenue	0	0
Loan Funds	0	0
Recoupments	0	45,000
Transfers from Reserves	0	0
Asset Sales	0	0
	<u>0</u>	<u>531,904</u>
 Net Surplus/(Deficit)		<u>0</u>
	<b>Deficit</b>	<b>Surplus</b>
<b>Sewer Fund</b>		
<u>Expenses</u>		
Employee costs	0	0
Materials & Contracts	443,401	0
Interest	0	0
Other Operating costs	0	0
Capital	0	3,149,450
Loan Repayments	0	0
Transfers to Reserves	2,572,353	0
	<u>3,015,754</u>	<u>3,149,450</u>
<u>Income</u>		
Rates and Annual Charges	0	0
Interest revenue	0	165,754
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	359,750
Transfers from Reserves	659,200	0
Asset Sales	0	0
	<u>659,200</u>	<u>525,504</u>
 Net Surplus/(Deficit)		<u>0</u>
 <b>Water Fund</b>		
<u>Expenses</u>		
Employee costs	0	0
Materials & Contracts	69,221	0
Interest	0	0
Other Operating costs	0	0
Capital	0	1,017,623
Loan Repayments	0	0
Transfers to Reserves	0	290,096
	<u>69,221</u>	<u>1,307,719</u>
<u>Income</u>		
Rates and Annual Charges	0	0
Interest revenue	266,875	0
Operating Grants & Conts	0	0
Capital Grants & Conts	0	0
User Charges & Fees	0	0
Other Operating Revenue	0	0
Loan Funds	0	0
Recoupments	1,743,373	0
Transfers from Reserves	0	771,750
Asset Sales	0	0
	<u>2,010,248</u>	<u>771,750</u>

Description	Change to Vote
Net Surplus/(Deficit)	<u>0</u>

**REPORT:****Budget Review 30 September 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>Net Effect on 2014/2015 Budget</b>	<b>Net Effect on LTFP</b>
<b>General Fund</b>		
Financial Assistance Grant	(137,018)	
SES asset replacement reserve	120,469	
State Library subsidy	12,549	12,549
Growers Market	4,000	4,000
	0	16,549

### Detailed list of changes

In/ Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
<b>1. Proposed Variations</b>						
<b>General</b>						
Ex	1	Ex-Op	Community Facilities Infrastructure Framework - Libraries		<b>5,000</b>	As reported to Council - Planning & design
In	1	In-Recoup	Contribution Plan 11 - Libraries		<b>-5,000</b>	Funding for above
Ex	1	Ex-Op	Community Facilities Infrastructure Framework - Community Facilities		<b>5,000</b>	As reported to Council - Planning & design
In	1	In-Recoup	Contribution Plan 15 - Community Facilities		<b>-5,000</b>	Funding for above
Ex	1	Ex-Op	Community Facilities Infrastructure Framework - Office Space		<b>5,000</b>	As reported to Council - Planning & design
In	1	In-Recoup	Contribution Plan 18 - Admin & Technical facilities		<b>-5,000</b>	Funding for above
In	2	In-OG&C	Financial Assistance Grant - general	<b>-6,619,350</b>	<b>-137,018</b>	Advice received - grant greater than budget.
Ex	3	Ex-TTR	SES asset replacement reserve		<b>120,469</b>	Provision for building replacement/relocation
In	4	In-OG&C	Financial Assistance Grant - local roads	<b>-2,599,980</b>	<b>-52,624</b>	Advice received - grant greater than budget.
Ex	4	Ex-Op	FAG roads expenditure	2,599,980	<b>52,624</b>	Expenditure funded from grant.
In	5	In-OG&C	Regional Roads Grant	<b>-1,864,300</b>	<b>37,300</b>	Advice received - grant less than budget.
Ex	5	Ex-Op	Regional Roads Maintenance	1,864,300	<b>-37,300</b>	Expenditure reduction from grant
In	6	In-OG&C	Better Waste & Recycling Fund grant		<b>-217,111</b>	Grant from EPA
Ex	6	Ex-Op	Better Waste & Recycling Fund projects		<b>217,111</b>	Expenditure of above
Ex	7	Ex-Capital	Murwillumbah Depot		<b>70,000</b>	Roof repairs
Ex	7	Ex-Op	Depot compliance expenditure	51,500	<b>-35,000</b>	Funding for above
Ex	7	Ex-Op	Contribution from Water/Sewer funds		<b>-35,000</b>	Funding for above
Ex	8	Ex-Op	Software licensing - ELMO	10,300	<b>14,700</b>	Online learning software licensing
Ex	8	Ex-Op	Software licensing - Epiplex	7,210	<b>-7,210</b>	Funding for above
Ex	8	Ex-Op	Training - GM section	32,695	<b>-410</b>	Funding for above
Ex	8	Ex-Op	Training - Corporate Services	70,233	<b>-890</b>	Funding for above
Ex	8	Ex-Op	Training - Planning & Regulatory	76,039	<b>-890</b>	Funding for above
Ex	8	Ex-Op	Training - Community & Natural Resources	56,046	<b>-1,800</b>	Funding for above
Ex	8	Ex-Op	Training - Engineering Services	48,283	<b>-3,500</b>	Funding for above
Ex	9	Ex-Op	Acquisitive Prize Community Printmakers	2,926	<b>-2,926</b>	Re-allocation of funds

