

TITLE: [TCS-CM] Quarterly Budget Review - December 2012

SUBMITTED BY: Financial Services



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 2012/2013 Budget.

This statutory report is prepared in accordance with the Local Government (General) Regulations 2005, sections 202 and 203. Council will have a balanced budget as at 31 December 2012 in all Funds.

RECOMMENDATION:

That the:

1. Quarterly Budget Review Statement as at 31 December 2012 be adopted.
2. Expenditure and income, as summarised below and detailed within the report, be voted and adjusted in accordance with the revised total expenditure and income for the year ending 30 June 2013.

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

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

REPORT:**Budget Review 31 December 2012 (Quarterly Budget Review)**

In accordance with section 203(1) of the Local Government (General) Regulation 2005, a Budget Review Statement and revision of the estimates of income and expenditure must be submitted to council within two months of the close of each quarter.

The Regulation requires that the quarterly financial review must include the following:

- A revised estimate for income and expenditure for the year.
- A report as to whether or not such statements indicate that the financial position of the Council is satisfactory and if the position is unsatisfactory, make recommendations for remedial action.

Report by Responsible Accounting Officer – Quarterly Budget Review Statements

The Quarterly Budget Review Reports are prepared to provide Council and the community with information in relation to Council's financial performance and proposed amendments to its budget and forward estimates. The reports are prepared under accrual accounting principles in accordance with the requirements of the Local Government Act 1993.

From the 2011/2012 financial year, councils are required to prepare a Quarterly Budget Review Statement, which includes the following information:

- The original budget
- Approved changes to the original budget
- Recommendations by Council officers regarding changes to the revised budget
- A projected year end result
- Actual year to date figures
- Key Performance Indicators
- New contracts entered into during the quarter
- Consultancy and legal expenses

This information is presented in the following reports:

- List of changes which will impact on revenue, i.e. will affect the Operational Plan (budget) or Long Term Financial Plan
- Detailed list of recommended changes, including those recommended by officers and those adopted by Council
- Income and Expenses Statement, consolidated and by fund
- Funding Statement, consolidated and by fund, which gives the total budget result
- Capital Budget Review Statement
- Cash & Investments Budget Review Statement
- Budget Review Key Performance Indicators Statement
- Budget Review Contracts (part A) and Other Expenses (part B)

Impacts on the Operational Plan and/or Long Term Financial Plan

Some recommended changes will have no net effect on the Operational Plan (1 year budget). Others will have long term effects and will need to be reflected in the next revision of the Long Term Financial Plan. The changes which will have such an effect are listed below:

Description	\$	\$
	Net Effect on 2012/2013 Budget	Net Effect on LTFP
General Fund		
Workers Compensation Insurance	(105,660)	
Building Legal fees	(50,475)	
Building & Health Fees	6,659	6,659
Regulatory salaries	62,214	62,214
Insect/Vermin control	15,000	20,000
Software licence fees	10,000	10,000
Pest management program	10,000	
Wharf Street Tweed Heads streetscaping	5,000	
Development Assessment fees	47,262	
	0	98,873

