

TITLE: [TCS-CM] Quarterly Budget Review - December 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 second 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 31 December 2013 in all Funds.

RECOMMENDATION:

That the:

1. Quarterly Budget Review Statement as at 31 December 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	296,172	0
Materials & Contracts	18,359,765	0
Interest	0	0
Other Operating costs	80,000	0
Capital	18,566,339	0
Loan Repayments	0	0
Transfers to Reserves	756,900	0
	<u>38,059,176</u>	0
<u>Income</u>		
Rates and Annual Charges	0	0
Interest revenue	0	100,000
Operating Grants & Conts	0	978,806
Capital Grants & Conts	0	0

User Charges & Fees	41,000	0
Other Operating Revenue	4,000	0
Loan Funds	0	9,346,148
Recoupments	0	4,600,187
Transfers from Reserves	0	21,429,035
Asset Sales	0	1,650,000
	<u>45,000</u>	<u>38,104,176</u>

Net Surplus/(Deficit)	<u>0</u>
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	Deficit	Surplus
Sewer Fund		
<u>Expenses</u>		
Employee costs	0	0
Materials & Contracts	424,870	0
Interest	0	0
Other Operating costs	0	0
Capital	0	1,445,639
Loan Repayments	0	0
Transfers to Reserves	0	2,965,672
	<u>424,870</u>	<u>4,411,311</u>
<u>Income</u>		
Rates and Annual Charges	0	0
Interest revenue	688,338	0
Operating Grants & Conts	17,533	0
Capital Grants & Conts	543,418	0
User Charges & Fees	0	0
Other Operating Revenue	0	0
Loan Funds	0	0
Recoupments	1,969,270	0
Transfers from Reserves	767,882	0
Asset Sales	0	0
	<u>3,986,441</u>	<u>0</u>

Net Surplus/(Deficit)	<u>0</u>
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Water Fund		
<u>Expenses</u>		
Employee costs	0	0
Materials & Contracts	140,485	0
Interest	0	0
Other Operating costs	0	0
Capital	0	266,108
Loan Repayments	0	0
Transfers to Reserves	0	1,241,221
	<u>140,485</u>	<u>1,507,329</u>
<u>Income</u>		
Rates and Annual Charges	0	0
Interest revenue	397,340	0
Operating Grants & Conts	116,950	0
Capital Grants & Conts	638,246	0
User Charges & Fees	315,318	0
Other Operating Revenue	0	0
Loan Funds	0	0
Recoupments	155,050	0
Transfers from Reserves	0	256,060
Asset Sales	0	0
	<u>1,622,904</u>	<u>256,060</u>

Net Surplus/(Deficit)

0

REPORT:**Budget Review 31 December 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		
Extra Charges income	(100,000)	
Cobaki Environmental Management Plans	25,000	
Art Gallery salaries		99,872
Art gallery electricity	30,000	77,000
Art Gallery cleaning	11,000	27,000
Strengthening Communities grant	7,744	23,590
Tweed Valley Cemetery income		39,000
Tweed Heads Cemeteries income		17,000
Crematorium income		100,000
Pottsville canal condition assessment	10,000	
Community Satisfaction Survey	10,000	5,000
Tweed Link printing costs	16,000	24,000
Legal expenses - Development assessment	50,000	
Emergency Services Levy	23,756	23,756
Development Assessment Income	(86,000)	(100,000)
Section 603 certificate income	(29,000)	(29,000)
Seabreeze water feature	27,500	
Donation - Twin Towns Friends Inc	2,000	
Donation - Northern Regions SLSA Rescue Helicopter	2,000	
	0	307,218

