

2.2: FINANCIAL ACTIVITY STATEMENT – 28 FEBRUARY 2011

Responsible Officer : A/Executive Director (P Wignall)

IN BRIEF

- Statement of Financial Activity reporting on the revenue and expenditure of the City of Albany for the reporting period ending 28 February 2011

ITEM 2.2: RESPONSIBLE OFFICER RECOMMENDATION

The Financial Activity Statement for the period ending 28 February 2011 be RECEIVED.

BACKGROUND

1. The Statement of Financial Activity for the period ending 28 February 2011 has been prepared and is attached.
2. In addition to the statutory requirement to provide Council with a Statement of Financial Performance, the City provides Council with a monthly investment summary to ensure the performance of the investment portfolio is in accordance with anticipated returns and complies with the Investment of Surplus Funds Policy.

DISCUSSION

3. In accordance with section 34(1) of the Local Government (Financial Management) Regulations 1996, the City of Albany is required to prepare each month a Statement of Financial Activity reporting on the revenue and expenditure of the local authority.
4. The requirement for local governments to produce a Statement of Financial Activity was gazetted in March 2005 to provide elected members with a greater insight in relation to the ongoing financial performance of the local government.
5. Additionally, each year a local government is to adopt a percentage or value to be used in Statements of Financial Activity for reporting material variances. Variations in excess of \$100,000 are reported to Council.

“Please note that rounding errors may occur when whole numbers are used, as they are in the reports that follow. The ‘errors’ may be \$1 or \$2 when adding sets of numbers. This does not mean that the underlying figures are incorrect.”

CEO:

RESPONSIBLE OFFICER:

6. STATEMENT OF FINANCIAL ACTIVITY – AS AT 28 FEBRUARY 2011

	Actual Year to Date 28-Feb-11	Current Budget Year to Date 28-Feb-11	Current Budget vs Actual Variance	
REVENUE				
Operating Grants, Subsidies and Cont	2,030,561	2,700,813	-670,252	X
Fees and Charges	4,798,391	5,014,912	-216,521	X
Service Charges	3,731,943	3,706,640	25,303	√
Interest Earnings	531,195	514,559	16,636	√
Other Revenue	630,095	418,777	211,318	√
	11,722,185	12,355,701	-633,516	
EXPENDITURE				
Employee Costs	9,881,992	10,385,794	-503,802	√
Materials and Contracts	6,144,536	8,313,310	-2,168,774	√
Utility Charges	888,494	938,365	-49,871	√
Interest Expenses	534,705	532,982	1,723	X
Insurance Expenses	549,352	514,761	34,591	X
Other Expenditure	767,709	-207,403	975,112	X
Depreciation	7,489,877	8,219,296	-729,419	√
	26,256,665	28,697,105	-2,440,439	
Adjustment for Non-cash Revenue and Expenditure:				
Depreciation	-7,489,877	-8,219,296	729,419	
CAPITAL REVENUE				
Non-Operating Grants, Subsidies and Cont	5,669,573	6,451,833	-782,260	X
Proceeds from asset disposals	427,656	705,906	-278,250	X
Proceeds from New Loans	0	0	0	
Self-Supporting Loan Principal Revenue	14,282	14,282	0	
Transfers from Reserves (Restricted Assets)	5,616,073	5,611,786	4,287	√
	11,727,583	12,783,807	-1,056,224	
CAPITAL EXPENDITURE				
Capital Expenditure	9,093,170	16,193,019	-7,099,849	√
Repayment of Loans	522,644	522,644	0	√
Transfers to Reserves (Restricted Assets)	3,733,365	3,514,100	219,265	√
	13,349,179	20,229,763	-6,880,584	
Estimated Surplus B/fwd				
ADD Net Current Assets July 1 B/fwd	1,578,986	n/a	n/a	
LESS Net Current Assets Year to Date	16,987,189	n/a	n/a	
Amount Raised from Rates	-24,074,404	-24,098,548	24,144	

