

31 [TCS-CM] Quarterly Budget Review - March 2012

SUBMITTED BY: Financial Services



Civic Leadership

SUMMARY OF REPORT:

This is the third quarter statutory budget review for this financial year and summarises the estimated expenditure and income changes to the 2011/2012 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 March 2012 in all Funds.

RECOMMENDATION:

That:

1. The Quarterly Budget Review Statement as at 31 March 2012 be adopted.
2. The 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 2012.

Description	Change to Vote	
	Deficit	Surplus
General Fund		
<u>Expenses</u>		
Employee costs	0	682,809
Materials & Contracts	95,464	0
Interest	0	0
Other Operating costs	0	0
Capital	0	1,466,331
Loan Repayments	0	0
Transfers to Reserves	0	96,469
	95,464	2,245,609
<u>Income</u>		
Rates and Annual Charges	0	0
Interest revenue	0	0
Operating Grants & Conts	0	42,800
Capital Grants & Conts	0	0
User Charges & Fees	661,186	0
Other Operating Revenue	0	0
Loan Funds	1,600,000	0
Recoupments	0	45,428

Transfers from Reserves	0	22,813
Asset Sales	0	0
	<u>2,261,186</u>	<u>111,041</u>

Net Surplus/(Deficit) 0

	Deficit	Surplus
Sewer Fund		
<u>Expenses</u>		
Employee costs	0	0
Materials & Contracts	20,000	0
Interest	0	0
Other Operating costs	0	0
Capital	0	1,692,100
Loan Repayments	0	0
Transfers to Reserves	0	1,119,734
	<u>20,000</u>	<u>2,811,834</u>
<u>Income</u>		
Rates and Annual Charges	0	0
Interest revenue	0	766,527
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	933,100	0
Transfers from Reserves	2,625,261	0
Asset Sales	0	0
	<u>3,558,361</u>	<u>766,527</u>

Net Surplus/(Deficit) 0

	Deficit	Surplus
Water Fund		
<u>Expenses</u>		
Employee costs	0	0
Materials & Contracts	0	0
Interest	0	0
Other Operating costs	0	0
Capital	0	0
Loan Repayments	0	0
Transfers to Reserves	0	65,534
	<u>0</u>	<u>65,534</u>
<u>Income</u>		
Rates and Annual Charges	0	0
Interest revenue	65,534	0
Operating Grants & Conts	0	0
Capital Grants & Conts	0	0
User Charges & Fees	0	0
Other Operating Revenue	0	0
Loan Funds	0	0
Recoupments	0	0
Transfers from Reserves	0	0
Asset Sales	0	0
	<u>65,534</u>	<u>0</u>
Net Surplus/(Deficit)		<u><u>0</u></u>

REPORT:

Budget Review 31 March 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 & 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) & 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	\$	\$	Comments
	Net Effect on 2011/12 Budget	Net Effect on LTFP	
General Fund			
Workers Compensation Insurance	(637,381)		
TCHP Distribution	692,759		
Payment to Works Carried Forward reserve	(94,469)		
Kingscliff Erosion Works	181,000		
Rates extra charges and legal income	(103,409)		
Council Telephone costs	(100,000)		
Software Maintenance	30,000		
Payroll Tax	8,000		
Workers Compensation wages - excess	(100,000)		
Information Technology Vehicle lease fee	3,300		
Sewer Plans	35,000		
Registration occupation certificate	11,000		
Building DA fees	74,200		
	0	0	