In/ Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
Ex	9	Ex-Op	Artist in Residence exhibition/public program		2,926	Re-allocation of funds
In	9	In-Operating	Artwork sales	-42,789	-5,000	Re-allocation of funds
Ex	9	Ex-Op	MOAC miscellaneous		11,000	Re-allocation of funds
Ex	9	Ex-Op	MOAC exhibition furniture		2,200	Re-allocation of funds
Ex	9	Ex-Op	MOAC freight/cartage/courier		1,000	Re-allocation of funds
Ex	9	Ex-Op	MOAC "Yellow Room" exhibition		12,600	Re-allocation of funds
Ex	9	Ex-Op	MOAC publications		2,000	Re-allocation of funds
Ex	9	Ex-Op	MOAC "Moya Dyring" exhibition		5,000	Re-allocation of funds
Ex	9	Ex-Op	MOAC signage		1,000	Re-allocation of funds
Ex	9	Ex-Op	Art Gallery education	91,956	-43,975	Re-allocation of funds
Ex	9	Ex-Op	Grant Arts NSW Triennial		7,175	Re-allocation of funds
Ex	9	Ex-Op	Art exhibitions - "Cream"		2,000	Re-allocation of funds
Ex	9	Ex-Op	Art exhibitions - "The world is not a foreign land"		5,000	Re-allocation of funds
In	10	In-OG&C	Arts NSW triennial grant		-50,000	Expected grant income
Ex	10	Ex-Op	Art grant expenditure		50,000	Grant Expenditure from above
Ex	11	Ex-OpEmp	Increasing Soil Carbon in Tweed Farmland	91,500	18,593	Re-allocation of staff resources
Ex	11	Ex-OpEmp	Tweed Sustainable Agriculture Strategy	40,000	-18,593	Re-allocation of staff resources
Ex	12	Ex-Op	Kingscliff car parking		30,000	Work associated with Kingscliff Hotel upgrade
In	12	In-Recoup	Contribution Plan 23 - Car Parking		-30,000	Funding for above
In	13	In-OG&C	State Library subsidy per capita	-180,102	13,391	Advice received - grant less than budget.
In	13	In-OG&C	State Library subsidy Local Priority	-77,000	-842	Advice received - grant greater than budget.
Ex	14	Ex-Op	Tweed Coastal Floodplain ASS hotspot identification		100,000	Acid sulfate soil program
In	14	In-OG&C	Department of Environment & Climate Change Grant		-50,000	Funding for above
Ex	14	Ex-Op	Tweed Coast Estuaries Management Plan	82,808	-50,000	Funding for above
Ex	15	Ex-Op	Growers market site maintenance	2,251	4,000	Original budget insufficient
Ex	16	Ex-OpEmp	Building Control Salaries	1,197,016	40,000	Cadet Building Surveyor
Ex	16	Ex-OpEmp	Building & Health Admin Salaries	444,386	-40,000	Funding for above
Ex	16	Ex-OpEmp	Building Control Salaries	1,197,016	25,000	Swimming pool inspections
In	16	In-Operating	Pool inspection fees	-40,000	-25,000	Funding for above
					0	
			<b>Sewer Fund</b>			
Ex	17	Ex-Op	Operations		443,401	Operational adjustments
Ex	17	Ex-Capital	Various Capital Works		-3,149,450	Deferrals & adjustments
In	17	In-Interest	Interest		-165,754	Funding adjustment
Ex	17	Ex-TTR	Transfers to Asset Replacement Res.		2,572,353	Funding adjustment
In	17	In-Recoup	Transfers from Capital Contributions Res.		-359,750	Funding adjustment
In	17	In-TFR	Transfers from Asset Replacement Res.		659,200	Funding adjustment
					0	
			<b>Water Fund</b>			
Ex	18	Ex-Op	Operations		69,221	Deferrals & adjustments
In	18	In-Interest	Interest		266,875	Funding adjustment
Ex	18	Ex-Capital	Various Capital Works		-1,017,623	Deferrals & adjustments
In	18	In-Recoup	Transfers from Capital Contributions Res.		1,743,373	Funding adjustment
In	18	In-TFR	Transfers from Asset Replacement Res.		-771,750	Funding adjustment
Ex	18	Ex-TTR	Transfers to Asset Replacement Res.		-290,096	Funding adjustment - restricted asset
					0	

