

TITLE: [TCS-CM] Quarterly Budget Review December 2011

SUBMITTED BY: Financial Services

FILE NUMBER: N/A



Civic Leadership

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 2011/12 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 2011 in all Funds.

RECOMMENDATION:

That:

- 1. The Quarterly Budget Review Statement as at 31 December 2011 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	283,634
Materials & Contracts	0	7,823
Interest	0	0
Other Operating costs	15,702	0
Capital	1,828,432	0
Loan Repayments	0	0
Transfers to Reserves	0	56,449
	<u>1,844,134</u>	<u>347,906</u>
<u>Income</u>		
Rates and Annual Charges	0	0
Interest revenue	0	125,241
Operating Grants & Conts	0	180,013
Capital Grants & Conts	0	1,175,800
User Charges & Fees	209,090	0
Other Operating Revenue	0	0
Loan Funds	0	262,867

Description	Change to Vote	
	Deficit	Surplus
Recoupments	613,634	0
Transfers from Reserves	0	575,031
Asset Sales	0	0
	<u>822,724</u>	<u>2,318,952</u>
Net Surplus/(Deficit)		<u><u>0</u></u>
Sewer Fund		
<u>Expenses</u>		
Employee costs	0	0
Materials & Contracts	0	229,897
Interest	0	0
Other Operating costs	0	0
Capital	0	3,078,200
Loan Repayments	0	0
Transfers to Reserves	532,097	0
	<u>532,097</u>	<u>3,308,097</u>
<u>Income</u>		
Rates and Annual Charges	0	494,011
Interest revenue	0	0
Operating Grants & Conts	0	0
Capital Grants & Conts	0	532,097
User Charges & Fees	0	0
Other Operating Revenue	0	0
Loan Funds	0	0
Recoupments	1,162,200	0
Transfers from Reserves	2,639,908	0
Asset Sales	0	0
	<u>3,802,108</u>	<u>1,026,108</u>
Net Surplus/(Deficit)		<u><u>0</u></u>
Water Fund		
<u>Expenses</u>		
Employee costs	0	0
Materials & Contracts	837,528	0
Interest	0	0
Other Operating costs	0	0
Capital	0	4,985,722
Loan Repayments	0	0
Transfers to Reserves	810,723	0
	<u>1,648,251</u>	<u>4,985,722</u>
<u>Income</u>		
Rates and Annual Charges	0	106,902
Interest revenue	0	0
Operating Grants & Conts	0	0
Capital Grants & Conts	0	1,107,310
User Charges & Fees	0	47,539
Other Operating Revenue	0	0
Loan Funds	0	0
Recoupments	4,624,986	0
Transfers from Reserves	0	25,764
Asset Sales	0	0
	<u>4,624,986</u>	<u>1,287,515</u>
Net Surplus/(Deficit)		<u><u>0</u></u>

REPORT:**Budget Review 31 December 2011 (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 Councils 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 2011/12 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
General Fund	Net Effect on 2011/12 Budget	Net Effect on LTFP	
Fire & Rescue NSW - Contribution	7,703	7,703	
Rural Fire Service - Contribution	65,863	65,863	
State Emergency Services - Contribution	(41,192)	(41,192)	
Margaret Olley Extension Project	50,000		
Contact Centre staff uniforms	8,000	8,000	
Contact Centre casual staff	8,400	16,800	
Building Control advertising	5,000	5,000	
s138 driveway applications	4,000	4,000	
Registration construction certificate	5,000	5,000	
Registration occupation certificate	3,000	3,000	
Building DA fees	100,000	100,000	
Building DA advertising fees	5,000	5,000	
Building environmental enforcement levy		20,000	
s68 stormwater applications		20,000	
Corporate legal expenses	37,081		
s603 certificates	70,000	70,000	
s94 admin levy	13,000	13,000	
International Day of people with Disability		1,000	
Aged & Disability project costs		(1,000)	
Baby Health Centres	(3,476)	(3,476)	
Infrastructure Planning vacancy saving	(76,000)		
Advance Design/Survey	(10,000)		
Design legal expenses	(21,379)	(21,379)	
Road closure expenses	(25,000)		
Contract Section salary saving	(70,000)		
Lease fees - Community Transport		(13,000)	
BPCC Reserve from lease fees		13,000	
Training - General Manager's section		10,000	
Training - Env & Community Services		(2,500)	
Training - Technology & Corporate		(2,500)	
Training - Engineering & Operations		(2,500)	
Training - Planning & Regulation		(2,500)	
Payment to Works Carried Forward reserve	(29,759)		
Rates Extra Charges	(125,241)		
NSW SLSC Championships	20,000		
	0	277,319	

