

TITLE: [TCS-CM] Quarterly Budget Review - March 2013

SUBMITTED BY: Financial Services

Valid



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 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 March 2013 in all Funds.

RECOMMENDATION:

That the:

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

Description	Change to Vote	
	Deficit	Surplus
General Fund		
<u>Expenses</u>		
Employee costs	185,429	0
Materials & Contracts	0	215,776
Interest	0	0
Other Operating costs	2,993	0
Capital	750,000	0
Loan Repayments	0	0
Transfers to Reserves	307,975	0
	1,246,397	215,776

<u>Income</u>		
Rates and Annual Charges	0	0
Interest revenue	0	0
Operating Grants & Conts	0	352,430
Capital Grants & Conts	0	190,000
User Charges & Fees	0	48,191
Other Operating Revenue	0	0
Loan Funds	0	195,000
Recoupments	0	360,000
Transfers from Reserves	115,000	0
Asset Sales	0	0
	<u>115,000</u>	<u>1,145,621</u>
Net Surplus/(Deficit)		<u>0</u>
	Deficit	Surplus
Sewer Fund		
<u>Expenses</u>		
Employee costs	0	0
Materials & Contracts	0	450,000
Interest	0	29,489
Other Operating costs	0	0
Capital	0	3,273,600
Loan Repayments	0	33,305
Transfers to Reserves	891,728	0
	<u>891,728</u>	<u>3,786,394</u>
<u>Income</u>	0	0
Rates and Annual Charges	0	0
Interest revenue	0	891,728
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	1,502,115	0
Transfers from Reserves	2,284,279	0
Asset Sales	0	0
	<u>3,786,394</u>	<u>891,728</u>
Net Surplus/(Deficit)		<u>0</u>
Water Fund		
<u>Expenses</u>		
Employee costs	0	0
Materials & Contracts	0	0
Interest	0	0
Other Operating costs	0	0
Capital	0	1,317,653
Loan Repayments	0	0
Transfers to Reserves	1,470,535	0
	<u>1,470,535</u>	<u>1,317,653</u>
<u>Income</u>		
Rates and Annual Charges	0	0
Interest revenue	0	601,436
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	45,113	0
Transfers from Reserves	403,441	0
Asset Sales	0	0
	<u>448,554</u>	<u>601,436</u>

Net Surplus/(Deficit)

0

REPORT:**Budget Review 31 March 2013 (Quarterly Budget Review)**

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

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

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

Report by Responsible Accounting Officer – Quarterly Budget Review Statements

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

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

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

This information is presented in the following reports:

- List of changes which will impact on revenue, i.e. will affect the Operational Plan (budget) or Long Term Financial Plan
- Detailed list of recommended changes, including those recommended by officers and those adopted by Council
- Income and Expenses Statement, consolidated and by fund
- Funding Statement, consolidated and by fund, which gives the total budget result
- Capital Budget Review Statement
- Cash and 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	
General Fund		Net Effect on LTFP
Legal costs	30,000	
Civic Centre security fence	14,000	
Standards subscription	4,500	4,500
Employee Costs	239,000	
Section 603 certificates	(20,570)	
Merchant Service Fee surcharge	(12,309)	
Flood leave	26,430	
Building fees	(23,427)	
Safer Community Compact	(10,824)	
Paid Parking Scheme study	30,000	
Bilambil Sports Club lease income	15,200	
Various operational savings	(292,000)	(292,000)
	0	(287,500)