In/ Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments	
		<b>2. Variations Arising from Council Resolutions</b>					
			Nil				
					0		
		<b>Summary of Votes by Type</b>					
			2014/15 Variations		0		
			Council Resolutions		0		
					0		
		<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				
			<u>Expenses</u>				
			Employee costs		25,000		
			Materials & Contracts		829,057		
			Interest		0		
			Other Operating costs		0		
			Capital		-4,097,073		
			Loan Repayments		0		
			Transfers to Reserves		2,402,726		
					-840,290		
			<u>Income</u>				
			Rates and Annual Charges		0		
			Interest revenue		101,121		
			Operating Grants & Conts		-456,904		
			Capital Grants & Conts		0		
			User Charges & Fees		-30,000		
			Other Operating Revenue		0		
			Loan Funds		0		
			Recoupments		1,338,623		
			Transfers from Reserves		-112,550		
			Asset Sales		0		
					840,290		
			Net		0		
		<b>Summary of Votes - by Division</b>					
			Corporate Services		-130,418		
			Planning & Regulation		119,579		
			Community & Natural Resources		10,749		
			Engineering		500		
			General Manager		-410		
					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 2014

	Original Budget				Recommended changes for Council Resolution (000's)	Projected year end result (000's)	Actual YTD (000's)
	(000's)	Sep Review* (000's)	Dec Review (000's)	Revised Budget (000's)			
<b>Income</b>							
Rates and Annual Charges	94,362	-	-	94,362	-	94,362	24,085
User Charges and Fees	37,718	-	-	37,718	30	37,748	9,698
Interest and Investment Revenue	9,116	-	-	9,116	(101)	9,015	2,479
Other Revenues	1,622	-	-	1,622	-	1,622	588
Grants & Contributions - Operating	16,147	-	-	16,147	457	16,604	3,764
Grants and Contributions - Capital	2,103	-	-	2,103	-	2,103	1,403
- Contributions (S94)	21,121	-	-	21,121	-	21,121	564
Net gain from the disposal of assets	-	-	-	-	-	-	-
<b>Total Income</b>	<b>182,189</b>	<b>-</b>	<b>-</b>	<b>182,189</b>	<b>386</b>	<b>182,575</b>	<b>42,581</b>
<b>Expense</b>							
Employee costs	46,514	366	-	46,880	25	46,905	11,122
Borrowing Costs	13,042	-	-	13,042	-	13,042	1,926
Materials & Contracts	52,534	14,398	-	66,932	831	67,763	8,192
Depreciation	41,368	-	-	41,368	-	41,368	10,342
Legal Costs	436	-	-	436	-	436	93
Consultants	471	-	-	471	-	471	45
Other Expenses	14,735	200	-	14,935	-	14,935	3,798
Net Loss from Disposal of Assets	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>169,100</b>	<b>14,964</b>	<b>-</b>	<b>184,064</b>	<b>856</b>	<b>184,920</b>	<b>35,518</b>
<b>Net Operating Result</b>	<b>13,089</b>	<b>(14,964)</b>	<b>-</b>	<b>(1,875)</b>	<b>(470)</b>	<b>(2,345)</b>	<b>7,063</b>
<b>Net Operating Result before capital items</b>	<b>(10,135)</b>	<b>(14,964)</b>	<b>-</b>	<b>(25,099)</b>	<b>(470)</b>	<b>(25,569)</b>	<b>5,096</b>