Detailed list of changes

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
1. Proposed Variations						
General						
Ex	1	Ex-Capital	Library Asset Expenses		30,000	Kingscliff Library roof replacement
Ex	1	Ex-Op	Community Buildings Maintenance	173,663	-30,000	Funding for above
Ex	2	Ex-Op	Art Gallery lighting		205,000	Install energy efficient lighting
In	2	In-OG&C	Waste & Sustainability Improvement Program		-155,000	Funding for above
In	2	In-OG&C	TRAG Foundation		-50,000	Funding for above
In	3	In-Interest	Extra Charges income	0	-100,000	Increase in forecast income
Ex	4	Ex-Op	Margaret Olley Art Centre		30,000	Project finalisation
Ex	4	Ex-Op	Saleyards upgrade	65,995	-30,000	Funding for above
Ex	5	Ex-Op	Biological Farming on the Cudgen Plateau		19,025	Sustainability project
In	5	In-OG&C	Catchment Management Authority grant		-17,150	Funding for above
Ex	5	Ex-Op	Catchment Water Quality Cobaki Environmental Management Plans	261,053	-1,875	Funding for above
Ex	5	Ex-Op			25,000	New project
Ex	6	Ex-OpEmp	Art Gallery salaries	494,440	39,000	Olley Centre curator
Ex	6	Ex-OpEmp	Aboriginal Community Development	242,991	-39,000	Funding for above
Ex	6	Ex-OpOther	Art gallery electricity	167,031	30,000	Olley Centre electricity
Ex	6	Ex-OpEmp	Art Gallery cleaning	36,424	11,000	Olley Centre cleaning
In	7	In-OG&C	Strengthening Communities grant	-22,958	7,744	Cessation of grant
Ex	8	Ex-Op	Beach nesting bird education program	0	5,000	New project
Ex	8	Ex-Op	Lower Tweed Management Plan	1,219,741	-5,000	Funding for above
In	9	Operating In-	Tweed Valley Cemetery income	-386,026	39,000	Reduction in forecast income
In	9	Operating In-	Tweed Heads Cemeteries income	-83,079	17,000	Reduction in forecast income
In	9	Operating	Crematorium income	-171,500	100,000	Reduction in forecast income
Ex	9	Ex-Op	Eviron Gardens Visitor Centre	30,000	-30,000	Funding for above
Ex	9	Ex-Op	Eviron Gardens recurring costs	75,000	-75,000	Funding for above
Ex	9	Ex-Op	Passive Rec. Asset Management	368,610	-51,000	Funding for above
Ex	10	Ex-Capital	Replace heating systems - Tweed Pool	200,000	105,000	Replace heating systems - Tweed Pool
Ex	10	Ex-Op	Active Rec. Asset Management	376,571	-105,000	Funding for above
Ex	11	Ex-Op	Pottsville Canal		10,000	Condition assessment
Ex	12	Ex-OpEmp	General Managers Section	218,050	60,000	Executive Officer
Ex	12	Ex-OpEmp	Internal auditor (7 Year Plan)	290,965	-60,000	Funding for above
Ex	13	Ex-Op	Community Satisfaction Survey		10,000	\$10,000 biennially
Ex	14	Ex-Op	Tweed Link printing costs	180,000	16,000	Additional council meetings
Ex	15	Ex-OpOther	Legal expenses - Development assessment	250,000	50,000	Legal costs
Ex	16	Ex-Op	NSW Fire & Rescue	380,752	-19,305	Assessment notice received
Ex	16	Ex-Op	Rural Fires Service	213,096	5,296	Assessment notice received
Ex	16	Ex-Op	State Emergency Service	71,865	37,765	Assessment notice received
In	17	Operating In-	Development Assessment Income	-545,225	-86,000	Increase in forecast income
In	18	Operating	Section 603 certificate income	-104,989	-29,000	Increase in forecast income
Ex	19	Ex-Capital	Tweed Heads Streetscape	50,000	1,550,000	Project costs
Ex	19	Ex-Capital	Simpson Drive roadworks (rollovers)	394,193	-360,000	Funding for above
Ex	19	Ex-Capital	Bay Street roadworks	840,000	-840,000	Funding for above
In	19	In-Sales	Sale of Darlington Drive property	0	-350,000	Funding for above
					-31,500	

