

TITLE: [TCS-CM] Quarterly Budget Review - September 2013

SUBMITTED BY: Financial Services

Valid



Civic Leadership

LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK:

- 1 Civic Leadership
- 1.2 Improve decision making by engaging stakeholders and taking into account community input
- 1.2.3 Financial requirements and the community's capacity to pay will be taken into account when meeting the community's desired levels of service

SUMMARY OF REPORT:

This is the first quarter statutory budget review for this financial year and summarises the estimated expenditure and income changes to the 2013/2014 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 2014 in all Funds.

RECOMMENDATION:

That the:

1. Quarterly Budget Review Statement as at 30 September 2013 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 2014.

Description	Change to Vote	
	Deficit	Surplus
General Fund		
<u>Expenses</u>		
Employee costs	0	50,000
Materials & Contracts	851,073	0
Interest	0	0
Other Operating costs	85,198	0
Capital	4,026,130	0
Loan Repayments	0	0
Transfers to Reserves	0	0
	4,962,401	50,000
<u>Income</u>		
Rates and Annual Charges	0	0
Interest revenue	0	0

Operating Grants & Conts	0	343,071
Capital Grants & Conts	0	3,554,330
User Charges & Fees	0	10,000
Other Operating Revenue	0	10,000
Loan Funds	0	260,000
Recoupments	0	145,000
Transfers from Reserves	0	590,000
Asset Sales	0	0
	<u>0</u>	<u>4,912,401</u>

Net Surplus/(Deficit)		<u>0</u>
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	Deficit	Surplus
Sewer Fund		
<u>Expenses</u>		
Employee costs	0	0
Materials & Contracts	24,912	0
Interest	0	0
Other Operating costs	0	0
Capital	0	1,786,980
Loan Repayments	0	0
Transfers to Reserves	4,529,232	0
	<u>4,554,144</u>	<u>1,786,980</u>
<u>Income</u>		
Rates and Annual Charges	0	0
Interest revenue	0	1,830,644
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	280,250	0
Transfers from Reserves	0	1,216,770
Asset Sales	0	0
	<u>280,250</u>	<u>3,047,414</u>
Net Surplus/(Deficit)		<u>0</u>

Water Fund		
<u>Expenses</u>		
Employee costs	0	0
Materials & Contracts	7,698	0
Interest	0	0
Other Operating costs	0	0
Capital	0	295,890
Loan Repayments	0	0
Transfers to Reserves	460,693	0
	<u>468,391</u>	<u>295,890</u>
<u>Income</u>		
Rates and Annual Charges	0	0
Interest revenue	0	961,437
Operating Grants & Conts	0	0
Capital Grants & Conts	0	0
User Charges & Fees	0	0
Other Operating Revenue	0	0
Loan Funds	0	0
Recoupments	1,290,350	0
Transfers from Reserves	0	501,414
Asset Sales	0	0

	<u>1,290,350</u>	<u>1,462,851</u>
Net Surplus/(Deficit)		<u><u>0</u></u>

REPORT:**Budget Review 30 September 2013 (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 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 2013/2014 Budget	Net Effect on LTFP
General Fund		
Life Education	1,000	1,000
Financial Assistance Grant (General)	(185,198)	(185,198)
Legal fees	35,198	
Purchase of demountable buildings	25,000	
Murwillumbah Civic Centre	32,000	
Murwillumbah SES Building landslip	75,000	
Online engagement	27,000	
Rental income communication tower	(10,000)	
	0	(184,198)

