

TITLE: [CS-CM] Quarterly Budget Review - March 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 third 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:

1. Quarterly Budget Review Statement as at 31 March 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 2015:

Description	Change to Vote	
	Deficit	Surplus
General Fund		
<u>Expenses</u>		
Employee costs	30,000	0
Materials & Contracts	0	103,189
Interest	0	0
Other Operating costs	0	0
Capital	8,454,500	0
Loan Repayments	0	0
Transfers to Reserves	100,000	0
	8,584,500	103,189
<u>Income</u>		
Rates and Annual Charges	0	0
Interest revenue	0	71,000
Operating Grants & Conts	0	55,811

Description	Change to Vote	
Capital Grants & Conts	0	6,354,500
User Charges & Fees	0	0
Other Operating Revenue	0	0
Loan Funds	100,000	0
Recoupments	0	0
Transfers from Reserves	0	2,100,000
Asset Sales	0	0
	<u>100,000</u>	<u>8,581,311</u>
Net Surplus/(Deficit)		<u>0</u>
	Deficit	Surplus
Sewer Fund		
<u>Expenses</u>		
Employee costs	0	0
Materials & Contracts	6,833	0
Interest	0	0
Other Operating costs	0	0
Capital	42,000	0
Loan Repayments	0	0
Transfers to Reserves	0	24,210
	<u>48,833</u>	<u>24,210</u>
<u>Income</u>	0	0
Rates and Annual Charges	0	0
Interest revenue	2,377	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	0	12,500
Transfers from Reserves	0	14,500
Asset Sales	0	0
	<u>2,377</u>	<u>27,000</u>
Net Surplus/(Deficit)		<u>0</u>
Water Fund		
<u>Expenses</u>		
Employee costs	0	0
Materials & Contracts	0	10,185
Interest	0	0
Other Operating costs	0	0
Capital	38,325	0
Loan Repayments	0	0
Transfers to Reserves	10,185	0
	<u>48,510</u>	<u>10,185</u>
<u>Income</u>		
Rates and Annual Charges	0	0
Interest revenue	0	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	0	0
Transfers from Reserves	0	38,325

Description	Change to Vote	
Asset Sales	0	0
	0	38,325
Net Surplus/(Deficit)		0

REPORT:**Budget Review 31 March 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.

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		
Wild dog control	12,500	
Mosquito control	8,000	
Recruitment costs	30,000	
Extra Charges/Interest	-71,000	
The Anchorage revetment survey	6,500	
Art Gallery business plan	9,000	
Art Gallery grounds maintenance	5,000	
	<hr/>	
	0	0

Detailed list of changes

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
1. Proposed Variations						
General						
Ex	1	Ex-Op	Future Flood Mitigation works	294,128	-100,000	Current works funded from unexpended loans
In	1	In-Loan	Flood mitigation loan funding	-100,000	100,000	Not required this year
Ex	2	Ex-Op	Contribution to Fingal SLSC (from Works Carried Forward Reserve)	200,000	-100,000	Partially re-allocate to Work Carried Forward Reserve
Ex	2	Ex-TTR	Transfer to Works Carried Forward reserve	0	100,000	Reserve part of Fingal funds provisionally restricted for Tennis Terranora
Ex	3	Ex-Op	Pest Management Expenses (dog control)	0	12,500	Urgent targeted wild dog control required following Casuarina dog attacks
Ex	4	Ex-Op	Mosquito control	56,263	8,000	Extended mosquito control period required 14/15 to reduce potential human health issues
Ex	5	Ex-Op	Emergency Preparedness Flood-prone Caravan Parks	0	28,476	Grant received
In	5	In-OG&C	Ministry for Police & Emergency Services	0	-28,476	Funding for above
Ex	5	Ex-Op	The Aged Care Emergency Preparedness Project	0	14,980	Grant received
In	5	In-OG&C	Ministry for Police & Emergency Services	0	-14,980	Funding for above
Ex	6	Ex-OpEmp	Recruitment costs	28,141	30,000	Additional costs resulting from vacant positions
In	7	In-Interest	Extra Charges/Interest	-154,000	-71,000	Additional revenue from overdue rates
Ex	8	Ex-Op	Survey of The Anchorage Island Revetment	1,521	6,500	Survey for revetment works required on The Anchorage estate
Ex	9	Ex-Capital	Organics processing facility		4,200,000	Regional facility, part grant funded
In	9	In-CG&C	NSW Environmental Trust		-2,100,000	Funding for above
In	9	In-TFR	Waste reserves		-2,100,000	Funding for above
Ex	10	Ex-Capital	Bamberry Street Fingal		4,500	Kerb & Gutter
In	10	In-CG&C	Road contributions - Kerb & Gutter		-4,500	Contribution in lieu of works

