

**2.2: FINANCIAL ACTIVITY STATEMENT – 31 MARCH 2011**

**Responsible Officer** : Acting Executive Director, Corporate (P Wignall)

**IN BRIEF**

- Statement of Financial Activity reporting on the revenue and expenditure of the City of Albany for the reporting period ending 31 March 2011

**ITEM 2.2: RESPONSIBLE OFFICER RECOMMENDATION**

The Financial Activity Statement for the period ending 31 March 2011 be RECEIVED.

**ITEM 2.2: RESOLUTION (Responsible Officer Recommendation)**

**MOVED: COUNCILOR WELLINGTON**

**SECONDED: COUNCILLOR MATLA**

**THAT the Responsible Officer Recommendation be ADOPTED.**

**CARRIED 11-1**

**Record of Vote**

Against the Motion: Councillor Leavesley

**BACKGROUND**

1. The Statement of Financial Activity for the period ending 31 March 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.”*

## 6. STATEMENT OF FINANCIAL ACTIVITY – AS AT 31 MARCH 2011

	Actual Year to Date 31-Mar-11	Current Budget Year to Date 31-Mar-11	Current Budget vs Actual Variance	
<b>REVENUE</b>				
Operating Grants, Subsidies and Cont	2,172,950	2,393,787	-220,837	X
Fees and Charges	5,491,767	5,634,875	-143,108	X
Service Charges	3,735,057	3,713,729	21,328	√
Interest Earnings	597,003	563,765	33,238	√
Other Revenue	694,829	444,780	250,049	√
	<b>12,691,606</b>	<b>12,750,936</b>	<b>-59,330</b>	
<b>EXPENDITURE</b>				
Employee Costs	10,941,051	11,337,102	-396,051	√
Materials and Contracts	7,058,624	9,004,608	-1,945,984	√
Utility Charges	988,606	1,056,112	-67,506	√
Interest Expenses	534,705	532,982	1,723	X
Insurance Expenses	530,232	514,761	15,471	X
Other Expenditure	772,651	937	771,714	X
Depreciation	8,436,950	9,247,943	-810,993	√
	<b>29,262,819</b>	<b>31,694,445</b>	<b>-2,431,626</b>	
<b>Adjustment for Non-cash Revenue and Expenditure:</b>				
Depreciation	-8,436,951	-9,247,943	810,992	
<b>CAPITAL REVENUE</b>				
Non-Operating Grants, Subsidies and Cont	6,257,831	6,957,570	-699,739	X
Proceeds from asset disposals	592,706	534,306	58,400	X
Proceeds from New Loans	0	0	0	
Self-Supporting Loan Principal Revenue	14,282	14,282	0	
Transfers from Reserves (Restricted Assets)	5,616,072	5,611,786	4,286	√
	<b>12,480,891</b>	<b>13,117,944</b>	<b>-637,053</b>	
<b>CAPITAL EXPENDITURE</b>				
Capital Expenditure	11,193,634	16,502,046	-5,308,412	√
Repayment of Loans	522,644	522,644	0	√
Transfers to Reserves (Restricted Assets)	3,735,692	3,525,776	209,916	√
	<b>15,451,970</b>	<b>20,550,466</b>	<b>-5,098,496</b>	
Estimated Surplus B/fwd				
ADD Net Current Assets July 1 B/fwd	<b>1,578,986</b>	n/a	n/a	
LESS Net Current Assets Year to Date	<b>14,561,827</b>	n/a	n/a	
Amount Raised from Rates	<b>-24,088,182</b>	<b>-24,119,398</b>	<b>31,216</b>	

\* √ 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 31 MARCH 2011

	Actual 31-Mar-11	Actual 30-Jun-10
<b>NET CURRENT ASSETS</b>		
Composition of Net Current Asset Position		
<b>CURRENT ASSETS</b>		
Cash - Unrestricted	10,900,990	2,445,735
Cash - Restricted	6,049,240	8,268,976
Receivables	2,997,762	3,428,043
Inventories	4,388,894	4,607,191
<b>Total Current Assets</b>	<b>24,336,886</b>	<b>18,749,944</b>
<b>LESS: CURRENT LIABILITIES</b>		
Payables and Provisions	3,725,819	8,901,982
	<b>20,611,067</b>	<b>9,847,962</b>
Less: Cash - Restricted - Trust	(1,149,331)	(1,488,688)
Less: Cash - Restricted - Reserves	(4,899,909)	(6,780,288)
<b>NET CURRENT ASSET POSITION</b>	<b>14,561,827</b>	<b>1,578,986</b>
<b>NET CURRENT ASSETS PER BALANCE SHEET</b>	17,489,133	5,898,549
<b>Difference</b>	<b>2,927,307</b>	<b>4,319,563</b>
<b>Difference Represented by:</b>		
Restricted Cash (Trust)	1,149,331	1,488,688
Reserve Funds - Financial Assets	1,054,480	1,054,480
Reserve Funds - Other	3,845,429	5,725,809
Self Supporting Loans (part of Receivables and Other)	(14,282)	
	<b>6,034,958</b>	<b>8,268,976</b>
<b>Less:</b>		
Borrowings	2,009,462	2,532,106
Trust Liabilities	1,098,190	1,417,307
<b>Difference</b>	<b>2,927,307</b>	<b>4,319,563</b>