Detailed list of changes

In/ Ex	No.	Category	Description	Current Vote	Change to Vote	Details / Comments
1. Proposed Variations						
General						
Ex	1	Ex-Capital	Pottsville Beach Neighbourhood Centre	1,660,901	-1,096,000	Original budget/rollover duplication
In	1	In-Recoup	Contribution Plan 15	(1,511,901)	1,096,000	Original budget/rollover duplication
Ex	1	Ex-Capital	Pottsville Bach Neighbourhood Centre		188,800	Funding for upgrade
In	1	In-CG&C	Contribution from PBNC Inc		-88,800	Contribution
In	1	In-CG&C	State Govt Grant from PBNC		-100,000	Funds received
Ex	2	Ex-Operating	Festivals & events	227,140	3,000	Christmas decoration support
Ex	2	Ex-Operating	Communications and Marketing	40,964	-3,000	Funding for above
Ex	3	Ex-Capital	Art Gallery construction	5,456	1,000,000	Stage 3/Olley project
In	3	In-CG&C	Margaret Olley Foundation contribution		-1,000,000	Funding for above
Ex	4	Ex-Operating	Margaret Olley Extension Project	0	50,000	Preliminary project costs
Ex	5	Ex-Operating	Pottsville Environment Park Habitat Plan	5,000	-5,000	Reverse rollover - grant expended 10/11
In	5	In-TFR	Carried forward grants	-5,000	5,000	Reverse rollover - grant expended 10/11
Ex	6	Ex-Operating	Fire & Rescue NSW - Contribution	351192	7,703	State Govt Advice - Nov 2011
Ex	6	Ex-Operating	Rural Fire Service - Contribution	135000	65,863	State Govt Advice - Nov 2011
Ex	6	Ex-Operating	State Emergency Services - Contribution	102000	-41,192	State Govt Advice - Nov 2011
Ex	7	Ex-Operating	GM Recruitment Costs	-	26,690	Recruitment costs
Ex	7	Ex-TTR	Civic Reserve - transfer to reserve	26,690	-26,690	Funding for above
Ex	8	Ex-Capital	Clothiers Creek Rd land purchase	399,266	160,734	Budget rollover - see March 2011 QBR
Ex	8	Ex-Operating	Roads - FAG grant	2,624,272	-160,734	Funding for above
Ex	9	Ex-Capital	Pottsville SES building	77,306	42,000	Additional funding from 7 year plan
Ex	9	Ex-Operating	Emergency Management Plan Implementation	101,345	-42,000	Funding for above
Ex	10	Ex-Operating	Limpinwood Hall		47,000	Upgrade
Ex	10	Ex-Capital	Limpinwood Hall		23,000	Upgrade
Ex	10	Ex-Operating	Community buildings renovations	187,470	-70,000	Funding for above
Ex	11	Ex-Capital	Disabled ramp museum	20,000	-20,000	Funds no longer required
In	11	In-TFR	Museums reserves funding	-20,000	20,000	Funding for above
Ex	12	Ex-Operating	Festivals & Events	227,140	3,000	Christmas decorations support
Ex	12	Ex-Operating	Communications & Marketing	437,747	-3,000	Funding for above
Ex	13	Ex-Operating	Training - General Manager's section	19,589	10,000	Adjust training budget for contact centre staff
Ex	13	Ex-Operating	Training - Env & Community Services	41,169	-2,500	Adjust training budget for contact centre staff
Ex	13	Ex-Operating	Training - Technology & Corporate	71,961	-2,500	Adjust training budget for contact centre staff
Ex	13	Ex-Operating	Training - Engineering & Operations	54,691	-2,500	Adjust training budget for contact centre staff
Ex	13	Ex-Operating	Training - Planning & Regulation	68,403	-2,500	Adjust training budget for contact centre staff
Ex	14	Ex-Operating	Contact Centre staff uniforms		8,000	Uniforms required
Ex	15	Ex-Operating	Contact Centre casual staff		8,400	40 hours/month to cover leave