Detailed list of changes

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
1. Proposed Variations						
General						
Ex	1	Ex-Op	Clothiers Creek Road		23,000	Delineation improvements
In	1	In-OG&C	RMS grant		-23,000	Funding for above
Ex	2	Ex-Op	Budd Park Stage 1 works		360,000	Bank stabilisation and rock revetment
Ex	2	Ex-Op	Lower Tweed Management Plan	1,806,066	-360,000	Funding for above
In	3	Ex-Op	Botanic gardens recurrent costs	75,000	-75,000	Reallocate rollover to Pool works as per original budget
In	3	Ex-Op	Botanic gardens visitor centre recurrent costs	30,000	-30,000	Reallocate rollover to Pool works as per original budget
In	3	In-TFR	Pools funding - Reserves	-105,936	105,000	Reallocate rollover to Pool works as per original budget
Ex	4	Ex-Op	Kingscliff Carparking - Marine Parade	0	600,000	Marine Parade parking/traffic alterations
In	4	In-Recoup	Kingscliff Carparking - S94 - CP23	0	-600,000	Funding for above
Ex	5	Ex-Capital	Faulks Park	0	300,000	Upgrade
Ex	5	Ex-Op	Parks Asset Renewal	411,925	-200,000	Funding for above
Ex	5	Ex-Op	Public toilets	621,398	-100,000	Funding for above
Ex	6	Ex-Op	Art gallery grant expenditure	87,272	4,800	ConnectEd program
In	6	In-OG&C	Art gallery grant income	-50,000	-4,800	Arts NSW grant received
Ex	7	Ex-Op	Valuation Fees - Rates	216,300	7,000	6% increase in VG Fees
Ex	7	Ex-Op	Investment Advisor Fees	30,900	-3,300	Funding for above
Ex	7	Ex-Op	Investment Clearing House Fees	6,180	-3,700	Funding for above
Ex	8	Ex-Capital	Cudgen Creek boardwalk		475,480	Final stage
In	8	In-CG&C	NSW Planning & Infrastructure		-237,740	Funding for above
In	8	In-Recoup	CP22		-237,740	Funding for above
Ex	9	Ex-OpEmp	Workers Compensation Insurance	1,252,159	-105,660	Advice received Court judgement in favour of Council
Ex	10	Ex-OpOther	Legal fees DA04/1028	0	-50,475	
In	11	In-Operating	Plumbing inspection fee	-106,338	-10,000	Additional income predicted

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
In	11	In-Operating	Conveyancing diagrams	-123,409	8,409	Downturn in property sales
In	11	In-Operating	Backflow prevention devices	-25,235	-2,000	Additional income predicted
In	11	In-Operating	Essential fire services	-23,000	-5,000	Additional income predicted
In	11	In-Operating	Sewer Plans	-69,250	-1,750	Additional income predicted
In	11	In-Operating	Annual food premises admin fee	-121,275	20,000	Admin fee not increased and a number of food premises closed.
In	11	In-Operating	OSSM New install	-18,247	-2,000	Additional income predicted
In	11	In-Operating	OSSM Approvals	-7,299	-1,000	Additional income predicted
Ex	12	Ex-Op	ELMO - Safety Induction Software	0	10,000	Licence fee
Ex	13	Ex-OpEmp	Animal Control Salaries	213,352	14,154	Weekend and public holiday penalties
Ex	13	Ex-OpEmp	Rangers Salaries	564,868	48,060	Weekend and public holiday penalties
Ex	14	Ex-Op	Insect/Vermin control	33,486	15,000	Additional mosquito control, Tweed coast
Ex	15	Ex-Op	Pest management program	0	10,000	Boat storage shed
Ex	16	Ex-Op	Wharf Street Tweed Heads streetscaping		5,000	Concept plans, Florence St to Boundary St
In	17	In-Operating	Development Assessment fees	-539,925	47,262	Income lower than predicted
					0	
			Sewer Fund			
Ex	18	Ex-Op	Various Operating Expenses		-927,000	Review of operating budget
In	18	In-Interest	s64 Interest		-1,987	Funding adjustment
Ex	18	Ex-TTR	Reversal of s64 income		1,987	Restriction of above
Ex	18	Ex-Capital	Various Capital Works		112,000	Project costs reassessed
In	18	In-TFR	Transfers from Asset Replacement Reserve		53,000	Funding adjustment
In	18	In-TFR	Transfers from Revenue Reserve		762,000	Funding adjustment
					0	
			Water Fund			
Ex	19	Ex-Op	Various Operating Expenses		-1,083,623	Deferrals to future years
In	19	In-Interest	Interest - Capital Contributions		92,034	Funding adjustment
In	19	In-Interest	Interest - Asset Replacement		29,033	Funding adjustment
Ex	19	Ex-TTR	Reversal of restricted interest income		-121,067	Restriction of above
Ex	19	Ex-Capital	Various Capital Works		-2,909,345	Deferrals to future years
Ex	19	Ex-TTR	Transfers to Asset Replacement Reserve		344,548	Funding adjustment
In	19	In-TFR	Transfers from Asset Replacement Reserve		1,194,164	Funding adjustment
In	19	In-Recoup	Transfers from Capital Contributions Reserve		2,454,256	Funding adjustment
					0	
			2. Variations Arising from Council Resolutions			
Ex	20	Ex-Op	Integrated sustainable floodplain farming		55,000	Council meeting 25/10/12
In	20	In-OG&C	NRCMA grant		-55,000	Council meeting 25/10/12
					0	
			Summary of Votes by Type			
			2012/13 Variations		0	
			Council Resolutions		0	
					0	
			Key to Category codes			
		Ex-OpEmp	Employee costs			
		Ex-Op	Materials & contracts			
		Ex-Interest	Interest on loans			
		Ex-OpOther	Other operating expenses			
		Ex-Capital	Capital works			
		Ex-Loan				
		Reps	Repayment on principal on loans			
		Ex-TTR	Transfers to reserves			
		In-Rates	Rates & annual charges			
		In-Interest	Interest income			

