

TITLE: [CS-CM] Quarterly Budget Review - December 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 second 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 31 December 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
General Fund		
<u>Expenses</u>		
Employee costs	0	114,006
Materials & Contracts	158,328	0
Interest	0	0
Other Operating costs	10,000	0
Capital	531,829	0
Loan Repayments	0	0
Transfers to Reserves	0	0
	700,157	114,006
<u>Income</u>		
Rates and Annual Charges	0	0
Interest revenue	0	0

Description	Change to Vote	
	Deficit	Surplus
Operating Grants & Conts	0	83,846
Capital Grants & Conts	0	232,646
User Charges & Fees	0	20,000
Other Operating Revenue	0	80,000
Loan Funds	0	0
Recoupments	0	60,000
Transfers from Reserves	0	109,659
Asset Sales	0	0
	<u>0</u>	<u>586,151</u>
Net Surplus/(Deficit)		<u>0</u>
Sewer Fund		
<u>Expenses</u>		
Employee costs	0	0
Materials & Contracts	404,532	0
Interest	0	0
Other Operating costs	0	0
Capital	0	1,009,150
Loan Repayments	0	0
Transfers to Reserves	0	4,692,505
	<u>404,532</u>	<u>5,701,655</u>
<u>Income</u>	0	0
Rates and Annual Charges	0	0
Interest revenue	493,130	0
Operating Grants & Conts	0	0
Capital Grants & Conts	4,234,843	0
User Charges & Fees	0	0
Other Operating Revenue	0	0
Loan Funds	0	0
Recoupments	0	269,925
Transfers from Reserves	839,075	0
Asset Sales	0	0
	<u>5,567,048</u>	<u>269,925</u>
Net Surplus/(Deficit)		<u>0</u>
Water Fund		
<u>Expenses</u>		
Employee costs	0	0
Materials & Contracts	0	451,236
Interest	0	0
Other Operating costs	0	0
Capital	0	960,000
Loan Repayments	0	0
Transfers to Reserves	0	10,039,006
	<u>0</u>	<u>11,450,242</u>
<u>Income</u>		
Rates and Annual Charges	0	0
Interest revenue	156,677	0
Operating Grants & Conts	0	0
Capital Grants & Conts	10,348,187	0
User Charges & Fees	0	44,622
Other Operating Revenue	0	0
Loan Funds	0	0
Recoupments	0	5,000

Description	Change to Vote	
	Deficit	Surplus
Transfers from Reserves	995,000	0
Asset Sales	0	0
	<u>11,499,864</u>	<u>49,622</u>
Net Surplus/(Deficit)		<u>0</u>

REPORT:**Budget Review 31 December 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	\$	\$
	Net Effect on 2014/2015 Budget	Net Effect on LTFP
General Fund		
Workers Compensation Insurance	-223,665	
Art Gallery - furniture & fittings	4,000	
Art Gallery - building maintenance	6,000	
Museum electricity charges	10,000	10,000
Pensioner subsidy	-83,846	
s603 certificates	-20,000	-13,300
Rates postage - Water	50,000	
s94 Admin Levy	-60,000	-60,000
Subscription to LGNSW	-20,000	-20,000
Insurance miscellaneous	17,436	17,436
Fit for the Future	155,075	
Human Resources	15,000	
Anthony's Bridge cycleway	150,000	
	0	(65,864)

Detailed list of changes

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
1. Proposed Variations						
General						
Ex	1	Ex-OpEmp	Workers Compensation Insurance		-223,665	Adjustment premium for 2013/14
Ex	2	Ex-Capital	Chinderah Pontoon	66,792	174,183	Construction
In	2	In-CG&C	Better Boating Program RMS grant		-120,000	Funding for above
Ex	2	Ex-Op	Waterways Asset Management	28,000	-28,000	Funding for above
Ex	2	Ex-Op	Canal Maintenance	42,283	-1,183	Funding for above
In	2	In-CG&C	Community contribution		-25,000	Funding for above
Ex	3	Ex-Op	Art Gallery - furniture & fittings		4,000	Customer counting equipment
Ex	4	Ex-Op	Art Gallery - building maintenance		6,000	Café flooring
Ex	5	Ex-OpOther	Museum electricity charges	27,500	10,000	Revised consumption estimate
Ex	6	Ex-Op	Drainage assets		210,000	Survey & condition assessment
Ex	6	Ex-Op	Stormwater drainage rehabilitation	864,156	-210,000	Funding for above
In	7	In-CG&C	Roads to Recovery grant	1,223,354	-27,646	Additional funding announced
Ex	7	Ex-Capital	Inlet Drive Tweed Heads West	1,240,000	27,646	Allocation of above
Ex	8	Ex-Capital	Salt to Casuarina cycleway		120,000	Construction
In	8	In-CG&C	RMS grant funding		-60,000	Funding for above
Ex	8	Ex-Op	Footpaths rehabilitation	367,508	-60,000	Funding for above
In	9	In-OG&C	Pensioner subsidy	-836,364	-83,846	Federal funding cut picked up by State
In	10	In-Operating	s603 certificates	-149,238	-20,000	Increased activity
Ex	11	Ex-Op	Rates postage - Water	21,584	50,000	Quarterly billing
In	12	In-Recoup	s94 Admin Levy	-96,229	-60,000	Increased activity
Ex	13	Ex-Op	Subscription to LGNSW	72,100	-20,000	Re allocation of funds above subscription