Detailed list of changes

In/E x	Item	Category	Description	Current Vote	Change to Vote	Details / Comments
1. Proposed Variations						
General						
Ex	1	Ex-Op	Invasive Animal Control		44,455	Project to protect native fauna
In	1	In-OG&C	Environmental Trust grant		-44,455	funding for above
Ex	2	Ex-Op	Budd Park Stage 1 works	360,000 1,446,06	100,000	Bank stabilisation and rock revetment
Ex	2	Ex-Op	Lower Tweed Management Plan	6	-100,000	Funding for above
Ex	3	Ex-OpOther	Legal costs	0	30,000	Confidential matter
Ex	4	Ex-Capital	Murwillumbah civic Centre		100,000	Security fence
Ex	4	Ex-Op	Risk Management Program	86,000	-86,000	Funding for above
Ex	5	Ex-Op	Planning proposals - developer funded		7,085	Consultancy fees
In	5	In-Operating	Rezoning application fees		-7,085	Funding for above
Ex	6	Ex-Op	Subscriptions	15,210	4,500	On-line Standards subscription
Ex	7	Ex-Op	Arkinstall Park Stage 2		150,000	Feasibility study
In	7	In-Recoup	CP26 Regional Open Space		-150,000	Funding for above
Ex	8	Ex-Capital	Chinderah Pontoon		120,000	Better Boating project
In	8	In-CG&C	RMS grant		-60,000	Funding for above
In	8	In-CG&C	Chinderah community contribution		-30,000	Funding for above
Ex	8	Ex-Op	Waterways asset management	30,000	-30,000	Funding for above
Ex	9	Ex-Capital	Murwillumbah Netball facility stage 1	0	100,000	Extension and re-roofing
In	9	In-Recoup	CP5 Open Space	0	-100,000	Funding for above
Ex	10	Ex-Capital	Merve Edwards field	0	25,000	Shelters & fencing
Ex	10	Ex-Op	Park asset maintenance (7 year plan)	655,264	-25,000	Funding for above

Ex	11	Ex-Capital	Kennedy Drive Cycleway		210,000	Boat ramp via Crystal Waters Dr to Kennedy Plaza.
In	11	In-CG&C	RMS grant		-100,000	Funding for above
In	11	In-Recoup	CP22 Cycleways		-60,000	Funding for above
Ex	11	Ex-Op	Kennedy Drive upgrade	243,240	-50,000	Funding for above
Ex	12	Ex-Op	Sportsfield strategy		50,000	Development of strategy
In	12	In-Recoup	CP5 Open Space		-50,000	Funding for above
In	13	In-Operating	Section 603 certificates	-80,942	-20,570	Income greater than anticipated
In	14	In-Operating	Merchant Service Fee surcharge	-64,050	-12,309	Income greater than anticipated
Ex	15	Ex-OpEmp	Flood leave		26,430	January flood event
Ex	16	Ex-OpOther	Community Options internal admin fee	-100,358	17,993	Reduction due to loss of COMPACKS contract
Ex	16	Ex-OpEmp	Cultural officer	62,413	-17,993	Funding for above
In	17	In-Operating	Plumbing inspection fee	-116,338	-4,662	Income greater than anticipated
In	17	In-Operating	Backflow prevention	-27,235	-6,765	Income greater than anticipated
In	17	In-Operating	Essential fire services	-28,000	-3,000	Income greater than anticipated
In	17	In-Operating	Sewer plans	-71,000	-9,000	Income greater than anticipated
Ex	19	Ex-Op	Community Safety plan	30,450	19,550	Consolidate with Community Compact
Ex	19	Ex-Op	Safer Community Compact	30,374	-30,374	No longer required
Ex	20	Ex-Op	Access funding	96,065	-53,000	Reverse roll-over vote
In	20	In-TFR	Access reserve	-75,239	53,000	Reverse roll-over vote
Ex	21	Ex-Op	Community Centre recurring costs	50,000	-50,000	Move to new account
Ex	21	Ex-Op	Murwillumbah Community Centre operations	0	50,000	Move from old account
Ex	22	Ex-Capital	Murwillumbah Museum extensions	2,641,136	445,000	Updating budget
Ex	22	Ex-Capital	Museum storage facility	667,374	120,000	Updating budget
In	22	In-Loan	Unexpended loans		-195,000	Utilising part unexpended respite centre loan
Ex	22	Ex-Capital	Proposed museum Flagstaff Hill	370,000	-370,000	Utilising Arts NSW grant funds
Ex	23	Ex-Op	Model Biodiversity DCP	25,387	30,000	Contract labour costs
Ex	23	Ex-OpEmp	NRM salaries (savings from vacancy)	744,842	-30,000	Funding for above
Ex	23	Ex-Op	Vegetation management strategy	584,367	22,008	Consultancy engagement
Ex	23	Ex-OpEmp	Community salaries (savings from vacancy)	484,559	-22,008	Funding for above
Ex	24	Ex-OpEmp	Employee costs	1,343,396	239,000	Unanticipated contract variation
Ex	25	Ex-Op	Printing & Stationery (Governance)	149,350	-60,000	Savings on current projections
Ex	26	Ex-Op	Office Expenses (Finance)	86,440	-20,000	Savings on current projections
Ex	27	Ex-OpOther	Legal Expenses (Building)	30,900	-20,000	Savings on current projections
Ex	28	Ex-Op	Rangers Mobility Plan	38,110	-10,000	Savings on current projections
Ex	29	Ex-OpOther	Legal Expenses (Environmental Health)	36,123	-25,000	Savings on current projections
Ex	30	Ex-Op	Advertising (Development Assessment)	66,950	-35,000	Savings on current projections
Ex	31	Ex-Op	C&NR Divisional Sundries	32,337	-16,000	Savings on current projections
Ex	32	Ex-Op	Parks & Reserves litter collection	186,729	-13,000	Savings on current projections
Ex	33	Ex-Op	Office Expenses (Engineering)	50,470	-30,000	Savings on current projections
Ex	34	Ex-Op	Consumables (Design)	10,067	-8,000	Savings on current projections
Ex	35	Ex-OpEmp	Miscellaneous projects (Design)	86,390	-10,000	Savings on current projections
Ex	36	Ex-Op	Western Drainage Scheme	143,848	-30,000	Savings on current projections
Ex	37	Ex-Op	Roadside Park Maintenance	49,039	-15,000	Savings on current projections
					-45,200	
			Sewer Fund			
Ex	38	Ex-Op	Banora Pt WWTP operations		-450,000	Deferrals to future years
In	38	In-Interest	s64 Interest		-91,656	Funding adjustment
In	38	In-Interest	Interest - Asset Replacement		-800,072	Funding adjustment
Ex	38	Ex-Capital Ex-Loan	Various Capital Works		3,273,600	Deferrals to future years
In	38	Reps	Loan repayments		-33,305	Funding adjustment
In	38	Ex-Interest	Interest on loans		-29,489	Funding adjustment
Ex	38	Ex-TTR	Transfers to Asset Replacement Res.		800,072	Restriction of interest
Ex	38	Ex-TTR	Transfers to Capital Contributions Res.		91,656	Restriction of interest