* √ Is higher than expected revenue or lower than expected Expenditure

* X is lower than expected revenue and higher than expected Expenditure

7. CITY OF ALBANY – NET CURRENT ASSETS – AS AT 28 FEBRUARY 2011

	Actual 28-Feb-11	Actual 30-Jun-10
NET CURRENT ASSETS		
Composition of Net Current Asset Position		
CURRENT ASSETS		
Cash - Unrestricted	13,064,002	1,941,086
Cash - Restricted	6,017,023	8,268,976
Receivables	3,925,419	3,428,043
Inventories	4,440,526	4,607,191
Total Current Assets	27,446,969	18,245,295
LESS: CURRENT LIABILITIES		
Payables and Provisions	4,442,757	8,397,333
	23,004,212	9,847,962
Less: Cash - Restricted - Trust	(1,119,441)	(1,488,688)
Less: Cash - Restricted - Reserves	(4,897,582)	(6,780,288)
NET CURRENT ASSET POSITION	16,987,189	1,578,986
NET CURRENT ASSETS PER BALANCE SHEET	19,912,169	5,898,549
Difference	2,924,979	4,319,563
Difference Represented by:		
Restricted Cash (Trust)	1,119,441	1,488,688
Reserve Funds - Financial Assets	1,054,480	1,054,480
Reserve Funds - Other	3,843,102	5,725,809
Self Supporting Loans (part of Receivables and Other)	(14,282)	
	6,002,741	8,268,976
Less:		
Borrowings	2,009,462	2,532,106
Trust Liabilities	1,068,300	1,417,307
Difference	2,924,979	4,319,563

8. CITY OF ALBANY - BALANCE SHEET – AS AT 28 FEBRUARY 2011

	Actual 28-Feb-11	Budget 30-Jun-11	Actual 30-Jun-10	Actual 30-Jun-09
CURRENT ASSETS				
Cash - Municipal	13,064,002	1,800,755	2,445,735	477,330
Restricted cash (Trust)	1,119,441	1,483,498	1,488,688	1,987,438
Reserve Funds - Financial Assets	1,054,480	800,755	1,054,480	1,170,755
Reserve Funds - Other	3,843,102	7,197,963	5,725,809	7,360,046
Receivables & Other	3,911,137	1,600,000	3,428,043	2,912,825
Investment Land	3,523,483	0	3,523,483	0
Stock on hand	917,043	800,000	1,083,708	1,033,538
	27,432,688	13,682,971	18,749,944	14,941,932
CURRENT LIABILITIES				
Borrowings	2,009,462	5,638,175	2,532,106	5,887,897
Creditors prov - Annual leave & LSL	2,473,953	2,286,053	2,245,816	2,023,128
Trust Liabilities	1,068,300	1,546,383	1,417,307	1,930,516
Creditors prov & accruals	1,968,804	3,101,240	6,656,166	4,190,792
	7,520,519	12,571,851	12,851,395	14,032,333
NET CURRENT ASSETS	19,912,169	1,111,120	5,898,549	909,599
NON CURRENT ASSETS				
Receivables	77,272	150,000	77,272	106,322
Pensioners Deferred Rates	320,922	280,000	320,922	292,616
Investment Land	2,220,758	2,150,000	2,220,758	2,150,000
Property, Plant & Equip	74,704,486	72,666,174	68,034,400	67,901,036
Infrastructure Assets	183,582,203	196,047,672	188,881,619	186,048,239
Local Govt House Shares	19,501	19,501	19,501	19,501
	260,925,142	271,313,347	259,554,473	256,517,714
NON CURRENT LIABILITIES				
Borrowings	18,264,569	12,626,394	18,264,569	15,996,675
Creditors & Provisions	364,845	260,000	364,845	259,838
	18,629,414	12,886,394	18,629,414	16,256,513
NET ASSETS	262,207,896	259,538,073	246,823,608	241,170,800
EQUITY				
Accumulated Surplus	238,535,680	232,764,720	221,268,686	212,131,561
Reserves	4,897,582	7,998,719	6,780,289	10,264,605
Asset revaluation Reserve	18,774,634	18,774,634	18,774,634	18,774,634
	262,207,896	259,538,073	246,823,608	241,170,800

