

**TITLE:** [CS-CM] Quarterly Budget Review - December 2015

**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 2015/2016 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 2016 in all Funds.

### RECOMMENDATION:

That the:

1. Quarterly Budget Review Statement as at 31 December 2015 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 2016.

Description	Change to Vote	
	Deficit	Surplus
<b>General Fund</b>		
<b><u>Expenses</u></b>		
Employee costs	0	0
Materials & Contracts	706,723	0
Interest	0	0
Other Operating costs	0	137,918
Capital	3,094,841	0
Loan Repayments	0	0
Transfers to Reserves	202,495	0
	<b>4,004,059</b>	<b>137,918</b>

**Income**

Rates and Annual Charges	0	0
Interest revenue	0	0
Operating Grants & Conts	0	229,601
Capital Grants & Conts	0	2,425,000
User Charges & Fees	0	75,000
Other Operating Revenue	0	0
Loan Funds	0	0
Recoupments	0	522,740
Transfers from Reserves	0	613,800
Asset Sales	0	0
	<u>0</u>	<u>3,866,141</u>

Net Surplus/(Deficit)	<u>0</u>
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	Deficit	Surplus
<b>Sewer Fund</b>		
<b><u>Expenses</u></b>		
Employee costs	0	0
Materials & Contracts	75,000	0
Interest	0	0
Other Operating costs	0	0
Capital	0	1,590,932
Loan Repayments	0	0
Transfers to Reserves	309,388	0
	<u>384,388</u>	<u>1,590,932</u>
<b><u>Income</u></b>	0	0
Rates and Annual Charges	0	0
Interest revenue	0	86,388
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	761,015	0
Transfers from Reserves	531,917	0
Asset Sales	0	0
	<u>1,292,932</u>	<u>86,388</u>

Net Surplus/(Deficit)	<u>0</u>
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**Water Fund****Expenses**

Employee costs	0	0
Materials & Contracts	0	545,772
Interest	0	0
Other Operating costs	0	0
Capital	2,957,700	0
Loan Repayments	0	0
Transfers to Reserves	402,755	0
	<u>3,360,455</u>	<u>545,772</u>

**Income**

Rates and Annual Charges	0	0
Interest revenue	90,517	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

<b>Recoupments</b>	<b>0</b>	<b>3,416,015</b>
<b>Transfers from Reserves</b>	<b>510,815</b>	<b>0</b>
<b>Asset Sales</b>	<b>0</b>	<b>0</b>
	<hr/>	<hr/>
	<b>601,332</b>	<b>3,416,015</b>
 <b>Net Surplus/(Deficit)</b>		<hr/> <hr/> <b>0</b>

**REPORT:****Budget Review 31 December 2015 (Quarterly Budget Review)**

In accordance with section 203(1) of the Local Government (General) Regulation 2005, a Budget Review Statement and revision of the estimates of income and expenditure must be submitted to council within two months of the close of each quarter.

The Regulation requires that the quarterly financial review must include the following:

- A revised estimate for income and expenditure for the year.
- A report as to whether or not such statements indicate that the financial position of the Council is satisfactory and if the position is unsatisfactory, make recommendations for remedial action.

**Report by Responsible Accounting Officer – Quarterly Budget Review Statements**

The Quarterly Budget Review Reports are prepared to provide Council and the community with information in relation to Council's financial performance and proposed amendments to its budget and forward estimates. The reports are prepared under accrual accounting principles in accordance with the requirements of the Local Government Act 1993.

New South Wales councils are required to prepare a Quarterly Budget Review Statement, which includes the following information:

- The original budget
- Approved changes to the original budget
- Recommendations by Council officers regarding changes to the revised budget
- A projected year end result
- Actual year to date figures
- Key Performance Indicators
- New contracts entered into during the quarter
- Consultancy and legal expenses

This information is presented in the following reports:

- List of changes which will impact on revenue, i.e. will affect the Operational Plan (budget) or Long Term Financial Plan
- Detailed list of recommended changes, including those recommended by officers and those adopted by Council
- Income and Expenses Statement, consolidated and by fund
- Funding Statement, consolidated and by fund, which gives the total budget result
- Capital Budget Review Statement
- Cash & Investments Budget Review Statement
- Budget Review Key Performance Indicators Statement
- Budget Review Contracts (part A) and Other Expenses (part B)

