

TITLE: [TCS-CM] Quarterly Budget Review - September 2015

SUBMITTED BY: Financial Services



Civic Leadership

SUMMARY OF REPORT:

This is the first quarter statutory budget review for this financial year and summarises the estimated expenditure and income changes to the 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 30 September 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
General Fund		
<u>Expenses</u>		
Employee costs	0	20,500
Materials & Contracts	262,840	0
Interest	0	71,170
Other Operating costs	0	0
Capital	1,298,507	0
Loan Repayments	0	3,698
Transfers to Reserves	73,375	0
	<u>1,614,222</u>	<u>74,868</u>
<u>Income</u>		
Rates and Annual Charges	0	0
Interest revenue	0	0
Operating Grants & Conts	0	52,449
Capital Grants & Conts	0	1,151,807
User Charges & Fees	0	0
Other Operating Revenue	0	127,598
Loan Funds	0	0

Recoupments	0	149,500
Transfers from Reserves	0	58,000
Asset Sales	0	0
	0	1,539,354

Net Surplus/(Deficit)		0
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	Deficit	Surplus
Sewer Fund		
<u>Expenses</u>		
Employee costs	0	0
Materials & Contracts	45,000	0
Interest	0	0
Other Operating costs	0	0
Capital	2,482,852	0
Loan Repayments	0	0
Transfers to Reserves	0	789,982
	2,527,852	789,982
<u>Income</u>		
Rates and Annual Charges	0	0
Interest revenue	0	260,418
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	445,383
Transfers from Reserves	0	1,032,069
Asset Sales	0	0
	0	1,737,870

Net Surplus/(Deficit)		0
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Water Fund		
<u>Expenses</u>		
Employee costs	0	0
Materials & Contracts	497,117	0
Interest	0	0
Other Operating costs	0	0
Capital	1,352,324	0
Loan Repayments	0	0
Transfers to Reserves	0	56,423
	1,849,441	56,423
<u>Income</u>		
Rates and Annual Charges	0	0
Interest revenue	0	379,943
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	18,900	0
Transfers from Reserves	0	1,431,975
Asset Sales	0	0
	18,900	1,811,918

Net Surplus/(Deficit)		0
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REPORT:**Budget Review 30 September 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. The changes which will have such an effect are listed below:

Description	\$	\$
	Net Effect on 2015/2016 Budget	Net Effect on LTFP
General Fund		
Elected members' insurance	16,000	16,000
Coolamon Cultural Centre	15,540	
Civic Buildings loan repayments	-74,868	-74,868
Mens Shed	10,000	
Election Expenses	73,375	30,000
Road Safety Grants	-32,449	-32,449
Home Expo		6,000
Legal matters income	-7,598	
	0	(55,317)

Detailed list of changes

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
1. Proposed Variations						
General						
Ex	1	Ex-Op	Elected members' insurance	42,139	16,000	To reflect actual cost
Ex	2	Ex-Capital	Regional All Access Playground	350,000	21,400	Additional allocation from Access funds
Ex	2	Ex-Op	Access funding	25,524	-16,400	Funding for above
In	2	In-TFR	Access reserve		-5,000	Funding for above
Ex	3	Ex-Op	Coolamon Cultural Centre		15,540	Preparation of heritage conservation strategy
Ex	4	Ex-Interest	Civic buildings interest repayments	488,691	-71,170	Lower debt servicing cost due to reduced borrowing program
Ex	4	Ex-Loan Reps	Civic buildings principal repayments	464,377	-3,698	Lower debt servicing cost due to reduced borrowing program
Ex	5	Ex-OpEmp	Workers Compensation insurance premium	1,308,361	-113,424	Premium advice received
Ex	5	Ex-OpEmp	Workers Compensation insurance adjustment		-405,867	Premium advice received
Ex	5	Ex-OpEmp	Workers Compensation oncosts	1,788,597	519,291	Adjust oncosts for above
Ex	6	Ex-Op	Art gallery grant expenditure	57,175	10,000	Audience Engagement Project
In	6	In-OG&C	Arts NSW grants	-50,000	-10,000	Funding for above
Ex	7	Ex-Capital	Unallocated rehabilitation	4,354,450	1,072,067	Allocation of additional R2R funds
In	7	In-CG&C	Commonwealth Roads to Recovery program	2,502,404	-1,072,067	Funding for above
Ex	7	Ex-Capital	Pottsville Road	600,000	-600,000	Project completed
Ex	7	Ex-Capital	Unallocated rehabilitation	5,426,517	600,000	Re-allocation of budget for above
Ex	8	Ex-Op	Hardware leases	646,155	-100,000	Adjustment of I.T. budget
Ex	8	Ex-Op	Hardware replacement	56,705	25,000	Adjustment of I.T. budget
Ex	8	Ex-Op	Employee costs	1,693,278	50,000	Adjustment of I.T. budget
Ex	8	Ex-Op	Hardware maintenance	109,499	25,000	Adjustment of I.T. budget
Ex	9	Ex-Op	Protect threatened fauna - Fingal		10,000	Environmental Trust project