9. INCOME STATEMENT FOR PERIOD ENDED – AS AT 28 FEBRUARY 2011

Nature / Type	YTD Actual 2010/11	Budget-Total 2010/11	Actual 2009/10
INCOME			
Rates	24,074,404	25,574,053	21,575,584
Grants & Subsidies	1,891,503	3,196,680	3,424,202
Contributions. Reimb & Donations	139,058	349,738	395,475
Fees & Charges	4,798,391	7,280,601	7,091,836
Service Charges	3,731,943	3,735,000	3,011,136
Interest Earned	531,195	680,000	904,653
Other Revenue / Income	630,095	520,615	399,264
	35,796,589	41,336,687	36,802,149
EXPENDITURE			
Employee Costs	9,881,992	15,240,526	14,308,136
Utilities	888,494	1,362,613	1,335,373
Interest Expenses	534,704	1,101,799	1,180,372
Depreciation on non current assets	7,489,877	12,334,000	11,226,465
Contracts & materials	6,144,536	13,274,398	10,516,730
Insurance expenses	549,352	511,098	476,810
Other Expenses	787,949	(273,177)	1,251,142
	26,276,905	43,551,257	40,295,028
Change in net assets from operations	9,519,684	(2,214,570)	(3,492,878)
Grants and Subsidies - non-operating	5,202,700	9,156,877	5,876,907
Contributions Reimbursements and Donations - non-operating	466,873	2,689,416	3,408,787
Profit/Loss on Asset Disposals	195,031	1,541,004	(23,732)
Fair value - Investments adjustment	0	0	(116,275)
Cash Backing of Reserves	0	0	1,651,060
	15,384,288	11,172,727	7,303,869

10. PORTFOLIO VALUATION – MARKET VALUE – AS AT 28 FEBRUARY 2011

Security	Maturity Date	Security Cost (Incl accrued interest)	Current Interest %	Market Value Dec 10	Market Value Jan 11	Market Value Feb 11	Latest Monthly Variation
MUNICIPAL ACCOUNT							
ANZ	3/06/2010	1,500,000	5.10%				
Bendigo	21/06/2010	1,000,000	5.30%				
NAB	21/06/2010	1,500,000	5.30%				
Bendigo	24/06/2010	1,000,000	5.20%				
Westpac	24/06/2010	1,500,000	4.60%				
Bankwest	3/11/2010	1,500,000	5.60%				
Bendigo	3/11/2010	1,000,000	5.60%				
Bankwest	23/11/2010	1,500,000	5.75%				
NAB	23/11/2010	1,000,000	5.60%				
ANZ	24/11/2010	1,500,000	5.85%				
ANZ	2/12/2010	1,500,000	5.85%				
Bankwest	23/12/2010	1,500,000	5.55%				
ANZ	24/12/2010	1,500,000	5.50%				
Bankwest	17/01/2011	1,000,000	5.85%	1,000,000			
Bankwest	27/01/2011	1,000,000	6.00%	1,000,000			
ANZ	28/01/2011	1,000,000	6.00%	1,000,000			
Bendigo	28/03/2011	1,000,000	6.05%	1,000,000	1,000,000	1,000,000	
NAB	4/03/2011	1,500,000	6.07%	1,500,000	1,500,000	1,500,000	
NAB	16/03/2011	1,000,000	6.07%	1,000,000	1,000,000	1,000,000	
CBA	16/02/2011	1,000,000	5.61%		1,000,000		
CBA	18/03/2011	1,000,000	5.70%			1,000,000	

Security	Maturity Date	Security Cost (Incl accrued interest)	Current Interest %	Market Value Dec 10	Market Value Jan 11	Market Value Feb 11	Latest Monthly Variation
CBA	28/03/2011	1,000,000	5.82%		1,000,000	1,000,000	
CBA	29/03/2011	1,000,000	5.82%		1,000,000	1,000,000	
Bankwest	7/04/2011	1,500,000	6.00%	1,500,000	1,500,000	1,500,000	
Bendigo	7/04/2011	1,000,000	6.00%	1,000,000	1,000,000	1,000,000	
ANZ	20/04/2011	1,000,000	6.20%	1,000,000	1,000,000	1,000,000	
NAB	11/05/2011	1,000,000	6.21%	1,000,000	1,000,000	1,000,000	
				11,000,000	11,000,000	11,000,000	n/a
RESERVES ACCOUNT							
Bankwest	24/06/2010	1,500,000	5.25%				
Bendigo	23/11/2010	1,500,000	5.85%				
Bendigo	16/12/2010	1,000,000	5.70%				
ANZ	12/05/2011	500,000	6.20%	500,000	500,000	500,000	
Bendigo	24/05/2011	1,500,000	6.30%	1,500,000	1,500,000	1,500,000	
ANZ	16/03/2011	1,000,000	6.10%	1,000,000	1,000,000	1,000,000	
				3,000,000	3,000,000	3,000,000	n/a
COMMERCIAL SECURITIES - CDOs (New York Mellon)**							
Saphire (Endeavour) AAA	4/08/2011	413,160	9.10%	160,000	4	4	0
Zircon (Merimbula AA)	20/06/2013	502,450	8.87%	155,750	155,750	155,750	0
Zircon (Coolangatta AA)	20/09/2014	1,002,060	9.12%	307,100	307,100	307,100	0
Beryl (AAAGlobal Bank Note)	20/09/2014	200,376	8.42%	159,380	159,380	159,380	0
		2,118,046		782,230	622,234	622,234	0

