

**TITLE:** [TCS-CM] Quarterly Budget Review - September 2012

**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 2012/2013 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 September 2012 in all Funds.

### RECOMMENDATION:

That the:

1. Quarterly Budget Review Statement as at 30 September 2012 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 2013.

Description	Change to Vote	
	Deficit	Surplus
<b>General Fund</b>		
<b><u>Expenses</u></b>		
Employee costs	0	109,568
Materials & Contracts	553,707	0
Interest	0	0
Other Operating costs	48,781	0
Capital	126,898	0
Loan Repayments	0	0
Transfers to Reserves	50,000	0
	<b>779,386</b>	<b>109,568</b>
<b><u>Income</u></b>		
Rates and Annual Charges	0	0
Interest revenue	0	83,068
Operating Grants & Conts	166,712	0
Capital Grants & Conts	0	0
User Charges & Fees	0	0
Other Operating Revenue	0	0
Loan Funds	0	54,933
Recoupments	0	268,549

Description	Change to Vote	
Transfers from Reserves	0	119,980
Asset Sales	0	310,000
	166,712	836,530
Net Surplus/(Deficit)		0
	Deficit	Surplus
<b>Sewer Fund</b>		
<u>Expenses</u>		
Employee costs	0	0
Materials & Contracts	266,049	0
Interest	0	0
Other Operating costs	0	0
Capital	5,661,528	0
Loan Repayments	0	0
Transfers to Reserves	0	497,199
	5,927,577	497,199
<u>Income</u>		
Rates and Annual Charges	0	0
Interest revenue	0	1,266,270
Operating Grants & Conts	0	0
Capital Grants & Conts	0	21,892
User Charges & Fees	0	0
Other Operating Revenue	0	0
Loan Funds	0	0
Recoupments	0	349,329
Transfers from Reserves	0	3,792,887
Asset Sales	0	0
	0	5,430,378
Net Surplus/(Deficit)		0
<b>Water Fund</b>		
<u>Expenses</u>		
Employee costs	0	0
Materials & Contracts	944,184	0
Interest	0	0
Other Operating costs	0	0
Capital	1,951,612	0
Loan Repayments	0	0
Transfers to Reserves	0	2,163,848
	2,895,796	2,163,848
<u>Income</u>		
Rates and Annual Charges	0	0
Interest revenue	0	345,227
Operating Grants & Conts	0	0
Capital Grants & Conts	71,633	0
User Charges & Fees	0	0
Other Operating Revenue	0	0
Loan Funds	0	0
Recoupments	0	1,855,966
Transfers from Reserves	1,397,612	0
Asset Sales	0	0
	1,469,245	2,201,193
Net Surplus/(Deficit)		0

**REPORT:****Budget Review 30 September 2012 (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	\$	\$
<b>General Fund</b>	<b>Net Effect on 2012/2013 Budget</b>	<b>Net Effect on LTFP</b>
Financial Assistance Grant general	202,855	202,855
Rates Extra Charges Interest	(83,068)	
Telephone expenses	(20,607)	(20,607)
Workers Comp wages	(80,000)	(80,000)
Election expenses	(69,000)	(69,000)
Regional library contribution	20,030	20,030
Workers comp adjustment premium	(159,850)	
Training expenses	51,000	
Employee health & fitness	8,500	8,500
Contact Centre expenses		63,000
Quarry Operations - gravel issues		1,500,000
Quarry Operations - expenses		(1,290,000)
Regional roads maintenance		62,000
Regional roads RMS grant		(62,000)
Senior Information Proects Officer	47,072	
Art Gallery salaries	8,710	8,710
Opportunity/Matching grants reserve	50,000	50,000
Art Gallery electricity	24,358	24,358
	<u>0</u>	<u>417,846</u>