Detailed list of changes

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
1. Proposed Variations						
General						
Ex	1	Ex-Op	Gordon Darling Travel Grant - expenses	0	3,000	Art gallery project
In	1	In-OG&C	Gordon Darling Travel Grant - income	0	-3,000	Funding for above
Ex	2	Ex-Op	Single Coastal Reserve - Rec Services	0	390,000	New cost centre
Ex	2	Ex-Op	Tweed Coast parks	829,131	-140,000	Reallocation of budget to SCR
Ex	2	Ex-Op	Electric barbecues	124,524	-45,000	Reallocation of budget to SCR
Ex	2	Ex-Op	Public parks furniture	54,719	-20,000	Reallocation of budget to SCR
Ex	2	Ex-Op	Asset management	184,476	-35,000	Reallocation of budget to SCR
Ex	2	Ex-Op	Public toilets	748,673	-150,000	Reallocation of budget to SCR
Ex	3	Ex-Emp	Workers Compensation Insurance	2,947,749	-637,381	Saving on premium
In	3	In-Op	TCHP Distribution	-1,042,759	692,759	Reduced transfer from TCHP due to erosion works
Ex	3	Ex-TTR	Payment to Works Carried Forward reserve	94,469	-94,469	Part reversal of transfer (Sep QBR)
Ex	4	Ex-Op	Kingscliff Erosion Works	90,000	181,000	Increased works required
In	5	In-Op	Rates extra charges and legal income	-125,241	-103,409	Interest on overdue rates
Ex	6	Ex-Op	Council Telephone costs	500,000	-100,000	New contract. Full year VOIP Increase of 4.3% in some costs
Ex	7	Ex-Op	Software Maintenance	830,410	30,000	Increase in wages attracting payroll tax
Ex	8	Ex-Op	Payroll Tax	27,424	8,000	
Ex	9	Ex-Op	Workers Compensation wages - excess	150,000	-100,000	Changes in wages claim costs
Ex	10	Ex-Op	Information Technology Vehicle lease fee	9,900	3,300	Increase for medium category vehicle
In	11	In-Op	Sewer Plans	-85,000	35,000	Economic downturn
In	12	In-Op	Registration occupation certificate	-36,702	11,000	Economic downturn
In	13	In-Op	Building DA fees	-624,732	74,200	Economic downturn
Ex	14	Ex-Op	Tweed City planning proposal		28,364	Consultancy
In	14	In-Op	Tweed City planning proposal		-28,364	Fees received
Ex	15	Ex-Op	Murwillumbah auditorium maintenance	20,335	5,000	Air-conditioning maintenance
Ex	15	Ex-Op	Tweed auditorium maintenance	22,139	-5,000	Funding for above
Ex	16	Ex-Emp	Museum assistant	42,374	10,000	Collections support for museum redevelopment
Ex	16	Ex-Emp	Collections assistant	21,821	5,000	Collections support for museum redevelopment
Ex	16	Ex-Emp	Cultural officer	57,658	-15,000	Funding for above
Ex	17	Ex-Capital	Records storage shed construction	1,295,502	39,500	Contract variations
In	17	In-TFR	Land development reserve	-150,000	-7,886	Funding unit 1
In	17	In-TFR	Land development reserve	-150,000	-14,927	Funding unit 2
Ex	17	Ex-Capital	Tweed Regional Museum - Murwillumbah	2,747,396	-16,687	Funding unit 3
In	18	In-Op	Art gallery shop sales	-60,000	-20,000	Higher than expected sales
Ex	18	Ex-Capital	Art gallery improvements	0	20,000	Mezzanine floor in store room
Ex	19	Ex-Capital In-Loan	Tweed Regional Museum - Tweed Hds	1,100,000	-1,100,000	Loan funds not required
In	19	funds	Museums 7YP loan funding	-3,000,000	1,100,000	Loan funds not required
Ex	20	Ex-Capital In-Loan	Kingscliff Amenities Centre	556,529	-500,000	Defer to loan funding to 2012/13
In	20	funds	Community buildings 7YP loan funding	-556,529	500,000	Defer to loan funding to 2012/13
Ex	21	Ex-Op	City of the Arts	11,737	-11,737	Re-vote unexpended funds
Ex	21	Ex-Op	Goorimahbah public art	132,431	11,737	Re-vote from City of the Arts
Ex	22	Ex-Op	MRCMA community support project	1,602	39,800	Community support officer
In	22	In-OG&C	NRCMA funding	0	-39,800	Grant received
Ex	23	Ex-Op	Election expenses	0	2,000	Preliminary expenses
Ex	23	Ex-TTR	Election expenses	103,000	-2,000	Funding for above
					0	