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
Ex	14	Ex-Op	Insurance miscellaneous	11,564	17,436	Premium adjustments
Ex	15	Ex-OpEmp	Apprentices & Trainees	10,927	109,659	Rollout and training of LMS
In	15	In-TFR	Works carried forward	-36,865	-109,659	Funding for above Asset management & service planning
Ex	16	Ex-Op	Fit for the Future		155,075	
Ex	17	Ex-Op	Human Resources project fund		15,000	Funds from external consulting
Ex	18	Ex-Capital	Brett Street building acquisition/fitout	6,169,444	60,000	Equipment purchases etc
Ex	18	Ex-Op	Brett Street building operating costs		20,000	Electricity, cleaning etc
In	18	In-OpOther	Brett Street building leasing income		-80,000	Rent commencing
					-150,000	
			Sewer Fund			
Ex	19	Ex-Op	Operations		404,532	Operational adjustments
Ex	19	Ex-Capital	Various Capital Works		-1,009,150	Deferrals & adjustments Development slower than expected
In	19	In-CG&C	Developer Contributions		4,234,843	Funding adjustment - restricted asset
Ex	19	Ex-TTR	Transfers to Capital Contributions Res.		-4,234,843	
In	19	In-Interest	Interest		493,130	Funding adjustment
Ex	19	Ex-TTR	Transfers to Asset Replacement Res. Transfers from Capital Contributions Res.		-457,662	Funding adjustment
In	19	In-Recoup	Res.		-269,925	Funding adjustment
In	19	In-TFR	Transfers from Asset Replacement Res.		839,075	Funding adjustment
					0	
			Water Fund			
Ex	20	Ex-Op	Operations		-451,236	Operational adjustments
In	20	In-Interest	Interest		156,677	Funding adjustment
In	20	In-Operating	Operating income		-44,622	Operational adjustments
Ex	20	Ex-Capital	Various Capital Works Transfers from Capital Contributions Res.		-960,000	Deferrals & adjustments
In	20	In-Recoup	Res.		-5,000	Funding adjustment Development slower than expected
In	20	In-CG&C	Developer Contributions		10,348,187	Funding adjustment - restricted asset
Ex	20	Ex-TTR	Transfers to Capital Contributions Res.		10,348,187	
In	20	In-TFR	Transfers from Asset Replacement Res.		995,000	Funding adjustment
Ex	20	Ex-TTR	Transfers to Asset Replacement Res.		309,181	Funding adjustment - restricted asset
					0	
			2. Variations Arising from Council Resolutions			
Ex	21	Ex-Capital	Anthony's Bridge cycleway		150,000	Council meeting 11 December 2014
					150,000	
			Summary of Votes by Type			
			2014/15 Variations		-150,000	
			Council Resolutions		150,000	
					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
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/E x	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
		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		-114,006	
			Materials & Contracts		111,624	
			Interest		0	
			Other Operating costs		10,000	
			Capital		-1,437,321	
			Loan Repayments		0	
			Transfers to Reserves		14,731,511	
					-	
					16,161,214	
			<u>Income</u>			
			Rates and Annual Charges		0	
			Interest revenue		649,807	
			Operating Grants & Conts		-83,846	
			Capital Grants & Conts		14,350,384	
			User Charges & Fees		-64,622	
			Other Operating Revenue		-80,000	
			Loan Funds		0	
			Recoupments		-334,925	
			Transfers from Reserves		1,724,416	
			Asset Sales		0	
					16,161,214	
			Net		0	
			Summary of Votes - by Division			
			Corporate Services		-170,000	
			Planning & Regulation		0	
			Community & Natural Resources		20,000	
			Engineering		150,000	
			General Manager		0	
					0	