## Detailed list of changes

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
<b>1. Proposed Variations</b>						
<b>General</b>						
Ex	1	Ex-OpOther	Contribution to Murwillumbah Cricket Club	0	25,000	Work on John Rabjones/Les Cave Clubhouse
In	1	In-Recoup	Contribution Plan 5	0	-25,000	Funding for above
In	2	In-OG&C	Financial Assistance Grant general	-6,573,303	202,855	Advice received
In	3	In-Interest	Rates Extra Charges Interest	0	-83,068	Unbudgeted interest
In	4	In-OG&C	Financial Assistance Grant roads	-2,485,782	38,632	Advice received
Ex	4	Ex-Op	Financial Assistance Grant roads	2,485,782	-38,632	Advice received
Ex	5	Ex-Op	Beach Vehicle Access Beach Vehicle Licence Income Reserve	0	16,000	Access Ramp Cudgen Surf Club
In	5	In-TFR		0	-16,000	Funding for above
Ex	6	Ex-OpOther	Telephone expenses	483,989	-20,607	Savings due to VOIP
Ex	7	Ex-OpEmp	Workers Comp wages	154,500	-80,000	Savings due to legislative changes
Ex	8	Ex-Op	Election expenses	450,000	-69,000	Advice received
Ex	9	Ex-Op	Coastline cycleway Tweed Coast Estuaries Management Plan		188,703	Cudgen Ck boardwalk contract
Ex	9	Ex-Op		135,414	-72,727	Funding for above
In	9	In-Recoup	Contribution Plan 22		-115,976	Funding for above
Ex	10	Ex-Op	Murwillumbah office internal reconfiguration		35,000	Reconfiguration of Engineering office space
In	10	In-TFR	Asset Management Reserve Office extensions		-35,000	Funding for above
Ex	11	Ex-OpOther	Regional library contribution	2,079,570	20,030	Advice received
Ex	12	Ex-Capital	Chinderah Bay Drive foreshore	0	17,500	Allocate funds from Footpaths

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
Ex	12	Ex-Capital	Footpaths	128,420	-17,500	Funding for above
Ex	13	Ex-OpEmp	Workers comp adjustment premium	-508,763	-159,850	Refund received
Ex	14	Ex-OpEmp	Training expenses	324,786	51,000	Anti-bullying training - timesheet staff
Ex	15	Ex-OpEmp	Employee health & fitness	36,050	8,500	Audiometric testing
Ex	16	Ex-OpEmp	Contact Centre expenses	856,208	45,000	Additional team member
Ex	16	Ex-OpEmp	Internal transfers		-45,000	Contribution from Water, Sewer & Waste
Ex	16	Ex-OpEmp	Waste administration	394,900	15,000	Contribution to contact Centre
In	16	In-TFR	Waste reserves	-920,000	-15,000	Funding for above
Ex	17	Ex-Op	Quarry Operations - gravel issues	-1,629,359	1,500,000	Internal income reduced - closure of Quirks
Ex	17	Ex-Op	Quarry Operations - expenses	1,415,396	-1,290,000	Closure of Quirks
Ex	17	Ex-Op	Kinnears Quarry		100,000	Complete development
In	17	In-Sales	Sale of quarry		-310,000	Funding for above
Ex	18	Ex-Op	Regional roads maintenance	1,696,000	62,000	Advice received
Ex	18	In-OG&C	Regional roads RMS grant Seniors Information Projects	-1,696,000	-62,000	Advice received
Ex	19	Ex-OpEmp	Officer	0	47,072	Rollover Grant
Ex	20	Ex-OpEmp	Art Gallery salaries	473,180	8,710	Re-estimate of employee costs
Ex	21	Ex-Capital	Newell Park Murwillumbah	22,293	44,586	Upgrading works
Ex	21	Ex-Capital	World Heritage Rainforest Centre	620,935	-22,293	Funding for above
Ex	21	Ex-Op	Parks asset renewal	265,312	-22,293	Funding for above
Ex	22	Ex-Op	Tweed Heads Civic Centre		50,000	New replacement Air Conditioning
In	22	In-TFR	Asset Management Reserve Office extensions		-50,000	Funding for above
Ex	23	Ex-TTR	Opportunity/Matching grants reserve		50,000	New reserve to take advantage of new opportunities
Ex	24	Ex-OpOther	Art Gallery electricity	127,064	24,358	Projection based on July/August accounts
Ex	25	Ex-Capital	Airstrip capital works	13,305	-13,305	Reclassification of expenditure from capital to operating
Ex	25	Ex-Op	Airstrip resurfacing	0	13,305	Reclassification of expenditure from capital to operating
					<b>0</b>	
			<b>Sewer Fund</b>			
Ex	26	Ex-Op	Various Operating Expenses		266,049	Review of operating budget
In	26	In-Interest	Interest		-1,266,270	Interest rate reviewed
In	26	In-CG&C	Grants and Contributions - Capital		-21,892	s64 charges reviewed
Ex	26	Ex-TTR	Reversal of s64 income		21,892	Restriction of above
Ex	26	Ex-Capital	Various Capital Works		5,661,528	Carry forwards and adjustments
Ex	26	Ex-TTR	Transfers to Asset Replacement Reserve		-519,091	Funding adjustment
In	26	In-TFR	Transfers from Asset Replacement Reserve		-3,792,887	Funding adjustment
In	26	In-Recoup	Transfers from Capital Contributions Reserve		-349,329	Funding adjustment
					<b>0</b>	
			<b>Water Fund</b>			
Ex	27	Ex-Op	Various Operating Expenses		944,184	Carry forwards and adjustments
In	27	In-Interest	Interest		-345,227	Interest rate reviewed
In	27	In-CG&C	Grants and Contributions - Capital		71,633	s64 charges reviewed
Ex	27	Ex-TTR	Reversal of s64 income		-71,633	Restriction of above
Ex	27	Ex-Capital	Various Capital Works		1,951,612	Carry forwards and adjustments
Ex	27	Ex-TTR	Transfers to Asset Replacement Reserve		-2,092,215	Funding adjustment
In	27	In-TFR	Transfers from Asset Replacement Reserve		1,397,612	Funding adjustment
In	27	In-Recoup	Transfers from Capital Contributions Reserve		-1,855,966	Funding adjustment
					<b>0</b>	