Ex	9	Ex-Op	Vegetation Management Strategy	235,486	-10,000	Funding for above
Ex	10	Ex-Capital	Kingscliff pool		65,040	Disabled change room
In	10	In-CG&C	NSW Sport & Recreation grant		-65,040	Funding for above
Ex	11	Ex-Op	External DA Assessment	0	10,000	External assessment of DA for Mens Shed
Ex	12	Ex-Op	Speed management measures	0	14,700	Tyalgum Road
In	12	In-CG&C	Roads & Maritime Services grant	0	-14,700	Funding for above
Ex	13	Ex-TTR	Election expenses reserve	101,846	73,375	Funding estimated shortfall
Ex	14	Ex-Op	TRAG Climate control		53,000	Repair air-conditioning chillers
In	14	In-TFR	Art gallery unexpended grants		-53,000	Unexpended Waste & Sustainability grants
Ex	15	Ex-Op	Road Safety Direct Program		5,000	"Impaired Road Users"
Ex	15	Ex-Op	Road Safety Direct Program		5,000	"Safer Speeds"
In	15	In-OG&C	Road Safety Grants		-10,000	Funding for above
In	15	In-OG&C	Road Safety Grants	-15,800	-32,449	Correction of Safety Officer grant income
Ex	16	Ex-Capital	Knox Park Youth Precinct	1,566,654	20,000	Direct electricity supply
Ex	16	Ex-Op	Community Safety	86,259	-20,000	Funding for above
Ex	17	Ex-Op	Open Space Strategy		142,000	Open Space Strategy
In	17	In-Recoup	Contribution Plan 26		-80,000	Funding for above
In	17	In-Recoup	Contribution Plan 5		-42,000	Funding for above
Ex	17	Ex-Op	Sportsfield Development	47,129	-20,000	Funding for above
Ex	18	Ex-Op	Tyalgum Tennis Court		2,000	Survey work
Ex	18	Ex-Op	Advance Survey & Design	64,139	-2,000	Funding for above
Ex	19	Ex-OpOther	Telephone expenses	197,519	-102,000	Adjust I.T. budget
Ex	19	Ex-OpOther	Internet/Intranet expenses	116,390	102,000	Adjust I.T. budget
Ex	20	Ex-Capital	Tweed Heads Library		120,000	Roof replacement
In	20	In-OpOther	Refund of carbon tax		-120,000	Funding for above
Ex	21	Ex-Op	NRM Office Expenses	0	4,000	Align with actual expenditure
Ex	21	Ex-Op	Pest Management Expenses	57,971	16,500	Extended mosquito control season
Ex	21	Ex-OpEmp	Increasing Soil Carbon	46,090	-20,500	Funding for above
In	22	In-OpOther	Legal matters income		-7,598	Fines & Costs
Ex	23	Ex-Op	Kingscliff Foreshore Master Plan		65,000	Design costs
In	23	In-Recoup	Contribution Plan 26		-27,500	Funding for above
Ex	23	Ex-Op	Coastline Management Plan	2,125,256	-27,500	Funding for above
In	23	Ex-Op	Tweed Coast Holiday Parks		-10,000	Funding for above
					0	
			Sewer Fund			
Ex	24	Ex-Op	Operations		45,000	Energy review
Ex	24	Ex-Capital	Various Capital Works		2,482,852	Carried forward projects
In	24	In-Interest	Interest		-260,418	Funding adjustment
Ex	24	Ex-TTR	Transfers to Asset Replacement Res.		-789,982	Funding adjustment
In	24	In-Recoup	Transfers from Capital Contributions Res.		-445,383	Funding adjustment
In	24	In-TFR	Transfers from Asset Replacement Res.		-1,032,069	Funding adjustment
					0	
			Water Fund			
Ex	25	Ex-Op	Operations		497,117	Demand management
Ex	25	Ex-Capital	Various Capital Works		1,352,324	Carried forward projects
In	25	In-Interest	Interest		-379,943	Funding adjustment
Ex	25	Ex-TTR	Transfers to Asset Replacement Res.		-56,423	Funding adjustment
In	25	In-Recoup	Transfers from Capital Contributions Res.		18,900	Funding adjustment
In	25	In-TFR	Transfers from Asset Replacement Res.		-1,431,975	Funding adjustment
					0	
			2. Variations Arising from Council Resolutions			
Ex	26	Ex-Op	Home Expo - add to Long Term Plan	0	0	Council resolution 18 Sept 2014
					0	