Detailed list of changes

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
1. Proposed Variations						
General						
Ex	1	Ex-Capital	TRCP drainage improvements		120,000	Western boundary Billabong caravan park
In	1	In-Recoup	CP4 Roads		-120,000	Funding for above
In	2	In-OG&C	Regional roads block grant	-1,810,000	18,000	Advice received Reduce expenditure to match income
Ex	2	Ex-Op	Regional roads maintenance	1,810,000	-18,000	
In	2	In-OG&C	Traffic facilities block grant	-248,467	-8,533	Advice received Increase expenditure to match income
Ex	2	Ex-Op	Traffic facilities - classified roads	248,467	8,533	
Ex	2	Ex-Capital	Pottsville Road, highway to Kellehers Rd		765,000	Black Spot project
In	2	In-CG&C	Black Spot grant		-765,000	Funding for above
In	3	In-OG&C	Youth Opportunities Grant	-50,000	50,000	Grant application unsuccessful
Ex	3	Ex-OpEmp	Improved Services for Shire Youth	211,413	-50,000	Position no longer funded
Ex	3	Ex-Op	Improved Services for Shire Youth	211,413	-36,477	Transfer budget to Youth Strategy
Ex	3	Ex-Op	Youth Strategy		36,477	Transfer budget from Shire Youth
Ex	4	Ex-Op	Oxley river bank stabilisation		500,000	New project
Ex	4	In-TFR	Catchment water quality reserve		-500,000	Funding for above
Ex	5	Ex-Op	Tweed Life Education Group	2,138	1,000	Submission to Original Budget
Ex	6	Ex-Capital	Art Gallery construction	0	2,789,330	Margaret Olley Art Centre
In	6	In-CG&C	Margaret Olley Trust		-1,000,000	Funding (in addition to rollovers)
In	6	In-CG&C	Federal Better Regions grant		-1,000,000	Funding (in addition to rollovers)
In	6	In-CG&C	State WASIP grant		-89,330	Funding (in addition to rollovers)
In	6	In-CG&C	Friends & Foundation contributions		-700,000	Funding (in addition to rollovers)
In	7	In-OG&C	Financial Assistance Grant (General)	-6,434,152	-185,198	Advice received
In	7	In-OG&C	Financial Assistance Grant (Roads)	-2,510,640	-89,340	Advice received
Ex	7	Ex-Op	FAG roads maintenance	250,000	69,340	Adjust roads budget for extra grant
Ex	7	Ex-Op	Pedestrian access & mobility plan		40,000	Development of strategy
In	7	In-OG&C	RMS grant		-20,000	Funding for above