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
Sewer Fund						
Ex	24	Ex-Op	Various Operating Expenses		20,000	Review of operating budget
In	24	In-Interest	Interest on investments		-349,620	Review of estimated cash balance
In	24	In-Interest	Interest on investments - s64 funds		-416,907	Review of estimated reserve balance
Ex	24	Ex-TTR	Reversal of s64 income		416,907	Restriction of above
Ex	24	Ex-Capital	Various Capital Works		-1,692,100	Deferrals and adjustments
Ex	24	Ex-TTR	Transfers to Asset Replacement Reserve		-1,536,641	Funding adjustment
In	24	In-TFR	Transfers from Asset Replacement Reserve		2,625,261	Funding adjustment
In	24	In-Recoup	Transfers from Capital Contributions Reserve		933,100	Funding adjustment
					<u>0</u>	
Water Fund						
In	25	In-Interest	Interest on investments		-412,833	Review of estimated cash balance
In	25	In-Interest	Interest on investments - s64 funds		478,367	Review of estimated reserve balance
Ex	25	Ex-TTR	Reversal of s64 income		-478,367	Restriction of above
Ex	25	Ex-TTR	Transfers to Asset Replacement Reserve		412,833	Funding adjustment
					<u>0</u>	
2. Variations Arising from Council Resolutions						
Ex	26	Ex-Capital	Pottsville Beach Neighbourhood Centre	753,101	90,856	Council meeting 21/2/12
In	26	In-Recoup	Contribution Plan 15	-451,901	-45,428	Council meeting 21/2/12
Ex	26	Ex-Emp	Community & Cultural Services	493,030	-45,428	Council meeting 21/2/12
					<u>0</u>	
Summary of Votes by Type						
			2011/12 Variations		0	
			Council Resolutions		0	
			Carried forward		<u>0</u>	
					<u>0</u>	
Key to Category codes						
Ex-Emp			Employee costs			
Ex-Op			Materials & contracts			
Ex-Interest			Interest on loans			
Ex-OpOther			Other operating expenses			
Ex-Capital			Capital works			
Ex-Loan			Repayment on principal on loans			
Reps			Transfers to reserves			
Ex-TTR			Rates & annual charges			
In-Rates			Interest income			
In-Interest			Operating grants & contributions			
In-OG&C			Capital grants & contributions			
In-CG&C			User charges & fees			
In-Op			Other operating income			
In-OpOther			Loan funds			
In-Loan			Recoupment from s64 & s94 funds			
funds			Transfers from reserves			
In-Recoup			Proceeds from sale of assets			
In-TFR						
In-Sales						
Expenses						
			Employee costs		-682,809	
			Materials & Contracts		115,464	
			Interest		0	
			Other Operating costs		0	
			Capital		-3,158,431	
			Loan Repayments		0	
			Transfers to Reserves		-1,281,737	

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
					-5,007,513	
			<u>Income</u>			
			Rates and Annual Charges		0	
			Interest revenue		-700,993	
			Operating Grants & Conts		-42,800	
			Capital Grants & Conts		0	
			User Charges & Fees		661,186	
			Other Operating Revenue		0	
			Loan Funds		1,600,000	
			Recoupments		887,672	
			Transfers from Reserves		2,602,448	
			Asset Sales		0	
					5,007,513	
			Net		0	
			Summary of Votes - by Division			
			Technology & Corporate Services		-899,490	
			Planning & Regulation		120,200	
			Community & Natural Resources		181,000	
			Engineering & Operations		692,759	
			General Manager		-94,469	
					0	

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 & Expense - Consolidated Budget Review Statement for the quarter ended 31 March 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	77,934	(123)	601	78,412	-	78,412	60,411
User Charges and Fees	32,034	(89)	(161)	31,784	(661)	31,123	22,558
Interest and Investment Revenue	7,640	663	125	8,428	700	9,128	9,960
Other Revenues	1,872	-	-	1,872	-	1,872	1,444
Grants & Contributions - Operating	15,560	341	180	16,081	43	16,124	12,062
Grants and Contributions - Capital	6,362	1,947	2,815	11,124	-	11,124	1,927
- Contributions (S94)	8,862	-	-	8,862	-	8,862	1,672
Net gain from the disposal of assets	-	-	-	-	-	-	-
Share of interests in joint ventures	-	-	-	-	-	-	-
Total Income	150,264	2,739	3,560	156,563	82	156,645	110,034
Expense							
Employee costs	43,654	(440)	(284)	42,930	(683)	42,247	32,054
Borrowing Costs	13,307	-	-	13,307	-	13,307	10,136
Materials & Contracts	40,984	15,472	599	57,055	115	57,170	30,878
Depreciation	38,141	-	-	38,141	-	38,141	28,606
Legal Costs	427	-	37	464	-	464	303
Consultants	728	-	-	728	-	728	398
Other Expenses	13,553	(38)	(20)	13,495	-	13,495	6,967
Interest and Investment Losses	-	-	-	-	-	-	-
Net Loss from Disposal of Assets	-	-	-	-	-	-	-
Share of interests in joint ventures	-	-	-	-	-	-	-
Total Expenses	150,794	14,994	332	166,120	(568)	165,552	109,342
Net Operating Result	(530)	(12,255)	3,228	(9,557)	650	(8,907)	692
Net Operating Result before capital items	(6,892)	(14,202)	413	(20,681)	650	(20,031)	(1,235)