Summary of Votes by Type

2015/16 Variations	0
Council Resolutions	0
	<u>0</u>

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

Expenses

Employee costs	-20,500
Materials & Contracts	804,957
Interest	-71,170
Other Operating costs	0
Capital	5,133,683
Loan Repayments	-3,698
Transfers to Reserves	-773,030
	<u>5,070,242</u>

Income

Rates and Annual Charges	0
Interest revenue	-640,361
Operating Grants & Conts	-52,449
Capital Grants & Conts	-1,151,807
User Charges & Fees	0
Other Operating Revenue	-127,598
Loan Funds	0
Recoupments	-575,983
Transfers from Reserves	-2,522,044
Asset Sales	0
	<u>-5,070,242</u>

Net	<u>0</u>
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Summary of Votes - by Division

Corporate Services	0
Planning & Regulation	17,942
Community & Natural Resources	-72,868
Engineering	-34,449
General Manager	89,375
	<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 30 September 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	25,285
User Charges and Fees	41,375	-	-	41,375	-	41,375	10,454
Interest and Investment Revenue	7,752	-	-	7,752	640	8,392	2,935
Other Revenues	1,875	-	-	1,875	128	2,003	552
Grants & Contributions - Operating	16,273	-	-	16,273	52	16,325	7,118
Grants and Contributions - Capital	3,006	-	-	3,006	1,152	4,158	1,823
- Contributions (S94)	6,744	-	-	6,744	-	6,744	1,451
Net gain from the disposal of assets	-	-	-	-	-	-	-
Total Income	175,112	-	-	175,112	1,972	177,084	49,618
Expense							
Employee costs	51,595	-	-	51,595	(21)	51,574	11,980
Borrowing Costs	12,976	-	-	12,976	(71)	12,905	1,858
Materials & Contracts	47,452	-	-	47,452	804	48,256	8,744
Depreciation	42,058	-	-	42,058	-	42,058	10,515
Legal Costs	447	-	-	447	-	447	94
Consultants	385	-	-	385	-	385	62
Other Expenses	15,293	-	-	15,293	-	15,293	4,128
Net Loss from Disposal of Assets	-	-	-	-	-	-	-
Total Expenses	170,206	-	-	170,206	712	170,918	37,381
Net Operating Result	4,906	-	-	4,906	1,260	6,166	12,237

Net Operating Result before capital items

1,900	-	-	1,900	108	2,008	10,414
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Funding Statement - Consolidated - Source & Application of Funds