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
<b>2. Variations Arising from Council Resolutions</b>						
Ex	28	Ex-Op	Community Options Program	391,660	12,775	Council meeting 17/7/2012
In	28	In-OG&C	ADHC grant	0	-12,775	Council meeting 17/7/2012
Ex	29	Ex-Capital	Records storage		117,910	Council meeting 17/7/2012
			Transfer from Land Development Reserve		-3,980	Council meeting 17/7/2012
In	29	In-TFR	Reserve		-3,980	Council meeting 17/7/2012
Ex	29	Ex-Op	IT/Records budget		-58,997	Council meeting 17/7/2012
In	29	In-Loan	Museum loan		-54,933	Council meeting 17/7/2012
Ex	30	Ex-Op	Cudgen Creek footbridge contract		207,573	Council meeting 21/8/12
Ex	30	Ex-Op	Tweed Coast Estuaries Management		-80,000	Council meeting 21/8/12
In	30	In-Recoup	CP22 Cycleways		-127,573	Council meeting 21/8/12
					<b>0</b>	
<b>Summary of Votes by Type</b>						
			2011/12 Variations		<b>0</b>	
			Council Resolutions		<b>0</b>	
			Carried forward		<b>0</b>	
					<b>0</b>	
<b>Key to Category codes</b>						
Ex-OpEmp			Employee costs			
Ex-Op			Materials & contracts			
Ex-Interest			Interest on loans			
Ex-OpOther			Other operating expenses			
Ex-Capital			Capital works			
Ex-Loan						
Reps			Repayment on principal on loans			
Ex-TTR			Transfers to reserves			
In-Rates			Rates & annual charges			
In-Interest			Interest income			
In-OG&C			Operating grants & contributions			
In-CG&C			Capital grants & contributions			
In-Operating			User charges & fees			
In-OpOther			Other operating income			
In-Loan			Loan funds			
In-Recoup			Recoupment from s64 & s94 funds			
In-TFR			Transfers from reserves			
In-Sales			Proceeds from sale of assets			
<b>Expenses</b>						
			Employee costs		-109,568	
			Materials & Contracts		1,763,940	
			Interest		0	
			Other Operating costs		48,781	
			Capital		7,740,038	
			Loan Repayments		0	
			Transfers to Reserves		-2,611,047	
					<b>6,832,144</b>	
<b>Income</b>						
			Rates and Annual Charges		0	
			Interest revenue		-1,694,565	
			Operating Grants & Conts		166,712	
			Capital Grants & Conts		49,741	
			User Charges & Fees		0	
			Other Operating Revenue		0	
			Loan Funds		-54,933	
			Recoupments		-2,473,844	
			Transfers from Reserves		-2,515,255	
			Asset Sales		-310,000	
					<b>-6,832,144</b>	
			<b>Net</b>		<b>0</b>	

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
<b>Summary of Votes - by Division</b>						
			Technology & Corporate Services		-31,170	
			Planning & Regulation		0	
			Community & Natural Resources		27,443	
			Engineering & Operations		95,020	
			General Manager		-91,293	
					<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 2012