Funding Statement - Consolidated - Source & Application of Funds

Operating Result (Income Statement)	(530)	(12,255)	3,228	(9,557)	650	(8,907)
Add Back non-funded items:						
Depreciation	38,141	-	-	38,141	-	38,141
		-	-	-	-	-
Add non-operating funding sources						
Transfers from Externally Restricted Cash	31,153	18,386	(6,401)	43,138	(888)	42,250
Transfers from Internally Restricted Cash	27,070	24,829	(2,039)	49,860	(2,602)	47,258
Proceeds from sale of assets	3,587	762	-	4,349	-	4,349
Loan Funds Utilised	9,443	6,488	263	16,194	(1,600)	14,594
Repayments from Deferred Debtors	-	-	-	-	-	-
Funds Available	108,864	38,210	(4,949)	142,125	(4,440)	137,685
Funds were applied to:						
Purchase and construction of assets	79,305	36,390	(6,236)	109,459	(3,158)	106,301
Repayment of principal on loans	6,435	-	-	6,435	-	6,435
Transfers to Externally Restricted Cash	14,238	-	-	14,238	-	14,238
Transfers to Internally Restricted Cash	8,886	1,820	1,287	11,993	(1,282)	10,711
Funds Used	108,864	38,210	(4,949)	142,125	(4,440)	137,685
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

Income & Expense- General Fund Budget Review Statement for the quarter ended 31 March 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	Dec	Revised			
	Review (000's)	Review (000's)	Budget (000's)			

Income

Rates and Annual Charges	55,681	2		55,683		55,683	42,789
User Charges and Fees	16,439	(18)	(209)	16,212	(661)	15,551	12,794
Interest and Investment Revenue	3,512		125	3,637		3,637	4,902
Other Revenues	1,651			1,651		1,651	1,228
Grants & Contributions - Operating	14,668	327	180	15,175	43	15,218	11,301
Grants and Contributions - Capital	2,264	4,406	1,176	7,846		7,846	526
- Contributions (S94)	8,862			8,862		8,862	1,672
Net gain from the disposal of assets				-		-	
Share of interests in joint ventures				-		-	
Total Income	103,077	4,717	1,272	109,066	(618)	108,448	75,212

Expense

Employee costs	35,010	(440)	(284)	34,286	(683)	33,603	25,179
Borrowing Costs	5,765			5,765		5,765	4,480
Materials & Contracts	24,899	15,643	(9)	40,533	95	40,628	25,832
Depreciation	22,934			22,934		22,934	17,201
Legal Costs	377		37	414		414	303
Consultants	81			81		81	295
Other Expenses	10,774	(38)	(20)	10,716		10,716	4,759
Interest and Investment Losses				-		-	
Net Loss from Disposal of Assets				-		-	
Share of interests in joint ventures				-		-	
Total Expenses	99,840	15,165	(276)	114,729	(588)	114,141	78,049

Net Operating Result

	3,237	(10,448)	1,548	(5,663)	(30)	(5,693)	(2,837)
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Net Operating Result before capital items

	(7,889)	(14,854)	372	(13,509)	(30)	(13,539)	(3,363)
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Funding Statement - General Fund - Source & Application of Funds

Operating Result (Income Statement)	3,237	(10,448)	1,548	(5,663)	(30)	(5,693)
Add Back non-funded items:						
Depreciation	22,934	-	-	22,934	-	22,934