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
	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		296,172	
			Materials & Contracts		18,925,120	
			Interest		0	
			Other Operating costs		80,000	
			Capital		16,854,592	
			Loan Repayments		0	
			Transfers to Reserves		-3,449,993	
					<u>32,705,891</u>	
			<u>Income</u>			
			Rates and Annual Charges		0	
			Interest revenue		985,678	
			Operating Grants & Conts		-844,323	
			Capital Grants & Conts		1,181,664	
			User Charges & Fees		356,318	
			Other Operating Revenue		4,000	
			Loan Funds		-9,346,148	
			Recoupments		-2,475,867	
			Transfers from Reserves		-20,917,213	
			Asset Sales		-1,650,000	
					<u>-32,705,891</u>	
			Net		<u>0</u>	
			Summary of Votes - by Division			
			Technology & Corporate Services		-189,000	
			Planning & Regulation		-12,244	
			Community & Natural Resources		103,544	
			Engineering & Operations		37,700	
			General Manager		60,000	
					<u>0</u>	

Results by fund:

General Fund

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

Water Fund

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

Sewer Fund

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

Quarterly Budget Review Statements

Income and Expense - Consolidated Budget Review Statement for the quarter ended 31 December 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	45,675
User Charges and Fees	36,296	10	-	36,306	(356)	35,950	17,779
Interest and Investment Revenue	6,266	2,792	-	9,058	(985)	8,073	4,144
Other Revenues	2,030	10	-	2,040	(4)	2,036	826
Grants & Contributions - Operating	15,065	343	-	15,408	843	16,251	6,985
Grants and Contributions - Capital	8,629	3,554	-	12,183	-	12,183	3,442
- Contributions (S94)	6,749	-	-	6,749	(1,181)	5,568	4,178
Net gain from the disposal of assets	-	-	-	-	-	-	-
Total Income	165,098	6,709	-	171,807	(1,683)	170,124	83,029
Expense							
Employee costs	44,740	(50)	-	44,690	296	44,986	22,405
Borrowing Costs	13,419	-	-	13,419	-	13,419	6,247
Materials & Contracts	44,840	855	-	45,695	18,926	64,621	23,104
Depreciation	40,809	-	-	40,809	-	40,809	20,405
Legal Costs	387	-	-	387	-	387	404
Consultants	352	29	-	381	-	381	236
Other Expenses	13,847	85	-	13,932	80	14,012	5,146
Net Loss from Disposal of Assets	-	-	-	-	-	-	80
Total Expenses	158,394	919	-	159,313	19,302	178,615	78,027
Net Operating Result	6,704	5,790	-	12,494	(20,985)	(8,491)	5,002
Net Operating Result before capital items	(1,925)	2,236	-	311	(20,985)	(20,674)	1,560

Funding Statement - Consolidated - Source & Application of Funds

Operating Result (Income Statement)	6,704	5,790	-	12,494	(20,985)	(8,491)
Add Back non-funded items:						
Depreciation	40,809	-	-	40,809	-	40,809
Add non-operating funding sources						
Transfers from Externally Restricted Cash	19,325	(1,425)	-	17,900	2,476	20,376
Transfers from Internally Restricted Cash	10,858	2,308	-	13,166	20,917	34,083
Proceeds from sale of assets	2,806	-	-	2,806	1,650	4,456
Loan Funds Utilised	2,076	260	-	2,336	9,346	11,682
Repayments from Deferred Debtors	-	-	-	-	-	-
Funds Available	82,578	6,933	-	89,511	13,404	102,915
Funds were applied to:						
Purchase and construction of assets	51,593	1,943	-	53,536	16,854	70,390
Repayment of principal on loans	7,655	-	-	7,655	-	7,655

	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)			
Transfers to Externally Restricted Cash	6,749	-	-	6,749	-	6,749	
Transfers to Internally Restricted Cash	16,581	4,990	-	21,571	(3,450)	18,121	
Funds Used	82,578	6,933	-	89,511	13,404	102,915	
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-	