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
Ex	11	Ex-Op	Art Gallery Business Plan		9,000	Consultancy costs
Ex	12	Ex-Op	Art Gallery grounds maintenance	14,824	5,000	Repair eroded path
Ex	13	Ex-Op	Pottsville Fauna Friendly Pets Program		12,355	New grant funded project
In	13	In-OG&C	Office of Local Government grant		-12,355	Funding for above
Ex	14	Ex-Capital	Drainage Construction - Tulgi Way	0	100,000	Additional funding allocated
Ex	14	Ex-Capital	Drainage Construction - Tamarind Ave	452,068	-100,000	Re-allocated to Tulgi Way
Ex	15	Ex-Capital	Anthony's Bridge	913,922	1,507,488	Additional funding allocated
Ex	15	Ex-Capital	Charltons Bridge		-419,309	Rollovers re-allocated to Anthony's Bridge
Ex	15	Ex-Capital	Richards Bridge		-138,179	Rollovers re-allocated to Anthony's Bridge
In	15	In-CG&C	Federal Grant		-950,000	Bridges Renewal Program
Ex	16	Ex-Capital	Tweed Heads main street beautification	1,444,515	500,000	Additional funding allocated
Ex	16	Ex-Capital	Road construction - Inlet Drive		-500,000	Re-allocated to Tweed Heads main street
Ex	17	Ex-Capital	Kennedy Drive Stage 2	193,760	3,317,331	Additional funding allocated
In	17	In-CG&C	Federal Grant		-3,300,000	Infrastructure Investment Program
Ex	17	Ex-Capital	Kennedy Drive		-17,331	Rollovers re-allocated to Kennedy Drive Stage 2
					0	
			Sewer Fund			
Ex	18	Ex-Op	Operations		6,833	Operational adjustments
Ex	18	Ex-Capital	Various Capital Works		42,000	Replacement work identified
In	18	In-Interest	Interest		2,377	Funding adjustment
In	18	In-Recoup	Transfers from Capital Contributions Res.		-12,500	Funding adjustment
In	18	In-TFR	Transfers from Asset Replacement Res.		-38,710	Funding adjustment
					0	
			Water Fund			
Ex	19	Ex-Op	Operations		-10,185	Operational adjustments
Ex	19	Ex-Capital	Various Capital Works		38,325	Replacement work identified
In	19	In-TFR	Transfers from Asset Replacement Res.		-28,140	Funding adjustment
					0	
			2. Variations Arising from Council Resolutions			
			Nil			
					0	
			Summary of Votes by Type			
			2014/15 Variations		0	
			Council Resolutions		0	
					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-OpOther	Other operating income
In-Loan	Loan funds
In-Recoup	Recoupment from s64 & s94 funds
In-TFR	Transfers from reserves
In-Sales	Proceeds from sale of assets