Results by fund:

General Fund

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

Water Fund

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

Sewer Fund

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

Quarterly Budget Review Statements

Income and Expense - Consolidated Budget Review Statement for the quarter ended 31 December 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)			
Income							
Rates and Annual Charges	94,362	-	-	94,362	-	94,362	48,165
User Charges and Fees	37,718	30	-	37,748	65	37,813	20,371
Interest and Investment Revenue	9,116	(101)	-	9,015	(650)	8,365	4,075
Other Revenues	1,622	-	-	1,622	80	1,702	969
Grants & Contributions - Operating	16,147	457	-	16,604	84	16,688	9,642
Grants and Contributions - Capital	2,103	-	-	2,103	232	2,335	3,720
- Contributions (S94)	21,121	-	-	21,121	(14,583)	6,538	6,688
Net gain from the disposal of assets	-	-	-	-	-	-	247
Total Income	182,189	386	-	182,575	(14,772)	167,803	93,877
Expense							
Employee costs	46,514	393	-	46,907	(114)	46,793	22,720
Borrowing Costs	13,042	-	-	13,042	-	13,042	6,546
Materials & Contracts	52,534	15,255	-	67,789	112	67,901	18,903
Depreciation	41,368	-	-	41,368	-	41,368	20,685
Legal Costs	436	-	-	436	-	436	235
Consultants	471	-	-	471	-	471	189
Other Expenses	14,735	200	-	14,935	10	14,945	6,266
Net Loss from Disposal of Assets	-	-	-	-	-	-	-
Total Expenses	169,100	15,848	-	184,948	8	184,956	75,544
Net Operating Result	13,089	(15,462)	-	(2,373)	(14,780)	(17,153)	18,333
Net Operating Result before capital items	10,986	(15,462)	-	(4,476)	(15,012)	(19,488)	14,613

Funding Statement - Consolidated - Source & Application of Funds

	Original Budget (000's)				Recommended changes for Council Resolution (000's)	Projected year end result (000's)
		Sep Review (000's) *	Dec Review (000's)	Revised Budget (000's)		
Operating Result (Income Statement)	13,089	(15,462)	-	(2,373)	(14,780)	(17,153)
Add Back non-funded items:						
Depreciation	41,368	-	-	41,368	-	41,368
		-	-	-	-	-
Add non-operating funding sources						
Transfers from Externally Restricted Cash	15,142	2,524	-	17,666	335	18,001
Transfers from Internally Restricted Cash	20,514	21,583	-	42,097	(1,724)	40,373
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	-	-	-	-	-	-
Funds Available	97,334	17,497	-	114,831	(16,169)	98,662
Funds were applied to:						
Purchase and construction of assets	48,169	14,889	-	63,058	(1,437)	61,621
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	2,608	-	22,196	(14,732)	7,464
Funds Used	97,334	17,497	-	114,831	(16,169)	98,662
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

* Includes Carried Forward Works revotes

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

				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)				Revised Budget (000's)
Income							
Rates and Annual Charges	65,338			65,338		65,338	33,552
User Charges and Fees	17,244	30		17,274	20	17,294	9,653
Interest and Investment Revenue	4,643	-		4,643	-	4,643	2,553
Other Revenues	1,364	-		1,364	80	1,444	737
Grants & Contributions - Operating	15,297	457		15,754	84	15,838	8,936
Grants and Contributions - Capital	2,103	-		2,103	232	2,335	3,685
- Contributions (S64/S94)	1,677			1,677		1,677	3,109
Net gain from the disposal of assets				-		-	247
Total Income	107,666	487	-	108,153	416	108,569	62,472
Expense							
Employee costs	38,123	393		38,516	(114)	38,402	17,561
Borrowing Costs	6,044			6,044	-	6,044	3,035
Materials & Contracts	32,217	14,741		46,958	158	47,116	14,917
Depreciation	25,315			25,315		25,315	12,658
Legal Costs	436			436		436	235
Consultants	107			107		107	141
Other Expenses	10,488	200		10,688	10	10,698	4,728
Net Loss from Disposal of Assets				-		-	
Total Expenses	112,730	15,334	-	128,064	54	128,118	53,275
Net Operating Result	(5,064)	(14,847)	-	(19,911)	362	(19,549)	9,197
Net Operating Result before capital items	(8,844)	(14,847)	-	(22,014)	130	(21,884)	5,512