Security	Maturity Date	Security Cost (Incl accrued interest)	Current Interest %	Market Value Dec 10	Market Value Jan 11	Market Value Feb 11	Latest Monthly Variation
COMMERCIAL SECURITIES - CDOs - Other							
Magnolia (Flinders AA)	20/03/2012	171,994	9.32%	144,500	144,500	144,500	0
Start (Blue Gum AA-)	22/06/2013	276,708	8.77%	11,000	11,000	0	11,000
Corsair (Kakadu AA)	20/03/2014	273,710	8.37%	68,750	68,750	68,750	0
Helium (C=Scarborough AA)	23/06/2014	602,244	8.77%	48,000	123,000	123,000	0
		1,324,656		272,250	347,250	336,250	0
PORTFOLIO TOTAL		3,442,702		15,054,480	14,969,484	14,958,484	0

** These CDO's have been the subject of a Court Ruling in the United States Bankruptcy Court (as advised in a memorandum from the Executive Director Corporate and Community Services). The ruling has the potential to significantly impact the valuations for these CDOs. However, until the US Court and the English Court have worked together to reconcile their opposing rulings, it is unlikely that the City will receive any revised valuations.

On 4th October 2010, the City of Albany was advised by CPG Advisory of revised CDO valuations for 30th June 2010. The revision arose due to the identification of a CPG Advisory system error at 30th June.

11. FINANCIAL RATIOS - 28th FEBRUARY 2011

CITY OF ALBANY FINANCIAL RATIOS	30-Jun-09	30-Jun-10	28-Feb-11	Benchmark
Liquidity Ratios				
Current Ratio ¹	73.7%	118.5%	481.7%	>100%
Untied Cash to trade creditors Ratio ²	19.7%	45.4%	2930.2%	>100%
Financial Position Ratio				
Debt Ratio ³	11.2%	11.2%	9.1%	<100%
Debt Ratios				
Debt Service Ratio ⁴	11.1%	7.5%	6.0%	<10%
Gross Debt to Revenue Ratio ⁵	63.2%	56.9%	56.7%	<60%
Gross Debt to Economically Realisable Assets ⁶	26.2%	25.9%	19.6%	<30%
Coverage Ratio				
Rate Coverage Ratio ⁷	58.5%	63.3%	71.7%	>33%
Effectiveness Ratio				
Outstanding Rates Ratio ⁸	3.7%	5.4%	4.9%	<5%

1. This ratio focuses on the liquidity position of a local government.
2. This ratio provides an indication of whether a local government has sufficient unrestricted cash to pay its trade creditors.
3. The ratio is a measure of total liabilities to total assets or alternatively the number of times total liabilities are covered by the total assets of a local government. The lower the ratio of total liabilities to total assets, the stronger is the financial position of the local government.
4. This ratio measures a local government's ability to service debt (principal and interest) out of its available operating revenue.
5. This ratio measures a local government's ability to service debt in any given year out of total revenue.
6. This ratio provides a measure of whether a local government has sufficient realisable assets to cover its total borrowings.
7. The Coverage Ratio measures the local governments dependence on rate revenue to fund it's operations. The higher the ratio, the less dependent a local government is on grants and external sources to fund its operations.
8. The Effectiveness Ratio measures the effectiveness of a local government with the collection of its rates. It would be expected to be above 5% at this time of the year but reduce to below the benchmark at 30 June.