In/ Ex	No.	Category	Description	Current Vote	Change to Vote	Details / Comments
Ex	16	Ex-Operating	Building Control advertising	10,000	5,000	All Building DAs now advertised
In	17	In-Operating	s138 driveway applications	-8,110	4,000	Economic downturn
In	18	In-Operating	Registration construction certificate	-18,000	5,000	Economic downturn
In	19	In-Operating	Registration occupation certificate	-21,268	3,000	Economic downturn
In	20	In-Operating	Building DA fees	-352,000	100,000	Economic downturn
In	21	In-Operating	Building DA advertising fees	-18,000	5,000	Economic downturn
In	22	Ex-Operating	Building environmental enforcement levy	-95,145	20,000	Economic downturn
Ex	22	Ex-OpEmp	Environmental compliance (Building)	164,861	-20,000	Saving from unfilled vacancy
Ex	23	Operating	Acceleration Fund Draft LEP	0	27,188	LEP review
In	23	In-OG&C	Department of Planning grant	0	-27,188	Funding for above
Ex	24	Ex-Operating	Speed Zone Changes (Installation) - Kyogle Road	0	35,950	RTA funded project
In	24	In-OG&C	RTA funding	0	-35,950	Funding for above
Ex	25	Ex-Operating	Speed Zone Changes (Supply) - Kyogle Road	0	16,875	RTA funded project
In	25	In-OG&C	RTA funding	0	-16,875	Funding for above
In	26	Operating	s68 stormwater applications	-90,000	20,000	Economic downturn
In	26	Ex-In-TFR	Car parking reserve		-20,000	Funding for above
Ex	27	Operating	Goorimahbah 3 Brothers public art	117,431	15,000	Further expenditure
Ex	27	Ex-Operating	Cultural Development Fund	19,771	-15,000	Funding for above
Ex	28	Ex-OpOther	Corporate legal expenses	45,376	37,081	Sharples
In	29	In-Operating	s603 certificates	-153,042	70,000	Economic downturn
In	30	In-CG&C	s94 admin levy	-109,619	13,000	Economic downturn
Ex	31	Ex-Operating	International Day of people with Disability	800	1,000	Adjustment of budget
Ex	31	Ex-Operating	Aged & Disability project costs	12,000	-1,000	Adjustment of budget
Ex	32	Ex-Operating	Baby Health Centres	3,476	-3,476	Budget no longer required
Ex	34	Ex-OpEmp	Infrastructure Planning	424,536	-76,000	Saving from unfilled vacancy
Ex	35	Ex-OpEmp	Infrastructure Planning	424,536	-117,634	Project engineer not required
Ex	35	In-Recoup	Contribution Plan 4	-117,634	117,634	Funding for above
Ex	36	Ex-Operating	Advance Design/Survey	81,758	-10,000	Projected savings
Ex	37	Ex-OpOther	Design legal expenses	29,809	-21,379	Projected savings
Ex	38	Ex-Operating	Road closure expenses	33,073	-25,000	Projected savings
Ex	39	Ex-OpEmp	Contract Section	642,240	-70,000	Salary booked to projects
In	40	In-Interest	Rates Extra Charges		-125,241	Interest on overdue rates Council resolution 13 Dec 2011
Ex	41	Ex-Capital	Records/Museum Storage Shed	0	1,295,502	
In	41	In-TFR	Internal Loan - Waste Management Reserve		-430,031	Funding of Unit 1
In	41	In-TFR	Land Development Reserve		-150,000	Funding of Unit 2
In	41	In-Loan funds	Loan Funds - Records Storage		-262,867	Funding of Unit 2
Ex	41	Ex-Capital	Tweed Regional Museum - Tweed	1,207,133	-452,604	Funding of Unit 3
Ex	42	Ex-Capital	Depot Road sportsfield		600,000	Ongoing construction
In	42	In-Recoup	Contribution Plan 25		-600,000	Funding for above
Ex	43	Ex-Capital	Chapel relocation		87,000	Finalisation of project