	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)			
<b>Income</b>							
Rates and Annual Charges	85,185	-	-	85,185	-	85,185	21,867
User Charges and Fees	34,749	-	-	34,749	-	34,749	8,129
Interest and Investment Revenue	6,088	-	-	6,088	1,694	7,782	4,121
Other Revenues	1,854	-	-	1,854	-	1,854	449
Grants & Contributions - Operating	16,215	-	-	16,215	(167)	16,048	3,172
Grants and Contributions - Capital	1,957	-	-	1,957	22	1,979	6,198
- Contributions (S94)	5,742	-	-	5,742	(72)	5,670	690
Net gain from the disposal of assets	-	-	-	-	-	-	1
Share of interests in joint ventures	-	-	-	-	-	-	-
<b>Total Income</b>	<b>151,790</b>	<b>-</b>	<b>-</b>	<b>151,790</b>	<b>1,477</b>	<b>153,267</b>	<b>44,627</b>
<b>Expense</b>							
Employee costs	45,737	-	-	45,737	36	45,773	10,552
Borrowing Costs	13,589	-	-	13,589	-	13,589	3,397
Materials & Contracts	45,835	-	-	45,835	1,333	47,168	12,164
Depreciation	-	-	-	-	-	-	-

	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)			
	39,643			39,643		39,643	9,911
Legal Costs	441	-	-	441	-	441	64
Consultants	624	-	-	624	284	908	184
Other Expenses	14,878	-	-	14,878	49	14,927	4,005
Interest and Investment Losses	-	-	-	-	-	-	-
Net Loss from Disposal of Assets	-	-	-	-	-	-	-
Share of interests in joint ventures	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>160,747</b>	<b>-</b>	<b>-</b>	<b>160,747</b>	<b>1,702</b>	<b>162,449</b>	<b>40,277</b>
<b>Net Operating Result</b>	<b>(8,957)</b>	<b>-</b>	<b>-</b>	<b>(8,957)</b>	<b>(225)</b>	<b>(9,182)</b>	<b>4,350</b>
<b>Net Operating Result before capital items</b>	<b>(10,914)</b>	<b>-</b>	<b>-</b>	<b>(10,914)</b>	<b>(247)</b>	<b>(11,161)</b>	<b>(1,848)</b>

### Funding Statement - Consolidated - Source & Application of Funds

Operating Result (Income Statement)	(8,957)	-	-	(8,957)	(225)	(9,182)
<b>Add Back non-funded items:</b>						
Depreciation	39,643	-	-	39,643	-	39,643
		-	-	-	-	-
<b>Add non-operating funding sources</b>						
Transfers from Externally Restricted Cash	13,519	-	-	13,519	2,473	15,992
Transfers from Internally Restricted Cash	14,841	-	-	14,841	2,515	17,356
Proceeds from sale of assets	2,294	-	-	2,294	310	2,604
Loan Funds Utilised	6,660	-	-	6,660	55	6,715
Repayments from Deferred Debtors	-	-	-	-	-	-
<b>Funds Available</b>	<b>68,000</b>	<b>-</b>	<b>-</b>	<b>68,000</b>	<b>5,128</b>	<b>73,128</b>
<b>Funds were applied to:</b>						
Purchase and construction of assets	41,956	-	-	41,956	7,740	49,696
Repayment of principal on loans	7,094	-	-	7,094	-	7,094
Transfers to Externally Restricted Cash	5,529	-	-	5,529	-	5,529
Transfers to Internally Restricted Cash	13,421	-	-	13,314	50	13,364
<b>Funds Used</b>	<b>68,000</b>	<b>-</b>	<b>-</b>	<b>67,893</b>	<b>7,790</b>	<b>75,683</b>
<b>Increase/(Decrease) in Available Working Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>107</b>	<b>(2,662)</b>	<b>(2,555)</b>



**Income and Expense- General Fund Budget Review Statement for the quarter ended 30 September 2012**

	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)			
<b>Income</b>							
Rates and Annual Charges	60,632			60,632	-	60,632	15,522
User Charges and Fees	17,709			17,709	-	17,709	4,388
Interest and Investment Revenue	3,135			3,135	83	3,218	2,433
Other Revenues	1,627			1,627	-	1,627	368
Grants & Contributions - Operating	15,282			15,282	(167)	15,115	3,147
Grants and Contributions - Capital	1,957			1,957	-	1,957	6,198
- Contributions (S94)	1,587			1,587		1,587	232
Net gain from the disposal of assets				-		-	1
Share of interests in joint ventures				-		-	
<b>Total Income</b>	101,929	-	-	101,929	(84)	101,845	32,289