In/Ex	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
		In-OG&C	Operating grants & contributions			
		In-CG&C	Capital grants & contributions			
		In-Operating	User charges & fees			
		In-OpOther	Other operating income			
		In-Loan	Loan funds			
		In-Recoup	Recoupment from s64 & s94 funds			
		In-TFR	Transfers from reserves			
		In-Sales	Proceeds from sale of assets			
			<u>Expenses</u>			
			Employee costs		-43,446	
			Materials & Contracts		-1,692,823	
			Interest		0	
			Other Operating costs		-50,475	
			Capital		-2,021,865	
			Loan Repayments		0	
			Transfers to Reserves		225,468	
					<u>-3,583,141</u>	
			<u>Income</u>			
			Rates and Annual Charges		0	
			Interest revenue		119,080	
			Operating Grants & Conts		-82,800	
			Capital Grants & Conts		-237,740	
			User Charges & Fees		53,921	
			Other Operating Revenue		0	
			Loan Funds		0	
			Recoupments		1,616,516	
			Transfers from Reserves		2,114,164	
			Asset Sales		0	
					<u>3,583,141</u>	
			Net		<u>0</u>	
			Summary of Votes - by Division			
			Technology & Corporate Services		-95,660	
			Planning & Regulation		65,660	
			Community & Natural Resources		25,000	
			Engineering & Operations		5,000	
			General Manager		0	
					<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 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	85,185	-	-	85,185	-	85,185	43,579
User Charges and Fees	34,749	-	-	34,749	(54)	34,695	14,146
Interest and Investment Revenue	6,088	1,694	-	7,782	(119)	7,663	5,351
Other Revenues	1,854	-	-	1,854	-	1,854	852
Grants & Contributions - Operating	16,215	(167)	-	16,048	83	16,131	7,339
Grants and Contributions - Capital	1,957	22	-	1,979	239	2,218	5,497
- Contributions (S94)	5,742	(72)	-	5,670	-	5,670	3,010
Net gain from the disposal of assets	-	-	-	-	-	-	1
Share of interests in joint ventures	-	-	-	-	-	-	-
Total Income	151,790	1,477	-	153,267	149	153,416	79,775
Expense							
Employee costs	45,737	374	-	46,111	(43)	46,068	21,108
Borrowing Costs	13,589	-	-	13,589	-	13,589	6,740
Materials & Contracts	45,835	18,852	-	64,687	(1,691)	62,996	22,751
Depreciation	39,643	-	-	39,643	-	39,643	19,822
Legal Costs	441	-	-	441	-	441	112
Consultants	624	284	-	908	-	908	366
Other Expenses	14,878	49	-	14,927	(51)	14,876	7,480
Interest and Investment Losses	-	-	-	-	-	-	-
Net Loss from Disposal of Assets	-	-	-	-	-	-	-
Share of interests in joint ventures	-	-	-	-	-	-	-
Total Expenses	160,747	19,559	-	180,306	(1,785)	178,521	78,379
Net Operating Result	(8,957)	(18,082)	-	(27,039)	1,934	(25,105)	1,396
Net Operating Result before capital items	(10,914)	(18,104)	-	(29,018)	1,695	(27,323)	(4,101)