In/ Ex	No.	Category	Description	Current Vote	Change to Vote	Details / Comments
In	43	Ex-Operating	Internal income - Parks Asset Maintenance		-87,000	Funding for above
In	44	In-Operating	Health and Safety Initiatives Fund income		-17,910	Sale of manual
Ex	44	Ex-Operating	Health and Safety Initiatives Fund expenses		17,910	Health & Safety initiatives
Ex	45	Ex-TTR	Payment to Works Carried Forward reserve	124,228	-29,759	Part reversal of transfer (Sep QBR)
Ex	46	Ex-Operating	NSW SLSC Championships	80,000	20,000	Additional in-kind support
					<u>0</u>	
			Sewer Fund			
Ex	47	Ex-Operating	Various Operating Expenses		-229,897	Review of operating budget
In	47	In-Rates	Rates & Annual Charges		-494,011	Annual charges reviewed
In	47	In-CG&C	Grants and Contributions - Capital		-532,097	s64 charges reviewed
Ex	47	Ex-TTR	Reversal of s64 income		532,097	Restriction of above
Ex	47	Ex-Capital	Various Capital Works		-3,078,200	Deferrals and adjustments
In	47	In-TFR	Transfers from Asset Replacement Reserve		2,639,908	Funding adjustment
In	47	In-Recoup	Transfers from Capital Contributions Reserve		1,162,200	Funding adjustment
					<u>0</u>	
			Water Fund			
Ex	48	Ex-Operating	Various Operating Expenses		837,528	Review of operating budget
In	48	In-Rates	Rates & Annual Charges		-106,902	Access charges reviewed
In	48	In-Operating	User Charges and Fees		-47,539	Volumetric charges reviewed
In	48	In-CG&C	Grants and Contributions - Capital		-1,107,310	s64 charges reviewed
Ex	48	Ex-TTR	Reversal of s64 income		1,107,310	Restriction of above
Ex	48	Ex-Capital	Various Capital Works		-4,985,722	Deferrals and adjustments
Ex	48	Ex-TTR	Transfers to Asset Replacement Reserve		-296,587	Funding adjustment
In	48	In-TFR	Transfers from Asset Replacement Reserve		-25,764	Funding adjustment
In	48	In-Recoup	Transfers from Capital Contributions Reserve		4,624,986	Funding adjustment
					<u>0</u>	
			2. Variations Arising from Council Resolutions			
Ex	49	Ex-Operating	Coastal Creeks Floodplain Mgt Study & Plan		150,000	Council meeting 15/11/11
Ex	49	Ex-Operating	Voluntary purchase	139,462	-50,000	Funding for above
In	49	In-OG&C	State Floodplain Management grant		-100,000	Funding for above
Ex	50	Ex-Capital	Banora Point Community Centre additions	0	36,000	Council meeting 19/07/11
In	50	In-Recoup	S94 CP 3 - Community Facilities	0	-36,000	Funding for above
In	51	In-Operating	Lease fees - Community Transport	0	-13,000	Council meeting 19/04/11
Ex	51	Ex-Operating	BPCC Reserve from lease fees	0	13,000	Council meeting 19/04/11
Ex	52	Ex-Capital	Chinderah Bay Drive roundabout	0	410,000	Council meeting 24/1/12
Ex	52	Ex-Capital	Chinderah Bay Drive	450,000	-175,000	Council meeting 24/1/12
Ex	52	Ex-Operating	Chinderah foreshore landscaping		-50,000	Council meeting 24/1/12
In	52	In-CG&C	Black Spot grant		-185,000	Council meeting 24/1/12
					<u>0</u>	
			Summary of Votes by Type			
			2011/12 Variations		0	
			Council Resolutions		0	
			Carried forward		<u>0</u>	

In/ Ex	No.	Category	Description	Current Vote	Change to Vote	Details / Comments
		Key to Category codes				
		Ex-				
		OpEmp	Employee costs			
		Ex-				
		Operating	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				
		funds	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		-283,634	
			Materials & Contracts		599,808	
			Interest		0	
			Other Operating costs		15,702	
			Capital		-6,235,490	
			Loan Repayments		0	
			Transfers to Reserves		1,286,371	
					-4,617,243	
			<u>Income</u>			
			Rates and Annual Charges		-600,913	
			Interest revenue		-125,241	
			Operating Grants & Conts		-180,013	
			Capital Grants & Conts		-2,815,207	
			User Charges & Fees		161,551	
			Other Operating Revenue		0	
			Loan Funds		-262,867	
			Recoupments		6,400,820	
			Transfers from Reserves		2,039,113	
			Asset Sales		0	
					4,617,243	
			Net		0	
		Summary of Votes - by Division				
			Technology & Corporate Services		337,863	
			Planning & Regulation		151,874	
			Community & Natural Resources		-318,580	
			Engineering & Operations		-204,879	
			General Manager		33,722	
					0	