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
Ex	8	Ex-Op	Kingscliff Foreshore Master Plan		30,000	Design costs
Ex	8	Ex-Op	Rec services		-10,000	Funding for above
Ex	8	Ex-Op	Coastline Management Plan		-10,000	Funding for above
In	8	In-Operating	Tweed Coast Holiday Parks		-10,000	Funding for above
Ex	9	Ex-Op	Pedestrian facilities	80,000	-40,000	Grant funding no longer available
In	9	In-OG&C	RMS grant	-40,000	40,000	Funding for above
Ex	10	Ex-OpOther	Legal Fees	11,503	35,198	Corporate legal costs
Ex	11	Ex-Op	Tweed Coastal Floodplain ASS Hotspot		100,000	Acid sulfate soil project
Ex	11	Ex-Op	Tweed Coast Estuaries Management Plan	119,078	-50,000	Funding for above
In	11	In-OG&C	Office of Environment and Heritage		-50,000	Funding for above
Ex	12	Ex-Op	Bus Stop Remedial Works - Terranora & Bilambil Roads		50,000	New project
In	12	In-OG&C	RMS grant		-25,000	Funding for above
In	12	In-Recoup	CP12		-25,000	Funding for above
Ex	13	Ex-Capital	Purchase of demountable buildings		25,000	Tweed Heads Civic Centre site
Ex	14	Ex-Op	Murwillumbah Civic Centre		32,000	Carpark resurfacing
Ex	15	Ex-Op	Murwillumbah SES Building	100,000	75,000	Landslip remediation
Ex	16	Ex-Capital	Faulks Park upgrade		26,800	Hard stand area (youth space)
Ex	16	Ex-Op	Youth Strategy		-26,800	Funding for above
Ex	17	Ex-Op	Fire Mitigation Fund 2013/14		5,000	Mitigation works
Ex	17	Ex-Op	Fire Hazard Reduction	80,942	-2,000	Funding for above
In	17	In-OG&C	RFS Grant		-3,000	Funding for above
Ex	18	Ex-Op	Online engagement		27,000	Purchase Bang the Table
					10,000	
			Sewer Fund			
Ex	19	Ex-Op	Operations		38,720	Climate change fund
Ex	19	Ex-Op	Operations		-13,808	Operational adjustments
Ex	19	Ex-Capital	Various Capital Works		-1,786,980	Deferrals to future years
In	19	In-Interest	Interest		-1,830,644	Funding adjustment
Ex	19	Ex-TTR	Transfers to Asset Replacement Res.		4,529,232	Restriction of interest
In	19	In-Recoup	Transfers from Capital Contributions Res.		280,250	Funding adjustment
In	19	In-TFR	Transfers from Revenue Res.		-1,216,770	Funding adjustment
					0	
			Water Fund			
Ex	20	Ex-Op	Operations		36,718	Climate change fund
Ex	20	Ex-Op	Operations		-29,020	Operational adjustments
In	20	In-Interest	Interest		-961,437	Funding adjustment
Ex	20	Ex-Capital	Various Capital Works		-295,890	Deferrals & adjustments
Ex	20	Ex-TTR	Transfers to Asset Replacement Res.		460,693	Funding adjustment
In	20	In-TFR	Transfers from Asset Replacement Res.		-501,414	Funding adjustment
In	20	In-Recoup	Transfers from Capital Contributions Res.		1,290,350	Funding adjustment
					0	
			2. Variations Arising from Council Resolutions			
Ex	21	Ex-Capital	Crown Land acquisition - Pottsville		300,000	Council meeting 20/6/2013
In	21	In-TFR	Road Land Sale Reserve		-40,000	Funding for above
In	21	In-Loan	Unexpended loans		-260,000	Funding for above
Ex	22	Ex-Op	Climate change fund (General Fund)		24,562	Council meeting 18/4/2013
Ex	22	Ex-Op	Murwillumbah Civic Centre mtce & electricity		-8,243	Funding for above
Ex	22	Ex-Op	Tweed Civic Centre mtce & electricity		-2,897	Funding for above
Ex	22	Ex-Op	Art Gallery mtce & electricity		-4,469	Funding for above
Ex	22	Ex-Op	Murwillumbah Pool mtce & electricity		-4,576	Funding for above
Ex	22	Ex-Op	Tweed Pool mtce & electricity		-2,095	Funding for above
Ex	22	Ex-Op	Works Depot mtce & electricity		-2,282	Funding for above
Ex	23	Ex-OpOther	Contribution to Seagulls		50,000	Council meeting 20/6/2013
In	23	In-TFR	Matching grants reserve		-50,000	Funding for above

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
Ex	24	Ex-Op	HACC Program Transition funding		70,000	Council meeting 18/7/2013
In	24	In-OG&C	Department of Health & Ageing grant		-70,000	Funding for above
In	25	OpOther	Rental income communication tower		-10,000	Council meeting 19/9/2013
					<u>-10,000</u>	
			Summary of Votes by Type			
			2012/13 Variations		10,000	
			Council Resolutions		-10,000	
					<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			
			<u>Expenses</u>			
			Employee costs		-50,000	
			Materials & Contracts		883,683	
			Interest		0	
			Other Operating costs		85,198	
			Capital		1,943,260	
			Loan Repayments		0	
			Transfers to Reserves		4,989,925	
					<u>7,852,066</u>	
			<u>Income</u>			
			Rates and Annual Charges		0	
			Interest revenue		-2,792,081	
			Operating Grants & Conts		-343,071	
			Capital Grants & Conts		-3,554,330	
			User Charges & Fees		-10,000	
			Other Operating Revenue		-10,000	
			Loan Funds		-260,000	
			Recoupments		1,425,600	
			Transfers from Reserves		-2,308,184	
			Asset Sales		0	
					<u>-7,852,066</u>	
			Net		<u>0</u>	
			Summary of Votes - by Division			
			Technology & Corporate Services		-98,721	
			Planning & Regulation		-11,477	
			Community & Natural Resources		-25,800	
			Engineering & Operations		48,800	
			General Manager		87,198	
					<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 2013