Income and Expense- General Fund Budget Review Statement for the quarter ended 31 December 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	63,551	-	-	63,551		63,551	32,054
User Charges and Fees	17,703	10		17,713	(41)	17,672	9,667
Interest and Investment Revenue	3,112	-		3,112	100	3,212	1,913
Other Revenues	1,797	10		1,807	(4)	1,803	580
Grants & Contributions - Operating	14,105	343		14,448	979	15,427	6,593
Grants and Contributions - Capital	6,348	3,554		9,902		9,902	2,947
- Contributions (S64/S94)	2,330			2,330		2,330	1,918
Net gain from the disposal of assets				-		-	
Total Income	108,946	3,917	-	112,863	1,034	113,897	55,672
Expense							
Employee costs	34,949	(50)		34,899	296	35,195	17,456
Borrowing Costs	6,199	-		6,199		6,199	2,669
Materials & Contracts	35,854	822		36,676	18,360	55,036	18,862
Depreciation	24,837			24,837		24,837	12,419
Legal Costs	387			387		387	404
Consultants	99	29		128		128	206
Other Expenses	9,980	85		10,065	80	10,145	3,171
Net Loss from Disposal of Assets				-		-	80
Total Expenses	112,305	886	-	113,191	18,736	131,927	55,267
Net Operating Result	(3,359)	3,031	-	(328)	(17,702)	(18,030)	405
Net Operating Result before capital items	(12,037)	(523)	-	(10,230)	(17,702)	(27,932)	(2,542)

Income and Expense- Sewer Fund Budget Review Statement for the quarter ended 31 December 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	22,138			22,138		22,138	11,421
User Charges and Fees	1,274			1,274		1,274	1,073
Interest and Investment Revenue	2,183	1,831		4,014	(688)	3,326	1,836
Other Revenues	20			20		20	65
Grants & Contributions - Operating	468			468	(18)	450	65
Grants and Contributions - Capital	1,149			1,149		1,149	
- Contributions (S64/S94)	753			753	(543)	210	720
Net gain from the disposal of assets				-		-	
Total Income	27,985	1,831	-	29,816	(1,249)	28,567	15,180

Expense

Employee costs	5,811	-		5,811		5,811	2,958
Borrowing Costs	2,494	-		2,494		2,494	1,196
Materials & Contracts	3,942	26		3,968	426	4,394	2,012
Depreciation	9,160			9,160		9,160	4,580
Legal Costs				-		-	
Consultants	50			50		50	7
Other Expenses	2,119	-		2,119	-	2,119	1,055
Net Loss from Disposal of Assets				-		-	
Total Expenses	23,576	26	-	23,602	426	24,028	11,808

Net Operating Result

	4,409	1,805	-	6,214	(1,675)	4,539	3,372
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Net Operating Result before capital items

	3,260	1,805	-	5,065	(1,675)	3,390	3,372
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Funding Statement - Sewer Fund - Source & Application of Funds

Operating Result (Income Statement)	4,409	1,805	-	6,214	(1,675)	4,539
Add Back non-funded items:						
Depreciation	9,160	-	-	9,160	-	9,160
Add non-operating funding sources						
Transfers from Externally Restricted Cash	7,556	(280)		7,276	(1,969)	5,307
Transfers from Internally Restricted Cash	5,563	1,217		6,780	(768)	6,012
Proceeds from sale of assets				-		-
Loan Funds Utilised				-	-	-
Repayments from Deferred Debtors				-		-

	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)			
Funds Available	26,688	2,742	-	29,430	(4,412)	25,018	
Funds were applied to:							
Purchase and construction of assets	12,905	(1,787)		11,118	(1,446)	9,672	
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	4,529		10,668	(2,966)	7,702	
Internal charges	3,789			3,789		3,789	
Funds Used	26,688	2,742	-	29,430	(4,412)	25,018	
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-	

Income and Expense- Water Fund Budget Review Statement for the quarter ended 31 December 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	2,200
User Charges and Fees	17,319			17,319	(315)	17,004	7,039
Interest and Investment Revenue	971	961		1,932	(397)	1,535	395
Other Revenues	213			213		213	181
Grants & Contributions - Operating	492			492	(118)	374	327
Grants and Contributions - Capital	1,132			1,132		1,132	495
- Contributions (S64/S94)	3,666			3,666	(638)	3,028	1,540
Net gain from the disposal of assets				-		-	
Total Income	28,167	961	-	29,128	(1,468)	27,660	12,177
Expense							
Employee costs	3,980			3,980		3,980	1,991
Borrowing Costs	4,726			4,726		4,726	2,382
Materials & Contracts	5,044	7		5,051	140	5,191	2,230
Depreciation	6,812			6,812		6,812	3,406
Legal Costs				-		-	
Consultants	203			203		203	23
Other Expenses	1,748			1,748		1,748	920
Net Loss from Disposal of Assets				-		-	
Total Expenses	22,513	7	-	22,520	140	22,660	10,952
Net Operating Result	5,654	954	-	6,608	(1,608)	5,000	1,225