**Expense**

Employee costs	35,415			35,415	(110)	35,305	8,367
Borrowing Costs	6,221			6,221	-	6,221	1,555
Materials & Contracts	35,254			35,254	554	35,808	10,670
Depreciation	24,055			24,055		24,055	6,013
Legal Costs	366			366		366	64
Consultants	70			70		70	141
Other Expenses	11,379			11,379	49	11,428	3,519
Interest and Investment Losses				-		-	
Net Loss from Disposal of Assets				-		-	
Share of interests in joint ventures				-		-	
<b>Total Expenses</b>	112,760	-	-	112,760	493	113,253	30,329

**Net Operating Result**

	(10,831)	-	-	(10,831)	(577)	(11,408)	1,960
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**Net Operating Result before capital items**

	(14,375)	-	-	(12,788)	(577)	(13,365)	(4,238)
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**Funding Statement - General Fund - Source and Application of Funds**

Operating Result (Income Statement)	(10,831)			(10,831)	(577)	(11,408)
<b>Add Back non-funded items:</b>						
Depreciation	24,055			24,055	-	24,055

	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)			
<b>Add non-operating funding sources</b>							
Transfers from Externally Restricted Cash	2,346			2,346	268	2,614	
Transfers from Internally Restricted Cash	2,189			2,189	120	2,309	
Proceeds from sale of assets	2,294			2,294	310	2,604	
Loan Funds Utilised	6,660			6,660	55	6,715	
Internal charges	7,318			7,318		7,318	
Repayments from Deferred Debtors				-		-	
<b>Funds Available</b>	34,031	-	-	34,031	176	34,207	
<b>Funds were applied to:</b>							
Purchase and construction of assets	22,606			22,606	127	22,733	
Repayment of principal on loans	3,072			3,072	-	3,072	
Transfers to Externally Restricted Cash	2,357			2,357		2,357	
Transfers to Internally Restricted Cash	5,996			5,996	50	6,046	
<b>Funds Used</b>	34,031	-	-	34,031	177	34,208	
<b>Increase/(Decrease) in Available Working Capital</b>	-	-	-	-	(1)	(1)	

### Income and Expense- Sewer Fund Budget Review Statement for the quarter ended 30 September 2012

	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)			
<b>Income</b>							
Rates and Annual Charges	20,546			20,546	-	20,546	5,315
User Charges and Fees	1,401			1,401	-	1,401	345
Interest and Investment Revenue	1,891			1,891	1,266	3,157	1,297
Other Revenues	20			20	-	20	22
Grants & Contributions - Operating	455			455	-	455	25
Grants and Contributions - Capital				-	22	22	
- Contributions (S94)	1,349			1,349		1,349	172
Net gain from the disposal of assets				-		-	
Share of interests in joint ventures				-		-	
<b>Total Income</b>	25,662	-	-	25,662	1,288	26,950	7,176
<b>Expense</b>							
Employee costs	6,300			6,300	52	6,352	1,281
Borrowing Costs	2,595			2,595	-	2,595	649
Materials & Contracts	4,719			4,719	214	4,933	599



### Income and Expense- Water Fund Budget Review Statement for the quarter ended 30 September 2012

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	4,007			4,007	-	4,007	1,030
User Charges and Fees	15,639			15,639	-	15,639	3,396
Interest and Investment Revenue	1,062			1,062	345	1,407	391
Other Revenues	207			207	-	207	59
Grants & Contributions - Operating	478			478	-	478	
Grants and Contributions - Capital				-		-	
- Contributions (S94)	2,806			2,806	(72)	2,734	286
Net gain from the disposal of assets				-		-	
Share of interests in joint ventures				-		-	
<b>Total Income</b>	<b>24,199</b>	<b>-</b>	<b>-</b>	<b>24,199</b>	<b>273</b>	<b>24,472</b>	<b>5,162</b>

#### Expense

Employee costs	4,022			4,022	94	4,116	904
Borrowing Costs	4,773			4,773	-	4,773	1,193
Materials & Contracts	5,862			5,862	565	6,427	895
Depreciation	7,054			7,054		7,054	1,764
Legal Costs				-		-	
Consultants	120			120	284	404	30
Other Expenses	1,576			1,576	-	1,576	247
Interest and Investment Losses				-		-	
Net Loss from Disposal of Assets				-		-	
Share of interests in joint ventures				-		-	
<b>Total Expenses</b>	<b>23,407</b>	<b>-</b>	<b>-</b>	<b>23,407</b>	<b>943</b>	<b>24,350</b>	<b>5,033</b>