	Original Budget (000's)	Approved Changes			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	90,063	-	-	90,063	-	90,063	22,816
User Charges and Fees	36,296	-	-	36,296	10	36,306	9,222
Interest and Investment Revenue	6,266	-	-	6,266	2,792	9,058	1,985
Other Revenues	2,030	-	-	2,030	10	2,040	430
Grants & Contributions - Operating	15,065	-	-	15,065	343	15,408	1,991
Grants and Contributions - Capital	8,629	-	-	8,629	3,554	12,183	1,153
- Contributions (S94)	6,749	-	-	6,749	-	6,749	3,248
Net gain from the disposal of assets	-	-	-	-	-	-	-
Total Income	165,098	-	-	165,098	6,709	171,807	40,845
Expense							
Employee costs	44,740	-	-	44,740	(50)	44,690	11,375
Borrowing Costs	13,419	-	-	13,419	-	13,419	2,644
Materials & Contracts	44,840	-	-	44,840	855	45,695	11,077
Depreciation	40,809	-	-	40,809	-	40,809	10,202
Legal Costs	387	-	-	387	-	387	126
Consultants	352	-	-	352	29	381	79
Other Expenses	13,847	-	-	13,847	85	13,932	2,878
Net Loss from Disposal of Assets	-	-	-	-	-	-	-
Total Expenses	158,394	-	-	158,394	919	159,313	38,381
Net Operating Result	6,704	-	-	6,704	5,790	12,494	2,464
Net Operating Result before capital items	(1,925)	-	-	(1,925)	2,236	311	1,311
Funding Statement - Consolidated - Source and Application of Funds							
Operating Result (Income Statement)	6,704	-	-	6,704	5,790	12,494	
Add Back non-funded items:							
Depreciation	40,809	-	-	40,809	-	40,809	
		-	-	-	-	-	
		-	-	-	-	-	
Add non-operating funding sources							
Transfers from Externally Restricted Cash	19,325	-	-	19,325	(1,425)	17,900	
Transfers from Internally Restricted Cash	10,858	-	-	10,858	2,308	13,166	
Proceeds from sale of assets	2,806	-	-	2,806	-	2,806	
Loan Funds Utilised	2,076	-	-	2,076	260	2,336	
Repayments from Deferred Debtors	-	-	-	-	-	-	
Funds Available	82,578	-	-	82,578	6,933	89,511	
Funds were applied to:							
Purchase and construction of assets	51,593	-	-	51,593	1,943	53,536	
Repayment of principal on loans	7,655	-	-	7,655	-	7,655	
Transfers to Externally Restricted Cash	6,749	-	-	6,749	-	6,749	
Transfers to Internally Restricted Cash	16,581	-	-	16,581	4,990	21,571	
Funds Used	82,578	-	-	82,578	6,933	89,511	
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 2013

	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)
		Sep Review (000's)	Dec Review (000's) *				
Income							
Rates and Annual Charges	63,551			63,551	-	63,551	16,014
User Charges and Fees	17,703			17,703	10	17,713	4,775
Interest and Investment Revenue	3,112			3,112	-	3,112	832
Other Revenues	1,797			1,797	10	1,807	310
Grants & Contributions - Operating	14,105			14,105	343	14,448	1,959
Grants and Contributions - Capital	6,348			6,348	3,554	9,902	1,153
- Contributions (S64/S94)	2,330			2,330		2,330	1,327
Net gain from the disposal of assets				-		-	
Total Income	108,946	-	-	108,946	3,917	112,863	26,370

Expense

Employee costs	34,949			34,949	(50)	34,899	9,008
Borrowing Costs	6,199			6,199	-	6,199	780
Materials & Contracts	35,854			35,854	822	36,676	9,410
Depreciation	24,837			24,837		24,837	6,209
Legal Costs	387			387		387	126
Consultants	99			99	29	128	73
Other Expenses	9,980			9,980	85	10,065	2,462
Net Loss from Disposal of Assets				-		-	
Total Expenses	112,305	-	-	112,305	886	113,191	28,068
Net Operating Result	(3,359)	-	-	(3,359)	3,031	(328)	(1,698)
Net Operating Result before capital items	(12,037)	-	-	(9,707)	(523)	(10,230)	(2,851)