Add non-operating funding sources						
Transfers from Externally Restricted Cash	13,396	13,029	(614)	25,811	45	25,856
Transfers from Internally Restricted Cash	1,182	15,013	575	16,770	23	16,793
Proceeds from sale of assets	3,587	762		4,349		4,349
Loan Funds Utilised	9,443	6,488	263	16,194	(1,600)	14,594
Repayments from Deferred Debtors				-		-
Funds Available	53,779	24,844	1,772	80,395	(1,562)	78,833
Funds were applied to:						
Purchase and construction of assets	35,739	24,533	1,828	62,100	(1,466)	60,634
Repayment of principal on loans	2,587	-		2,587		2,587
Transfers to Externally Restricted Cash	10,088			10,088		10,088
Transfers to Internally Restricted Cash	5,365	311	(56)	5,620	(96)	5,524
Funds Used	53,779	24,844	1,772	80,395	(1,562)	78,833
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

Income & Expense- Sewer Fund Budget Review Statement for the quarter ended 31 March 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	18,683	(107)	494	19,070		19,070	14,839
User Charges and Fees	1,484			1,484		1,484	1,305
Interest and Investment Revenue	2,649	261		2,910	766	3,676	4,096
Other Revenues	20			20		20	4
Grants & Contributions - Operating	442			442		442	463
Grants and Contributions - Capital	1,330	(798)	532	1,064		1,064	491
- Contributions (S94)				-		-	-
Net gain from the disposal of assets				-		-	-
Share of interests in joint ventures				-		-	-
Total Income	24,608	(644)	1,026	24,990	766	25,756	21,198

Expense

Employee costs	5,297			5,297		5,297	3,964
Borrowing Costs	2,687			2,687		2,687	2,015
Materials & Contracts	7,871	31	(230)	7,672	20	7,692	2,073
Depreciation	7,913			7,913		7,913	5,935
Legal Costs				-		-	-

Consultants	86			86		86	41
Other Expenses	1,511			1,511		1,511	1,235
Interest and Investment Losses				-		-	
Net Loss from Disposal of Assets				-		-	
Share of interests in joint ventures				-		-	
Total Expenses	25,365	31	(230)	25,166	20	25,186	15,263

Net Operating Result	(757)	(675)	1,256	(176)	746	570	5,935
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Net Operating Result before capital items	(2,087)	123	724	(1,240)	746	(494)	5,444
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Funding Statement - Sewer Fund - Source & Application of Funds

Operating Result (Income Statement)	(757)	(675)	1,256	(176)	746	570
Add Back non-funded items:						
Depreciation	7,913	-	-	7,913	-	7,913
Add non-operating funding sources						
Transfers from Externally Restricted Cash	5,212	256	(1,162)	4,306	(933)	3,373
Transfers from Internally Restricted Cash	20,794	9,698	(2,640)	27,852	(2,625)	25,227
Proceeds from sale of assets				-		-
Loan Funds Utilised				-	-	-
Repayments from Deferred Debtors				-		-
Funds Available	33,162	9,279	(2,546)	39,895	(2,812)	37,083
Funds were applied to:						
Purchase and construction of assets	26,689	10,873	(3,078)	34,484	(1,692)	32,792
Repayment of principal on loans	2,909			2,909		2,909
Transfers to Externally Restricted Cash	43			43		43
Transfers to Internally Restricted Cash	3,521	(1,594)	532	2,459	(1,120)	1,339
Funds Used	33,162	9,279	(2,546)	39,895	(2,812)	37,083
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

Income & Expense- Water Fund Budget Review Statement for the quarter ended 31 March 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	3,570	(18)	107	3,659		3,659	2,783
User Charges and Fees	14,111	(71)	48	14,088		14,088	8,459
Interest and Investment Revenue	1,479	402		1,881	(66)	1,815	962
Other Revenues	201			201		201	212
Grants & Contributions - Operating	450	14		464		464	298
Grants and Contributions - Capital - Contributions (S94)	2,768	(1,661)	1,107	2,214		2,214	910
Net gain from the disposal of assets				-		-	-
Share of interests in joint ventures				-		-	-
Total Income	22,579	(1,334)	1,262	22,507	(66)	22,441	13,624