Funding Statement - Consolidated - Source & Application of Funds

Operating Result (Income Statement)	(8,957)	(18,082)	-	(27,039)	1,934	(25,105)
Add Back non-funded items:						
Depreciation	39,643	-	-	39,643	-	39,643
Add non-operating funding sources						
Transfers from Externally Restricted Cash	13,519	8,368	-	21,887	(1,616)	20,271
Transfers from Internally Restricted Cash	14,841	26,478	-	41,319	(2,114)	39,205
Proceeds from sale of assets	2,294	2,393	-	4,687	-	4,687
Loan Funds Utilised	6,660	8,999	-	15,659	-	15,659
Repayments from Deferred Debtors	-	-	-	-	-	-
Funds Available	68,000	28,156	-	96,156	(1,796)	94,360
Funds were applied to:						
Purchase and construction of assets	41,956	30,817	-	72,773	(2,022)	70,751
Repayment of principal on loans	7,094	-	-	7,094	-	7,094
Transfers to Externally Restricted Cash	5,529	-	-	5,529	-	5,529
Transfers to Internally Restricted Cash	13,421	(2,661)	-	10,760	225	10,985
Funds Used	68,000	28,156	-	96,156	(1,797)	94,359
Increase/(Decrease) in Available Working Capital	-	-	-	-	1	1

* Includes Carried Forward Works revotes

Income and Expense- General Fund Budget Review Statement for the quarter ended 31 December 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	60,632	-		60,632	-	60,632	30,961
User Charges and Fees	17,709	-		17,709	(54)	17,655	9,135
Interest and Investment Revenue	3,135	83		3,218	-	3,218	2,769
Other Revenues	1,627	-		1,627	-	1,627	707
Grants & Contributions - Operating	15,282	(167)		15,115	83	15,198	6,589
Grants and Contributions - Capital	1,957	-		1,957	239	2,196	5,497
- Contributions (S94)	1,587			1,587		1,587	1,576
Net gain from the disposal of assets				-		-	
Share of interests in joint ventures				-		-	
Total Income	101,929	(84)	-	101,845	268	102,113	57,234
Expense							
Employee costs	35,415	228		35,643	(43)	35,600	16,626
Borrowing Costs	6,221	-		6,221	-	6,221	3,029
Materials & Contracts	35,254	18,073		53,327	319	53,646	19,200
Depreciation	24,055			24,055		24,055	12,028
Legal Costs	366			366		366	112
Consultants	70			70		70	230
Other Expenses	11,379	49		11,428	(51)	11,377	5,540
Interest and Investment Losses				-		-	
Net Loss from Disposal of Assets				-		-	
Share of interests in joint ventures				-		-	
Total Expenses	112,760	18,350	-	131,110	225	131,335	56,765
Net Operating Result	(10,831)	(18,434)	-	(29,265)	43	(29,222)	469
Net Operating Result before capital items	(14,375)	(18,434)	-	(31,222)	(196)	(31,418)	(5,028)

Funding Statement - General Fund - Source & Application of Funds

Operating Result (Income Statement)	(10,831)	(18,434)	-	(29,265)	43	(29,222)
Add Back non-funded items:						
Depreciation	24,055			24,055	-	24,055
Add non-operating funding sources						
Transfers from Externally Restricted Cash	2,346	6,163		8,509	838	9,347
Transfers from Internally Restricted Cash	2,189	24,083		26,272	(105)	26,167
Proceeds from sale of assets	2,294	2,393		4,687	-	4,687
Loan Funds Utilised	6,660	8,999		15,659	-	15,659
Internal charges	7,318			7,318		7,318
Repayments from Deferred Debtors				-		-
Funds Available	34,031	23,204	-	57,235	776	58,011
Funds were applied to:						
Purchase and construction of assets	22,606	23,204		45,810	775	46,585
Repayment of principal on loans	3,072	-		3,072	-	3,072
Transfers to Externally Restricted Cash	2,357			2,357		2,357
Transfers to Internally Restricted Cash	5,996	-		5,996	-	5,996
Funds Used	34,031	23,204	-	57,235	775	58,010
Increase/(Decrease) in Available Working Capital	-	-	-	-	1	1