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

	Original Budget (000's)	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)	Actual YTD (000's)
Income							
Rates and Annual Charges	24,192			24,192		24,192	12,270
User Charges and Fees	1,311			1,311		1,311	1,210
Interest and Investment Revenue	2,838	166		3,004	(493)	2,511	979
Other Revenues	15			15		15	10
Grants & Contributions - Operating	464			464	-	464	497
Grants and Contributions - Capital				-		-	35
- Contributions (S64/S94)	5,646			5,646	(4,235)	1,411	1,206
Net gain from the disposal of assets				-		-	
Total Income	34,466	166	-	34,632	(4,728)	29,904	16,207
Expense							
Employee costs	4,848			4,848		4,848	3,050
Borrowing Costs	2,389			2,389		2,389	1,206
Materials & Contracts	9,647	444		10,091	405	10,496	1,960
Depreciation	9,209			9,209		9,209	4,605
Legal Costs				-		-	
Consultants	141			141		141	9
Other Expenses	2,327			2,327	-	2,327	832
Net Loss from Disposal of Assets				-		-	
Total Expenses	28,561	444	-	29,005	405	29,410	11,662
Net Operating Result	5,905	(278)	-	5,627	(5,133)	494	4,545
Net Operating Result before capital items	5,905	(278)	-	5,627	(5,133)	494	4,510

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

Original Budget (000's)	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)	Actual YTD (000's)
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Income

Rates and Annual Charges	4,832		4,832		4,832	2,343
User Charges and Fees	19,163		19,163	45	19,208	9,508
Interest and Investment Revenue	1,635	(267)	1,368	(157)	1,211	543
Other Revenues	243		243		243	222
Grants & Contributions - Operating	386		386	-	386	209
Grants and Contributions - Capital			-		-	
- Contributions (S64/S94)	13,798		13,798	(10,348)	3,450	2,373
Net gain from the disposal of assets			-		-	
Total Income	40,057	(267)	-	39,790	(10,460)	29,330

Expense

Employee costs	3,543		3,543		3,543	2,109
Borrowing Costs	4,609		4,609		4,609	2,305
Materials & Contracts	10,670	70	10,740	(451)	10,289	2,026
Depreciation	6,844		6,844		6,844	3,422
Legal Costs			-		-	
Consultants	223		223		223	39
Other Expenses	1,920		1,920		1,920	706
Net Loss from Disposal of Assets			-		-	
Total Expenses	27,809	70	-	27,879	(451)	10,607

Net Operating Result

	12,248	(337)	-	11,911	(10,009)	1,902	4,591
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Net Operating Result before capital items

	12,248	(337)	-	11,911	(10,009)	1,902	4,591
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Funding Statement - Water Fund - Source & Application of Funds

	Original Budget (000's)	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)
Operating Result (Income Statement)	12,248	(337)	-	11,911	(10,009)	1,902
Add Back non-funded items:						
Depreciation	6,844	-	-	6,844	-	6,844
Add non-operating funding sources						
Transfers from Externally Restricted Cash	6,507	(1,743)		4,764	5	4,769
Transfers from Internally Restricted Cash	3,666	772		4,438	(995)	3,443
Proceeds from sale of assets				-		-
Loan Funds Utilised				-	-	-
Repayments from Deferred Debtors				-		-
Funds Available	29,265	(1,308)	-	27,957	(10,999)	16,958
Funds were applied to:						
Purchase and construction of assets	5,699	(1,018)		4,681	(960)	3,721
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	(290)		8,293	(10,039)	(1,746)
Internal charges				-		-
Funds Used	29,265	(1,308)	-	27,957	(10,999)	16,958
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

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

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

Original Budget (000's)	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)	Actual YTD (000's)
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Capital Funding

Rates and other untied funding	16,654	(209)		16,445	352	16,797	3,020
Capital Grants & Contributions	4,378			4,378	180	4,558	1,567
Internal Restrictions (Reserves)	18,723	3,041		21,764	(1,969)	19,795	7,448
External Restrictions							
- s64 & s94 funds	11,555	3,204		14,759		14,759	6,065
Other Capital Funding Sources							
- loans	6,576	8,852		15,428		15,428	5,305
Income from sale of assets							
- plant and equipment	2,545			2,545		2,545	875
- Land,Buildings,Furniture,Fittings							
Total Capital Funding	60,431	14,888		75,319	(1,437)	73,882	24,280