Expense

Employee costs	3,347			3,347		3,347	2,911
Borrowing Costs	4,855			4,855		4,855	3,641
Materials & Contracts	8,214	(202)	838	8,850		8,850	2,973
Depreciation	7,294			7,294		7,294	5,470
Legal Costs	50			50		50	
Consultants	561			561		561	62
Other Expenses	1,268			1,268		1,268	973
Interest and Investment Losses				-		-	-
Net Loss from Disposal of Assets				-		-	-
Share of interests in joint ventures				-		-	-
Total Expenses	25,589	(202)	838	26,225	-	26,225	16,030

Net Operating Result

	(3,010)	(1,132)	424	(3,718)	(66)	(3,784)	(2,406)
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Net Operating Result before capital items

	242	2,793	(1,531)	1,504	66	1,570	1,496
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Funding Statement - Water Fund - Source & Application of Funds

Operating Result (Income Statement)	(3,010)	(1,132)	424	(3,718)	(66)	(3,784)
Add Back non-funded items:						
Depreciation	7,294	-	-	7,294		7,294
Add non-operating funding sources						
Transfers from Externally Restricted Cash	12,545	5,101	(4,625)	13,021		13,021
Transfers from Internally Restricted Cash	5,094	118	26	5,238		5,238
Proceeds from sale of assets				-		-
Loan Funds Utilised				-		-
Repayments from Deferred Debtors				-		-
Funds Available	21,923	4,087	(4,175)	21,835	(66)	21,769
Funds were applied to:						
Purchase and construction of assets	16,877	984	(4,986)	12,875	-	12,875
Repayment of principal on loans	939			939	-	939
Transfers to Externally Restricted Cash	4,107			4,107		4,107
Transfers to Internally Restricted Cash	-	3,103	811	3,914	(66)	3,848
Funds Used	21,923	4,087	(4,175)	21,835	(66)	21,769
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 2012 and should be read in conjunction with other documents in the QBRS.

Capital Budget Review Statement - Consolidated - for the quarter ended 31 March 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)			

Capital Funding *

Rates and other untied funding	14,553	1,054	292	15,899	65	15,964	6,212
Capital Grants & Contributions	4,263	4,406	1,189	9,858		9,858	1,828
Internal Restrictions (Reserves)	26,185	10,142	(1,696)	34,631	(1,670)	32,961	10,460
External Restrictions							
- s64 & s94 funds	29,868	14,152	(6,283)	37,737	46	37,783	5,606
Other Capital Funding Sources							
- loans	7,284	6,488	263	14,035	(1,600)	12,435	768
Income from sale of assets							
- plant and equipment	2,287			2,287		2,287	608
- Land,Buildings,Furniture,Fittings	1,300			1,300		1,300	
Total Capital Funding	85,740	36,242	(6,235)	115,747	(3,159)	112,588	25,482

Capital Expenditure

New Assets

- Plant and Equipment	1,413	1,547		2,960		2,960	38
- Land,Buildings,Furniture,Fittings	6,338	4,328	2,070	12,736	(1,078)	11,658	368
- Roads, Bridges, Footpaths	8,797	7,350		16,147		16,147	647
- Drainage							
- Water & Sewer Infrastructure	21,333	(1,726)	(6,287)	13,320		13,320	2,248
- Other	1,170	54	600	1,824		1,824	662
Renewals (Replacement)							
- Plant and Equipment	5,598	997		6,595		6,595	1,475
- Land,Buildings,Furniture,Fittings	570	781	65	1,416	(500)	916	144
- Roads, Bridges, Footpaths	7,989	1,874		9,863		9,863	2,605
- Drainage	1,718			1,718		1,718	274
- Water & Sewer Infrastructure	3,540	1,036	193	4,769		4,769	767
- Other	13	86		99		99	383
Upgrades							
- Plant and Equipment	602	185		787		787	
- Land,Buildings,Furniture,Fittings	1,576	4,145	(907)	4,814	111	4,925	930
- Roads, Bridges, Footpaths	470	3,011		3,481		3,481	376
- Drainage		6		6		6	
- Water & Sewer Infrastructure	18,178	12,548	(1,969)	28,757	(1,692)	27,065	10,557
- Other		20		20		20	1
Loan Repayments (principal)	6,435			6,435		6,435	4,007
Total Capital Expenditure	85,740	36,242	(6,235)	115,747	(3,159)	112,588	25,482

Capital Budget Review Statement - General Fund - for the quarter ended 31 March 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)			