In	38	In-Recoup	Transfers from Capital Contributions Res.	1,502,115	Funding adjustment
In	38	In-TFR	Transfers from Revenue Res.	2,284,279	Funding adjustment
				<u>0</u>	

Water Fund

In	39	In-Interest	Interest - Capital Contributions	-300,456	Funding adjustment
In	39	In-Interest	Interest - Asset Replacement	-208,946	Funding adjustment
In	39	In-Interest	Interest	-92,034	Funding adjustment
Ex	39	Ex-TTR	Reversal of restricted interest income	92,034	Restriction of above
				-	
Ex	39	Ex-Capital	Various Capital Works	1,317,653	Deferrals & adjustments
Ex	39	Ex-TTR	Transfers to Asset Replacement Res.	208,946	Restriction of interest
Ex	39	Ex-TTR	Transfers to Capital Contributions Res.	300,456	Restriction of interest
Ex	39	Ex-TTR	Transfers to Asset Replacement Res.	869,099	Funding adjustment
In	39	In-TFR	Transfers from Asset Replacement Res.	403,441	Funding adjustment
In	39	In-Recoup	Transfers from Capital Contributions Res.	45,113	Funding adjustment
				<u>0</u>	

2. Variations Arising from Council Resolutions

Ex	40	In-OG&C	RMS payments Sexton Hill Drive	-307,975	Council meeting 24/1/2013
Ex	40	Ex-TTR	Reserve for future maintenance	307,975	Council meeting 24/1/2013
Ex	41	Ex-Op	Paid Parking Scheme study	30,000	Council meeting 24/1/2013
Ex	42	Ex-Op	Cancel Goorimabah public art project	-62,000	Council meeting 24/1/2013
In	42	In-TFR	Carried forward grants	62,000	Council meeting 24/1/2013
In	43	In-Operating	Bilambil Sports Club lease income	-15,200	Council meeting 21/3/2013
				<u>45,200</u>	

Summary of Votes by Type

2012/13 Variations	-45,200
Council Resolutions	45,200
	<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 March 2013