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
			<u>Expenses</u>			
			Employee costs		30,000	
			Materials & Contracts		-106,541	
			Interest		0	
			Other Operating costs		0	
			Capital		8,534,825	
			Loan Repayments		0	
			Transfers to Reserves		100,000	
					<u>8,558,284</u>	
			<u>Income</u>			
			Rates and Annual Charges		0	
			Interest revenue		-68,623	
			Operating Grants & Conts		-55,811	
			Capital Grants & Conts		-6,354,500	
			User Charges & Fees		0	
			Other Operating Revenue		0	
			Loan Funds		100,000	
			Recoupments		-12,500	
			Transfers from Reserves		-2,166,850	
			Asset Sales		0	
					<u>-8,558,284</u>	
			Net		<u>0</u>	
			Summary of Votes - by Division			
			Corporate Services		-41,000	
			Planning & Regulation		0	
			Community & Natural Resources		41,000	
			Engineering		0	
			General Manager		0	
					<u>0</u>	

Results by fund:

General Fund

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

Water Fund

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

Sewer Fund

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

Quarterly Budget Review Statements

Income and Expense - Consolidated Budget Review Statement for the quarter ended 31 March 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	94,362	-	-	94,362	-	94,362	68,178
User Charges and Fees	37,718	30	65	37,813	-	37,813	30,523
Interest and Investment Revenue	9,116	(101)	(650)	8,365	69	8,434	6,418
Other Revenues	1,622	-	80	1,702	-	1,702	1,359
Grants & Contributions - Operating	16,147	457	84	16,688	56	16,744	13,570
Grants and Contributions - Capital	2,103	-	232	2,335	6,355	8,690	4,171
- Contributions (S94)	21,121	-	(14,583)	6,538	-	6,538	8,221
Net gain from the disposal of assets	-	-	-	-	-	-	782
Total Income	182,189	386	(14,772)	167,803	6,480	174,283	133,222
Expense							
Employee costs	46,514	393	(114)	46,793	30	46,823	34,339
Borrowing Costs	13,042	-	-	13,042	-	13,042	8,441
Materials & Contracts	52,534	15,255	112	67,901	(105)	67,796	29,074
Depreciation	41,368	-	-	41,368	-	41,368	31,026
Legal Costs	436	-	-	436	-	436	667
Consultants	471	-	-	471	-	471	288
Other Expenses	14,735	200	10	14,945	-	14,945	9,559
Net Loss from Disposal of Assets	-	-	-	-	-	-	-
Total Expenses	169,100	15,848	8	184,956	(75)	184,881	113,394
Net Operating Result	13,089	(15,462)	(14,780)	(17,153)	6,555	(10,598)	19,828
Net Operating Result before capital items	10,986	(15,462)	(15,012)	(19,488)	200	(19,288)	15,657

Funding Statement - Consolidated - Source & Application of Funds

	Original Budget (000's)			Revised Budget (000's)	Recommended changes for Council Resolution (000's)	Projected year end result (000's)
		Sep Review (000's) *	Dec Review (000's)			
Operating Result (Income Statement)	13,089	(15,462)	(14,780)	(17,153)	6,555	(10,598)
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	335	18,001	13	18,014
Transfers from Internally Restricted Cash	20,514	21,583	(1,724)	40,373	2,167	42,540
Proceeds from sale of assets	2,845	-	-	2,845	-	2,845
Loan Funds Utilised	4,376	8,852	-	13,228	(100)	13,128
Repayments from Deferred Debtors	-	-	-	-	-	-
Funds Available	97,334	17,497	(16,169)	98,662	8,635	107,297
Funds were applied to:						
Purchase and construction of assets	48,169	14,889	(1,437)	61,621	8,535	70,156
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	(14,732)	7,464	100	7,564
Funds Used	97,334	17,497	(16,169)	98,662	8,635	107,297
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