Capital Funding *

Rates and other untied funding	10,024	136	292	10,452	65	10,517	4,415
Capital Grants & Contributions	4,263	4,406	1,189	9,858		9,858	1,828
Internal Restrictions (Reserves)	1,060	325	580	1,965	22	1,987	229
External Restrictions							
- s64 & s94 funds	12,108	13,029	(496)	24,641	46	24,687	1,196
Other Capital Funding Sources							
- loans	7,284	6,488	263	14,035	(1,600)	12,435	768
Income from sale of assets							
- plant and equipment	2,287			2,287		2,287	608
- Land, Buildings, Furniture, Fittings	1,300			1,300		1,300	
Total Capital Funding	38,326	24,384	1,828	64,538	(1,467)	63,071	9,044

Capital Expenditure

New Assets

- Plant and Equipment	1,398	1,547		2,945		2,945	33
- Land, Buildings, Furniture, Fittings	5,838	4,328	2,070	12,236	(1,078)	11,158	252
- Roads, Bridges, Footpaths	8,797	7,350		16,147		16,147	647
- Drainage							
- Water & Sewer Infrastructure							
- Other	1,170	54	600	1,824		1,824	662
Renewals (Replacement)							
- Plant and Equipment	5,598	997		6,595		6,595	1,475
- Land, Buildings, Furniture, Fittings	570	781	65	1,416	(500)	916	144
- Roads, Bridges, Footpaths	7,989	1,874		9,863		9,863	2,605
- Drainage	1,718			1,718		1,718	274
- Water & Sewer Infrastructure							
- Other	13	86		99		99	383
Upgrades							
- Plant and Equipment	602	185		787		787	
- Land, Buildings, Furniture, Fittings	1,576	4,145	(907)	4,814	111	4,925	930
- Roads, Bridges, Footpaths	470	3,011		3,481		3,481	376
- Drainage		6		6		6	
- Water & Sewer Infrastructure							
- Other		20		20		20	1
Loan Repayments (principal)	2,587			2,587		2,587	1,262
Total Capital Expenditure	38,326	24,384	1,828	64,538	(1,467)	63,071	9,044

Capital Budget Review Statement - Sewer Fund - for the quarter ended 31 March 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)			

Capital Funding *

Rates and other untied funding	3,590	918		4,508		4,508	1,646
Capital Grants & Contributions							
Internal Restrictions (Reserves)	20,794	9,699	(1,916)	28,577	(1,692)	26,885	9,534
External Restrictions							
- s64 & s94 funds	5,214	256	(1,162)	4,308		4,308	2,390
Other Capital Funding Sources							
- loans							
Income from sale of assets							
- plant and equipment							
- Land,Buildings,Furniture,Fittings							
Total Capital Funding	29,598	10,873	(3,078)	37,393	(1,692)	35,701	13,570

Capital Expenditure

New Assets							
- Plant and Equipment	15			15		15	5
- Land,Buildings,Furniture,Fittings							78
- Roads, Bridges, Footpaths							
- Drainage							
- Water & Sewer Infrastructure	10,825	(2,861)	(1,250)	6,714		6,714	1,282
- Other							
Renewals (Replacement)							
- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Roads, Bridges, Footpaths							
- Drainage							
- Water & Sewer Infrastructure	1,410	875	193	2,478		2,478	185
- Other							
Upgrades							
- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Roads, Bridges, Footpaths							
- Drainage							
- Water & Sewer Infrastructure	14,439	12,859	(2,021)	25,277	(1,692)	23,585	9,736
- Other							
Loan Repayments (principal)	2,909			2,909		2,909	2,284
Total Capital Expenditure	29,598	10,873	(3,078)	37,393	(1,692)	35,701	13,570

Capital Budget Review Statement - Water Fund - for the quarter ended 31 March 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)			

Capital Funding *

Rates and other untied funding	939			939		939	151
Capital Grants & Contributions							
Internal Restrictions (Reserves)	4,331	118	(360)	4,089		4,089	697
External Restrictions							
- s64 & s94 funds	12,546	867	(4,625)	8,788		8,788	2,020
Other Capital Funding Sources							
- loans							
Income from sale of assets							
- plant and equipment							
- Land,Buildings,Furniture,Fittings							
Total Capital Funding	17,816	985	(4,985)	13,816		13,816	2,868