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

	Original Budget	Sep Review* (000's)	Dec Review (000's)	Revised Budget (000's)	Recommended changes for Council Resolution (000's)	Projected year end result (000's)
	(000's)					
Operating Result (Income Statement)	13,089	(14,964)	-	(1,875)	(470)	(2,345)
<b>Add Back non-funded items:</b>						
Depreciation	41,368	-	-	41,368	-	41,368
		-	-	-	-	-
<b>Add non-operating funding sources</b>						
Transfers from Externally Restricted Cash	15,142	3,862	-	19,004	(1,338)	17,666
Transfers from Internally Restricted Cash	20,514	21,470	-	41,984	113	42,097
Proceeds from sale of assets	2,845	-	-	2,845	-	2,845
Loan Funds Utilised	4,376	8,852	-	13,228	-	13,228
Repayments from Deferred Debtors	-	-	-	-	-	-
<b>Funds Available</b>	<b>97,334</b>	<b>19,220</b>	<b>-</b>	<b>116,554</b>	<b>(1,695)</b>	<b>114,859</b>
<b>Funds were applied to:</b>						
Purchase and construction of assets	48,169	19,014	-	67,183	(4,097)	63,086
Repayment of principal on loans	7,714	-	-	7,714	-	7,714
Transfers to Externally Restricted Cash	21,863	-	-	21,863	-	21,863
Transfers to Internally Restricted Cash	19,588	206	-	19,794	2,402	22,196
<b>Funds Used</b>	<b>97,334</b>	<b>19,220</b>	<b>-</b>	<b>116,554</b>	<b>(1,695)</b>	<b>114,859</b>
<b>Increase/(Decrease) in Available Working Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Includes Carried Forward Works

## Income and Expense- General Fund Budget Review Statement for the quarter ended 30 September 2014

	Original Budget			Recommended changes for Council Resolution (000's)	Projected year end result (000's)	Actual YTD (000's)
	Sep Review* (000's)	Dec Review (000's)	Revised Budget (000's)			
<b>Income</b>						
Rates and Annual Charges	65,338		65,338		65,338	16,777
User Charges and Fees	17,244		17,244	30	17,274	4,802
Interest and Investment Revenue	4,643		4,643	-	4,643	1,642
Other Revenues	1,364		1,364	-	1,364	433
Grants & Contributions - Operating	15,297		15,297	457	15,754	3,732
Grants and Contributions - Capital	2,103		2,103	-	2,103	1,403
- Contributions (S64/S94)	1,677		1,677		1,677	467
Net gain from the disposal of assets			-		-	
<b>Total Income</b>	107,666	-	107,666	487	108,153	29,256
<b>Expense</b>						
Employee costs	38,123	366	38,489	25	38,514	8,596
Borrowing Costs	6,044		6,044		6,044	751
Materials & Contracts	32,217	14,398	46,615	317	46,932	6,372
Depreciation	25,315		25,315		25,315	6,329
Legal Costs	436		436		436	93
Consultants	107		107		107	35
Other Expenses	10,488	200	10,688	-	10,688	3,247
Net Loss from Disposal of Assets			-		-	
<b>Total Expenses</b>	112,730	14,964	127,694	342	128,036	25,423
<b>Net Operating Result</b>	(5,064)	(14,964)	(20,028)	145	(19,883)	3,833
<b>Net Operating Result before capital items</b>	(8,844)	(14,964)	(22,131)	145	(21,986)	2,430

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

	Original Budget			Recommended changes for Council Resolution (000's)	Projected year end result (000's)	
	(000's)	Sep Review* (000's)	Dec Review (000's)			Revised Budget (000's)
Operating Result (Income Statement)	(5,064)	(14,964)	-	(20,028)	145	(19,883)
<b>Add Back non-funded items:</b>						
Depreciation	25,315			25,315	-	25,315
<b>Add non-operating funding sources</b>						
Transfers from Externally Restricted Cash	3,300	3,862		7,162	45	7,207
Transfers from Internally Restricted Cash	8,300	21,470		29,770	-	29,770
Proceeds from sale of assets	2,845			2,845	-	2,845
Loan Funds Utilised	4,376	8,852		13,228	-	13,228
Internal charges				-		-
Repayments from Deferred Debtors				-		-
<b>Funds Available</b>	39,072	19,220	-	58,292	190	58,482
<b>Funds were applied to:</b>						
Purchase and construction of assets	28,037	19,014		47,051	70	47,121
Repayment of principal on loans	3,480			3,480		3,480
Transfers to Externally Restricted Cash	2,419			2,419		2,419
Transfers to Internally Restricted Cash	5,136	206		5,342	120	5,462
<b>Funds Used</b>	39,072	19,220	-	58,292	190	58,482
<b>Increase/(Decrease) in Available Working Capital</b>	-	-	-	-	-	-