Capital Expenditure

New Assets

- Plant and Equipment		200		200		200	148
- Land,Buildings,Furniture,Fittings	7,100	3,062		10,162	60	10,222	5,446
- Roads, Bridges, Footpaths	451	364		815	270	1,085	866
- Drainage							
- Water & Sewer Infrastructure	4,778			4,778		4,778	1,197
- Other	8,875	4,686		13,561	174	13,735	1,796

Renewals (Replacement)

- Plant and Equipment	5,506			5,506		5,506	1,771
- Land,Buildings,Furniture,Fittings	100	230		330		330	25
- Roads, Bridges, Footpaths	6,066	5,876		11,942	28	11,970	3,079
- Drainage	210	620		830		830	62
- Water & Sewer Infrastructure	6,968	(1,023)		5,945	(1,969)	3,976	1,108
- Other		2		2		2	326

Upgrades

- Plant and Equipment							
- Land,Buildings,Furniture,Fittings		2		2		2	41
- Roads, Bridges, Footpaths	3,566	2,786		6,352		6,352	1,795
- Drainage	890	989		1,879		1,879	525
- Water & Sewer Infrastructure	8,207	(3,145)		5,062		5,062	1,212
- Other		239		239		239	235
Loan Repayments (principal)	7,714			7,714		7,714	4,648
Total Capital Expenditure	60,431	14,888		75,319	(1,437)	73,882	24,280

* Includes Carried Forward Works revotes

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

	Original Budget (000's)	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)	Actual YTD (000's)
Capital Funding							
Rates and other untied funding	11,870	70		11,940	352	12,292	3,030
Capital Grants & Contributions	4,378			4,378	180	4,558	1,567
Internal Restrictions (Reserves)	8,175	6,272		14,447		14,447	4,967
External Restrictions							
- s64 & s94 funds	2,200	3,862		6,062		6,062	2,084
Other Capital Funding Sources							
- loans	6,576	8,852		15,428		15,428	5,305
Income from sale of assets							
- plant and equipment	2,545			2,545		2,545	875
- Land,Buildings,Furniture,Fittings							
Total Capital Funding	35,744	19,056		54,800	532	55,332	17,828

Capital Expenditure

New Assets

- Plant and Equipment		200		200		200	148
- Land,Buildings,Furniture,Fittings	6,600	3,062		9,662	60	9,722	5,446
- Roads, Bridges, Footpaths	451	364		815	270	1,085	866
- Drainage							
- Other	8,875	4,686		13,561	174	13,735	1,796
<u>Renewals (Replacement)</u>							
- Plant and Equipment	5,506			5,506		5,506	1,771
- Land,Buildings,Furniture,Fittings	100	230		330		330	25
- Roads, Bridges, Footpaths	6,066	5,876		11,942	28	11,970	3,079
- Drainage	210	620		830		830	62
- Other		2		2		2	326
<u>Upgrades</u>							
- Plant and Equipment							
- Land,Buildings,Furniture,Fittings		2		2		2	41
- Roads, Bridges, Footpaths	3,566	2,786		6,352		6,352	1,795
- Drainage	890	989		1,879		1,879	525
- Other		239		239		239	235
Loan Repayments (principal)	3,480			3,480		3,480	1,713
Total Capital Expenditure	35,744	19,056		54,800	532	55,332	17,828

* Includes Carried Forward Works revotes

Capital Budget Review Statement - Sewer Fund - for the quarter ended 31 December 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	3,599	(279)		3,320		3,320	134
Capital Grants & Contributions							
Internal Restrictions (Reserves)	8,548	(3,231)		5,317	(1,009)	4,308	2,126
External Restrictions							
- s64 & s94 funds	5,335	360		5,695		5,695	2,811
Other Capital Funding Sources							
- loans							
Income from sale of assets							
- plant and equipment							
- Land,Buildings,Furniture,Fittings							
Total Capital Funding	17,482	(3,150)		14,332	(1,009)	13,323	5,071

Capital Expenditure

New Assets

- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Water & Sewer Infrastructure	4,023	(644)		3,379		3,379	600
- Other							
<u>Renewals (Replacement)</u>							
- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Water & Sewer Infrastructure	3,783	(941)		2,842	(1,009)	1,833	931
- Other							
<u>Upgrades</u>							
- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Water & Sewer Infrastructure	6,627	(1,565)		5,062		5,062	1,187
- Other							
Loan Repayments (principal)	3,049			3,049		3,049	2,353
Total Capital Expenditure	17,482	(3,150)		14,332	(1,009)	13,323	5,071