Operating Result (Income Statement)	4,906	-	-	4,906	1,260	6,166
Add Back non-funded items:						
Depreciation	42,058	-	-	42,058	-	42,058
		-	-	-	-	-
Add non-operating funding sources						
Transfers from Externally Restricted Cash	9,912	-	-	9,912	576	10,488
Transfers from Internally Restricted Cash	10,382	-	-	10,382	2,522	12,904
Proceeds from sale of assets	3,559	-	-	3,559	-	3,559
Loan Funds Utilised	1,976	-	-	1,976	-	1,976
Repayments from Deferred Debtors	-	-	-	-	-	-
Funds Available	72,793	-	-	72,793	4,358	77,151
Funds were applied to:						
Purchase and construction of assets	31,145	-	-	31,145	5,134	36,279
Repayment of principal on loans	7,731	-	-	7,731	(4)	7,727
Transfers to Externally Restricted Cash	7,490	-	-	7,490	-	7,490
Transfers to Internally Restricted Cash	26,427	-	-	26,427	(773)	25,654
Funds Used	72,793	-	-	72,793	4,357	77,150
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

* Includes Carried Forward Works revotes

Income and Expense- General Fund Budget Review Statement for the quarter ended 30 September 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	17,373
User Charges and Fees	19,270		19,270	-	19,270	5,287
Interest and Investment Revenue	3,837		3,837	-	3,837	1,537
Other Revenues	1,594		1,594	128	1,722	472
Grants & Contributions - Operating	15,417		15,417	52	15,469	7,083
Grants and Contributions - Capital	3,006		3,006	1,152	4,158	1,823
- Contributions (S64/S94)	1,722		1,722		1,722	774
Net gain from the disposal of assets			-		-	
Total Income	112,475	-	112,475	1,332	113,807	34,349

Expense

Employee costs	40,643		40,643	(21)	40,622	9,452
Borrowing Costs	6,149		6,149	(71)	6,078	719
Materials & Contracts	29,017		29,017	213	29,280	6,634
Depreciation	25,959		25,959		25,959	6,490
Legal Costs	447		447		447	94
Consultants	94		94		94	58
Other Expenses	11,473		11,473	-	11,473	3,598
Net Loss from Disposal of Assets			-		-	
Total Expenses	113,782	-	113,782	172	113,954	27,045

Net Operating Result

	(1,307)	-	(1,307)	1,160	(147)	7,304
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Net Operating Result before capital items

	(6,035)	-	(4,313)	8	(4,305)	5,481
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Funding Statement - General Fund - Source & Application of Funds

Operating Result (Income Statement)	(1,307)	-	(1,307)	1,160	(147)
Add Back non-funded items:					
Depreciation	25,959		25,959	-	25,959
Add non-operating funding sources					

Transfers from Externally Restricted Cash	1,374			1,374	150	1,524
Transfers from Internally Restricted Cash	1,317			1,317	58	1,375
Proceeds from sale of assets	3,559			3,559	-	3,559
Loan Funds Utilised	1,976			1,976	-	1,976
Internal charges				-		-
Repayments from Deferred Debtors				-		-
Funds Available	32,878	-	-	32,878	1,368	34,246
Funds were applied to:						
Purchase and construction of assets	21,916			21,916	1,299	23,215
Repayment of principal on loans	3,867			3,867	(4)	3,863
Transfers to Externally Restricted Cash	2,468			2,468		2,468
Transfers to Internally Restricted Cash	4,627			4,627	73	4,700
Funds Used	32,878	-	-	32,878	1,368	34,246
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

Income and Expense- Sewer Fund Budget Review Statement for the quarter ended 30 September 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	25,366			25,366		25,366	6,636
User Charges and Fees	1,343			1,343		1,343	694
Interest and Investment Revenue	2,500			2,500	260	2,760	933
Other Revenues	16			16		16	2
Grants & Contributions - Operating	470			470	-	470	35
Grants and Contributions - Capital				-		-	
- Contributions (S64/S94)	1,458			1,458	-	1,458	279
Net gain from the disposal of assets				-		-	
Total Income	31,153	-	-	31,153	260	31,413	8,579

Expense

Employee costs	6,563			6,563		6,563	1,502
Borrowing Costs	2,291			2,291		2,291	-
Materials & Contracts	8,674			8,674	44	8,718	1,055
Depreciation	9,266			9,266		9,266	2,317
Legal Costs				-		-	
Consultants	145			145		145	2
Other Expenses	2,503			2,503	-	2,503	265
Net Loss from Disposal of Assets				-		-	