Income and Expense- Sewer Fund Budget Review Statement for the quarter ended 31 December 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	20,546	-		20,546	-	20,546	10,599
User Charges and Fees	1,401	-		1,401	-	1,401	645
Interest and Investment Revenue	1,891	1,266		3,157	2	3,159	1,862
Other Revenues	20	-		20	-	20	24
Grants & Contributions - Operating	455	-		455	-	455	438
Grants and Contributions - Capital		22		22	-	22	
- Contributions (S94)	1,349			1,349		1,349	502
Net gain from the disposal of assets				-		-	
Share of interests in joint ventures				-		-	
Total Income	25,662	1,288	-	26,950	2	26,952	14,070

Expense

Employee costs	6,300	52		6,352	-	6,352	2,597
Borrowing Costs	2,595	-		2,595	-	2,595	1,309
Materials & Contracts	4,719	214		4,933	(927)	4,006	1,453
Depreciation	8,534			8,534		8,534	4,267
Legal Costs	75			75		75	
Consultants	434			434		434	83
Other Expenses	1,923			1,923	-	1,923	868
Interest and Investment Losses				-		-	
Net Loss from Disposal of Assets				-		-	
Share of interests in joint ventures				-		-	
Total Expenses	24,580	266	-	24,846	(927)	23,919	10,577

Net Operating Result

1,082	1,022	-	2,104	929	3,033	3,493
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Net Operating Result before capital items

1,082	1,000	-	2,082	929	3,011	3,493
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Funding Statement - Sewer Fund - Source & Application of Funds

Operating Result (Income Statement)	1,082	1,022	-	2,104	929	3,033
Add Back non-funded items:						
Depreciation	8,534	-	-	8,534	-	8,534
Add non-operating funding sources						
Transfers from Externally Restricted Cash	4,108	349		4,457	-	4,457
Transfers from Internally Restricted Cash	5,797	3,793		9,590	(815)	8,775
Proceeds from sale of assets				-		-
Loan Funds Utilised				-	-	-
Repayments from Deferred Debtors				-		-
Funds Available	19,521	5,164	-	24,685	114	24,799
Funds were applied to:						
Purchase and construction of assets	10,811	5,661		16,472	112	16,584
Repayment of principal on loans	3,001	-		3,001	-	3,001
Transfers to Externally Restricted Cash	340			340		340
Transfers to Internally Restricted Cash	1,901	(497)		1,404	2	1,406
Internal charges	3,468			3,468		3,468
Funds Used	19,521	5,164	-	24,685	114	24,799
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

Income and Expense- Water Fund Budget Review Statement for the quarter ended 31 December 2012

	Original Budget (000's)	Approved Changes		Revised Budget (000's)	Recommended changes for Council Resolution (000's)	Projected year end result (000's)	Actual YTD (000's)
		Sep Review (000's) *	Dec Review (000's)				
Income							
Rates and Annual Charges	4,007			4,007	-	4,007	2,019
User Charges and Fees	15,639			15,639	-	15,639	4,366
Interest and Investment Revenue	1,062	345		1,407	(121)	1,286	720
Other Revenues	207	-		207	-	207	121
Grants & Contributions - Operating	478	-		478	-	478	312
Grants and Contributions - Capital				-		-	
- Contributions (S94)	2,806	(72)		2,734	-	2,734	932
Net gain from the disposal of assets				-		-	1
Share of interests in joint ventures				-		-	
Total Income	24,199	273	-	24,472	(121)	24,351	8,471
Expense							
Employee costs	4,022	94		4,116	-	4,116	1,885
Borrowing Costs	4,773	-		4,773	-	4,773	2,402
Materials & Contracts	5,862	565		6,427	(1,083)	5,344	2,098
Depreciation	7,054			7,054		7,054	3,527
Legal Costs				-		-	
Consultants	120	284		404		404	53
Other Expenses	1,576	-		1,576	-	1,576	1,072
Interest and Investment Losses				-		-	
Net Loss from Disposal of Assets				-		-	
Share of interests in joint ventures				-		-	
Total Expenses	23,407	943	-	24,350	(1,083)	23,267	11,037
Net Operating Result	792	(670)	-	122	962	1,084	(2,566)
Net Operating Result before capital items	(792)	670	-	(122)	(962)	(1,084)	2,566