* Includes Carried Forward Works revotes

Income and Expense- General Fund Budget Review Statement for the quarter ended 31 March 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	65,338			65,338		65,338	46,292
User Charges and Fees	17,244	30	20	17,294	-	17,294	14,314
Interest and Investment Revenue	4,643	-	-	4,643	71	4,714	4,042
Other Revenues	1,364	-	80	1,444	-	1,444	1,065
Grants & Contributions - Operating	15,297	457	84	15,838	56	15,894	12,725
Grants and Contributions - Capital	2,103	-	232	2,335	6,355	8,690	4,136
- Contributions (S64/S94)	1,677			1,677		1,677	3,945
Net gain from the disposal of assets				-		-	782
Total Income	107,666	487	416	108,569	6,482	115,051	87,301
Expense							
Employee costs	38,123	393	(114)	38,402	30	38,432	26,539
Borrowing Costs	6,044		-	6,044	-	6,044	3,772
Materials & Contracts	32,217	14,741	158	47,116	(103)	47,013	22,976
Depreciation	25,315			25,315		25,315	18,986
Legal Costs	436			436		436	667
Consultants	107			107		107	211
Other Expenses	10,488	200	10	10,698	-	10,698	7,523
Net Loss from Disposal of Assets				-		-	
Total Expenses	112,730	15,334	54	128,118	(73)	128,045	80,674
Net Operating Result	(5,064)	(14,847)	362	(19,549)	6,555	(12,994)	6,627
Net Operating Result before capital items	(8,844)	(14,847)	130	(21,884)	200	(21,684)	2,491

Funding Statement - General Fund - 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)	(5,064)	(14,847)	362	(19,549)	6,555	(12,994)
Add Back non-funded items:						
Depreciation	25,315			25,315	-	25,315
Add non-operating funding sources						
Transfers from Externally Restricted Cash	3,300	3,907	60	7,267	-	7,267
Transfers from Internally Restricted Cash	8,300	21,470	110	29,880	2,100	31,980
Proceeds from sale of assets	2,845			2,845	-	2,845
Loan Funds Utilised	4,376	8,852		13,228	(100)	13,128
Internal charges				-		-
Repayments from Deferred Debtors				-		-
Funds Available	39,072	19,382	532	58,986	8,555	67,541
Funds were applied to:						
Purchase and construction of assets	28,037	19,056	532	47,625	8,455	56,080
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	326		5,462	100	5,562
Funds Used	39,072	19,382	532	58,986	8,555	67,541
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

* Includes Carried Forward Works revotes

Income and Expense- Sewer Fund Budget Review Statement for the quarter ended 31 March 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	24,192			24,192		24,192	18,410
User Charges and Fees	1,311			1,311		1,311	1,905
Interest and Investment Revenue	2,838	166	(493)	2,511	(2)	2,509	1,638
Other Revenues	15			15		15	15
Grants & Contributions - Operating	464		-	464	-	464	468
Grants and Contributions - Capital				-		-	35
- Contributions (S64/S94)	5,646		(4,235)	1,411	-	1,411	1,461
Net gain from the disposal of assets				-		-	
Total Income	34,466	166	(4,728)	29,904	(2)	29,902	23,932

Expense

Employee costs	4,848			4,848		4,848	4,683
Borrowing Costs	2,389			2,389		2,389	1,214
Materials & Contracts	9,647	444	405	10,496	8	10,504	3,077
Depreciation	9,209			9,209		9,209	6,907
Legal Costs				-		-	
Consultants	141			141		141	12
Other Expenses	2,327			2,327	-	2,327	1,330
Net Loss from Disposal of Assets				-		-	
Total Expenses	28,561	444	405	29,410	8	29,418	17,223

Net Operating Result

	5,905	(278)	(5,133)	494	(10)	484	6,709
--	-------	-------	---------	-----	------	-----	-------

Net Operating Result before capital items

	5,905	(278)	(5,133)	494	(10)	484	6,674
--	-------	-------	---------	-----	------	-----	-------

Funding Statement - Sewer Fund - 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)	5,905	(278)	(5,133)	494	(10)	484
Add Back non-funded items:						
Depreciation	9,209	-	-	9,209	-	9,209
Add non-operating funding sources						
Transfers from Externally Restricted Cash	5,335	360	270	5,965	13	5,978
Transfers from Internally Restricted Cash	8,548	(659)	(839)	7,050	39	7,089
Proceeds from sale of assets				-		-
Loan Funds Utilised				-	-	-
Repayments from Deferred Debtors				-		-
Funds Available	28,997	(577)	(5,702)	22,718	42	22,760
Funds were applied to:						
Purchase and construction of assets	14,433	(3,149)	(1,009)	10,275	42	10,317
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	2,572	(4,693)	3,748	-	3,748
Internal charges				-		-
Funds Used	28,997	(577)	(5,702)	22,718	42	22,760
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