\* Includes Carried Forward Works revotes

## Income and Expense- Sewer Fund Budget Review Statement for the quarter ended 30 September 2014

	Original Budget			Recommended changes for Council Resolution (000's)	Projected year end result (000's)	Actual YTD (000's)
	Sep Review (000's)	Dec Review (000's)	Revised Budget (000's)			
<b>Income</b>						
Rates and Annual Charges	24,192		24,192		24,192	6,121
User Charges and Fees	1,311		1,311		1,311	379
Interest and Investment Revenue	2,838		2,838	166	3,004	535
Other Revenues	15		15		15	5
Grants & Contributions - Operating	464		464	-	464	32
Grants and Contributions - Capital			-		-	
- Contributions (S64/S94)	5,646		5,646	-	5,646	28
Net gain from the disposal of assets			-		-	
<b>Total Income</b>	<b>34,466</b>	<b>-</b>	<b>34,466</b>	<b>166</b>	<b>34,632</b>	<b>7,100</b>
<b>Expense</b>						
Employee costs	4,848		4,848		4,848	1,470
Borrowing Costs	2,389		2,389		2,389	15
Materials & Contracts	9,647		9,647	444	10,091	818
Depreciation	9,209		9,209		9,209	2,302
Legal Costs			-		-	
Consultants	141		141		141	5
Other Expenses	2,327		2,327	-	2,327	339
Net Loss from Disposal of Assets			-		-	
<b>Total Expenses</b>	<b>28,561</b>	<b>-</b>	<b>28,561</b>	<b>444</b>	<b>29,005</b>	<b>4,949</b>
<b>Net Operating Result</b>	<b>5,905</b>	<b>-</b>	<b>5,905</b>	<b>(278)</b>	<b>5,627</b>	<b>2,151</b>
<b>Net Operating Result before capital items</b>	<b>259</b>	<b>-</b>	<b>259</b>	<b>(278)</b>	<b>(19)</b>	<b>2,123</b>

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

	Original Budget			Revised Budget (000's)	Recommended changes for Council Resolution (000's)	Projected year end result (000's)
	(000's)	Sep Review* (000's)	Dec Review (000's)			
Operating Result (Income Statement)	5,905	-	-	5,905	(278)	5,627
<b>Add Back non-funded items:</b>						
Depreciation	9,209	-	-	9,209	-	9,209
<b>Add non-operating funding sources</b>						
Transfers from Externally Restricted Cash	5,335			5,335	360	5,695
Transfers from Internally Restricted Cash	8,548			8,548	(659)	7,889
Proceeds from sale of assets				-		-
Loan Funds Utilised				-	-	-
Repayments from Deferred Debtors				-		-
<b>Funds Available</b>	28,997	-	-	28,997	(577)	28,420
<b>Funds were applied to:</b>						
Purchase and construction of assets	14,433			14,433	(3,149)	11,284
Repayment of principal on loans	3,049			3,049		3,049
Transfers to Externally Restricted Cash	5,646			5,646		5,646
Transfers to Internally Restricted Cash	5,869			5,869	2,572	8,441
Internal charges				-		-
<b>Funds Used</b>	28,997	-	-	28,997	(577)	28,420
<b>Increase/(Decrease) in Available Working Capital</b>	-	-	-	-	-	-

## Income and Expense- Water Fund Budget Review Statement for the quarter ended 30 September 2014

	Original			Recommended changes for Council Resolution (000's)	Projected year end result (000's)	Actual YTD (000's)
	Budget (000's)	Sep Review (000's)	Dec Review (000's)			
<b>Income</b>						
Rates and Annual Charges	4,832			4,832	4,832	1,187
User Charges and Fees	19,163			19,163	19,163	4,517
Interest and Investment Revenue	1,635			1,635	(267)	1,368
Other Revenues	243			243		243
Grants & Contributions - Operating	386			386	-	386
Grants and Contributions - Capital				-		-
- Contributions (S64/S94)	13,798			13,798	-	13,798
Net gain from the disposal of assets				-		-
<b>Total Income</b>	<b>40,057</b>	<b>-</b>	<b>-</b>	<b>40,057</b>	<b>(267)</b>	<b>39,790</b>
<b>Expense</b>						
Employee costs	3,543			3,543		3,543
Borrowing Costs	4,609			4,609		4,609
Materials & Contracts	10,670			10,670	70	10,740
Depreciation	6,844			6,844		6,844
Legal Costs				-		-
Consultants	223			223		223
Other Expenses	1,920			1,920		1,920
Net Loss from Disposal of Assets				-		-
<b>Total Expenses</b>	<b>27,809</b>	<b>-</b>	<b>-</b>	<b>27,809</b>	<b>70</b>	<b>27,879</b>
<b>Net Operating Result</b>	<b>12,248</b>	<b>-</b>	<b>-</b>	<b>12,248</b>	<b>(337)</b>	<b>11,911</b>
<b>Net Operating Result before capital items</b>	<b>(1,550)</b>	<b>-</b>	<b>-</b>	<b>(1,550)</b>	<b>(337)</b>	<b>(1,887)</b>