Results by fund:**General Fund**

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

The NSW Surf Life Saving have requested some additional support from Council for this year’s NSW Surf Life Saving Championships being held at Kingscliff Beach from 2 March to 11 March 2012. Due to the beach conditions this year’s competition areas will be split with water competition areas in the far north and far south of Kingscliff Beach and the boats competition will be held at either Fingal or Pottsville. This increases the costs to transportation of equipment, officials, and competitors on the competition days and means that administration/scorekeeping will have to occur from various locations close to the competition stages. Considerable extra cost will be incurred by the event organisers in doing so and Council has been asked to help by extending its assistance to ensure the smooth operation of this major sporting event in the Tweed. Therefore this QBR allows for an additional \$20,000 contribution to the 2012 NSW Surf Life Saving competition.

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 December 2011

	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)	-	77,811	601	78,412	40,077
User Charges and Fees	32,034	(89)	-	31,945	(161)	31,784	15,557
Interest and Investment Revenue	7,640	663	-	8,303	125	8,428	6,990
Other Revenues	1,872	-	-	1,872	-	1,872	720
Grants & Contributions - Operating	15,560	341	-	15,901	180	16,081	6,717
Grants and Contributions - Capital	6,362	1,947	-	8,309	2,815	11,124	2,234
- Contributions (S94)	8,862	-	-	8,862	-	8,862	1,181
Net gain from the disposal of assets	-	-	-	-	-	-	270
Share of interests in joint ventures	-	-	-	-	-	-	-
Total Income	150,264	2,739	-	153,003	3,560	156,563	73,746
Expense							
Employee costs	43,654	(440)	-	43,214	(284)	42,930	21,327
Borrowing Costs	13,307	-	-	13,307	-	13,307	6,673
Materials & Contracts	40,984	15,472	-	56,456	600	57,056	21,599
Depreciation	38,141	-	-	38,141	-	38,141	19,071
Legal Costs	427	-	-	427	37	464	215
Consultants	728	-	-	728	-	728	295
Other Expenses	13,553	(38)	-	13,515	(20)	13,495	4,059
Interest and Investment Losses	-	-	-	-	-	-	-
Net Loss from Disposal of Assets	-	-	-	-	-	-	-
Share of interests in joint ventures	-	-	-	-	-	-	-
Total Expenses	150,794	14,994	-	165,788	333	166,121	73,239
Net Operating Result	(530)	(12,255)	-	(12,785)	3,227	(9,558)	507
Net Operating Result before capital items	(6,892)	(14,202)	-	(21,094)	412	(20,682)	(1,727)

Income & Expense- General Fund Budget Review Statement for the quarter ended 31 December 2011

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	55,681	2		55,683	-	55,683	28,398
User Charges and Fees	16,439	(18)		16,421	(209)	16,212	8,266
Interest and Investment Revenue	3,512			3,512	125	3,637	3,478
Other Revenues	1,651			1,651	-	1,651	538
Grants & Contributions - Operating	14,668	327		14,995	180	15,175	6,636
Grants and Contributions - Capital	2,264	4,406		6,670	1,176	7,846	970
- Contributions (S94)	8,862			8,862		8,862	1,181
Net gain from the disposal of assets				-		-	
Share of interests in joint ventures				-		-	
Total Income	103,077	4,717	-	107,794	1,272	109,066	49,467

Expense

Employee costs	35,010	(440)		34,570	(284)	34,286	16,833
Borrowing Costs	5,765			5,765	-	5,765	2,882
Materials & Contracts	24,899	15,643		40,542	(8)	40,534	18,437
Depreciation	22,934			22,934		22,934	11,467
Legal Costs	377			377	37	414	212
Consultants	81			81		81	246
Other Expenses	10,774	(38)		10,736	(20)	10,716	2,718
Interest and Investment Losses				-		-	
Net Loss from Disposal of Assets				-		-	
Share of interests in joint ventures				-		-	
Total Expenses	99,840	15,165	-	115,005	(275)	114,730	52,795