Income and Expense- Water Fund Budget Review Statement for the quarter ended 31 March 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	4,832			4,832		4,832	3,476
User Charges and Fees	19,163		45	19,208	-	19,208	14,304
Interest and Investment Revenue	1,635	(267)	(157)	1,211	-	1,211	738
Other Revenues	243			243		243	279
Grants & Contributions - Operating	386		-	386	-	386	377
Grants and Contributions - Capital				-		-	
- Contributions (S64/S94)	13,798		(10,348)	3,450	-	3,450	2,815
Net gain from the disposal of assets				-		-	
Total Income	40,057	(267)	(10,460)	29,330	-	29,330	21,989
Expense							
Employee costs	3,543			3,543		3,543	3,117
Borrowing Costs	4,609			4,609		4,609	3,455
Materials & Contracts	10,670	70	(451)	10,289	(10)	10,279	3,021
Depreciation	6,844			6,844		6,844	5,133
Legal Costs				-		-	
Consultants	223			223		223	65
Other Expenses	1,920			1,920		1,920	706
Net Loss from Disposal of Assets				-		-	
Total Expenses	27,809	70	(451)	27,428	(10)	27,418	15,497
Net Operating Result	12,248	(337)	(10,009)	1,902	10	1,912	6,492
Net Operating Result before capital items	12,248	(337)	(10,009)	1,902	10	1,912	6,492

Funding Statement - Water Fund - Source & Application of Funds

				Recommended changes for Council Resolution (000's)	Projected year end result (000's)	
	Original Budget (000's)	Sep Review (000's) *	Dec Review (000's)			Revised Budget (000's)
Operating Result (Income Statement)	12,248	(337)	(10,009)	1,902	10	1,912
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)	5	4,769	-	4,769
Transfers from Internally Restricted Cash	3,666	772	(995)	3,443	28	3,471
Proceeds from sale of assets				-		-
Loan Funds Utilised				-	-	-
Repayments from Deferred Debtors				-		-
Funds Available	29,265	(1,308)	(10,999)	16,958	38	16,996
Funds were applied to:						
Purchase and construction of assets	5,699	(1,018)	(960)	3,721	38	3,759
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)	(10,039)	(1,746)	-	(1,746)
Internal charges				-		-
Funds Used	29,265	(1,308)	(10,999)	16,958	38	16,996
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

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

Capital Budget Review Statement - Consolidated - for the quarter ended 31 March 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	16,654	(209)	352	16,797		16,797	3,144
Capital Grants & Contributions	4,378		180	4,558	6,355	10,913	3,972
Internal Restrictions (Reserves)	18,723	3,041	(1,969)	19,795	2,180	21,975	9,320
External Restrictions							
- s64 & s94 funds	11,555	3,204		14,759		14,759	7,639
Other Capital Funding Sources							
- loans	6,576	8,852		15,428		15,428	5,615
Income from sale of assets							
- plant and equipment	2,545			2,545		2,545	926
- Land,Buildings,Furniture,Fittings							
Total Capital Funding	60,431	14,888	(1,437)	73,882	8,535	82,417	30,616

Capital Expenditure

New Assets

- Plant and Equipment		200		200		200	148
- Land,Buildings,Furniture,Fittings	7,100	3,062	60	10,222		10,222	5,588
- Roads, Bridges, Footpaths	451	364	270	1,085	5	1,090	1,061
- Drainage							
- Water & Sewer Infrastructure	4,778			4,778		4,778	2,214
- Other	8,875	4,686	174	13,735	4,200	17,935	2,088

Renewals (Replacement)