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)			
	4,522	954	-			

Net Operating Result before capital items

Funding Statement - Water Fund - Source & Application of Funds

Operating Result (Income Statement)	5,654	954	-	6,608	(1,608)	5,000
Add Back non-funded items:						
Depreciation	6,812	-	-	6,812	-	6,812
Add non-operating funding sources						
Transfers from Externally Restricted Cash	7,457	(1,290)		6,167	(155)	6,012
Transfers from Internally Restricted Cash	3,127	501		3,628	256	3,884
Proceeds from sale of assets				-		-
Loan Funds Utilised				-	-	-
Repayments from Deferred Debtors				-		-
Funds Available	23,050	165	-	23,215	(1,507)	21,708
Funds were applied to:						
Purchase and construction of assets	9,834	(296)		9,538	(266)	9,272
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	461		5,181	(1,241)	3,940
Internal charges	3,762			3,762		3,762
Funds Used	23,050	165	-	23,215	(1,507)	21,708
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 December 2013 and should be read in conjunction with other documents in the QBRs.

Capital Budget Review Statement - Consolidated - for the quarter ended 31 December 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	27		26,954	(991)	25,963	8,261
Capital Grants & Contributions	9,309	3,554		12,863		12,863	4,847
Internal Restrictions (Reserves)	10,237	300		10,537	2,551	13,088	6,479
External Restrictions							
- s64 & s94 funds	8,035	(1,938)		6,097	4,299	10,396	4,510
Other Capital Funding Sources							
- loans	1,976			1,976	9,346	11,322	4,267
Income from sale of assets							
- plant and equipment	2,406			2,406		2,406	907
- Land,Buildings,Furniture,Fittings					1,650	1,650	
Total Capital Funding	58,890	1,943		60,833	16,855	77,688	29,271

Capital Expenditure

New Assets

- Plant and Equipment	448			448	342	790	51
- Land,Buildings,Furniture,Fittings	246	325		571	4,828	5,399	4,192
- Roads, Bridges, Footpaths	322			322	2,839	3,161	5,510
- Drainage							
- Water & Sewer Infrastructure	6,874	(296)		6,578	(2,405)	4,173	974
- Other	9,350			9,350	672	10,022	361
<u>Renewals</u> <u>(Replacement)</u>							
- Plant and Equipment	5,958			5,958	105	6,063	1,780
- Land,Buildings,Furniture,Fittings	168			168	702	870	14
- Roads, Bridges, Footpaths	8,854			8,854	5,292	14,146	3,310
- Drainage					1,635	1,635	364
- Water & Sewer Infrastructure	2,540			2,540	(915)	1,625	287
- Other	350			350		350	212
- Plant and Equipment							10
- Land,Buildings,Furniture,Fittings	124	2,789		2,913	1	2,914	98
- Roads, Bridges, Footpaths	1,276	765		2,041	1,438	3,479	1,087
- Drainage	1,100	120		1,220	230	1,450	244
- Water & Sewer Infrastructure	13,325	(1,787)		11,538	1,609	13,147	5,841
- Other	300	27		327	482	809	418
Loan Repayments (principal)	7,655			7,655		7,655	4,518
Total Capital Expenditure	58,890	1,943		60,833	16,855	77,688	29,271

Capital Budget Review Statement - General Fund - for the quarter ended 31 December 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	27		13,041		13,041	4,222
Capital Grants & Contributions	9,309	3,554		12,863		12,863	4,847
Internal Restrictions (Reserves)	2,000	300		2,300	2,970	5,270	1,986
External Restrictions							
- s64 & s94 funds	3,276	145		3,421	4,600	8,021	3,023
Other Capital Funding Sources							
- loans	1,976			1,976	9,346	11,322	4,267
Income from sale of assets							
- plant and equipment	2,406			2,406		2,406	907
- Land, Buildings, Furniture, Fittings					1,650	1,650	
Total Capital Funding	31,981	4,026		36,007	18,566	54,573	19,252