Total Expenses	29,442	-	-	29,442	44	29,486	5,141
Net Operating Result	1,711	-	-	1,711	216	1,927	3,438
Net Operating Result before capital items	1,711	-	-	1,711	216	1,927	3,438

Funding Statement - Sewer Fund - Source & Application of Funds

Operating Result (Income Statement)	1,711	-	-	1,711	216	1,927
Add Back non-funded items:						
Depreciation	9,266	-	-	9,266	-	9,266
Add non-operating funding sources						
Transfers from Externally Restricted Cash	3,899			3,899	445	4,344
Transfers from Internally Restricted Cash	6,150			6,150	1,032	7,182
Proceeds from sale of assets				-		-
Loan Funds Utilised				-		-
Repayments from Deferred Debtors				-		-
Funds Available	21,026	-	-	21,026	1,693	22,719
Funds were applied to:						
Purchase and construction of assets	6,765			6,765	2,483	9,248
Repayment of principal on loans	2,606			2,606		2,606
Transfers to Externally Restricted Cash	1,458			1,458		1,458
Transfers to Internally Restricted Cash	10,197			10,197	(790)	9,407
Internal charges				-		-
Funds Used	21,026	-	-	21,026	1,693	22,719
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

Income and Expense- Water Fund Budget Review Statement for the quarter ended 30 September 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	5,092			5,092		5,092	1,276
User Charges and Fees	20,762			20,762	-	20,762	4,473
Interest and Investment Revenue	1,415			1,415	380	1,795	465
Other Revenues	265			265		265	78
Grants & Contributions - Operating	386			386	-	386	
Grants and Contributions - Capital				-		-	
- Contributions (S64/S94)	3,564			3,564	-	3,564	398
Net gain from the disposal of assets				-		-	
Total Income	31,484	-	-	31,484	380	31,864	6,690

Expense

Employee costs	4,389			4,389		4,389	1,026
Borrowing Costs	4,536			4,536		4,536	1,139
Materials & Contracts	9,761			9,761	497	10,258	1,055
Depreciation	6,833			6,833		6,833	1,708
Legal Costs				-		-	
Consultants	146			146		146	2
Other Expenses	1,317			1,317		1,317	265
Net Loss from Disposal of Assets				-		-	
Total Expenses	26,982	-	-	26,982	497	27,479	5,195

Net Operating Result

	4,502	-	-	4,502	(117)	4,385	1,495
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Net Operating Result before capital items

	4,502	-	-	4,502	(117)	4,385	1,495
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Funding Statement - Water Fund - Source & Application of Funds

Operating Result (Income Statement)	4,502	-	-	4,502	(117)	4,385
Add Back non-funded items:						
Depreciation	6,833	-	-	6,833	-	6,833
Add non-operating funding sources						
Transfers from Externally Restricted Cash	4,639			4,639	(19)	4,620
Transfers from Internally Restricted Cash	2,915			2,915	1,432	4,347

Proceeds from sale of assets				-		-
Loan Funds Utilised				-	-	-
Repayments from Deferred Debtors				-		-
Funds Available	18,889	-	-	18,889	1,296	20,185
Funds were applied to:						
Purchase and construction of assets	2,464			2,464	1,352	3,816
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			11,603	(56)	11,547
Internal charges				-		-
Funds Used	18,889	-	-	18,889	1,296	20,185
Increase/(Decrease) in Available Working Capital						
	-	-	-	-	-	-

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 2015 and should be read in conjunction with other documents in the QBRs.

Capital Budget Review Statement - Consolidated - for the quarter ended 30 September 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			11,296	152	11,448	2,361
Capital Grants & Contributions	3,004			3,004	1,137	4,141	854
Internal Restrictions (Reserves)	10,109			10,109	3,414	13,523	2,789
External Restrictions							
- s64 & s94 funds	8,851			8,851	426	9,277	1,913
Other Capital Funding Sources							
- loans	1,976			1,976		1,976	408
Income from sale of assets							
- plant and equipment	3,559			3,559		3,559	734
- Land, Buildings, Furniture, Fittings							
Total Capital Funding	38,795			38,795	5,129	43,924	9,059

Capital Expenditure

New Assets

- Plant and Equipment							11
- Land, Buildings, Furniture, Fittings							732
- Roads, Bridges, Footpaths	148			148		148	560
- Drainage							