Net Operating Result

	3,237	(10,448)	-	(7,211)	1,547	(5,664)	(3,328)
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Net Operating Result before capital items

	(7,889)	(14,854)	-	(13,881)	371	(13,510)	(4,298)
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Funding Statement - General Fund - Source & Application of Funds

Operating Result (Income Statement)	3,237	(10,448)	-	(7,211)	1,547	(5,664)
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		26,425	(614)	25,811
Transfers from Internally Restricted Cash	1,182	15,013		16,195	575	16,770
Proceeds from sale of assets	3,587	762		4,349	-	4,349
Loan Funds Utilised	9,443	6,488		15,931	263	16,194
Repayments from Deferred Debtors				-		-
Funds Available	53,779	24,844	-	78,623	1,771	80,394
Funds were applied to:						
Purchase and construction of assets	35,739	24,533	-	60,272	1,828	62,100
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		5,676	(56)	5,620
Funds Used	53,779	24,844	-	78,623	1,772	80,395
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

Income & Expense- Sewer Fund Budget Review Statement for the quarter ended 31 December 2011

Original Budget	Approved Changes			Recommended changes for Council Resolution	Projected year end result	Actual YTD
	Sep Review	Dec Review	Revised Budget			
(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)

Income

Rates and Annual Charges	18,683	(107)		18,576	494	19,070	9,860
User Charges and Fees	1,484			1,484	-	1,484	895
Interest and Investment Revenue	2,649	261		2,910	-	2,910	3,090
Other Revenues	20			20	-	20	3
Grants & Contributions - Operating	442			442	-	442	81
Grants and Contributions - Capital - Contributions (S94)	1,330	(798)		532	532	1,064	437
Net gain from the disposal of assets				-		-	270
Share of interests in joint ventures				-		-	
Total Income	24,608	(644)	-	23,964	1,026	24,990	14,636

Expense

Employee costs	5,297			5,297	-	5,297	2,584
Borrowing Costs	2,687			2,687	-	2,687	1,355
Materials & Contracts	7,871	31		7,902	(230)	7,672	1,332
Depreciation	7,913			7,913		7,913	3,957
Legal Costs				-		-	3
Consultants	86			86		86	16
Other Expenses	1,511			1,511	-	1,511	668
Interest and Investment Losses				-		-	
Net Loss from Disposal of Assets				-		-	
Share of interests in joint ventures				-		-	
Total Expenses	25,365	31	-	25,396	(230)	25,166	9,915

Net Operating Result

	(757)	(675)	-	(1,432)	1,256	(176)	4,721
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Net Operating Result before capital items

	(2,087)	123	-	(1,964)	724	(1,240)	4,284
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Funding Statement - Sewer Fund - Source & Application of Funds

Operating Result (Income Statement)	(757)	(675)	-	(1,432)	1,256	(176)
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		5,468	(1,162)	4,306
Transfers from Internally Restricted Cash	20,794	9,698		30,492	(2,640)	27,852
Proceeds from sale of assets				-		-
Loan Funds Utilised				-	-	-
Repayments from Deferred Debtors				-		-
Funds Available	33,162	9,279	-	42,441	(2,546)	39,895
Funds were applied to:						
Purchase and construction of assets	26,689	10,873	-	37,562	(3,078)	34,484
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)		1,927	532	2,459
Funds Used	33,162	9,279	-	42,441	(2,546)	39,895
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

Income & Expense- Water Fund Budget Review Statement for the quarter ended 31 December 2011

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)		3,552	107	3,659	1,819
User Charges and Fees	14,111	(71)		14,040	48	14,088	6,396
Interest and Investment Revenue	1,479	402		1,881	-	1,881	422
Other Revenues	201			201	-	201	179
Grants & Contributions - Operating	450	14		464	-	464	
Grants and Contributions - Capital - Contributions (S94)	2,768	(1,661)		1,107	1,107	2,214	827
Net gain from the disposal of assets				-		-	
Share of interests in joint ventures				-		-	
Total Income	22,579	(1,334)	-	21,245	1,262	22,507	9,643