- Plant and Equipment	5,506			5,506		5,506	2,748
- Land,Buildings,Furniture,Fittings	100	230		330		330	64
- Roads, Bridges, Footpaths	6,066	5,876	28	11,970		11,970	3,911
- Drainage	210	620		830		830	74
- Water & Sewer Infrastructure	6,968	(1,023)	(1,969)	3,976	80	4,056	1,509
- Other		2		2		2	364

Upgrades

- Plant and Equipment							
- Land,Buildings,Furniture,Fittings		2		2		2	145
- Roads, Bridges, Footpaths	3,566	2,786		6,352	4,250	10,602	2,669
- Drainage	890	989		1,879		1,879	546
- Water & Sewer Infrastructure	8,207	(3,145)		5,062		5,062	1,443
- Other		239		239		239	380

Loan Repayments (principal)	7,714			7,714		7,714	5,664
Total Capital Expenditure	60,431	14,888	(1,437)	73,882	8,535	82,417	30,616

* 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.

Capital Budget Review Statement - General Fund - for the quarter ended 31 March 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	11,870	70	352	12,292		3,208
Capital Grants & Contributions	4,378		180	4,558	6,355	3,972
Internal Restrictions (Reserves)	8,175	6,272		14,447	2,100	6,023
External Restrictions						
- s64 & s94 funds	2,200	3,862		6,062		2,206
Other Capital Funding Sources						
- loans	6,576	8,852		15,428		5,615
Income from sale of assets						
- plant and equipment	2,545			2,545		926
- Land,Buildings,Furniture,Fittings						
Total Capital Funding	35,744	19,056	532	55,332	8,455	21,950

Capital Expenditure

New Assets

- Plant and Equipment		200		200		148
- Land,Buildings,Furniture,Fittings	6,600	3,062	60	9,722		5,585
- Roads, Bridges, Footpaths	451	364	270	1,085	5	1,061
- Drainage						
- Other	8,875	4,686	174	13,735	4,200	2,088

Renewals (Replacement)

- Plant and Equipment	5,506			5,506		2,748
- Land,Buildings,Furniture,Fittings	100	230		330		64
- Roads, Bridges, Footpaths	6,066	5,876	28	11,970		3,911
- Drainage	210	620		830		74
- Other		2		2		364

Upgrades

- Plant and Equipment						
- Land,Buildings,Furniture,Fittings		2		2		145
- Roads, Bridges, Footpaths	3,566	2,786		6,352	4,250	2,669
- Drainage	890	989		1,879		546
- Other		239		239		380
Loan Repayments (principal)	3,480			3,480		2,167
Total Capital Expenditure	35,744	19,056	532	55,332	8,455	21,950

* 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.

Capital Budget Review Statement - Sewer Fund - for the quarter ended 31 March 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	3,599	(279)		3,320		3,320	168
Capital Grants & Contributions							
Internal Restrictions (Reserves)	8,548	(3,231)	(1,009)	4,308	42	4,350	2,699
External Restrictions							
- s64 & s94 funds	5,335	360		5,695		5,695	3,534
Other Capital Funding Sources							
- loans							
Income from sale of assets							
- plant and equipment							
- Land,Buildings,Furniture,Fittings							
Total Capital Funding	17,482	(3,150)	(1,009)	13,323	42	13,365	6,401

Capital Expenditure
New Assets

- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Water & Sewer Infrastructure	4,023	(644)		3,379		3,379	1,076
- Other							
<u>Renewals (Replacement)</u>							
- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Water & Sewer Infrastructure	3,783	(941)	(1,009)	1,833	42	1,875	1,300
- Other							
<u>Upgrades</u>							
- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Water & Sewer Infrastructure	6,627	(1,565)		5,062		5,062	1,409
- Other							
Loan Repayments (principal)	3,049			3,049		3,049	2,616
Total Capital Expenditure	17,482	(3,150)	(1,009)	13,323	42	13,365	6,401

** Note, figures in the Actual YTD column of capital funding are estimates only.

Detailed calculations of funding results are performed annually.