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

	Original Budget	Sep Review* (000's)	Dec Review (000's)	Revised Budget (000's)	Recommended changes for Council Resolution (000's)	Projected year end result (000's)
	(000's)					
Operating Result (Income Statement)	12,248	-	-	12,248	(337)	11,911
<b>Add Back non-funded items:</b>						
Depreciation	6,844	-	-	6,844	-	6,844
<b>Add non-operating funding sources</b>						
Transfers from Externally Restricted Cash	6,507			6,507	(1,743)	4,764
Transfers from Internally Restricted Cash	3,666			3,666	772	4,438
Proceeds from sale of assets				-		-
Loan Funds Utilised				-	-	-
Repayments from Deferred Debtors				-		-
<b>Funds Available</b>	29,265	-	-	29,265	(1,308)	27,957
<b>Funds were applied to:</b>						
Purchase and construction of assets	5,699			5,699	(1,018)	4,681
Repayment of principal on loans	1,185			1,185		1,185
Transfers to Externally Restricted Cash	13,798			13,798		13,798
Transfers to Internally Restricted Cash	8,583			8,583	(290)	8,293
Internal charges				-		-
<b>Funds Used</b>	29,265	-	-	29,265	(1,308)	27,957
<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 2014 and should be read in conjunction with other documents in the QBRs.

### Capital Budget Review Statement - Consolidated - for the quarter ended 30 September 2014

	Original Budget			Recommended changes for Council Resolution (000's)	Projected year end result (000's)	Actual YTD (000's)	
	(000's)	Sep Review* (000's)	Dec Review (000's)				Revised Budget (000's)
<b>Capital Funding **</b>							
Rates and other untied funding	16,654			16,654	(209)	16,445	913
Capital Grants & Contributions	4,378			4,378		4,378	475
Internal Restrictions (Reserves)	18,723	6,300		25,023	(3,231)	21,792	2,435
External Restrictions							
- s64 & s94 funds	11,555	3,862		15,417	(658)	14,759	1,716
Other Capital Funding Sources							
- loans	6,576	8,852		15,428		15,428	1,673
Income from sale of assets							
- plant and equipment	2,545			2,545		2,545	276
- Land,Buildings,Furniture,Fittings							
<b>Total Capital Funding</b>	<b>60,431</b>	<b>19,014</b>		<b>79,445</b>	<b>(4,098)</b>	<b>75,347</b>	<b>7,488</b>
<b>Capital Expenditure</b>							
<u>New Assets</u>							
- Plant and Equipment		200		200		200	
- Land,Buildings,Furniture,Fittings	7,100	3,067		10,167		10,167	797
- Roads, Bridges, Footpaths	451	288		739		739	57
- Drainage							
- Water & Sewer Infrastructure	4,778			4,778		4,778	327
- Other	8,875	4,411		13,286		13,286	714
<u>Renewals (Replacement)</u>							
- Plant and Equipment	5,506			5,506		5,506	1,148
- Land,Buildings,Furniture,Fittings	100	161		261	70	331	25
- Roads, Bridges, Footpaths	6,066	5,973		12,039		12,039	1,005
- Drainage	210	620		830		830	56
- Water & Sewer Infrastructure	6,968			6,968	(1,023)	5,945	500
- Other		277		277		277	254
<u>Upgrades</u>							
- Plant and Equipment							
- Land,Buildings,Furniture,Fittings		2		2		2	37
- Roads, Bridges, Footpaths	3,566	2,786		6,352		6,352	602
- Drainage	890	990		1,880		1,880	389
- Water & Sewer Infrastructure	8,207			8,207	(3,145)	5,062	547
- Other		239		239		239	49
Loan Repayments (principal)	7,714			7,714		7,714	981
<b>Total Capital Expenditure</b>	<b>60,431</b>	<b>19,014</b>		<b>79,445</b>	<b>(4,098)</b>	<b>75,347</b>	<b>7,488</b>