## Impacts on the Operational Plan and/or Long Term Financial Plan

Some recommended changes will have no net effect on the Operational Plan (1 year budget). Others will have long term effects and will need to be reflected in the next revision of the Long Term Financial Plan. Also listed is what effect the variations will have, if any, on the various Fit for the Future ratios. The changes which will have such an effect are listed below:

Description	\$	\$	
	<b>Net Effect on 2015/2016 Budget</b>	<b>Net Effect on LTFP</b>	<b>Fit for the Future Impact</b>
<b>General Fund</b>			
Koala monitoring drone	17,000		Negative
Property Reclassifications	10,000		Negative
Town entry/gasfield free signage	30,000		Negative
White Ribbon accreditation	7,000		Negative
Whale exhumation	10,000		Negative
Commonwealth Financial Assistance Grant	-229,601		Positive
Valuation Fees	8,024		Negative
Finance Unit Software	13,000		Negative
Section 603 Certificates	-30,000		Positive
Emergency Services contributions	-37,918		Positive
	<b>(202,495)</b>	<b>0</b>	

### 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	Drone	0	17,000	Koala monitoring
Ex	2	Ex-Op	Property Reclassifications	0	10,000	Legal costs
Ex	3	Ex-Op	Rural Land Strategy	35,690	45,000	Additional funding to complete project
In	3	In-Operating	Planning Projects Income		-45,000	funding for the above
Ex	4	Ex-Capital	Koala Beach Sportsfield lighting		20,000	New lighting
Ex	4	Ex-Op	Active recreation asset maintenance	460,113	-20,000	Funding for above
					-	
In	5	In-OG&C	Commonwealth Financial Assistance Grant - General	6,619,350	-229,601	Align budget to actual
Ex	6	Ex-Op	Valuation Fees	305,549	8,024	Align budget to actual
In	7	Ex-Op	Finance Unit Software	0	13,000	New Fees & Charges software + annual subs
In	8	In-Operating	Section 603 Certificates	-170,000	-30,000	Align budget to actual
Ex	9	Ex-Capital	Murwillumbah Civic Centre Landscape Upgrade		150,000	Library pond
Ex	9	Ex-Op	Passive recreation asset maintenance	641,058	-50,000	Funding for above
Ex	9	Ex-OpOther	Murwillumbah Civic Centre electricity	337,650	-100,000	Funding for above
Ex	10	Ex-OpOther	Fire & Rescue NSW contribution	383,458	-9,216	Advice received
Ex	11	Ex-OpOther	Rural Fire Service contribution	231,691	-42,625	Advice received
Ex	12	Ex-OpOther	SES contribution	139,567	13,923	Advice received
Ex	13	Ex-Op	Tygalgalah - Tweed River Estuary Riparian Restoration Project	41,000	30,000	Adjust Waterways budgets