#### Net Operating Result

	792	-	-	792	(670)	122	129
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#### Net Operating Result before capital items

	(792)	-	-	(792)	670	(122)	(129)
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### Funding Statement - Water Fund - Source and Application of Funds

Operating Result (Income Statement)	792	-	-	792	(670)	122
<b>Add Back non-funded items:</b>						
Depreciation	7,054	-	-	7,054	-	7,054
<b>Add non-operating funding sources</b>						
Transfers from Externally Restricted Cash	7,065			7,065	1,856	8,921
Transfers from Internally Restricted Cash	6,855			6,855	(1,398)	5,457

	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)				
Proceeds from sale of assets				-	-	-	
Loan Funds Utilised				-	-	-	
Repayments from Deferred Debtors				-		-	
<b>Funds Available</b>	21,766	-	-	21,766	(212)	21,554	
<b>Funds were applied to:</b>							
Purchase and construction of assets	8,539			8,539	1,952	10,491	
Repayment of principal on loans	1,021			1,021	-	1,021	
Transfers to Externally Restricted Cash	2,832			2,832		2,832	
Transfers to Internally Restricted Cash	5,524			5,524	(2,164)	3,360	
Internal charges	3,850			3,850		3,850	
<b>Funds Used</b>	21,766	-	-	21,766	(212)	21,554	
<b>Increase/(Decrease) in Available Working Capital</b>	-	-	-	-	-	-	

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 2012 and should be read in conjunction with other documents in the QBRs.

#### Capital Budget Review Statement - Consolidated - for the quarter ended 30 September 2012

	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)				
<b>Capital Funding *</b>							
Rates and other untied funding	23,421			23,421	1,684	25,105	5,785
Capital Grants & Contributions	2,976			2,976		2,976	924
Internal Restrictions (Reserves)	10,007			10,007	3,797	13,804	1,696
External Restrictions							
- s64 & s94 funds	5,543			5,543	2,205	7,748	924
Other Capital Funding Sources							
- loans	4,810			4,810	55	4,865	1,510
Income from sale of assets							
- plant and equipment	2,293			2,293		2,293	712
- Land,Buildings,Furniture,Fittings							
<b>Total Capital Funding</b>	49,050			49,050	7,741	56,791	11,551
<b>Capital Expenditure</b>							
New Assets							
- Plant and Equipment							
- Land,Buildings,Furniture,Fittings					118	118	771

	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)				
- Roads, Bridges, Footpaths	652			652		652	2,301
- Drainage							
- Water & Sewer Infrastructure	9,440			9,440	(205)	9,235	1,996
- Other	2,689			2,689		2,689	222
Renewals (Replacement)							
- Plant and Equipment	5,231			5,231		5,231	988
- Land,Buildings,Furniture,Fittings	500			500	(22)	478	59
- Roads, Bridges, Footpaths	8,905			8,905		8,905	340
- Drainage	1,591			1,591		1,591	320
- Water & Sewer Infrastructure	2,561			2,561	1,381	3,942	263
- Other	13			13	(13)		12
Upgrades							
- Plant and Equipment							
- Land,Buildings,Furniture,Fittings	150			150		150	664
- Roads, Bridges, Footpaths	450			450		450	1,410
- Drainage	2,425			2,425		2,425	483
- Water & Sewer Infrastructure	7,349			7,349	6,437	13,786	818
- Other					45	45	59
Loan Repayments (principal)	7,094			7,094		7,094	845
<b>Total Capital Expenditure</b>	<b>49,050</b>			<b>49,050</b>	<b>7,741</b>	<b>56,791</b>	<b>11,551</b>

### Capital Budget Review Statement - General Fund - for the quarter ended 30 September 2012

	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)				
<b>Capital Funding *</b>							
Rates and other untied funding	13,045			13,045	69	13,114	4,069
Capital Grants & Contributions	2,976			2,976		2,976	924
Internal Restrictions (Reserves)	1,770			1,770	4	1,774	551
External Restrictions							
- s64 & s94 funds	784			784		784	243
Other Capital Funding Sources							
- loans	4,810			4,810	55	4,865	1,510
Income from sale of assets							
- plant and equipment	2,293			2,293		2,293	712
- Land,Buildings,Furniture,Fittings							
<b>Total Capital Funding</b>	<b>25,678</b>			<b>25,678</b>	<b>128</b>	<b>25,806</b>	<b>8,009</b>