Capital Expenditure

New Assets

- Plant and Equipment	448			448	342	790	28
- Land, Buildings, Furniture, Fittings	246	325		571	4,828	5,399	4,183
- Roads, Bridges, Footpaths	322			322	2,839	3,161	5,510
- Drainage							
- Other	9,350			9,350	672	10,022	361

Renewals (Replacement)

- Plant and Equipment	5,958			5,958	105	6,063	1,780
- Land, Buildings, Furniture, Fittings	168			168	702	870	14
- Roads, Bridges, Footpaths	8,854			8,854	5,292	14,146	3,310
- Drainage					1,635	1,635	364
- Other	350			350		350	212

Upgrades

- Plant and Equipment							10
- Land, Buildings, Furniture, Fittings	124	2,789		2,913	1	2,914	98
- Roads, Bridges, Footpaths	1,276	765		2,041	1,438	3,479	1,087
- Drainage	1,100	120		1,220	230	1,450	244
- Other	300	27		327	482	809	418
Loan Repayments (principal)	3,485			3,485		3,485	1,633

Total Capital Expenditure	31,981	4,026		36,007	18,566	54,573	19,252
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Capital Budget Review Statement - Sewer Fund - for the quarter ended 31 December 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	(991)	10,161	2,947
Capital Grants & Contributions							
Internal Restrictions (Reserves)	2,836			2,836	(419)	2,417	1,009
External Restrictions							
- s64 & s94 funds	2,019	(1,787)		232	(35)	197	82
Other Capital Funding Sources							
- loans							
Income from sale of assets							
- plant and equipment							
- Land,Buildings,Furniture,Fittings							
Total Capital Funding	16,007	(1,787)		14,220	(1,445)	12,775	4,038

Capital Expenditure

New Assets

- Plant and Equipment							23
- Land,Buildings,Furniture,Fittings							9
- Water & Sewer Infrastructure	3,197			3,197	(1,519)	1,678	319
- Other							
<u>Renewals (Replacement)</u>							
- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Water & Sewer Infrastructure	1,292			1,292	119	1,411	142
- Other							
<u>Upgrades</u>							
- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Water & Sewer Infrastructure	8,416	(1,787)		6,629	(45)	6,584	1,165
- Other							
Loan Repayments (principal)	3,102			3,102		3,102	2,380
Total Capital Expenditure	16,007	(1,787)		14,220	(1,445)	12,775	4,038

Capital Budget Review Statement - Water Fund - for the quarter ended 31 December 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	1,092
Capital Grants & Contributions						
Internal Restrictions (Reserves)	5,401		5,401		5,401	3,484
External Restrictions						
- s64 & s94 funds	2,740	(296)	2,444	(266)	2,178	1,405
Other Capital Funding Sources						
- loans						
Income from sale of assets						
- plant and equipment						
- Land,Buildings,Furniture,Fittings						
Total Capital Funding	10,902	(296)	10,606	(266)	10,340	5,981

Capital Expenditure

New Assets

- Plant and Equipment						
- Land,Buildings,Furniture,Fittings						
- Water & Sewer Infrastructure	3,677	(296)	3,381	(886)	2,495	655
- Other						
<u>Renewals (Replacement)</u>						
- Plant and Equipment						
- Land,Buildings,Furniture,Fittings						
- Water & Sewer Infrastructure	1,248		1,248	(1,034)	214	145
- Other						
<u>Upgrades</u>						
- Plant and Equipment						
- Land,Buildings,Furniture,Fittings						
- Water & Sewer Infrastructure	4,909		4,909	1,654	6,563	4,676
- Other						
Loan Repayments (principal)	1,068		1,068		1,068	505
Total Capital Expenditure	10,902	(296)	10,606	(266)	10,340	5,981