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
Ex	13	Ex-Op	Oxley River Bank Stabilisation Project	0	<b>250,000</b>	Adjust Waterways budgets
Ex	13	Ex-Op	Lower Tweed Management Plan - Waterways Project Officer	25,000	<b>50,000</b>	Adjust Waterways budgets
Ex	13	Ex-Op	Lower Tweed Management Plan - Wetland enhancement	10,000	<b>40,000</b>	Adjust Waterways budgets
Ex	13	Ex-Op	Catchment Water Quality	211,543	<b>125,000</b>	Adjust Waterways budgets
In	13	In-TFR	Catchment Water Quality reserve		<b>-495,000</b>	Funding for above
Ex	14	Ex-Capital	Regional roads rehabilitation unallocated	502,000	<b>-502,000</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Kyogle Road Repair Program 2015/16 - Segment 280 (Uki)		<b>72,000</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Kyogle Road Repair Program 2015/16 - Segment 170 (Kunghur)		<b>785,000</b>	Adjust Construction budget (roads)
Ex	14	In-CG&C	Regional Roads Repair Program Funding	<b>-350,000</b>	<b>-78,500</b>	Adjust Construction budget (roads)
				8,382,798	<b>5,074,553</b>	
Ex	14	Ex-Capital	Unallocated Rehabilitation		<b>3</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Banks Ave		<b>80,850</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Baromi Rd Kynnumboon		<b>42,735</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Brett St Tweed Heads		<b>183,000</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Brooks Rd Kynnumboon		<b>42,315</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Cooloon Cr Tweed Heads South		<b>40,425</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Darlington Drive East of Leisure Dr		<b>203,280</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Byangum Rd		<b>151,632</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Duranbah Road		<b>158,200</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Fraser Drive Rehab Amaroo to Botanical		<b>235,140</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Hastings Rd		<b>169,680</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Holden Street		<b>126,360</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Overall Drive		<b>273,360</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Plantation Road		<b>110,670</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Pumpenbil Road		<b>103,740</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Endeavour Pde		<b>138,545</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Riverside Drive, Tumbulgum		<b>72,128</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Quarry Road		<b>67,968</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Cudgen Road		<b>71,050</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Wardrop Valley Rd - near house no 438		<b>320,000</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Piggabeen Road		<b>363,000</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Tumbulgum Road Murwillumbah		<b>47,040</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Tyalgum Rd Rehab Eungella		<b>489,790</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Tyalgum Road		<b>53,900</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Airfield Ave		<b>90,000</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Altair Street Rehabilitation 2015-2016		<b>133,245</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Kennedy Drive - Limosa Avenue to Cobaki Creek Bridge 2016		<b>300,000</b>	Adjust Construction budget (roads)
In	14	In-CG&C	Road Construction Funding (Kennedy Dr)		<b>-300,000</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Blackspot Program - Tweed Coast Rd North of Crescent St		<b>390,000</b>	Adjust Construction budget (roads)
In	14	In-CG&C	Blackspot Grant Regional Roads		<b>-360,000</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Blackspot Program - Fraser Drive/Terranora Road Intersection		<b>722,000</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Blackspot Program - Clothiers Creek Road/Condor Place		<b>242,500</b>	Adjust Construction budget (roads)
Ex	14	Ex-Capital	Blackspot Program - Gollan Drive/Lakes Drive Roundabout		<b>224,000</b>	Adjust Construction budget (roads)
In	14	In-CG&C	Australian Black Spot Programme 2015-16		<b>-736,500</b>	Adjust Construction budget (roads)
In	14	In-Recoup	Contribution Plan 4 Roads		<b>-452,000</b>	Adjust Construction budget (roads)

In/E x	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
					-	
In	14	In-CG&C	Roads to Recovery program	3,574,471	1,000,000	Adjust Construction budget (roads)
					-	
In	15	In-CG&C	Roads to Recovery program -bridges		1,000,000	Adjust Construction budget (bridges)
					-	
Ex	15	Ex-Capital	Anthony's bridge	3,053,114	1,400,000	Adjust Construction budget (bridges)
					3,350,000	
Ex	15	Ex-Capital	Cudgen Creek Bridge		0	Adjust Construction budget (bridges)
			Commonwealth Timber Bridge		0	
In	15	In-CG&C	Program Income		-950,000	Adjust Construction budget (bridges)
Ex	16	Ex-Capital	Brisbane Street	479,210	-170,000	Adjust Construction budget (drainage)
					1,170,000	
Ex	16	Ex-Capital	Murwillumbah Street Murwillumbah	766,863	0	Adjust Construction budget (drainage)
					-	
Ex	16	Ex-Capital	Drainage construction unallocated	1,567,112	1,000,000	Adjust Construction budget (drainage)
Ex	17	Ex-Capital	Tweed Heads library capital works	300,000	70,740	Library & precinct upgrade project
In	17	In-Recoup	Contribution Plan 11 Libraries		-70,740	Funding for above
Ex	18	Ex-Op	Access and Inclusion Plan - General	56,347	18,800	Access audits
In	18	In-TFR	Access Reserve	-47,223	-18,800	Funding for above
Ex	19	Ex-Op	Access and Inclusion Plan – Public Toilet Upgrade	0	100,000	Accessible public toilets program
Ex	19	In-TFR	Toilets Funding - Access Reserve	0	-100,000	Funding for above
Ex	20	Ex-Op	Aboriginal Network Conference	0	30,000	New budget
Ex	20	Ex-Op	Aboriginal Community Development	118,764	-30,000	Funding for above
Ex	21	Ex-Op	Homelessness Policy	0	10,000	New budget
Ex	21	Ex-Op	Community Safety	66,559	-10,000	Funding for above
Ex	22	Ex-Op	Dune stabilisation	78,197	10,000	Exhumation of whale carcass
Ex	23	Ex-Capital	Murwillumbah Civic Centre landscape upgrade		3,500	Library after hours return chute
Ex	24	Ex-Op	Tweed Heads library expenses	31,030	-3,500	Funding for above
Ex	25	Ex-TTR	Transfers to budget reserve		202,495	Transfer surplus to budget reserve to cover expected deficit in 2016/17
Ex	26	Ex-Capital	Chinderah pontoon	34,431	-26,399	Project completed
Ex	26	Ex-Op	Waterways asset replacement	29,293	26,399	Reallocation of above funds
					-37,000	
			<b>Sewer Fund</b>			
Ex	27	Ex-Op	Operations		75,000	Strategy/Business management
					-	
Ex	27	Ex-Capital	Various Capital Works		1,590,932	Project deferrals
In	27	In-Interest	Interest		-86,388	Funding adjustment
Ex	27	Ex-TTR	Transfers to Asset Replacement Res.		309,388	Funding adjustment
In	27	In-Recoup	Transfers from Capital Contributions Res.		761,015	Funding adjustment
In	27	In-TFR	Transfers from Asset Replacement Res.		531,917	Funding adjustment
					0	
			<b>Water Fund</b>			
Ex	28	Ex-Op	Operations		-545,772	Demand management
					2,957,700	
Ex	28	Ex-Capital	Various Capital Works		0	Land acquisition
In	28	In-Interest	Interest		90,517	Funding adjustment
Ex	28	Ex-TTR	Transfers to Asset Replacement Res.		402,755	Funding adjustment
					-	
In	28	In-Recoup	Transfers from Capital Contributions Res.		3,416,015	Funding adjustment
In	28	In-TFR	Transfers from Asset Replacement Res.		510,815	Funding adjustment