### Capital Expenditure

#### New Assets

- Plant and Equipment							
- Land,Buildings,Furniture,Fittings					118	118	771
- Roads, Bridges, Footpaths	652			652		652	2,301
- Drainage							
- Water & Sewer Infrastructure							
- Other	2,689			2,689		2,689	222
Renewals (Replacement)							

	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)			
- Plant and Equipment	5,231			5,231		5,231	988
- Land,Buildings,Furniture,Fittings	500			500	(22)	478	59
- Roads, Bridges, Footpaths	8,905			8,905		8,905	340
- Drainage	1,591			1,591		1,591	320
- Water & Sewer Infrastructure							
- Other	13			13	(13)		12
Upgrades							
- Plant and Equipment							
- Land,Buildings,Furniture,Fittings	150			150		150	664
- Roads, Bridges, Footpaths	450			450		450	1,410
- Drainage	2,425			2,425		2,425	483
- Water & Sewer Infrastructure							
- Other					45	45	59
Loan Repayments (principal)	3,072			3,072		3,072	380
<b>Total Capital Expenditure</b>	<b>25,678</b>			<b>25,678</b>	<b>128</b>	<b>25,806</b>	<b>8,009</b>

### Capital Budget Review Statement - Sewer Fund - for the quarter ended 30 September 2012

	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)			
<b>Capital Funding *</b>							
Rates and other untied funding	8,957			8,957	1,519	10,476	1,543
Capital Grants & Contributions							
Internal Restrictions (Reserves)	2,836			2,836	3,793	6,629	488
External Restrictions							
- s64 & s94 funds	2,019			2,019	349	2,368	348
Other Capital Funding Sources							
- loans							
Income from sale of assets							
- plant and equipment							
- Land,Buildings,Furniture,Fittings							
<b>Total Capital Funding</b>	<b>13,812</b>			<b>13,812</b>	<b>5,661</b>	<b>19,473</b>	<b>2,379</b>

### Capital Expenditure

#### New Assets

- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Roads, Bridges, Footpaths							
- Drainage							
- Water & Sewer Infrastructure	5,350			5,350	275	5,625	1,625
- Other							
Renewals (Replacement)							
- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Roads, Bridges, Footpaths							

	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)			
- Drainage							
- Water & Sewer Infrastructure	1,058			1,058	876	1,934	111
- Other Upgrades							
- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Roads, Bridges, Footpaths							
- Drainage							
- Water & Sewer Infrastructure	4,403			4,403	4,510	8,913	417
- Other							
Loan Repayments (principal)	3,001			3,001		3,001	226
<b>Total Capital Expenditure</b>	<b>13,812</b>			<b>13,812</b>	<b>5,661</b>	<b>19,473</b>	<b>2,379</b>

### Capital Budget Review Statement - Water Fund - for the quarter ended 30 September 2012

	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)			
<b>Capital Funding *</b>							
Rates and other untied funding	1,419			1,419	96	1,515	173
Capital Grants & Contributions							
Internal Restrictions (Reserves)	5,401			5,401		5,401	657
External Restrictions							
- s64 & s94 funds	2,740			2,740	1,856	4,596	333
Other Capital Funding Sources							
- loans							
Income from sale of assets							
- plant and equipment							
- Land,Buildings,Furniture,Fittings							
<b>Total Capital Funding</b>	<b>9,560</b>			<b>9,560</b>	<b>1,952</b>	<b>11,512</b>	<b>1,163</b>

### Capital Expenditure

#### New Assets

- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Roads, Bridges, Footpaths							
- Drainage							
- Water & Sewer Infrastructure	4,090			4,090	(480)	3,610	371
- Other							
Renewals (Replacement)							
- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Roads, Bridges, Footpaths							
- Drainage							
- Water & Sewer Infrastructure	1,503			1,503	505	2,008	152
- Other							
Upgrades							
- Plant and Equipment							



	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)			
- Land,Buildings,Furniture,Fittings							
- Roads, Bridges, Footpaths							
- Drainage							
- Water & Sewer Infrastructure	2,946			2,946	1,927	4,873	401
- Other							
Loan Repayments (principal)	1,021			1,021		1,021	239
<b>Total Capital Expenditure</b>	<b>9,560</b>			<b>9,560</b>	<b>1,952</b>	<b>11,512</b>	<b>1,163</b>