Funding Statement - General Fund - Source and Application of Funds

Operating Result (Income Statement)	(3,359)	-	-	(3,359)	3,031	(328)
Add Back non-funded items:						
Depreciation	24,837			24,837	-	24,837
Add non-operating funding sources						
Transfers from Externally Restricted Cash	4,312			4,312	145	4,457
Transfers from Internally Restricted Cash	2,168			2,168	590	2,758
Proceeds from sale of assets	2,806			2,806	-	2,806
Loan Funds Utilised	2,076			2,076	260	2,336
Internal charges	7,551			7,551		7,551
Repayments from Deferred Debtors				-		-
Funds Available	40,391	-	-	40,391	4,026	44,417
Funds were applied to:						
Purchase and construction of assets	28,854			28,854	4,026	32,880
Repayment of principal on loans	3,485			3,485	-	3,485
Transfers to Externally Restricted Cash	2,330			2,330		2,330
Transfers to Internally Restricted Cash	5,722			5,722	-	5,722
Funds Used	40,391	-	-	40,391	4,026	44,417
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

Income and Expense- Sewer Fund Budget Review Statement for the quarter ended 30 September 2013

	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)
		Sep Review (000's)	Dec Review (000's) *				
Income							
Rates and Annual Charges	22,138			22,138	-	22,138	5,703
User Charges and Fees	1,274			1,274	-	1,274	255
Interest and Investment Revenue	2,183			2,183	1,831	4,014	564
Other Revenues	20			20	-	20	6

Grants & Contributions - Operating	468			468	-	468	32
Grants and Contributions - Capital	1,149			1,149	-	1,149	
- Contributions (S64/S94)	753			753		753	626
Net gain from the disposal of assets				-		-	
Total Income	27,985	-	-	27,985	1,831	29,816	7,186
Expense							
Employee costs	5,811			5,811	-	5,811	1,427
Borrowing Costs	2,494			2,494	-	2,494	647
Materials & Contracts	3,942			3,942	26	3,968	625
Depreciation	9,160			9,160		9,160	2,290
Legal Costs				-		-	
Consultants	50			50		50	3
Other Expenses	2,119			2,119	-	2,119	416
Net Loss from Disposal of Assets				-		-	
Total Expenses	23,576	-	-	23,576	26	23,602	5,408
Net Operating Result	4,409	-	-	4,409	1,805	6,214	1,778
Net Operating Result before capital items	3,260	-	-	3,260	1,805	5,065	1,778

Funding Statement - Sewer Fund - Source and Application of Funds

Operating Result (Income Statement)	4,409	-	-	4,409	1,805	6,214
Add Back non-funded items:						
Depreciation	9,160	-	-	9,160	-	9,160
Add non-operating funding sources						
Transfers from Externally Restricted Cash	7,556			7,556	(280)	7,276
Transfers from Internally Restricted Cash	5,563			5,563	1,217	6,780
Proceeds from sale of assets				-		-
Loan Funds Utilised				-	-	-
Repayments from Deferred Debtors				-		-
Funds Available	26,688	-	-	26,688	2,742	29,430
Funds were applied to:						
Purchase and construction of assets	12,905			12,905	(1,787)	11,118
Repayment of principal on loans	3,102			3,102	-	3,102
Transfers to Externally Restricted Cash	753			753		753
Transfers to Internally Restricted Cash	6,139			6,139	4,529	10,668
Internal charges	3,789			3,789		3,789
Funds Used	26,688	-	-	26,688	2,742	29,430
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

Income and Expense- Water Fund Budget Review Statement for the quarter ended 30 September 2013

Original Budget (000's)	Approved Changes			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	4,374		4,374	-	4,374	1,099
User Charges and Fees	17,319		17,319	-	17,319	4,192
Interest and Investment Revenue	971		971	961	1,932	589
Other Revenues	213		213	-	213	114
Grants & Contributions - Operating	492		492	-	492	
Grants and Contributions - Capital	1,132		1,132	-	1,132	
- Contributions (S64/S94)	3,666		3,666		3,666	1,295
Net gain from the disposal of assets			-		-	
Total Income	28,167	-	28,167	961	29,128	7,289
Expense						
Employee costs	3,980		3,980	-	3,980	940
Borrowing Costs	4,726		4,726	-	4,726	1,217
Materials & Contracts	5,044		5,044	7	5,051	1,042
Depreciation	6,812		6,812		6,812	1,703
Legal Costs			-		-	
Consultants	203		203		203	3
Other Expenses	1,748		1,748	-	1,748	