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments	
					<b>0</b>		
		<b>2. Variations Arising from Council Resolutions</b>					
Ex	29	Ex-Op	Town Entry Signs	20,000	<b>30,000</b>	October 2015 Council resolution	
Ex	29	Ex-Op	Gasfield Free signage		<b>5,000</b>	October 2015 Council resolution	
Ex	29	Ex-Op	Traffic Facilities - Classified Roads	263,208	<b>-2,500</b>	Partial funding for above	
Ex	29	Ex-Op	Minor traffic facilities	68,062	<b>-2,500</b>	Partial funding for above	
Ex	30	Ex-Op	White Ribbon accreditation		<b>7,000</b>	NOM Cr Byrne	
					<b>37,000</b>		
		<b>Summary of Votes by Type</b>					
			2015/16 Variations		<b>-37,000</b>		
			Council Resolutions		<b>37,000</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				
		<u>Expenses</u>					
			Employee costs		<b>0</b>		
			Materials & Contracts		<b>235,951</b>		
			Interest		<b>0</b>		
			Other Operating costs		<b>-137,918</b>		
					<b>4,461,600</b>		
			Capital		<b>9</b>		
			Loan Repayments		<b>0</b>		
			Transfers to Reserves		<b>914,638</b>		
					<b>5,474,280</b>		
					<b>0</b>		
		<u>Income</u>					
			Rates and Annual Charges		<b>0</b>		
			Interest revenue		<b>4,129</b>		
			Operating Grants & Conts		<b>-229,601</b>		
					<b>-</b>		
					<b>2,425,000</b>		
			Capital Grants & Conts		<b>0</b>		
			User Charges & Fees		<b>-75,000</b>		
			Other Operating Revenue		<b>0</b>		
			Loan Funds		<b>0</b>		
					<b>-</b>		
					<b>3,177,740</b>		
			Recoupments		<b>0</b>		
			Transfers from Reserves		<b>428,932</b>		
			Asset Sales		<b>0</b>		
					<b>-</b>		
					<b>5,474,280</b>		



In/E x	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
					<u>0</u>	
			Net		<u>0</u>	
			<b>Summary of Votes - by Division</b>			
			Corporate Services		-29,082	
			Planning & Regulation		-37,918	
			Community & Natural Resources		97,740	
			Engineering		-30,740	
			General Manager		<u>0</u>	
					<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 December 2015

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	98,087	-	-	98,087	-	98,087	50,589
User Charges and Fees	41,375	-	-	41,375	75	41,450	21,528
Interest and Investment Revenue	7,752	640	-	8,392	(5)	8,387	4,676
Other Revenues	1,875	128	-	2,003	-	2,003	1,122
Grants & Contributions - Operating	16,273	52	-	16,325	230	16,555	11,983
Grants and Contributions - Capital	3,006	1,152	-	4,158	2,425	6,583	2,006
- Contributions (S94)	6,744	-	-	6,744	-	6,744	4,431
Net gain from the disposal of assets	-	-	-	-	-	-	-
<b>Total Income</b>	<b>175,112</b>	<b>1,972</b>	<b>-</b>	<b>177,084</b>	<b>2,725</b>	<b>179,809</b>	<b>96,335</b>