STATUTORY IMPLICATIONS

12. Section 34 of the Local Government (Financial Management) Regulations 1996 provides:
- I. *A local government is to prepare each month a statement of financial activity reporting on the source and application of funds, as set out in the annual budget under regulation 22 (1)(d), for that month in the following detail –*
 - a) *annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1)(b) or (c);*
 - b) *budget estimates to the end of the month to which the statement relates;*
 - c) *actual amounts of expenditure, revenue and income to the end of the month to which the statement relate*
 - d) *material variances between the comparable amounts referred to in paragraphs (b) and (c); and*
 - e) *the net current assets at the end of the month to which the statement relates.*
 - II. *Each statement of financial activity is to be accompanied by documents containing –*
 - a) *an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets;*
 - b) *an explanation of each of the material variances referred to in sub regulation (1)(d); and*
 - c) *such other supporting information as is considered relevant by the local government.*
 - III. *The information in a statement of financial activity may be shown –*
 - a) *according to nature and type classification;*
 - b) *by program; or*
 - c) *by business unit*
 - IV. *A statement of financial activity, and the accompanying documents referred to in sub regulation (2), are to be –*
 - a) *presented at an ordinary meeting of the council within 2 months after the end of the month to which the statement relates; and*
 - b) *recorded in the minutes of the meeting at which it is presented.*

FINANCIAL IMPLICATIONS Expenditure for the period ending 28 February 2011 has been incurred in accordance with the 2010/11 current budget parameters. Details of any budget variation in excess of \$100,000 (year to date) follow. There are no other known events which may result in a material non recoverable financial loss or financial loss arising from an uninsured event.

13. Variances to Budget in excess of \$100,000 - as at 28 February 2011

Account	Original Budget	Current Budget	YTD Budgets	YTD Actuals	YTD Variance	YTD % Variance	Variance Ticks	
DIRECTOR CORPORATE & COMMUNITY								
102720. IT-OPERATING COSTS	277,590	277,590	184,936	80,767	104,169	56%	✓	Expenses are below budget, mainly due to the timing of software maintenance costs. In some cases sub-contract work was carried out by internal IT staff which has been a saving. Annual costs are expected to be in line with budget.
103430. MAJOR PLANT-P/LOSS SALE OF ASSETS	529,277	529,277	529,275	12,367	516,908	98%	✓	Most major plant items are currently awaiting sale at auction. All plant is expected to be sold by June 30.
106640. INFORMATION TECHNOLOGY	537,833	532,333	352,868	12,187	340,681	97%	✓	New Radio Link Invoice due, Windows 7 and other Licences to purchase, hardware not yet purchased , generator upgrade due in May, SynergySoft modules to purchase.
134570. Contribution to Fishing Platform	280,000	280,000	0	250,000	(250,000)	-100%	x	This is a timing difference only. Budget had allocated costs to March, April and May.
134740. ALBANY ENTERTAINMENT CENTRE	500,000	625,000	625,000	115,083	509,917	82%	✓	This is a timing difference only. The carpark expenditure (\$125k) will be made on completion, possibly next month. The \$500k capital payment is anticipated to be made in June 2011.
144170. AEC - Contracts	396,508	500,000	400,000	0	400,000	100%	✓	This is a timing difference only. We are awaiting receipt of an invoice form AEG Ogden.

Account	Original Budget	Current Budget	YTD Budgets	YTD Actuals	YTD Variance	YTD % Variance	Variance Ticks	
174420. ROADS- DEPREC	8,301,762	8,301,762	5,532,288	4,855,116	677,172	12%	✓	Year to date depreciation is below budget. This is due to delays on road construction completion and capitalisation of assets.
199950. Grant - Recreation Masterplan	(3,024,983)	(3,024,983)	(2,015,848)	(2,774,983)	759,135	38%	✓	Receipts are above budget due to a timing difference on grant funding claims and settlement. Total grant receipts are expected to be in line with budget upon completion of the ALAC Stage 2 car park (estimated 28 February 2011). Budgeted funding was allocated evenly over the whole year, actual receipts of bulk of the funding was in the first half of the year.
Total DIRECTOR CORPORATE & COMMUNITY	7,797,987	8,020,979	5,608,519	2,550,537	3,057,982	64%		
DIRECTOR OF WORKS & SERVICES								
100040. ROAD SAFETY	589,000	589,000	589,000	48,422	540,578	92%	✓	Year to date expenditure is below budget. Work was scheduled from September to December, but was dependent on funding approval. Approvals are yet to be notified. Total costs for the year are expected to be in line with budget.
103360. DEVELOPED RESERVES MAINTENANCE	1,619,191	1,098,961	807,048	691,416	115,632	14%	✓	Year to date expenses are below budget. This is only a timing difference, and annual costs are expected to be in line with budget.