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

Income

Rates and Annual Charges	85,185	-	-	85,185	-	85,185	65,442
User Charges and Fees	34,749	-	(54)	34,695	48	34,743	25,769
Interest and Investment Revenue	6,088	1,694	(119)	7,663	1,493	9,156	8,044
Other Revenues	1,854	-	-	1,854	-	1,854	1,367
Grants & Contributions - Operating	16,215	(167)	83	16,131	352	16,483	9,492
Grants and Contributions - Capital	1,957	22	239	2,218	190	2,408	5,971
- Contributions (S94)	5,742	(72)	-	5,670	-	5,670	3,502
Net gain from the disposal of assets	-	-	-	-	-	-	-
Share of interests in joint ventures	-	-	-	-	-	-	-
Total Income	151,790	1,477	149	153,416	2,083	155,499	119,587

Expense

Employee costs	45,737	374	(43)	46,068	185	46,253	32,252
Borrowing Costs	13,589	-	-	13,589	(29)	13,560	8,747
Materials & Contracts	45,835	18,852	(1,691)	62,996	(695)	62,301	33,473
Depreciation	39,643	-	-	39,643	-	39,643	29,598
Legal Costs	441	-	-	441	-	441	201
Consultants	624	284	-	908	29	937	539
Other Expenses	14,878	49	(51)	14,876	3	14,879	10,765
Interest and Investment Losses	-	-	-	-	-	-	-
Net Loss from Disposal of Assets	-	-	-	-	-	-	81
Share of interests in joint ventures	-	-	-	-	-	-	-
Total Expenses	160,747	19,559	(1,785)	178,521	(507)	178,014	115,656

Net Operating Result

(8,957)	(18,082)	1,934	(25,105)	2,590	(22,515)	3,931
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Net Operating Result before capital items

(10,914)	(18,104)	1,695	(27,323)	2,400	(24,923)	(2,040)
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Funding Statement - Consolidated - Source and Application of Funds

Operating Result (Income Statement)	(8,957)	(18,082)	1,934	(25,105)	2,590	(22,515)
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	(1,616)	20,271	(1,187)	19,084
Transfers from Internally Restricted Cash	14,841	26,478	(2,114)	39,205	(2,802)	36,403
Proceeds from sale of assets	2,294	2,393	-	4,687	-	4,687
Loan Funds Utilised	6,660	8,999	-	15,659	195	15,854
Repayments from Deferred Debtors	-	-	-	-	-	-
Funds Available	68,000	28,156	(1,796)	94,360	(1,204)	93,156
Funds were applied to:						
Purchase and construction of assets	41,956	30,817	(2,021)	70,752	(3,842)	66,910
Repayment of principal on loans	7,094	-	-	7,094	(33)	7,061
Transfers to Externally Restricted Cash	5,529	-	-	5,529	-	5,529
Transfers to Internally Restricted Cash	13,421	(2,661)	225	10,985	2,671	13,656
Funds Used	68,000	28,156	(1,796)	94,360	(1,204)	93,156
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

Income and Expense- General Fund Budget Review Statement for the quarter ended 31 March 2013

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

Income

Rates and Annual Charges	60,632	-	-	60,632	-	60,632	46,499
User Charges and Fees	17,709	-	(54)	17,655	48	17,703	13,385
Interest and Investment Revenue	3,135	83	-	3,218	-	3,218	4,122
Other Revenues	1,627	-	-	1,627	-	1,627	1,127
Grants & Contributions - Operating	15,282	(167)	83	15,198	352	15,550	8,727
Grants and Contributions - Capital	1,957	-	239	2,196	190	2,386	5,971
- Contributions (S64/S94)	1,587			1,587		1,587	1,751
Net gain from the disposal of assets				-		-	
Share of interests in joint ventures				-		-	
Total Income	101,929	(84)	268	102,113	590	102,703	81,582

Expense

Employee costs	35,415	228	(43)	35,600	185	35,785	25,516
Borrowing Costs	6,221	-	-	6,221	-	6,221	3,824
Materials & Contracts	35,254	18,073	319	53,646	(245)	53,401	27,974
Depreciation	24,055			24,055		24,055	18,041
Legal Costs	366			366		366	201
Consultants	70			70	29	99	304
Other Expenses	11,379	49	(51)	11,377	3	11,380	8,887
Interest and Investment Losses				-		-	
Net Loss from Disposal of Assets				-		-	81
Share of interests in joint ventures				-		-	
Total Expenses	112,760	18,350	225	131,335	(28)	131,307	84,828

Net Operating Result

	(10,831)	(18,434)	43	(29,222)	618	(28,604)	(3,246)
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Net Operating Result before capital items