#### Expense

Employee costs	51,595	535	-	52,130	-	52,130	25,391
Borrowing Costs	12,976	(71)	-	12,905	-	12,905	6,504
Materials & Contracts	47,452	21,598	-	69,050	236	69,286	19,465
Depreciation	42,058	-	-	42,058	-	42,058	21,030
Legal Costs	447	-	-	447	-	447	143
Consultants	385	-	-	385	-	385	230
Other Expenses	15,293	79	-	15,372	(138)	15,234	6,883
Net Loss from Disposal of Assets	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>170,206</b>	<b>22,141</b>	<b>-</b>	<b>192,347</b>	<b>98</b>	<b>192,445</b>	<b>79,646</b>

#### Net Operating Result

	4,906	(20,169)	-	(15,263)	2,627	(12,636)	16,689
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#### Net Operating Result before capital items

	(4,844)	(21,321)	-	(26,165)	202	(25,963)	10,252
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### Funding Statement - Consolidated - Source & Application of Funds

Operating Result (Income Statement)	4,906	(20,169)	-	(15,263)	2,627	(12,636)
<b>Add Back non-funded items:</b>						
Depreciation	42,058	-	-	42,058	-	42,058
		-	-	-	-	-

	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)			
<b>Add non-operating funding sources</b>		-	-	-	-	-	
Transfers from Externally Restricted Cash	9,912	1,177	-	11,089	3,178	14,267	
Transfers from Internally Restricted Cash	10,382	29,604	-	39,986	(429)	39,557	
Proceeds from sale of assets	3,559	-	-	3,559	-	3,559	
Loan Funds Utilised	1,976	9,102	-	11,078	-	11,078	
Repayments from Deferred Debtors	-	-	-	-	-	-	
<b>Funds Available</b>	<b>72,793</b>	<b>19,714</b>	<b>-</b>	<b>92,507</b>	<b>5,376</b>	<b>97,883</b>	
<b>Funds were applied to:</b>							
Purchase and construction of assets	31,145	20,491	-	51,636	4,462	56,098	
Repayment of principal on loans	7,731	(4)	-	7,727	-	7,727	
Transfers to Externally Restricted Cash	7,490	-	-	7,490	-	7,490	
Transfers to Internally Restricted Cash	26,427	(773)	-	25,654	914	26,568	
<b>Funds Used</b>	<b>72,793</b>	<b>19,714</b>	<b>-</b>	<b>92,507</b>	<b>5,376</b>	<b>97,883</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 revotes

**Income and Expense- General Fund Budget Review Statement for the quarter ended 31 December 2015**

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	67,629			67,629		67,629	34,757
User Charges and Fees	19,270			19,270	75	19,345	10,399
Interest and Investment Revenue	3,837			3,837	-	3,837	2,599
Other Revenues	1,594	128		1,722	-	1,722	878
Grants & Contributions - Operating	15,417	52		15,469	230	15,699	11,152
Grants and Contributions - Capital	3,006	1,152		4,158	2,425	6,583	2,006
- Contributions (S64/S94)	1,722			1,722		1,722	2,446
Net gain from the disposal of assets				-		-	
<b>Total Income</b>	<b>112,475</b>	<b>1,332</b>	<b>-</b>	<b>113,807</b>	<b>2,730</b>	<b>116,537</b>	<b>64,237</b>

**Expense**

Employee costs	40,643	535		41,178	-	41,178	20,020
Borrowing Costs	6,149	(71)		6,078	-	6,078	3,064
Materials & Contracts	29,017	21,057		50,074	708	50,782	15,294
Depreciation	25,959			25,959		25,959	12,980
Legal Costs	447			447		447	143
Consultants	94			94		94	174
Other Expenses	11,473	79		11,552	(138)	11,414	5,792
Net Loss from Disposal of Assets				-		-	
<b>Total Expenses</b>	<b>113,782</b>	<b>21,600</b>	<b>-</b>	<b>135,382</b>	<b>570</b>	<b>135,952</b>	<b>57,467</b>