## Capital Budget Review Statement - General Fund - for the quarter ended 30 September 2014

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

### Capital Funding \*\*

Rates and other untied funding	11,870			11,870	70	11,940	917
Capital Grants & Contributions	4,378			4,378		4,378	475
Internal Restrictions (Reserves)	8,175	6,300		14,475		14,475	1,570
External Restrictions							
- s64 & s94 funds	2,200	3,862		6,062		6,062	657
Other Capital Funding Sources							
- loans	6,576	8,852		15,428		15,428	1,673
Income from sale of assets							
- plant and equipment	2,545			2,545		2,545	276
- Land, Buildings, Furniture, Fittings							
<b>Total Capital Funding</b>	<b>35,744</b>	<b>19,014</b>		<b>54,758</b>	<b>70</b>	<b>54,828</b>	<b>5,568</b>

### Capital Expenditure

#### New Assets

- Plant and Equipment		200		200		200	
- Land, Buildings, Furniture, Fittings	6,600	3,067		9,667		9,667	795
- Roads, Bridges, Footpaths	451	288		739		739	57
- Drainage							
- Other	8,875	4,411		13,286		13,286	714

#### Renewals (Replacement)

- Plant and Equipment	5,506			5,506		5,506	1,148
- Land, Buildings, Furniture, Fittings	100	161		261	70	331	25
- Roads, Bridges, Footpaths	6,066	5,973		12,039		12,039	1,005
- Drainage	210	620		830		830	56
- Other		277		277		277	254

#### Upgrades

- Plant and Equipment							
- Land, Buildings, Furniture, Fittings		2		2		2	37
- Roads, Bridges, Footpaths	3,566	2,786		6,352		6,352	602
- Drainage	890	990		1,880		1,880	389
- Other		239		239		239	49
Loan Repayments (principal)	3,480			3,480		3,480	437
<b>Total Capital Expenditure</b>	<b>35,744</b>	<b>19,014</b>		<b>54,758</b>	<b>70</b>	<b>54,828</b>	<b>5,568</b>

## Capital Budget Review Statement - Sewer Fund - for the quarter ended 30 September 2014

Original Budget (000's)	Original			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	3,599			3,599	(279)	3,320	33
Capital Grants & Contributions							
Internal Restrictions (Reserves)	8,548			8,548	(3,231)	5,317	642
External Restrictions							
- s64 & s94 funds	5,335			5,335	360	5,695	688
Other Capital Funding Sources							
- loans							
Income from sale of assets							
- plant and equipment							
- Land,Buildings,Furniture,Fittings							
<b>Total Capital Funding</b>	<b>17,482</b>			<b>17,482</b>	<b>(3,150)</b>	<b>14,332</b>	<b>1,363</b>

### Capital Expenditure

#### New Assets

- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Water & Sewer Infrastructure	4,023			4,023	(644)	3,379	119
- Other							

#### Renewals (Replacement)

- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Water & Sewer Infrastructure	3,783			3,783	(941)	2,842	451
- Other							

#### Upgrades

- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Water & Sewer Infrastructure	6,627			6,627	(1,565)	5,062	538
- Other							

Loan Repayments (principal)	3,049			3,049		3,049	255
<b>Total Capital Expenditure</b>	<b>17,482</b>			<b>17,482</b>	<b>(3,150)</b>	<b>14,332</b>	<b>1,363</b>

## Capital Budget Review Statement - Water Fund - for the quarter ended 30 September 2014

	Original Budget			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>Capital Funding *</b>						
Rates and other untied funding			1,185		1,185	(37)
Capital Grants & Contributions						
Internal Restrictions (Reserves)			2,000		2,000	223
External Restrictions						
- s64 & s94 funds			4,020	(1,018)	3,002	371
Other Capital Funding Sources						
- loans						
Income from sale of assets						
- plant and equipment						
- Land,Buildings,Furniture,Fittings						
<b>Total Capital Funding</b>			7,205	(1,018)	6,187	557
<b>Capital Expenditure</b>						
<u>New Assets</u>						
- Plant and Equipment						
- Land,Buildings,Furniture,Fittings			500		500	2
- Water & Sewer Infrastructure			755	644	1,399	208
- Other						
<u>Renewals (Replacement)</u>						
- Plant and Equipment						
- Land,Buildings,Furniture,Fittings						
- Water & Sewer Infrastructure			3,185	(82)	3,103	49
- Other						
<u>Upgrades</u>						
- Plant and Equipment						
- Land,Buildings,Furniture,Fittings						
- Water & Sewer Infrastructure			1,580	(1,580)		9
- Other						
Loan Repayments (principal)			1,185		1,185	289
<b>Total Capital Expenditure</b>			7,205	(1,018)	6,187	557

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 2014 and should be read in conjunction with other documents in the QBRs.