Account	Original Budget	Current Budget	YTD Budgets	YTD Actuals	YTD Variance	YTD % Variance	Variance Ticks	
110270. CITY DESIGN - PROJECTS	286,228	285,597	161,831	14,742	147,089	91%	✓	All projects will have increase spending in remainder of the year. Budget is expected to be expended.
110920. CITY ASSETS PROJECTS	518,935	553,935	533,916	254,146	279,770	52%	✓	The main component of this work is the drainage management plan. The works are currently underway and will be completed by the end of the financial year.
118520. REFUSE-TIP MAINTENANCE	948,500	1,088,500	723,787	825,451	(101,664)	-14%	x	Cost of E Waste collection and processing was higher than expected. This item is expected to meet the full year Current Budget.
126920. REC'N-PARK/RESERVE MAINT	0	750,000	500,000	380,978	119,022	24%	✓	Year to date expenses are below budget. This is only a timing difference, and annual costs are expected to be in line with budget.
131140. ROADS-CONSTRUCTION	501,000	501,000	485,976	23,382	462,594	95%	✓	Year to date expenses are currently below budget. Design work is still being completed, but the expenditure for the full year is expected to be in line with budget. Down Rd and Lower Denmark Rd jobs commenced.
132220. ROAD MAINTENANCE	3,692,000	3,692,000	2,460,336	2,116,982	343,354	14%	✓	Year to date expenses are below budget. This is only a timing difference, and annual costs are expected to be in line with budget. As above, account 131140.

Account	Original Budget	Current Budget	YTD Budgets	YTD Actuals	YTD Variance	YTD % Variance	Variance Ticks	
134830. Road Funds	(694,000)	(694,000)	(462,480)	0	(462,480)	-100%	x	Funding is currently below budget. The budget assumed an even monthly spread of funding throughout the year. Funding applications have been lodged with FESA, and we are now awaiting notification of approvals.
134850. ASSET FUNDING - REGIONAL ROAD GROUP	(759,167)	(812,670)	(651,500)	(1,034,067)	382,567	59%	✓	Funding receipts are currently higher than budget due to receipt of funds from 09-10. Main Roads closed their books to funding grants at the start of June 2010, this job was completed late June 2010, hence we did not receive funding for this job until the next year.
138070. Waste Minimisation Contract	2,070,000	2,070,000	1,429,480	1,303,707	125,773	9%	✓	Year to date expenses are below budget. This is only a timing difference, and annual costs are expected to be in line with budget.
140150. Capital Grants - EDWS Other	(2,000,000)	(199,000)	(199,000)	0	(199,000)	-100%	x	Grant income is below budget. Funding was anticipated in September, but funding has now been declined. Budget adjustments will be made in the third quarter financial review.

Account	Original Budget	Current Budget	YTD Budgets	YTD Actuals	YTD Variance	YTD % Variance	Variance Ticks	
141050. Road Funding - Roads to Recovery	(844,968)	(844,968)	(650,000)	(385,000)	(265,000)	-41%	x	Funding is currently below budget due to timing of actual roadworks and associated timing of claims for funding. Subject to 40/40/20% funding split, so once significant work as been done, we send in funding requests. Jobs have started, expect funding to be received by the end of the year.
141150. Road Funding - Other	(117,000)	(2,300,000)	(514,568)	0	(514,568)	-100%	x	Funding is currently below budget due to timing of actual roadworks and associated timing of claims for funding. As per account 141050. Related projects, multiple funding sources.
141250. Road Funding - TIRES	(450,000)	(450,000)	(360,000)	(178,399)	(181,601)	-50%	x	Funding is currently below budget. The budget assumed an even monthly spread of funding throughout the year. Funding applications have been lodged, and we are now awaiting notification of approvals. As per accounts 141050 and 141150.
141750. Major Plant Proceeds	(600,000)	(620,000)	(429,000)	(186,967)	(242,033)	-56%	x	Most major plant items are currently awaiting sale at auction. All plant is expected to be sold by June 30.