Capital Budget Review Statement - Water Fund - for the quarter ended 31 March 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	1,185			1,185		1,185	(232)
Capital Grants & Contributions							
Internal Restrictions (Reserves)	2,000		(960)	1,040	38	1,078	598
External Restrictions							
- s64 & s94 funds	4,020	(1,018)		3,002		3,002	1,899
Other Capital Funding Sources							
- loans							
Income from sale of assets							
- plant and equipment							
- Land,Buildings,Furniture,Fittings							
Total Capital Funding	7,205	(1,018)	(960)	5,227	38	5,265	2,265

Capital Expenditure

New Assets

- Plant and Equipment							
- Land,Buildings,Furniture,Fittings	500			500		500	3
- Water & Sewer Infrastructure	755	644		1,399		1,399	1,138
- Other							

Renewals (Replacement)

- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Water & Sewer Infrastructure	3,185	(82)	(960)	2,143	38	2,181	209
- Other							

Upgrades

- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Water & Sewer Infrastructure	1,580	(1,580)					34
- Other							
Loan Repayments (principal)	1,185			1,185		1,185	881
Total Capital Expenditure	7,205	(1,018)	(960)	5,227	38	5,265	2,265

** Note, figures in the Actual YTD column of capital funding are estimates only.

Detailed calculations of funding results are performed annually.

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

Cash and Investments Budget Review Statement for the quarter ended 31 March 2015

	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	5,705
Externally restricted								
RTA Contributions	347				347		347	347
Developer contributions	22,016				22,016		22,016	27,242
Domestic waste management	7,300				7,300	(1,050)	6,250	7,300
Special Rates	214				214		214	222
Special purpose grants	2,764				2,764		2,764	2,764
Water Supplies	31,533			(10,348)	21,185		21,185	33,012
Sewerage Services	53,510			(4,235)	49,275		49,275	61,608
Other	21,443				21,443		21,443	21,443
Total Externally restricted	139,127	0	0	(14,583)	124,544	(1,050)	123,494	153,938
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	100	11,877	10,000
Replacement of Plant and Vehicles	3,039				3,039		3,039	3,039
Non-Domestic waste management	4,311				4,311	(1,050)	3,261	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	(950)	51,566	48,456
Total Restricted	191,643	0	0	(14,583)	177,060	(2,000)	175,060	202,394
Total cash and investments	197,182	0	0	(14,583)	182,599	(2,000)	180,599	208,099
Available cash	5,539	0	0	0	5,539	0	5,539	5,705

* 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	202,394
Total invested funds as per March Investment Report	207,755
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 16 April 2015.

Reconciliation of cash and investments:

	(000's)
Cash and investments as per above	208,099
Cash on hand and at bank	344
Investments	<u>207,755</u>
	208,099

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

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

	Amounts	Indicator
1. Unrestricted Current Ratio		
	(000's)	
<u>Current assets less all external restrictions</u>	<u>75,020</u>	5.5:1
Current liabilities	13,530	
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.

	Amounts	Indicator
2. Debt Service Ratio		
	(000's)	
Debt Service Cost	14,105	12.59%
Selected operating income	112,072	
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 March 2015 and should be read in conjunction with other documents in the QBRS.

Budget Review Contracts and Other Expenses for the quarter ended 31 March 2015

PART A-Contracts Listing		Contract value	Commencement	Duration of	Budgeted
Contractor	Contract detail & purpose	\$	date	contract	(Y/N)
Reline Solutions Pty Ltd	EC2014-142 Sewer Gravity Mains Rehabilitation	\$717,432.45	02/02/2015	26 Weeks	Y
Desire Contractors Pty Ltd	EC2014-181 Jim Devine Soccer Changerooms	\$238,516.65	27/01/2015	10 Weeks	Y

PART B - Consultancy and Legal expenses		Expenditure	Budgeted
Expense		YTD \$	(Y/N)
Consultancies		347,581	Y
Legal expenses		445,317	Y

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 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 31/3/2015 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 21/04/2015
“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:

Not Applicable

d. Communication/Engagement:

Inform - We will keep you informed.

UNDER SEPARATE COVER/FURTHER INFORMATION:

Nil.