Net Loss from Disposal of Assets				-		-	
Total Expenses	22,513	-	-	22,513	7	22,520	4,905
Net Operating Result	5,654	-	-	5,654	954	6,608	2,384
Net Operating Result before capital items	4,522	-	-	4,522	954	5,476	2,384

Funding Statement - Water Fund - Source and Application of Funds

Operating Result (Income Statement)	5,654	-	-	5,654	954	6,608
Add Back non-funded items:						
Depreciation	6,812	-	-	6,812	-	6,812
Add non-operating funding sources						
Transfers from Externally Restricted Cash	7,457			7,457	(1,290)	6,167
Transfers from Internally Restricted Cash	3,127			3,127	501	3,628
Proceeds from sale of assets				-		-
Loan Funds Utilised				-		-
Repayments from Deferred Debtors				-		-
Funds Available	23,050	-	-	23,050	165	23,215
Funds were applied to:						
Purchase and construction of assets	9,834			9,834	(296)	9,538
Repayment of principal on loans	1,068			1,068	-	1,068
Transfers to Externally Restricted Cash	3,666			3,666		3,666
Transfers to Internally Restricted Cash	4,720			4,720	461	5,181
Internal charges	3,762			3,762		3,762
Funds Used	23,050	-	-	23,050	165	23,215
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 2013 and should be read in conjunction with other documents in the QBRS.

Capital Budget Review Statement - Consolidated - for the quarter ended 30 September 2013

	Original Budget (000's)	Approved Changes			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	26,927			26,927	27	26,954	4,504
Capital Grants & Contributions	9,309			9,309	3,554	12,863	3,977
Internal Restrictions (Reserves)	10,237			10,237	300	10,537	2,896
External Restrictions							
- s64 & s94 funds	8,035			8,035	(1,938)	6,097	1,920
Other Capital Funding Sources							
- loans	1,976			1,976		1,976	611
Income from sale of assets							
- plant and equipment	2,406			2,406		2,406	744
- Land,Buildings,Furniture,Fittings							
Total Capital Funding	58,890			58,890	1,943	60,833	14,652
Capital Expenditure							
New Assets							
- Plant and Equipment	448			448		448	
- Land,Buildings,Furniture,Fittings	246			246	325	571	2,594
- Roads, Bridges, Footpaths	322			322		322	1,717
- Drainage							
- Water & Sewer Infrastructure	6,874			6,874	(296)	6,578	489
- Other	9,350			9,350		9,350	306
Renewals (Replacement)							
- Plant and Equipment	5,958			5,958		5,958	1,414
- Land,Buildings,Furniture,Fittings	168			168		168	
- Roads, Bridges, Footpaths	8,854			8,854		8,854	2,014

- Drainage							166
- Water & Sewer Infrastructure	2,540		2,540			2,540	81
- Other	350		350			350	108
<u>Upgrades</u>							
- Plant and Equipment							
- Land,Buildings,Furniture,Fittings	124		124	2,789		2,913	60
- Roads, Bridges, Footpaths	1,276		1,276	765		2,041	810
- Drainage	1,100		1,100	120		1,220	20
- Water & Sewer Infrastructure	13,325		13,325	(1,787)		11,538	3,483
- Other	300		300	300		600	245
Loan Repayments (principal)	7,655		7,655			7,655	1,145
Total Capital Expenditure	58,890		58,890	2,216		61,106	14,652

Capital Budget Review Statement - General Fund - for the quarter ended 30 September 2013