**Net Operating Result**

	(1,307)	(20,268)	-	(21,575)	2,160	(19,415)	6,770
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**Net Operating Result before capital items**

	(6,035)	(21,420)	-	(27,455)	(265)	(27,720)	2,318
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**Funding Statement - General Fund - Source & Application of Funds**

Operating Result (Income Statement)	(1,307)	(20,268)	-	(21,575)	2,160	(19,415)
<b>Add Back non-funded items:</b>						
Depreciation	25,959			25,959	-	25,959
<b>Add non-operating funding sources</b>						
Transfers from Externally Restricted Cash	1,374	751		2,125	523	2,648
Transfers from Internally Restricted Cash	1,317	27,140		28,457	614	29,071

	Original Budget (000's)			Revised 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)				
Proceeds from sale of assets	3,559			3,559	-	3,559	
Loan Funds Utilised	1,976	9,102		11,078	-	11,078	
Internal charges				-		-	
Repayments from Deferred Debtors				-		-	
<b>Funds Available</b>	<b>32,878</b>	<b>16,725</b>	<b>-</b>	<b>49,603</b>	<b>3,297</b>	<b>52,900</b>	
<b>Funds were applied to:</b>							
Purchase and construction of assets	21,916	16,656		38,572	3,095	41,667	
Repayment of principal on loans	3,867	(4)		3,863	-	3,863	
Transfers to Externally Restricted Cash	2,468			2,468		2,468	
Transfers to Internally Restricted Cash	4,627	73		4,700	202	4,902	
<b>Funds Used</b>	<b>32,878</b>	<b>16,725</b>	<b>-</b>	<b>49,603</b>	<b>3,297</b>	<b>52,900</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 revotes

#### Income and Expense- Sewer Fund Budget Review Statement for the quarter ended 31 December 2015

	Original Budget (000's)			Revised 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)				
<b>Income</b>							
Rates and Annual Charges	25,366			25,366		25,366	13,279
User Charges and Fees	1,343			1,343		1,343	1,456
Interest and Investment Revenue	2,500	260		2,760	86	2,846	1,237
Other Revenues	16			16		16	7
Grants & Contributions - Operating	470			470	-	470	451
Grants and Contributions - Capital				-		-	
- Contributions (S64/S94)	1,458			1,458	-	1,458	778
Net gain from the disposal of assets				-		-	
<b>Total Income</b>	<b>31,153</b>	<b>260</b>	<b>-</b>	<b>31,413</b>	<b>86</b>	<b>31,499</b>	<b>17,208</b>



## Income and Expense- Water Fund Budget Review Statement for the quarter ended 31 December 2015

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)			
<b>Income</b>						
Rates and Annual Charges	5,092		5,092		5,092	2,553
User Charges and Fees	20,762		20,762	-	20,762	9,673
Interest and Investment Revenue	1,415	380	1,795	(91)	1,704	840
Other Revenues	265		265		265	237
Grants & Contributions - Operating	386		386	-	386	380
Grants and Contributions - Capital			-		-	
- Contributions (S64/S94)	3,564		3,564	-	3,564	1,207
Net gain from the disposal of assets			-		-	
<b>Total Income</b>	<b>31,484</b>	<b>380</b>	<b>-</b>	<b>31,864</b>	<b>(91)</b>	<b>31,773</b>
<b>Expense</b>						
Employee costs	4,389		4,389		4,389	2,201
Borrowing Costs	4,536		4,536		4,536	2,285
Materials & Contracts	9,761	497	10,258	(547)	9,711	2,313
Depreciation	6,833		6,833		6,833	3,417
Legal Costs			-		-	
Consultants	146		146		146	32
Other Expenses	1,317		1,317		1,317	466
Net Loss from Disposal of Assets			-		-	
<b>Total Expenses</b>	<b>26,982</b>	<b>497</b>	<b>-</b>	<b>27,479</b>	<b>(547)</b>	<b>26,932</b>
<b>Net Operating Result</b>	<b>4,502</b>	<b>(117)</b>	<b>-</b>	<b>4,385</b>	<b>456</b>	<b>4,841</b>
<b>Net Operating Result before capital items</b>	<b>938</b>	<b>(117)</b>	<b>-</b>	<b>821</b>	<b>456</b>	<b>2,969</b>

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)			