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 2012 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 2012

	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)			
<b>Unrestricted</b>	4,138			4,138		4,138	933
<b>Externally restricted</b>							
RTA Contributions	141			141		141	141
Developer contributions	25,521			25,521	268	25,789	24,950
Domestic waste management	6,603			6,603	(15)	6,588	6,573
Special Rates	229			229		229	229
Special purpose grants	2,722			2,722		2,722	2,722
Water Supplies	13,689			13,689	(2,622)	11,067	24,032
Sewerage Services	19,675			19,675	(4,639)	15,036	52,864
Other	45,488			45,488		45,488	45,488
<b>Total Externally restricted</b>	<b>114,068</b>	<b>0</b>	<b>0</b>	<b>114,068</b>	<b>(7,008)</b>	<b>107,060</b>	<b>156,999</b>
<b>Internally restricted</b>							
Employee Leave entitlements	2,199			2,199		2,199	2,199
Unexpended loans	6,488			6,488		6,488	6,488
Unexpended grants	3,404			3,404		3,404	3,404
7 Year Plan	2,978			2,978		2,978	2,978
Works Carried Forward	4,584			4,584		4,584	4,584
Replacement of Plant and Vehicles	20			20		20	20
Tip improvements	3,375			3,375		3,375	3,375
Asset renewals	838			838	(50)	788	738
Other	5,342			5,342	(5)	5,337	5,332
<b>Total Internally restricted</b>	<b>29,228</b>	<b>0</b>	<b>0</b>	<b>29,228</b>	<b>(55)</b>	<b>29,173</b>	<b>29,118</b>

	Approved Changes			Recommended changes for Council Resolution (000's)	Projected year end result (000's)	Actual * YTD (000's)	
	Original Budget (000's)	Sep Review (000's)	Dec Review (000's)				Revised Budget (000's)
<b>Total Restricted</b>	143,296	0	0	143,296	(7,063)	136,233	186,117
<b>Total cash and investments</b>	147,434	0	0	147,434	(7,063)	140,371	187,050
<b>Available cash</b>	4,138	0	0	4,138	0	4,138	933

\* Note: the breakdown between various categories of restriction is an estimate only.

Detailed calculations of 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:

	<b>(000's)</b>
Total restricted funds	186,117
Total invested funds as per December Investment Report	173,090
Note: some restricted funds are held as cash as they will be utilised in the current period.	

### Statement of bank reconciliation:

Cash has been reconciled with the bank statement. The last bank reconciliation was completed to 30 September 2012

### Reconciliation of cash and investments:

	<b>(000's)</b>
Cash and investments as per above	187,050
<b>Cash on hand and at bank</b>	13,960
<b>Investments</b>	173,090
	<u>187,050</u>

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 2012 and should be read in conjunction with other documents in the QBRS.

## Key Performance Indicators Budget Review Statement for the quarter ended 30 September 2012

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
<b>1. Unrestricted Current Ratio</b>		
	(000's)	
Current assets less all external restrictions	78,380	2.93:1
Current liabilities	26,708	

### 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
<b>2. Debt Service Ratio</b>		
	(000's)	
Debt Service Cost	4,242	11.91%
Selected operating income	35,608	

### 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 2012 and should be read in conjunction with other documents in the QBRs.

## Budget Review Contracts and Other Expenses for the quarter ended 30 September 2012

PART A-Contracts Listing		Contract value	Commencement	Duration of	Budgeted
Contractor	Contract detail & purpose	\$	date	contract	(Y/N)
Scape Shapes Landscaping Pty Ltd	EC2012-196 Chinderah Bay Foreshore Park Upgrade	138,427	03/09/2012	16 weeks	Y
Scape Shapes Landscaping Pty Ltd	EC2012-115 Cycleway/Boardwalk Kennedy Drive	542,626	06/08/2012	26 weeks	Y

<b>PART B - Consultancy and Legal expenses</b>	<b>Expenditure YTD</b>	<b>Budgeted</b>
<b>Expense</b>	<b>\$</b>	<b>(Y/N)</b>
Consultancies	277,593	Y
Legal expenses	88,749	Y

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 30 September 2012 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 30/09/2012 indicates that Council's projected financial position at 30/6/2013 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 30/10/2012  
**“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.

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