Funding Statement - Water Fund - Source & Application of Funds

Operating Result (Income Statement)	792	(670)	-	122	962	1,084
Add Back non-funded items:						
Depreciation	7,054	-	-	7,054	-	7,054
Add non-operating funding sources						
Transfers from Externally Restricted Cash	7,065	1,856		8,921	(2,454)	6,467
Transfers from Internally Restricted Cash	6,855	(1,398)		5,457	(1,194)	4,263
Proceeds from sale of assets				-	-	-
Loan Funds Utilised				-	-	-
Repayments from Deferred Debtors				-	-	-
Funds Available	21,766	(212)	-	21,554	(2,686)	18,868
Funds were applied to:						
Purchase and construction of assets	8,539	1,952		10,491	(2,909)	7,582
Repayment of principal on loans	1,021	-		1,021	-	1,021
Transfers to Externally Restricted Cash	2,832			2,832		2,832
Transfers to Internally Restricted Cash	5,524	(2,164)		3,360	223	3,583
Internal charges	3,850			3,850		3,850
Funds Used	21,766	(212)	-	21,554	(2,686)	18,868
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 2012 and should be read in conjunction with other documents in the QBRs.

Capital Budget Review Statement - Consolidated - for the quarter ended 31 December 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	23,421	1,684		25,105	(59)	25,046	15,460
Capital Grants & Contributions	2,976			2,976	237	3,213	2,482
Internal Restrictions (Reserves)	10,007	3,797		13,804	(1,620)	12,184	4,218
External Restrictions							
- s64 & s94 funds	5,543	2,205		7,748	(580)	7,168	2,542
Other Capital Funding Sources							
- loans	4,810	55		4,865		4,865	3,759
Income from sale of assets							
- plant and equipment	2,293			2,293		2,293	1,772
- Land, Buildings, Furniture, Fittings							
Total Capital Funding	49,050	7,741		56,791	(2,022)	54,769	30,233

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 Expenditure

New Assets

- Plant and Equipment						235
- Land,Buildings,Furniture,Fittings	118		118		118	1,565
- Roads, Bridges, Footpaths	652		652	475	1,127	5,768
- Drainage						1
- Water & Sewer Infrastructure	9,440	(205)	9,235	(2,035)	7,200	3,403
- Other Renewals (Replacement)	2,689		2,689		2,689	364
- Plant and Equipment	5,231		5,231		5,231	2,216
- Land,Buildings,Furniture,Fittings	500	(22)	478		478	145
- Roads, Bridges, Footpaths	8,905		8,905		8,905	2,621
- Drainage	1,591		1,591		1,591	438
- Water & Sewer Infrastructure	2,561	1,381	3,942	(685)	3,257	1,039
- Other	13	(13)				63
Upgrades						
- Plant and Equipment						
- Land,Buildings,Furniture,Fittings	150		150		150	1,306
- Roads, Bridges, Footpaths	450		450		450	2,149
- Drainage	2,425		2,425		2,425	2,056
- Water & Sewer Infrastructure	7,349	6,437	13,786	(77)	13,709	2,430
- Other		45	45	300	345	87
Loan Repayments (principal)	7,094		7,094		7,094	4,347
Total Capital Expenditure	49,050	7,741	56,791	(2,022)	54,769	30,233