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

Operating Result (Income Statement)	4,502	(117)	-	4,385	456	4,841
<b>Add Back non-funded items:</b>						
Depreciation	6,833	-	-	6,833	-	6,833
<b>Add non-operating funding sources</b>						
Transfers from Externally Restricted Cash	4,639	(19)		4,620	3,416	8,036
Transfers from Internally Restricted Cash	2,915	1,432		4,347	(511)	3,836
Proceeds from sale of assets				-		-
Loan Funds Utilised				-	-	-
Repayments from Deferred Debtors				-		-
<b>Funds Available</b>	<b>18,889</b>	<b>1,296</b>	<b>-</b>	<b>20,185</b>	<b>3,361</b>	<b>23,546</b>
<b>Funds were applied to:</b>						
Purchase and construction of assets	2,464	1,352		3,816	2,958	6,774
Repayment of principal on loans	1,258			1,258		1,258
Transfers to Externally Restricted Cash	3,564			3,564		3,564
Transfers to Internally Restricted Cash	11,603	(56)		11,547	403	11,950
Internal charges				-		-
<b>Funds Used</b>	<b>18,889</b>	<b>1,296</b>	<b>-</b>	<b>20,185</b>	<b>3,361</b>	<b>23,546</b>
<b>Increase/(Decrease) in Available Working Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 December 2015 and should be read in conjunction with other documents in the QBRS.



### Capital Budget Review Statement - Consolidated - for the quarter ended 31 December 2015

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	11,296	152		11,448	(98)	11,350	4,193
Capital Grants & Contributions	3,004	6,177		9,181	2,425	11,606	4,287
Internal Restrictions (Reserves)	10,109	8,261		18,370	(1,043)	17,327	6,401
External Restrictions							
- s64 & s94 funds	8,851	754		9,605	3,178	12,783	4,722
Other Capital Funding Sources							
- loans	1,976	5,140		7,116		7,116	2,629
Income from sale of assets							
- plant and equipment	3,559			3,559		3,559	1,315
- Land,Buildings,Furniture,Fittings							
<b>Total Capital Funding</b>	<b>38,795</b>	<b>20,484</b>		<b>59,279</b>	<b>4,462</b>	<b>63,741</b>	<b>23,547</b>

#### Capital Expenditure

##### New Assets

- Plant and Equipment		2,067		2,067		2,067	57
- Land,Buildings,Furniture,Fittings		1,197		1,197		1,197	860
- Roads, Bridges, Footpaths	148	520		668	3,350	4,018	970
- Drainage							
- Water & Sewer Infrastructure	2,061			2,061	2,561	4,622	398
- Other	300	1,948		2,248		2,248	1,320
<u>Renewals (Replacement)</u>							
- Plant and Equipment	8,416			8,416		8,416	2,678
- Land,Buildings,Furniture,Fittings	100	643		743		743	1,178
- Roads, Bridges, Footpaths	8,841	4,053		12,894	(473)	12,421	3,635
- Drainage		1,567		1,567		1,567	106
- Water & Sewer Infrastructure	3,339	3,835		7,174	(10)	7,164	1,666
- Other	4	100		104	(26)	78	89
<u>Upgrades</u>							
- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Roads, Bridges, Footpaths	3,006	2,788		5,794		5,794	2,163
- Drainage	1,100	1,765		2,865		2,865	2,452
- Water & Sewer Infrastructure	3,749			3,749	(1,184)	2,565	1,307
- Other		5		5	244	249	22
Loan Repayments (principal)	7,731	(4)		7,727		7,727	4,646
<b>Total Capital Expenditure</b>	<b>38,795</b>	<b>20,484</b>		<b>59,279</b>	<b>4,462</b>	<b>63,741</b>	<b>23,547</b>

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 December 2015 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 2015