	Original Budget (000's)	Approved Changes			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	13,014			13,014	27	13,041	2,953
Capital Grants & Contributions	9,309			9,309	3,554	12,863	3,977
Internal Restrictions (Reserves)	2,000			2,000	300	2,300	711
External Restrictions							
- s64 & s94 funds	3,276			3,276	145	3,421	1,058
Other Capital Funding Sources							
- loans	1,976			1,976		1,976	611
Income from sale of assets							
- plant and equipment	2,406			2,406		2,406	744
-							
Land, Buildings, Furniture, Fittings							
Total Capital Funding	31,981			31,981	4,026	36,007	10,054
Capital Expenditure							
<u>New Assets</u>							
- Plant and Equipment	448			448		448	
-							
Land, Buildings, Furniture, Fittings	246			246	325	571	2,594
- Roads, Bridges, Footpaths	322			322		322	1,717
- Drainage							
- Water & Sewer Infrastructure							
- Other	9,350			9,350		9,350	306
<u>Renewals</u>							
<u>(Replacement)</u>							
- Plant and Equipment	5,958			5,958		5,958	1,414
-							
Land, Buildings, Furniture, Fittings	168			168		168	
- Roads, Bridges, Footpaths	8,854			8,854		8,854	2,014
- Drainage							166
- Water & Sewer Infrastructure							
- Other	350			350		350	108
<u>Upgrades</u>							
- Plant and Equipment							
-							
Land, Buildings, Furniture, Fittings	124			124	2,789	2,913	60
- Roads, Bridges, Footpaths	1,276			1,276	765	2,041	810
- Drainage	1,100			1,100	120	1,220	20
- Water & Sewer Infrastructure							
- Other	300			300	27	327	245
Loan Repayments (principal)	3,485			3,485		3,485	600
Total Capital Expenditure	31,981			31,981	4,026	36,007	10,054

Capital Budget Review Statement - Sewer Fund - for the quarter ended 30 September 2013

	Original Budget (000's)	Approved Changes			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	11,152			11,152		11,152	974
Capital Grants & Contributions							
Internal Restrictions (Reserves)	2,836			2,836		2,836	343
External Restrictions							
- s64 & s94 funds	2,019			2,019	(1,787)	232	28
Other Capital Funding Sources							
- loans							
Income from sale of assets							
- plant and equipment							
-							
Land,Buildings,Furniture,Fittings							
Total Capital Funding	16,007			16,007	(1,787)	14,220	1,345
Capital Expenditure							
<u>New Assets</u>							
- Plant and Equipment							
-							
Land,Buildings,Furniture,Fittings							
- Roads, Bridges, Footpaths							
- Drainage							
- Water & Sewer Infrastructure	3,197			3,197		3,197	192
- Other							
<u>Renewals</u>							
<u>(Replacement)</u>							
- Plant and Equipment							
-							
Land,Buildings,Furniture,Fittings							
- Roads, Bridges, Footpaths							
- Drainage							
- Water & Sewer Infrastructure	1,292			1,292		1,292	41
- Other							
<u>Upgrades</u>							
- Plant and Equipment							
-							
Land,Buildings,Furniture,Fittings							
- Roads, Bridges, Footpaths							
- Drainage							
- Water & Sewer Infrastructure	8,416			8,416	(1,787)	6,629	798
- Other							
Loan Repayments (principal)	3,102			3,102		3,102	314
Total Capital Expenditure	16,007			16,007	(1,787)	14,220	1,345

Capital Budget Review Statement - Water Fund - for the quarter ended 30 September 2013

Original Budget (000's)	Approved Changes			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	2,761		2,761		2,761	577
Capital Grants & Contributions						
Internal Restrictions (Reserves)	5,401		5,401		5,401	1,842
External Restrictions						
- s64 & s94 funds	2,740		2,740	(296)	2,444	834
Other Capital Funding Sources						
- loans						
Income from sale of assets						
- plant and equipment						
-						
Land,Buildings,Furniture,Fittings						
Total Capital Funding	10,902		10,902	(296)	10,606	3,253
Capital Expenditure						
<u>New Assets</u>						
- Plant and Equipment						
-						
Land,Buildings,Furniture,Fittings						
- Roads, Bridges, Footpaths						
- Drainage						
- Water & Sewer Infrastructure	3,677		3,677	(296)	3,381	297
- Other						
<u>Renewals</u>						
(Replacement)						
- Plant and Equipment						
-						
Land,Buildings,Furniture,Fittings						
- Roads, Bridges, Footpaths						
- Drainage						
- Water & Sewer Infrastructure	1,248		1,248		1,248	40
- Other						
<u>Upgrades</u>						
- Plant and Equipment						
-						
Land,Buildings,Furniture,Fittings						
- Roads, Bridges, Footpaths						
- Drainage						
- Water & Sewer Infrastructure	4,909		4,909		4,909	2,685
- Other						
Loan Repayments (principal)	1,068		1,068		1,068	231
Total Capital Expenditure	10,902		10,902	(296)	10,606	3,253