Account	Original Budget	Current Budget	YTD Budgets	YTD Actuals	YTD Variance	YTD % Variance	Variance Ticks	
144350. Federal Black Spot Funding	(456,000)	(456,000)	(456,000)	(182,400)	(273,600)	-60%	x	Funding is currently below budget. The budget assumed an even monthly spread of funding throughout the year. Funding applications have been lodged, and we are now awaiting notification of approvals. Subject to 40/40/20% funding payment as job stages completed.
144450. State Black Spot Funding	(392,562)	(392,562)	(392,562)	(157,023)	(235,539)	-60%	x	Funding is currently below budget. The budget assumed an even monthly spread of funding throughout the year. Funding applications have been lodged, and we are now awaiting notification of approvals.
147320. FUEL & OIL	703,677	703,677	468,928	357,678	111,250	24%	✓	Year to date expenditure is below budget due to fuel prices remaining relatively stable.
147520. PARTS	395,800	395,800	263,760	159,615	104,145	39%	✓	Year to date expenditure is below budget due to reduction in major plant breakdowns
147920. PLANT-ALLOCATE TO W/SERV.	(3,135,832)	(3,135,832)	(2,089,712)	(1,841,403)	(248,309)	-12%	x	Any under-recoveries in relation to Plant Charge-out are addressed in June. Additional charge-outs may be required to align with costs to be recovered. Plant cost recoveries for the year to date are lower than budgeted due to some Council plant being unavailable for use due to machine breakdowns.

Account	Original Budget	Current Budget	YTD Budgets	YTD Actuals	YTD Variance	YTD % Variance	Variance Ticks	
149120. WO-LESS ALLOC.W/SERVICES	(2,735,417)	(2,735,417)	(1,822,880)	(1,621,955)	(200,925)	-11%	x	Any under-recoveries in relation to Works Labour Charge-out are addressed in June. Additional charge-outs may be required to align with costs to be recovered.
149840. ASSET UPGRADE-REGIONAL RD	1,936,497	2,232,102	1,664,444	420,385	1,244,059	75%	✓	Year to date expenditure is below budget. This is only a timing difference, and annual costs are expected to be in line with budget. Jobs commenced, first invoices received, expect major expenditure over the next months to bring this back to budget.
149940. ASSET PRESERVATION	3,344,638	5,436,174	3,661,418	1,036,071	2,625,347	72%	✓	Year to date Costs are below budget. Limited work done so far this year, mainly due to adverse weather conditions. Annual costs are expected to be in line with budget.
150140. DRAINAGE CONSTRUCTION	1,834,247	1,719,495	1,178,835	258,734	920,101	78%	✓	Year to date expenses are below budget. This is only a timing difference, and annual costs are expected to be in line with budget.
152140. WASTE/TIPS PROJECTS	444,974	663,060	456,312	156,534	299,778	66%	✓	This is a timing difference related to expenditure on the Leachgate Management Project

Account	Original Budget	Current Budget	YTD Budgets	YTD Actuals	YTD Variance	YTD % Variance	Variance Ticks	
155850. Drainage Masterplan Income	(750,000)	(831,000)	(499,800)	(40,500)	(459,300)	-92%	x	Budget income relates to the water harvesting project. Budgeted funding was evenly spread throughout the year, but funding approval has now been declined. Budget adjustments will be made in the third quarter financial review.
167640. Peace Park	289,384	193,811	142,815	42,596	100,219	70%	✓	Year to date expenses are below budget. This is only a timing difference, and annual costs are expected to be in line with budget. This is a project involving various interest groups, once agreements and funding has been approved, work will commence.
Total DIRECTOR WORKS & SERVICES	6,239,125	8,501,663	7,000,384	2,463,125	4,537,259	65%		

POLICY IMPLICATIONS

14. The City's 2010/11 Annual Budget provides a set of parameters that guides the City's financial practices.
15. The Investment of Surplus Funds Policy stipulates that the status and performance of the investment portfolio is to be reported monthly to Council.

File Number (Name of Ward)	FM.FIR.2 - All Wards
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