	(14,375)	(18,434)	(196)	(31,418)	428	(30,990)	(9,217)
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Funding Statement - General Fund - Source and Application of Funds

Operating Result (Income Statement)	(10,831)	(18,434)	43	(29,222)	618	(28,604)
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	838	9,347	360	9,707
Transfers from Internally Restricted Cash	2,189	24,083	(105)	26,167	(115)	26,052
Proceeds from sale of assets	2,294	2,393		4,687	-	4,687
Loan Funds Utilised	6,660	8,999		15,659	195	15,854
Internal charges	7,318			7,318		7,318
Repayments from Deferred Debtors				-		-
Funds Available	34,031	23,204	776	58,011	1,058	59,069
Funds were applied to:						
Purchase and construction of assets	22,606	23,204	776	46,586	750	47,336
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	308	6,304
Funds Used	34,031	23,204	776	58,011	1,058	59,069
Increase/(Decrease) in Available Working Capital	-	-	-	-	-	-

Income and Expense- Sewer Fund Budget Review Statement for the quarter ended 31 March 2013

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	20,546	-		20,546	-	20,546	15,911
User Charges and Fees	1,401	-		1,401	-	1,401	1,337
Interest and Investment Revenue	1,891	1,266	2	3,159	892	4,051	2,688
Other Revenues	20	-		20	-	20	25
Grants & Contributions - Operating	455	-		455	-	455	453
Grants and Contributions - Capital		22		22	-	22	
- Contributions (S64/S94)	1,349			1,349		1,349	632
Net gain from the disposal of assets				-		-	
Share of interests in joint ventures				-		-	
Total Income	25,662	1,288	2	26,952	892	27,844	21,046

Expense

Employee costs	6,300	52		6,352	-	6,352	3,927
Borrowing Costs	2,595	-		2,595	(29)	2,566	1,347
Materials & Contracts	4,719	214	(927)	4,006	(450)	3,556	2,181
Depreciation	8,534			8,534		8,534	6,266
Legal Costs	75			75		75	
Consultants	434			434		434	111
Other Expenses	1,923			1,923	-	1,923	1,382
Interest and Investment Losses				-		-	
Net Loss from Disposal of Assets				-		-	
Share of interests in joint ventures				-		-	
Total Expenses	24,580	266	(927)	23,919	(479)	23,440	15,214

Net Operating Result

	1,082	1,022	929	3,033	1,371	4,404	5,832
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Net Operating Result before capital items

	1,082	1,000	929	3,011	1,371	4,382	5,832
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Funding Statement - Sewer Fund - Source and Application of Funds

Income and Expense- Water Fund Budget Review Statement for the quarter ended 31 March 2013

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	20,546	-		20,546	-	20,546	15,911
User Charges and Fees	1,401	-		1,401	-	1,401	1,337
Interest and Investment Revenue	1,891	1,266	2	3,159	892	4,051	2,688
Other Revenues	20	-		20	-	20	25
Grants & Contributions - Operating	455	-		455	-	455	453
Grants and Contributions - Capital		22		22	-	22	
- Contributions (S64/S94)	1,349			1,349		1,349	632
Net gain from the disposal of assets				-		-	
Share of interests in joint ventures				-		-	
Total Income	25,662	1,288	2	26,952	892	27,844	21,046

Expense

Employee costs	6,300	52		6,352	-	6,352	3,927
Borrowing Costs	2,595	-		2,595	(29)	2,566	1,347
Materials & Contracts	4,719	214	(927)	4,006	(450)	3,556	2,181
Depreciation	8,534			8,534		8,534	6,266
Legal Costs	75			75		75	
Consultants	434			434		434	111
Other Expenses	1,923			1,923	-	1,923	1,382
Interest and Investment Losses				-		-	
Net Loss from Disposal of Assets				-		-	
Share of interests in joint ventures				-		-	
Total Expenses	24,580	266	(927)	23,919	(479)	23,440	15,214

Net Operating Result

	1,082	1,022	929	3,033	1,371	4,404	5,832
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Net Operating Result before capital items

	1,082	1,000	929	3,011	1,371	4,382	5,832
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Funding Statement - Sewer Fund - Source and Application of Funds