Expense

Employee costs	3,347			3,347	-	3,347	1,910
Borrowing Costs	4,855			4,855	-	4,855	2,436
Materials & Contracts	8,214	(202)		8,012	838	8,850	1,830
Depreciation	7,294			7,294		7,294	3,647
Legal Costs	50			50		50	
Consultants	561			561		561	33
Other Expenses	1,268			1,268	-	1,268	673
Interest and Investment Losses				-		-	
Net Loss from Disposal of Assets				-		-	
Share of interests in joint ventures				-		-	
Total Expenses	25,589	(202)	-	25,387	838	26,225	10,529

Net Operating Result

	(3,010)	(1,132)	-	(4,142)	424	(3,718)	(886)
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**Net Operating Result before
capital items**

	242	2,793	-	3,035	(1,531)	1,504	59
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Funding Statement - Water Fund - Source & Application of Funds

Operating Result (Income Statement)	(3,010)	(1,132)	-	(4,142)	424	(3,718)
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		17,646	(4,625)	13,021
Transfers from Internally Restricted Cash	5,094	118		5,212	26	5,238
Proceeds from sale of assets				-	-	-
Loan Funds Utilised				-	-	-
Repayments from Deferred Debtors				-	-	-
Funds Available	21,923	4,087	-	26,010	(4,175)	21,835
Funds were applied to:						
Purchase and construction of assets	16,877	984		17,861	(4,986)	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		3,103	811	3,914
Funds Used	21,923	4,087	-	26,010	(4,175)	21,835
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 2011 and should be read in conjunction with other documents in the QBRs.

Capital Budget Review Statement - Consolidated - for the quarter ended 31 December 2011

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		15,607	292	15,899	6,212
Capital Grants & Contributions	4,263	4,406		8,669	1,189	9,858	1,828
Internal Restrictions (Reserves)	26,185	10,142		36,327	(1,696)	34,631	10,460
External Restrictions							
- s64 & s94 funds	29,868	14,152		44,020	(6,283)	37,737	5,606
Other Capital Funding Sources							
- loans	7,284	6,488		13,772	263	14,035	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		121,982	(6,235)	115,747	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		10,666	2,070	12,736	368
- Roads, Bridges, Footpaths	8,797	7,350		16,147		16,147	647
- Drainage							
- Water & Sewer Infrastructure	21,333	(1,726)		19,607	(6,287)	13,320	2,248
- Other	1,170	54		1,224	600	1,824	662
Renewals (Replacement)							
- Plant and Equipment	5,598	997		6,595		6,595	1,475
- Land, Buildings, Furniture, Fittings	570	781		1,351	65	1,416	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		4,576	193	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		5,721	(907)	4,814	930
- Roads, Bridges, Footpaths	470	3,011		3,481		3,481	376
- Drainage		6		6		6	
- Water & Sewer Infrastructure	18,178	12,548		30,726	(1,969)	28,757	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		121,982	(6,235)	115,747	25,482

Capital Budget Review Statement - General Fund - for the quarter ended 31 December 2011

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		10,160	292	10,452	4,415
Capital Grants & Contributions	4,263	4,406		8,669	1,189	9,858	1,828
Internal Restrictions (Reserves)	1,060	325		1,385	580	1,965	229
External Restrictions							
- s64 & s94 funds	12,108	13,029		25,137	(496)	24,641	1,196
Other Capital Funding Sources							
- loans	7,284	6,488		13,772	263	14,035	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		62,710	1,828	64,538	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		10,166	2,070	12,236	252
- Roads, Bridges, Footpaths	8,797	7,350		16,147		16,147	647
- Drainage							
- Water & Sewer Infrastructure							
- Other	1,170	54		1,224	600	1,824	662
Renewals (Replacement)							
- Plant and Equipment	5,598	997		6,595		6,595	1,475
- Land,Buildings,Furniture,Fittings	570	781		1,351	65	1,416	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		5,721	(907)	4,814	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		62,710	1,828	64,538	9,044

Capital Budget Review Statement - Sewer Fund - for the quarter ended 31 December 2011