Capital Budget Review Statement - General Fund - for the quarter ended 31 December 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	13,045	69	13,114	300	13,414	10,362
Capital Grants & Contributions	2,976		2,976	237	3,213	2,482
Internal Restrictions (Reserves)	1,770	4	1,774		1,774	1,371
External Restrictions						
- s64 & s94 funds	784		784	238	1,022	790
Other Capital Funding Sources						
- loans	4,810	55	4,865		4,865	3,759
Income from sale of assets						
- plant and equipment	2,293		2,293		2,293	1,772
- Land,Buildings,Furniture,Fittings						
Total Capital Funding	25,678	128	25,806	775	26,581	20,536

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 Expenditure

New Assets

- Plant and Equipment

-

Land,Buildings,Furniture,Fittings

- Roads, Bridges, Footpaths

- Drainage

- Water & Sewer Infrastructure

- Other

Renewals (Replacement)

- Plant and Equipment

-

Land,Buildings,Furniture,Fittings

- Roads, Bridges, Footpaths

- Drainage

- Water & Sewer Infrastructure

- Other

Upgrades

- Plant and Equipment

-

Land,Buildings,Furniture,Fittings

- Roads, Bridges, Footpaths

- Drainage

- Water & Sewer Infrastructure

- Other

Loan Repayments (principal)

Total Capital Expenditure

						235
	118		118		118	1,565
652			652	475	1,127	5,768
						1
2,689			2,689		2,689	364
5,231			5,231		5,231	2,216
500	(22)		478		478	145
8,905			8,905		8,905	2,621
1,591			1,591		1,591	438
13	(13)					63
150			150		150	1,306
450			450		450	2,149
2,425			2,425		2,425	2,056
	45		45	300	345	87
3,072			3,072		3,072	1,522
25,678	128		25,806	775	26,581	20,536

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

Capital Grants & Contributions

Internal Restrictions (Reserves)

External Restrictions

- s64 & s94 funds

Other Capital Funding Sources

- loans

Income from sale of assets

- plant and equipment

-

Land,Buildings,Furniture,Fittings

Total Capital Funding

8,957	1,519		10,476	73	10,549	4,745
2,836	3,793		6,629	23	6,652	1,503
2,019	349		2,368	16	2,384	1,070
13,812	5,661		19,473	112	19,585	7,318

Capital Expenditure

New Assets

	Original Budget (000's)	Approved Changes			Recommended changes for Council Resolution (000's)	Projected year end result (000's)	Actual YTD (000's)
		Sep Review (000's)	Dec Review (000's)	Revised Budget (000's)			
- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Roads, Bridges, Footpaths							
- Drainage							
- Water & Sewer Infrastructure	5,350	275		5,625	65	5,690	2,907
- Other Renewals (Replacement)							
- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Roads, Bridges, Footpaths							
- Drainage							
- Water & Sewer Infrastructure	1,058	876		1,934	50	1,984	510
- Other Upgrades							
- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Roads, Bridges, Footpaths							
- Drainage							
- Water & Sewer Infrastructure	4,403	4,510		8,913	(3)	8,910	1,571
- Other Loan Repayments (principal)	3,001			3,001		3,001	2,330
Total Capital Expenditure	13,812	5,661		19,473	112	19,585	7,318

Capital Budget Review Statement - Water Fund - for the quarter ended 31 December 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	1,419	96		1,515	(432)	1,083	353
Capital Grants & Contributions							
Internal Restrictions (Reserves)	5,401			5,401	(1,643)	3,758	1,344
External Restrictions							
- s64 & s94 funds	2,740	1,856		4,596	(834)	3,762	682
Other Capital Funding Sources							
- loans							
Income from sale of assets							
- plant and equipment							
- Land,Buildings,Furniture,Fittings							
Total Capital Funding	9,560	1,952		11,512	(2,909)	8,603	2,379

Capital Expenditure

New Assets

- Plant and Equipment							
- Land,Buildings,Furniture,Fittings							
- Roads, Bridges, Footpaths							
- Drainage							