\* Note: includes carried forward works revotes

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

## Cash and Investments Budget Review Statement for the quarter ended 30 September 2014

Original Budget (000's)	Approved Changes				Recommended changes for Council Resolution (000's)	Projected year end result (000's)	Actual * YTD (000's)
	Roll-Overs (000's)	Sep Review (000's)	Dec Review (000's)	Revised Budget (000's)			
<b>Unrestricted</b>	5,539			5,539		5,539	6,062
<b>Externally restricted</b>							
RTA Contributions	347			347		347	347
Developer contributions	22,016			22,016		22,016	24,107
Domestic waste management	7,300			7,300		7,300	7,300
Special Rates	214			214		214	214
Special purpose grants	2,764			2,764		2,764	2,764
Water Supplies	31,533			31,533		31,533	27,459
Sewerage Services	53,510			53,510		53,510	61,484
Other	21,443			21,443		21,443	21,443
<b>Total Externally restricted</b>	139,127	0	0	139,127	0	139,127	145,118
<b>Internally restricted</b>							
Employee Leave entitlements	10,291			10,291		10,291	10,291
Unexpended loans	9,436			9,436		9,436	9,436
Unexpended grants	2,753			2,753		2,753	2,753
7 Year Plan	3,094			3,094		3,094	3,094
Works Carried Forward	11,777			11,777		11,777	11,777
Replacement of Plant and Vehicles	3,039			3,039		3,039	3,039
Tip improvements	4,311			4,311		4,311	4,311
Asset renewals	2,034			2,034		2,034	2,034
Other	5,781			5,781		5,781	5,781
<b>Total Internally restricted</b>	52,516	0	0	52,516	0	52,516	52,516
<b>Total Restricted</b>	191,643	0	0	191,643	0	191,643	197,634
<b>Total cash and investments</b>	197,182	0	0	197,182	0	197,182	203,696
<b>Available cash</b>	5,539	0	0	5,539	0	5,539	6,062

\* 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:****Reconciliation of restricted funds with current investment report:**

	<b>(000's)</b>
Total restricted funds	197,634
Total invested funds as per September Investment Report	202,246

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 13 October 2014.

**Reconciliation of cash and investments:**

	<b>(000's)</b>
Cash and investments as per above	203,696
<b>Cash on hand and at bank</b>	1,450
<b>Investments</b>	<u>202,246</u>
	203,696

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 2014 and should be read in conjunction with other documents in the QBRs.

**Key Performance Indicators Budget Review Statement for the quarter ended 30 September 2014**

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

These ratios should therefore be viewed with caution.

**1. Unrestricted Current Ratio**

	<b>(000's)</b>	
Current assets less all external restrictions	<u>110,596</u>	7.1:1
Current liabilities	15,509	

**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	2,907	7.6%
Selected operating income	38,262	

**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 2014 and should be read in conjunction with other documents in the QBRS.

**Budget Review Contracts and Other Expenses for the quarter ended 30 September 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>
Crosana Pty Ltd	EC2014-066 Uriup Road Crib Wall Retaining Structure	\$185,522	01/09/2014	05/11/2014	y
Demacs Construction (Aust) Pty Ltd	EC2014-095 Supply, Construction, Testing and Commissioning of Sewer Pipelines and Associated Works at Mount Ernest Crescent Murwillumbah (SEW 27) and Grassmere Court Banora Point (SEW 30)	\$267,472	08/09/2014	14 weeks	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	73,473	Y
Legal expenses	91,440	Y

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 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 30/9/2014 indicates that Council’s projected financial position at 30/6/2015 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 24/10/2014  
**“Responsible Accounting Officer”**  
**Manager Financial Services**  
**Tweed Shire Council**

**OPTIONS:**

Not Applicable.

**CONCLUSION:**

Refer to Statutory Statement above.

**COUNCIL IMPLICATIONS:****a. Policy:**

Corporate 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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