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		30,493	(1,916)	28,577	9,534
External Restrictions							
- s64 & s94 funds	5,214	256		5,470	(1,162)	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		40,471	(3,078)	37,393	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)		7,964	(1,250)	6,714	1,282
- Other							
Renewals (Replacement)							
- Plant and Equipment							
- Land, Buildings, Furniture, Fittings							
- Roads, Bridges, Footpaths							
- Drainage							
- Water & Sewer Infrastructure	1,410	875		2,285	193	2,478	185
- Other							
Upgrades							
- Plant and Equipment							
- Land, Buildings, Furniture, Fittings							
- Roads, Bridges, Footpaths							
- Drainage							
- Water & Sewer Infrastructure	14,439	12,859		27,298	(2,021)	25,277	9,736
- Other							
Loan Repayments (principal)	2,909			2,909		2,909	2,284
Total Capital Expenditure	29,598	10,873		40,471	(3,078)	37,393	13,570

Capital Budget Review Statement - Water Fund - for the quarter ended 31 December 2011

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	4,449	(360)	4,089	697
External Restrictions						
- s64 & s94 funds	12,546	867	13,413	(4,625)	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	18,801	(4,985)	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	11,643	(5,037)	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)	3,428	52	3,480	821
- Other						
Loan Repayments (principal)	939		939		939	461
Total Capital Expenditure	17,816	985	18,801	(4,985)	13,816	2,868

* Note, figures in the Actual YTD column of capital funding are estimates only.

Detailed calculations of funding results are performed annually.

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 December 2011 and should be read in conjunction with other documents in the QBRS.

Cash and Investments Budget Review Statement for the quarter ended 31 December 2011

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		20,505
Externally restricted						
RTA Contributions	143	(143)	0		0	143
Developer contributions	25,213		25,213	(614)	24,599	27,225
Domestic waste management	8,483		8,483		8,483	8,373
Special Rates	229		229		229	229
Special purpose grants	3,252	(3,252)	0	1,356	1,356	3,252
Water Supplies	20,813	(2,117)	18,696		18,696	25,024
Sewerage Services	42,081	(258)	41,823		41,823	55,218
Other	933		933		933	933
Total Externally restricted	101,147	(5,770)	0	95,377	742	120,397
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)	1,214	5	1,219	3,404
7 Year Plan	3,535	(2,978)	557		557	2,978
Works Carried Forward	4,584	(3,969)	615		615	4,584
Replacement of Plant and Vehicles	1,102		1,102		1,102	1,075
Tip improvements	3,442		3,442	(430)	3,012	3,065
Asset renewals	958		958		958	943
Other	4,319	(2,387)	1,932	(206)	1,726	3,968
Total Internally restricted	30,231	(11,524)	0	18,707	(631)	28,704
Total Restricted	131,378	(17,294)	0	114,084	111	149,101
Total cash and investments	133,387	(17,294)	0	116,093	111	169,606
Available cash	2,009	0	0	2,009	0	20,505

* 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	149,101
Total invested funds as per December Investment Report	155,346
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 31 January 2012

Reconciliation of cash and investments:

	(000's)
Cash and investments as per above	169,606
Cash on hand and at bank	14,260
Investments	<u>155,346</u>
	169,606

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 December 2011 and should be read in conjunction with other documents in the QBRs.

Key Performance Indicators Budget Review Statement for the quarter ended 31 December 2011

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	99,725	3.77:1
<u>Current liabilities</u>	<u>26,444</u>	

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	10,123	14.93%
<u>Selected operating income</u>	<u>67,824</u>	

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 December 2011 and should be read in conjunction with other documents in the QBRs.

Budget Review Contracts and Other Expenses for the quarter ended 31 December 2011

PART A-Contracts Listing		Contract value	Commencement	Duration of	Budgeted
Contractor	Contract detail & purpose	\$	date	contract	(Y/N)
Craigiedale	EQ2011-187 Provision of Mowing & Ground maintenance to Council Reserves	\$126,550.00	01/11/2011	17 months	Y
Tinlen	EC2011-203 Design & Construct Records Storage Facility	\$1,027,719.00	To be determined	26 weeks	Y
Fulton Hogan Industries Pty Ltd	EQ2011-229 - Kennedy Drive Asphalt Works Stage 1	\$123,658.04	To be determined	2 weeks	Y

PART B - Consultancy and Legal expenses		Expenditure YTD	Budgeted
Expense		\$	(Y/N)
Consultancies		487,289	Y
Legal expenses		217,666	Partial

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 December 2011 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 31/12/2011 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 10/02/2012
“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.