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 December 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 31 December 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	735		4,218		4,218	16,180
Externally restricted							
RTA Contributions	390			390		390	390
Developer contributions	25,917	(145)	(4,600)	21,172		21,172	25,255
Domestic waste management	10,075			10,075		10,075	10,075
Special Rates	230			230		230	230
Special purpose grants	4,975		(4,975)	0		0	0
Water Supplies	22,701		(1,342)	21,359		21,359	19,874
Sewerage Services	48,915		(228)	48,687		48,687	53,719
Other	17,582			17,582		17,582	17,000
Total Externally restricted	130,785	(145)	(11,145)	119,495	0	119,495	126,543
Internally restricted							
Employee Leave entitlements	5,123			5,123		5,123	5,123
Unexpended loans	10,328		(9,346)	982		982	982
Unexpended grants	5,930		(3,860)	2,070		2,070	2,070
7 Year Plan	4,340			4,340		4,340	4,340
Works Carried Forward	8,762		(8,762)	0		0	0
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	(590)	757	3,016		3,016	3,016
Total Internally restricted	47,503	(590)	(21,211)	25,702	0	25,702	25,702
Total Restricted	178,288	(735)	(32,356)	145,197	0	145,197	152,245
Total cash and investments	181,771	0	(32,356)	149,415	0	149,415	168,425
Available cash	3,483	735	0	4,218	0	4,218	16,180

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

	(000's)
Total restricted funds	152,245
Total invested funds as per September Investment Report	168,154
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 23 January 2014.

Reconciliation of cash and investments:

	(000's)
Cash and investments as per above	168,425
Cash on hand and at bank	271
Investments	<u>168,154</u>
	168,425

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 December 2013 and should be read in conjunction with other documents in the QBRs.

Key Performance Indicators Budget Review Statement for the quarter ended 31 December 2013

Note that KPIs will be distorted by the short reporting period (6 months), and by the fact that detailed calculations are only prepared on an annual basis.

These ratios should therefore be viewed with caution.

	Amounts	Indicator
1. Unrestricted Current Ratio		
	(000's)	
<u>Current assets less all external restrictions</u>	<u>75,801</u>	4.8:1
Current liabilities	15,633	

Purpose:

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

Comment:

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

	Amounts	Indicator
2. Debt Service Ratio		
	(000's)	
Debt Service Cost	10,765	13.59%
Selected operating income	79,195	

Purpose:

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

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 December 2013 and should be read in conjunction with other documents in the QBRs.

Budget Review Contracts and Other Expenses for the quarter ended 31 December 2013

PART A-Contracts Listing		Contract value	Commencement Date	Duration of Contract	Budgeted (Y/N)
Contractor	Contract detail & purpose	\$			
Guardrail Installations Aust. P/L	EC2013-203 Guardrail Installation Pottsville Road	\$138,430	04/11/2013	12 weeks	Y
Pan Civil Lanskey	EC2013-171 Soil Nail Slope Stabilisation Works	\$440,180	10/10/2013	16 weeks	Y
Constructions P/L	EC2013-091 Arkininstall Park Netball New Clubhouse & Amenities Block	\$739,730	21/10/2013	28 weeks	Y
Satin Touch	Hospital Hill Reservoir No. 2 Rehabilitation - Coating Work	\$201,335	21/10/2013	20 weeks	Y
Thomas and Coffey Ltd	EC2013-159 Hospital Hill Reservoir No.2 Rehabilitation Structural Work	\$192,704	08/10/2013	20 weeks	Y
PART B - Consultancy and Legal expenses				Expenditure	Budgeted
Expense				YTD \$	(Y/N)
Consultancies				280,721	Y
Legal expenses				406,745	Y

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 December 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
“Responsible Accounting Officer”
Acting Director Technology & Corporate Services
Tweed Shire Council

OPTIONS:

Not applicable

CONCLUSION:

Refer to Statutory Statement above.

COUNCIL IMPLICATIONS:

a. Policy:

Corporate Policy Not Applicable.

b. Budget/Long Term Financial Plan:

As detailed in the report.

c. Legal:

Not Applicable.

d. Communication/Engagement:

Not Applicable.

UNDER SEPARATE COVER/FURTHER INFORMATION:

Nil.