	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)			
- Water & Sewer Infrastructure	4,090	(480)		3,610	(2,100)	1,510	496
- Other							
Renewals (Replacement)							
- Plant and Equipment							
- Land, Buildings, Furniture, Fittings							
- Roads, Bridges, Footpaths							
- Drainage							
- Water & Sewer Infrastructure	1,503	505		2,008	(735)	1,273	529
- Other							
Upgrades							
- Plant and Equipment							
- Land, Buildings, Furniture, Fittings							
- Roads, Bridges, Footpaths							
- Drainage							
- Water & Sewer Infrastructure	2,946	1,927		4,873	(74)	4,799	859
- Other							
Loan Repayments (principal)	1,021			1,021		1,021	495
Total Capital Expenditure	9,560	1,952		11,512	(2,909)	8,603	2,379

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 December 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 December 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	4,138			4,138		4,138	4,167
Externally restricted							
RTA Contributions	141			141		141	0
Developer contributions	25,521	268		25,789	(838)	24,951	26,211
Domestic waste management	6,603	(15)		6,588		6,588	6,588
Special Rates	229			229		229	0
Special purpose grants	2,722			2,722		2,722	12,899
Water Supplies	13,689	(2,622)		11,067		11,067	24,032
Sewerage Services	19,675	(4,639)		15,036		15,036	49,188
Other	45,488			45,488		45,488	25,000
Total Externally restricted	114,068	(7,008)	0	107,060	(838)	106,222	143,918
Internally restricted							
Employee Leave entitlements	2,199			2,199		2,199	4,414
Unexpended loans	6,488	(6,488)		0		0	3,485
Unexpended grants	3,404	(3,404)		0		0	0
7 Year Plan	2,978	(2,978)		0		0	5,131
Works Carried Forward	4,584	(4,584)		0		0	2,139
Replacement of Plant and Vehicles	20			20		20	20
Tip improvements	3,375			3,375		3,375	3,375
Asset renewals	838	(50)		788		788	735
Other	5,342	(5)		5,337		5,337	5,337
Total Internally restricted	29,228	(17,509)	0	11,719	0	11,719	24,636
Total Restricted	143,296	(24,517)	0	118,779	(838)	117,941	168,554
Total cash and investments	147,434	(24,517)	0	122,917	(838)	122,079	172,721
Available cash	4,138	0	0	4,138	0	4,138	4,167

* 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	168,554
Total invested funds as per December Investment Report	154,461
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 21 January 2013

Reconciliation of cash and investments:

	(000's)
Cash and investments as per above	172,721
Cash on hand and at bank	18,260
Investments	154,461
	<u>172,721</u>

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

Key Performance Indicators Budget Review Statement for the quarter ended 31 December 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)	
<u>Current assets less all external restrictions</u>	<u>80,090</u>	3.98:1
Current liabilities	20,111	

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	10,246	15.31%
Selected operating income	66,933	

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

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

PART A-Contracts Listing		Contract value	Commencement	Duration of	Budgeted
Contractor	Contract detail & purpose	\$	date	contract	(Y/N)
None for this quarter					
PART B - Consultancy and Legal expenses				Expenditure YTD	Budgeted
Expense				\$	(Y/N)
Consultancies				594,947	Y
Legal expenses				110,228	Y

This document forms part of Tweed Shire Council's Quarterly Budget Review Statement for the quarter ended 31 December 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 December 2012 indicates that Council’s projected financial position at 30 June 2013 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.



M A Chorlton 30/10/2012
“Responsible Accounting Officer”
Manager Financial Services
Tweed Shire Council

OPTIONS:

Not Applicable

CONCLUSION:

Refer to Statutory Statement above.

COUNCIL IMPLICATIONS:**a. Policy:**

Not Applicable

b. Budget/Long Term Financial Plan:

As detailed in the report.

c. Legal:

No-Legal advice has not been received

Attachment of Legal Advice-Not Applicable

d. Communication/Engagement:

Inform - We will keep you informed.

LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK:

- 1 Civic Leadership
- 1.2 Improve decision making by engaging stakeholders and taking into account community input
- 1.2.3 Financial requirements and the community's capacity to pay will be taken into account when meeting the community's desired levels of service
- 1.2.3.1 Financial Services and legislative financial reporting
- 1.2.3.1.1 Prepare and maintain a balanced budget throughout the financial year.

UNDER SEPARATE COVER/FURTHER INFORMATION:

Nil.