Operating Result (Income Statement)	1,082	1,022	929	3,033	1,371	4,404
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	(1,502)	2,955
Transfers from Internally Restricted Cash	5,797	3,793	(815)	8,775	(2,284)	6,491
Proceeds from sale of assets				-		-
Loan Funds Utilised				-	-	-
Repayments from Deferred Debtors				-		-
Funds Available	19,521	5,164	114	24,799	(2,415)	22,384
Funds were applied to:						
Purchase and construction of assets	10,811	5,661	112	16,584	(3,274)	13,310
Repayment of principal on loans	3,001	-	-	3,001	(33)	2,968
Transfers to Externally Restricted Cash	340			340		340
Transfers to Internally Restricted Cash	1,901	(497)	2	1,406	892	2,298
Internal charges	3,468			3,468		3,468
Funds Used	19,521	5,164	114	24,799	(2,415)	22,384
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 2013 and should be read in conjunction with other documents in the QBRs.

Capital Budget Review Statement - Consolidated - for the quarter ended 31 March 2013

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

Capital Funding *

Rates and other untied funding	23,421	1,684	(59)	25,046	205	25,251	12,471
Capital Grants & Contributions	2,976		237	3,213	190	3,403	1,435
Internal Restrictions (Reserves)	10,007	3,797	(1,620)	12,184		12,184	4,621
External Restrictions							
- s64 & s94 funds	5,543	2,205	(580)	7,168	160	7,328	2,867
Other Capital Funding Sources							
- loans	4,810	55		4,865	195	5,060	2,134
Income from sale of assets							
- plant and equipment	2,293			2,293		2,293	967
- Land, Buildings, Furniture, Fittings							
Total Capital Funding	49,050	7,741	(2,022)	54,769	750	55,519	24,495

Capital Expenditure

New Assets

- Plant and Equipment							230
- Land, Buildings, Furniture, Fittings		118		118	395	513	2,107
- Roads, Bridges, Footpaths	652		475	1,127		1,127	6,948
- Drainage							1
- Water & Sewer Infrastructure	9,440	(205)	(2,035)	7,200		7,200	3,885
- Other	2,689			2,689	145	2,834	367
Renewals (Replacement)							
- Plant and Equipment	5,231			5,231		5,231	
- Land, Buildings, Furniture, Fittings	500	(22)		478		478	
- Roads, Bridges, Footpaths	8,905			8,905		8,905	
- Drainage	1,591			1,591		1,591	
- Water & Sewer Infrastructure	2,561	1,381	(685)	3,257		3,257	1,259
- Other	13	(13)					
Upgrades							
- Plant and Equipment							
- Land, Buildings, Furniture, Fittings	150			150		150	
- Roads, Bridges, Footpaths	450			450		450	
- Drainage	2,425			2,425		2,425	
- Water & Sewer Infrastructure	7,349	6,437	(77)	13,709		13,709	4,452
- Other		45	300	345	300	645	
Loan Repayments (principal)	7,094			7,094		7,094	5,246
Total Capital Expenditure	49,050	7,741	(2,022)	54,769	840	55,609	24,495

Capital Budget Review Statement - General Fund - for the quarter ended 31 March 2013

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

Capital Funding *

Rates and other untied funding	13,045	69	300	13,414	205	13,619	5,746
Capital Grants & Contributions	2,976		237	3,213	190	3,403	1,435
Internal Restrictions (Reserves)	1,770	4		1,774		1,774	748
External Restrictions							
- s64 & s94 funds	784		238	1,022	160	1,182	499
Other Capital Funding Sources							
- loans	4,810	55		4,865	195	5,060	2,134
Income from sale of assets							
- plant and equipment	2,293			2,293		2,293	967
- Land, Buildings, Furniture, Fittings							
Total Capital Funding	25,678	128	775	26,581	750	27,331	11,529

Capital Expenditure

New Assets

- Plant and Equipment							190
- Land, Buildings, Furniture, Fittings		118		118	395	513	2,107
- Roads, Bridges, Footpaths	652		475	1,127	210	1,337	6,948
- Drainage							1
- Water & Sewer Infrastructure							
- Other	2,689			2,689	145	2,834	367
Renewals (Replacement)							
- Plant and Equipment	5,231			5,231		5,231	
- Land, Buildings, Furniture, Fittings	500	(22)		478		478	
- Roads, Bridges, Footpaths	8,905			8,905		8,905	
- Drainage	1,591			1,591		1,591	
- Water & Sewer Infrastructure							
- Other	13	(13)					
Upgrades							
- Plant and Equipment							
- Land, Buildings, Furniture, Fittings	150			150		150	
- Roads, Bridges, Footpaths	450			450		450	
- Drainage	2,425			2,425		2,425	
- Water & Sewer Infrastructure							
- Other		45	300	345		345	
Loan Repayments (principal)	3,072			3,072		3,072	1,916
Total Capital Expenditure	25,678	128	775	26,581	750	27,331	11,529