Capital Expenditure

New Assets

- Plant and Equipment							
- Land,Buildings,Furniture,Fittings	500			500		500	38
- Roads, Bridges, Footpaths							
- Drainage							
- Water & Sewer Infrastructure	10,508	1,135	(5,037)	6,606		6,606	966
- Other							
Renewals (Replacement)							
- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Roads, Bridges, Footpaths							
- Drainage							
- Water & Sewer Infrastructure	2,130	161		2,291		2,291	582
- Other							
Upgrades							
- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Roads, Bridges, Footpaths							
- Drainage							
- Water & Sewer Infrastructure	3,739	(311)	52	3,480		3,480	821
- Other							
Loan Repayments (principal)	939			939		939	461
Total Capital Expenditure	17,816	985	(4,985)	13,816		13,816	2,868

Council Meeting Date: Tuesday 15 May 2012

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 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 31 March 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)			

Unrestricted

2,009			2,009		2,009	20,136
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Externally restricted

RTA Contributions	143	(143)	0		0	143
Developer contributions	25,213		24,599	(45)	24,554	28,278
Domestic waste management	8,483		8,483		8,483	8,373
Special Rates	229		229		229	229
Special purpose grants	3,252	(3,252)	1,356		1,356	3,252
Water Supplies	20,813	(2,117)	18,696	(66)	18,630	25,555
Sewerage Services	42,081	(258)	41,823	2,439	44,262	53,110
Other	933		933		933	933
Total Externally restricted	101,147	(5,770)	96,119	2,328	98,447	119,873

Internally restricted

Employee Leave entitlements	2,399		2,399		2,399	2,199
Unexpended loans	6,488		6,488		6,488	6,488
Unexpended grants	3,404	(2,190)	1,219		1,219	3,404
7 Year Plan	3,535	(2,978)	557		557	2,978
Works Carried Forward	4,584	(3,969)	615	(94)	521	4,584
Replacement of Plant and Vehicles	1,102		1,102		1,102	1,075
Tip improvements	3,442		3,012		3,012	3,065
Asset renewals	958		958		958	943
Other	4,319	(2,387)	1,726	(25)	1,701	3,968
Total Internally restricted	30,231	(11,524)	18,076	(119)	17,957	28,704

Total Restricted

131,378	(17,294)	111	114,195	2,209	116,404	148,577
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Total cash and investments

133,387	(17,294)	111	116,204	2,209	118,413	168,713
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Available cash

2,009	0	0	2,009	0	2,009	20,136
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* 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:

	(000's)
Total restricted funds	148,577
Total invested funds as per March Investment Report	156,902
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 22 April 2012

Reconciliation of cash and investments:

	(000's)
Cash and investments as per above	168,713
Cash on hand and at bank	11,811
Investments	<u>156,902</u>
	168,713

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 2012 and should be read in conjunction with other documents in the QBRs.

Key Performance Indicators Budget Review Statement for the quarter ended 31 March 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
1. Unrestricted Current Ratio		
	(000's)	
Current assets less all external restrictions	<u>78,380</u>	2.96:1
Current liabilities	26,459	

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.

2. Debt Service Ratio	Amounts	Indicator
	(000's)	
Debt Service Cost	9,317	13.77%
Selected operating income	67,674	

Purpose:

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

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 2012 and should be read in conjunction with other documents in the QBRs.

Budget Review Contracts and Other Expenses for the quarter ended 31 March 2012

PART A-Contracts Listing		Contract value	Commencement	Duration of	Budgeted
Contractor	Contract detail & purpose	\$	date	contract	(Y/N)
Greenwood Landscape Management	Wharf Park Landscaping and toilet block	\$90,347.43	05/03/2012	16 Weeks	Y
Downer Australia	Supply and spray rejuvenation agent to asphalt surfaced streets	\$130,946.31	To be determined	12 months	Y
Fulton Hogan Industries	Supply and laying of asphaltic concrete overlays	\$496,780.00	To be determined	12 months	Y

PART B - Consultancy and Legal expenses		Expenditure YTD	Budgeted
Expense		\$	(Y/N)
Consultancies		659,521	Y
Legal expenses		239,364	Y

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 March 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 31/03/2012 indicates that Council’s projected financial position at 30/6/2012 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 30/04/2012
“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:

Not Applicable

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.