	Original Budget			Recommended changes for Council Resolution	Projected year end result	Actual * YTD
	(000's)	Sep Review (000's)	Dec Review (000's)			
<b>Unrestricted</b>	5,185			5,185	5,185	2,946
<b>Externally restricted</b>						
RTA Contributions	0			0	0	130
Developer contributions	27,869	(150)		27,719	(522)	27,197
Domestic waste management	15,280			15,280		15,280
Special Rates	202			202		202
Special purpose grants	0			0		0
Water Supplies	43,208			43,208		43,208
Sewerage Services	63,105			63,105		63,105
Other	23,405			23,405		23,405
<b>Total Externally restricted</b>	<b>173,069</b>	<b>(150)</b>	<b>0</b>	<b>172,919</b>	<b>(522)</b>	<b>172,397</b>
<b>Internally restricted</b>						
Employee Leave entitlements	11,581			11,581		11,581
Unexpended loans	0			0		0
Unexpended grants	0			0		0
7 Year Plan	0			0		0
Works Carried Forward	0			0		0
Replacement of Plant and Vehicles	3,111			3,111		3,111
Tip improvements	9,093			9,093		9,093
Asset renewals	8,716			8,716		8,716
Other	6,687	15		6,702	(614)	6,088
<b>Total Internally restricted</b>	<b>39,188</b>	<b>15</b>	<b>0</b>	<b>39,203</b>	<b>(614)</b>	<b>38,589</b>
<b>Total Restricted</b>	<b>212,257</b>	<b>(135)</b>	<b>0</b>	<b>212,122</b>	<b>(1,136)</b>	<b>210,986</b>
<b>Total cash and investments</b>	<b>217,442</b>	<b>(135)</b>	<b>0</b>	<b>217,307</b>	<b>(1,136)</b>	<b>216,171</b>
<b>Available cash</b>	<b>5,185</b>	<b>0</b>	<b>0</b>	<b>5,185</b>	<b>0</b>	<b>5,185</b>

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

The available cash position excludes restricted funds. External restrictions are funds that must be spent for a specific purpose and cannot be used by council for general operations. Internal restrictions are funds that council has determined will be used for a specific purpose.

**Statement of compliance with investment policy:**

Council's investments have been made in accordance with Council's investment policies.

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

	<b>(000's)</b>
Total restricted funds	233,931
Total invested funds as per September Investment Report	236,172
Note, some restricted funds are held as cash as they will be utilised in the current period.	

**Statement of bank reconciliation:**

Cash is reconciled with the bank statement every Friday.

**Reconciliation of cash and investments:**

	<b>(000's)</b>
Cash and investments as per above	236,877
<b>Cash on hand and at bank</b>	705
<b>Investments</b>	<u>236,172</u>
	236,877

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 December 2015 and should be read in conjunction with other documents in the QBRS.

**Key Performance Indicators Budget Review Statement for the quarter ended 31 December 2015**

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.

	<b>Amounts</b>	<b>Indicator</b>
<b>1. Unrestricted Current Ratio</b>		
	<b>(000's)</b>	
Current assets less all external restrictions	<u>96,284</u>	3.8:1
Current liabilities	25,583	
Target:		2:1

**Purpose:**

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

**Comment:**

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

	<b>Amounts</b>	<b>Indicator</b>
	<b>(000's)</b>	
Debt Service Cost	11,150	12.98%
<u>Selected operating income</u>	<u>85,905</u>	

Target: 15%

**Purpose:**

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

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 December 2015 and should be read in conjunction with other documents in the QBRs.

### **Budget Review Contracts and Other Expenses for the quarter ended 31 December 2015**

**PART A-Contracts**

<b>Listing Contractor</b>	<b>Contract detail &amp; purpose</b>	<b>Contract value \$</b>	<b>Commencement date</b>	<b>Duration of contract</b>	<b>Budgeted (Y/N)</b>
Jamie Russell Godfrey	Provision of Mowing and Ground Maintenance Services to Sewage Pumping Stations and Water Storage Reservoirs	\$156,000.00	23/10/2015	2 years	Y
Hitachi Construction Machinery Australia	Supply of Two (2) Motor Graders CCF Class 15	\$718,300.00	23/10/2015	N/A	Y
Engineering Applications Pty Ltd	Banora Point Reservoir Rehabilitation	\$862,275.99	14/12/2015	N/A	Y
JHA Recruitment & Staff @ Work Pty Ltd	Provision of Manual Traffic Control Teams for Council Works Supply and Delivery of Road Pavement Material for Kyogle	\$1,100,000.00	11/12/2015	2 years	Y
Boral Resources (QLD) Pty Ltd	Road Tweed Shire between Jack Hall Bridge and Kunghur	\$192,192.00	10/12/2015	N/A	Y

**PART B - Consultancy and Legal expenses**

<b>Expense</b>	<b>Expenditure YTD \$</b>	<b>Budgeted (Y/N)</b>
Consultancies	167,601	Y
Legal expenses	49,243	Y

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 December 2015 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 30/12/2015 indicates that Council's projected financial position at 30/6/2016 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 28/1/2016  
**“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.

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