Capital Budget Review Statement - Sewer Fund - for the quarter ended 31 March 2013

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

Capital Funding *

Rates and other untied funding	8,957	1,519	73	10,549		10,549	6,226
Capital Grants & Contributions							
Internal Restrictions (Reserves)	2,836	3,793	23	6,652		6,652	1,972
External Restrictions							
- s64 & s94 funds	2,019	349	16	2,384		2,384	1,404
Other Capital Funding Sources							
- loans							
Income from sale of assets							
- plant and equipment							
- Land, Buildings, Furniture, Fittings							
Total Capital Funding	13,812	5,661	112	19,585		19,585	9,602

Capital Expenditure

New Assets

- Plant and Equipment							40
- Land, Buildings, Furniture, Fittings							
- Roads, Bridges, Footpaths							
- Drainage							
- Water & Sewer Infrastructure	5,350	275	65	5,690		5,690	3,102
- Other							
Renewals (Replacement)							
- Plant and Equipment							
- Land, Buildings, Furniture, Fittings							
- Roads, Bridges, Footpaths							
- Drainage							
- Water & Sewer Infrastructure	1,058	876	50	1,984		1,984	706
- Other							
Upgrades							
- Plant and Equipment							
- Land, Buildings, Furniture, Fittings							
- Roads, Bridges, Footpaths							
- Drainage							
- Water & Sewer Infrastructure	4,403	4,510	(3)	8,910		8,910	3,192
- Other							
Loan Repayments (principal)	3,001			3,001		3,001	2,562
Total Capital Expenditure	13,812	5,661	112	19,585		19,585	9,602

Capital Budget Review Statement - Water Fund - for the quarter ended 31 March 2013

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

Capital Funding *

Rates and other untied funding	1,419	96	(432)	1,083		1,083	499
Capital Grants & Contributions							
Internal Restrictions (Reserves)	5,401		(1,643)	3,758		3,758	1,901
External Restrictions							
- s64 & s94 funds	2,740	1,856	(834)	3,762		3,762	964
Other Capital Funding Sources							
- loans							
Income from sale of assets							
- plant and equipment							
- Land, Buildings, Furniture, Fittings							
Total Capital Funding	9,560	1,952	(2,909)	8,603		8,603	3,364

Capital Expenditure

New Assets

- Plant and Equipment							
- Land, Buildings, Furniture, Fittings							
- Roads, Bridges, Footpaths							
- Drainage							
- Water & Sewer Infrastructure	4,090	(480)	(2,100)	1,510		1,510	783
- Other							
Renewals (Replacement)							
- Plant and Equipment							
- Land, Buildings, Furniture, Fittings							
- Roads, Bridges, Footpaths							
- Drainage							
- Water & Sewer Infrastructure	1,503	505	(735)	1,273		1,273	553
- Other							
Upgrades							
- Plant and Equipment							
- Land, Buildings, Furniture, Fittings							
- Roads, Bridges, Footpaths							
- Drainage							
- Water & Sewer Infrastructure	2,946	1,927	(74)	4,799		4,799	1,260
- Other							
Loan Repayments (principal)	1,021			1,021		1,021	768
Total Capital Expenditure	9,560	1,952	(2,909)	8,603		8,603	3,364

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

* Note: figures in the Actual YTD column of capital funding are estimates only. Detailed calculations of funding results are performed annually.