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

Original Budget (000's)	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)	Actual YTD (000's)
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Capital Funding

Rates and other untied funding	1,185		1,185		1,185	(144)
Capital Grants & Contributions						
Internal Restrictions (Reserves)	2,000		2,000	(960)	1,040	355
External Restrictions						
- s64 & s94 funds	4,020	(1,018)	3,002		3,002	1,170
Other Capital Funding Sources						
- loans						
Income from sale of assets						
- plant and equipment						
- Land,Buildings,Furniture,Fittings						
Total Capital Funding	7,205	(1,018)	6,187	(960)	5,227	1,381

Capital Expenditure

New Assets

- Plant and Equipment						
- Land,Buildings,Furniture,Fittings	500		500		500	
- Water & Sewer Infrastructure	755	644	1,399		1,399	597
- Other						
<u>Renewals (Replacement)</u>						
- Plant and Equipment						
- Land,Buildings,Furniture,Fittings						
- Water & Sewer Infrastructure	3,185	(82)	3,103	(960)	2,143	177
- Other						
<u>Upgrades</u>						
- Plant and Equipment						
- Land,Buildings,Furniture,Fittings						
- Water & Sewer Infrastructure	1,580	(1,580)				25
- Other						
Loan Repayments (principal)	1,185		1,185		1,185	582
Total Capital Expenditure	7,205	(1,018)	6,187	(960)	5,227	1,381

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 December 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 31 December 2014

	Original Budget (000's)	Approved Changes			Revised Budget (000's)	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)				
Unrestricted	5,539				5,539		5,539	5,574
Externally restricted								
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	(10,348)	21,185	27,459
Sewerage Services	53,510				53,510	(4,235)	49,275	61,484
Other	21,443				21,443		21,443	21,443
Total Externally restricted	139,127	0	0	0	139,127	(14,583)	124,544	145,118
Internally restricted								
Employee Leave entitlements	10,291				10,291		10,291	10,291
Unexpended loans	9,436				9,436		9,436	9,000
Unexpended grants	2,753				2,753		2,753	2,000
7 Year Plan	3,094				3,094		3,094	2,000
Works Carried Forward	11,777				11,777		11,777	10,000
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
Total Internally restricted	52,516	0	0	0	52,516	0	52,516	48,456
Total Restricted	191,643	0	0	0	191,643	(14,583)	177,060	193,574
Total cash and investments	197,182	0	0	0	197,182	(14,583)	182,599	199,148
Available cash	5,539	0	0	0	5,539	0	5,539	5,574

* 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:

	(000's)
Total restricted funds	193,574
Total invested funds as per December Investment Report	198,330
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 30 January 2015.

Reconciliation of cash and investments:

	(000's)
Cash and investments as per above	199,148
Cash on hand and at bank	818
Investments	<u>198,330</u>
	199,148

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

Key Performance Indicators Budget Review Statement for the quarter ended 31 December 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.

	Amounts	Indicator
1. Unrestricted Current Ratio		
	(000's)	
<u>Current assets less all external restrictions</u>	<u>88,733</u>	7.4:1
Current liabilities	12,042	

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.

	Amounts	Indicator
2. Debt Service Ratio		
	(000's)	
Debt Service Cost	11,194	14.43%
<u>Selected operating income</u>	<u>77,598</u>	

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

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

PART A-Contracts Listing		Contract value	Commencement	Duration of	Budgeted
Contractor	Contract detail & purpose	\$	date	contract	(Y/N)
Demacs Construction (Aust) Pty Ltd	EC2014-132 Supply, Construction and testing of sewer rising mains and associated works at Overall Drive (SEW 18) and Tweed Coast Road (SEW 32) Pottsville	\$742,921.01	10/11/2014	16 weeks	y

PART B - Consultancy and Legal expenses		Expenditure	Budgeted
Expense		YTD \$	(Y/N)
Consultancies		263,772	Y
Legal expenses		272,153	Y

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 December 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 31/12/2014 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 31/01/2015
“Responsible Accounting Officer”
Manager Financial Services
Tweed Shire Council

OPTIONS:

Not Applicable

CONCLUSION:

Refer to Statutory Statement above.

COUNCIL IMPLICATIONS:**a. Policy:**

Not Applicable

b. Budget/Long Term Financial Plan:

As detailed in the report.

c. Legal:

No-Legal advice has not been received
Attachment of Legal Advice-Not Applicable

d. Communication/Engagement:

Inform - We will keep you informed.

UNDER SEPARATE COVER/FURTHER INFORMATION:

Nil.