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 2013 and should be read in conjunction with other documents in the QBRS.

* 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 2013

Original Budget (000's)	Approved Changes			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)			
Unrestricted	3,483		3,483	735	4,218	3,296
Externally restricted						
RTA Contributions	390		390		390	390
Developer contributions	25,917		25,917	(145)	25,772	24,593
Domestic waste management	10,075		10,075		10,075	10,075
Special Rates	230		230		230	230
Special purpose grants	4,975		4,975		4,975	4,975
Water Supplies	22,701		22,701		22,701	23,971
Sewerage Services	48,915		48,915		48,915	54,442
Other	17,582		17,582		17,582	12,000
Total Externally restricted	130,785	0	130,785	(145)	130,640	130,676
Internally restricted						
Employee Leave entitlements	5,123		5,123		5,123	5,123
Unexpended loans	10,328		10,328		10,328	10,328
Unexpended grants	5,930		5,930		5,930	5,930
7 Year Plan	4,340		4,340		4,340	4,340
Works Carried Forward	8,762		8,762		8,762	8,762
Replacement of Plant and Vehicles	1,528		1,528		1,528	1,528
Tip improvements	7,105		7,105		7,105	7,105
Asset renewals	1,538		1,538		1,538	1,538
Other	2,849		2,849	(590)	2,259	2,259
Total Internally restricted	47,503	0	47,503	(590)	46,913	46,913
Total Restricted	178,288	0	178,288	(735)	177,553	177,589
Total cash and investments	181,771	0	181,771	0	181,771	180,885
Available cash	3,483	0	3,483	735	4,218	3,296

* 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	177,589
Total invested funds as per September Investment Report	181,337
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 20 October 2013

Reconciliation of cash and investments:

	(000's)	
Cash and investments as per above	180,885	
Cash on hand and at bank	(452)	
Investments	181,337	
	<u>180,885</u>	

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 2013 and should be read in conjunction with other documents in the QBRs.

Key Performance Indicators Budget Review Statement for the quarter ended 30 September 2013

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

These ratios should therefore be viewed with caution.

1. Unrestricted Current Ratio

	(000's)	
<u>Current assets less all external restrictions</u>	<u>99,045</u>	5.8:1
Current liabilities	17,036	

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>3,789</u>	10.73%
Selected operating income	35,305	

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 2013 and should be read in conjunction with other documents in the QBRs.

Budget Review Contracts and Other Expenses for the quarter ended 30 September 2013

PART A-Contracts Listing		Contract value	Commencement	Duration of	Budgeted
Contractor	Contract detail & purpose	\$	date	contract	(Y/N)
Greenwood Landscape Management	EC2013-129 Faulks Park Kingscliff Proposed Park Upgrade	\$227,397.50	15/08/2013	Unspecified	Y

PART B - Consultancy and Legal expenses		Expenditure YTD	Budgeted
Expense		\$	(Y/N)
Consultancies		84,874	Y
Legal expenses		133,889	Y

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 2013 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 30/9/2013 indicates that Council’s projected financial position at 30/6/2014 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 29/10/2013
“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 it should be noted that the financial position does not include any carry over works (expenditure and income) from the 2012/2013 financial period.

c. Legal:

Not Applicable

d. Communication/Engagement:

Inform - We will keep you informed.

UNDER SEPARATE COVER/FURTHER INFORMATION:

Nil.