Cash and Investments Budget Review Statement for the quarter ended 31 March 2013

Original Budget (000's)	Approved Changes			Recommended changes for Council Resolution (000's)	Projected year end result (000's)	Actual * YTD (000's)
	Sep Review (000's)	Dec Review (000's)	Revised Budget (000's)			
Unrestricted	4,138			4,138		4,096
Externally restricted						
RTA Contributions	141		141		141	0
Developer contributions	25,521	268	24,951		24,951	21,931
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	190	2,912	1,074
Water Supplies	13,689	(2,622)	11,067		11,067	24,051
Sewerage Services	19,675	(4,639)	15,036		15,036	49,447
Other	45,488		45,488		45,488	40,000
Total Externally restricted	114,068	(7,008)	106,222	190	106,412	143,091
Internally restricted						
Employee Leave entitlements	2,199		2,199		2,199	4,414
Unexpended loans	6,488	(6,488)	0		0	5,391
Unexpended grants	3,404	(3,404)	0		0	1,074
7 Year Plan	2,978	(2,978)	0		0	4,607
Works Carried Forward	4,584	(4,584)	0		0	1,109
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)	11,719	0	11,719	26,062
Total Restricted	143,296	(24,517)	117,941	190	118,131	169,153
Total cash and investments	147,434	(24,517)	122,079	190	122,269	173,249
Available cash	4,138	0	4,138	0	4,138	4,096

* Note: figures in the Actual YTD are estimates only. Detailed calculations of funding results and cash restrictions are performed annually.

Notes:

The available cash position excludes restricted funds. External restrictions are funds that must be spent for a specific purpose and cannot be used by council for general operations. Internal restrictions are funds that council has determined will be used for a specific purpose.

Statement of compliance with investment policy:

Council's investments have been made in accordance with Council's investment policies.

Reconciliation of restricted funds with current investment report:

	(000's)
Total restricted funds	169,153
Total invested funds as per March Investment Report	159,472
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 April 2013.

Reconciliation of cash and investments:

	(000's)
Cash and investments as per above	173,249
Cash on hand and at bank	13,777
Investments	<u>159,472</u>
	173,249

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

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

Note that Key Performance Indicators 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.

1. Unrestricted Current Ratio

	(000's)	
<u>Current assets less all external restrictions</u>	<u>62,743</u>	3.15:1
Current liabilities	19,932	

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	14,251	13.62%
Selected operating income	104,670	

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 March 2013 and should be read in conjunction with other documents in the QBRS.

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

PART A-Contracts Listing		Contract value	Commencement	Duration of	Budgeted
Contractor	Contract detail & purpose	\$	date	contract	(Y/N)
Jag Civil & Drainage Pty Ltd	EC2013-013 Supply and Construction of Two DN200 DICL Water Mains at Murwillumbah	\$490,000.00	02/04/2013	12 weeks	Y
PART B - Consultancy and Legal expenses				Expenditure YTD	Budgeted
Expense				\$	(Y/N)
Consultancies				854,477	Y
Legal expenses				197,810	Y

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

**Statutory Statement – Local Government (General) Regulations 2005
(Sections 202 & 203) by “Responsible Accounting Officer”**

202 Responsible accounting officer to maintain system for budgetary control

The responsible accounting officer of a council must:

- (a) *establish and maintain a system of budgetary control that will enable the council’s actual income and expenditure to be monitored each month and to be compared with the estimate of the council’s income and expenditure, and*
- (b) *if any instance arises where the actual income or expenditure of the council is materially different from its estimated income or expenditure, report the instance to the next meeting of the council.*

203 Budget review statements and revision of estimates

- (1) *Not later than 2 months after the end of each quarter (except the June quarter), the responsible accounting officer of a council must prepare and submit to the council a budget review statement that shows, by reference to the estimate of income and expenditure set out in the Statement of the council’s revenue policy included in the operational plan for the relevant year, a revised estimate of the income and expenditure for that year.*
- (2) *A budget review statement must include or be accompanied by:*
 - (a) *a report as to whether or not the responsible accounting officer believes that the statement indicates that the financial position of the council is satisfactory, having regard to the original estimate of income and expenditure, and*
 - (b) *if that position is unsatisfactory, recommendations for remedial action.*
- (3) *A budget review statement must also include any information required by the Code to be included in such a statement.*

Statutory Statement

It is my opinion that the Quarterly Budget Review Statement for Tweed Shire Council for the quarter ended 31/03/2013 indicates that Council’s projected financial position at 30/06/2013 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 01/05/2013
“Responsible Accounting Officer”
Manager Financial Services
Tweed Shire Council

OPTIONS:

Not Applicable.

CONCLUSION:

Refer to Statutory Statement above.

COUNCIL IMPLICATIONS:

a. Policy:

Corporate Policy Not Applicable.

b. Budget/Long Term Financial Plan:

As detailed in the report.

c. Legal:

Not Applicable.

d. Communication/Engagement:

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.