- Water & Sewer Infrastructure	2,061		2,061		2,061	248
- Other <u>Renewals</u> <u>(Replacement)</u>	300		300	41	341	637
- Plant and Equipment	8,416		8,416		8,416	1,048
- Land,Buildings,Furniture,Fittings	100		100	185	285	358
- Roads, Bridges, Footpaths	8,841		8,841	1,072	9,913	892
- Drainage						19
- Water & Sewer Infrastructure	3,339		3,339	3,835	7,174	766
- Other	4		4		4	
<u>Upgrades</u>						
- Plant and Equipment						
- Land,Buildings,Furniture,Fittings						1
- Roads, Bridges, Footpaths	3,006		3,006		3,006	1,361
- Drainage	1,100		1,100		1,100	880
- Water & Sewer Infrastructure	3,749		3,749		3,749	744
- Other						24
Loan Repayments (principal)	7,731		7,731	(4)	7,727	778
Total Capital Expenditure	38,795		38,795	5,129	43,924	9,059

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 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 30 September 2015

Original Budget (000's)	Approved Changes				Recommended changes for Council Resolution (000's)	Projected year end result (000's)	Actual * YTD (000's)
	Roll- Overs (000's)	Sep Review (000's)	Dec Review (000's)	Revised Budget (000's)			
Unrestricted	5,185			5,185		5,185	4,011
Externally restricted							
RTA Contributions	0			0		0	130
Developer contributions	27,869			27,869		27,869	27,534
Domestic waste management	15,280			15,280		15,280	15,280
Special Rates	202			202		202	260
Special purpose grants	0			0		0	2,764
Water Supplies	43,208			43,208		43,208	37,206
Sewerage Services	63,105			63,105		63,105	69,022
Other	23,405			23,405		23,405	21,961
Total Externally restricted	173,069	0	0	173,069	0	173,069	174,157
Internally restricted							

Employee Leave entitlements	11,581				11,581		11,581	11,581
Unexpended loans	0				0		0	7,000
Unexpended grants	0				0		0	3,000
7 Year Plan	0				0		0	4,000
Works Carried Forward	0				0		0	11,000
Replacement of Plant and Vehicles	3,111				3,111		3,111	3,000
Tip improvements	9,093				9,093		9,093	9,159
Asset renewals	8,716				8,716		8,716	8,000
Other	6,687				6,687		6,687	6,000
Total Internally restricted	39,188	0	0	0	39,188	0	39,188	62,740
Total Restricted	212,257	0	0	0	212,257	0	212,257	236,897
Total cash and investments	217,442	0	0	0	217,442	0	217,442	240,908
Available cash	5,185	0	0	0	5,185	0	5,185	4,011

* 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:

Total restricted funds	(000's)	236,897
Total invested funds as per September Investment Report		239,548
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 15 October 2015.

Reconciliation of cash and investments:

Cash and investments as per above	(000's)	240,908
Cash on hand and at bank		1,360
Investments		239,548
		240,908

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 2015 and should be read in conjunction with other documents in the QBRS.

Key Performance Indicators Budget Review Statement for the quarter ended 30 September 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>49,332</u>	3.4:1
Current liabilities	14,571	
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)	
<u>Debt Service Cost</u>	<u>2,636</u>	6.51%
Selected operating income	40,465	
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 30 September 2015 and should be read in conjunction with other documents in the QBRS.

Budget Review Contracts and Other Expenses for the quarter ended 30 September 2015

PART A-Contracts Listing		Contract value	Commencement	Duration of	Budgeted
Contractor	Contract detail & purpose	\$	date	contract	(Y/N)
Nil					

PART B - Consultancy and Legal expenses Expense	Expenditure	Budgeted
	YTD \$	(Y/N)
Consultancies	74,717	Y
Legal expenses	98,874	Y

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 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 30/9/2015 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 21/10/2015
“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.

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
- 1.2.3.1 Financial Services and legislative financial reporting
- 1.2.3.1.1 Prepare and maintain a balanced budget throughout the financial year.

UNDER SEPARATE COVER/FURTHER INFORMATION:

Nil.