## 8. CITY OF ALBANY - BALANCE SHEET – AS AT 31 MARCH 2011

	<b>Actual 31-Mar-11</b>	<b>Budget 30-Jun-11</b>	<b>Actual 30-Jun-10</b>	<b>Actual 30-Jun-09</b>
<b>CURRENT ASSETS</b>				
Cash - Municipal	10,900,990	1,800,755	2,445,735	477,330
Restricted cash (Trust)	1,149,331	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	3,845,429	7,197,963	5,725,809	7,360,046
Receivables & Other	2,983,480	1,600,000	3,428,043	2,912,825
Investment Land	3,523,483	0	3,523,483	0
Stock on hand	865,411	800,000	1,083,708	1,033,538
	<b>24,322,604</b>	<b>13,682,971</b>	<b>18,749,944</b>	<b>14,941,932</b>
<b>CURRENT LIABILITIES</b>				
Borrowings	2,009,462	5,638,175	2,532,106	5,887,897
Creditors prov - Annual leave & LSL	2,416,524	2,286,053	2,245,816	2,023,128
Trust Liabilities	1,098,190	1,546,383	1,417,307	1,930,516
Creditors prov & accruals	1,309,295	3,101,240	6,656,166	4,190,792
	<b>6,833,471</b>	<b>12,571,851</b>	<b>12,851,395</b>	<b>14,032,333</b>
<b>NET CURRENT ASSETS</b>	<b>17,489,133</b>	<b>1,111,120</b>	<b>5,898,549</b>	<b>909,599</b>
<b>NON CURRENT ASSETS</b>				
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	76,349,470	72,666,174	68,034,400	67,901,036
Infrastructure Assets	182,916,228	196,047,672	188,881,619	186,048,239
Local Govt House Shares	19,501	19,501	19,501	19,501
	<b>261,904,151</b>	<b>271,313,347</b>	<b>259,554,473</b>	<b>256,517,714</b>
<b>NON CURRENT LIABILITIES</b>				
Borrowings	18,264,569	12,626,394	18,264,569	15,996,675
Creditors & Provisions	364,845	260,000	364,845	259,838
	<b>18,629,414</b>	<b>12,886,394</b>	<b>18,629,414</b>	<b>16,256,513</b>
<b>NET ASSETS</b>	<b>260,763,871</b>	<b>259,538,073</b>	<b>246,823,608</b>	<b>241,170,800</b>
<b>EQUITY</b>				
Accumulated Surplus	237,074,286	232,764,720	221,268,686	212,131,561
Reserves	4,914,950	7,998,719	6,780,289	10,264,605
Asset revaluation Reserve	18,774,634	18,774,634	18,774,634	18,774,634
	<b>260,763,870</b>	<b>259,538,073</b>	<b>246,823,608</b>	<b>241,170,800</b>

## 9. INCOME STATEMENT FOR PERIOD ENDED – AS AT 31 MARCH 2011

Nature / Type	YTD Actual 2010/11	Budget-Total 2010/11	Actual 2009/10
<b>INCOME</b>			
Rates	24,088,182	25,574,053	21,575,584
Grants & Subsidies	1,932,337	3,196,680	3,424,202
Contributions. Reimb & Donations	240,613	349,738	395,475
Fees & Charges	5,491,767	7,280,601	7,091,836
Service Charges	3,735,057	3,735,000	3,011,136
Interest Earned	597,003	680,000	904,653
Other Revenue / Income	694,829	520,615	399,264
	<b>36,779,788</b>	<b>41,336,687</b>	<b>36,802,149</b>
<b>EXPENDITURE</b>			
Employee Costs	10,941,051	15,240,526	14,308,136
Utilities	988,606	1,362,613	1,335,373
Interest Expenses	534,705	1,101,799	1,180,372
Depreciation on non current assets	8,436,951	12,334,000	11,226,465
Contracts & materials	7,058,624	13,274,398	10,516,730
Insurance expenses	530,232	511,098	476,810
Other Expenses	792,891	(273,177)	1,251,142
	<b>29,283,060</b>	<b>43,551,257</b>	<b>40,295,028</b>
<b>Change in net assets from operations</b>	<b>7,496,728</b>	<b>(2,214,570)</b>	<b>(3,492,878)</b>
Grants and Subsidies - non-operating	5,773,851	9,156,877	5,876,907
Contributions Reimbursements and Donations - non-operating	483,980	2,689,416	3,408,787
Profit/Loss on Asset Disposals	185,701	1,541,004	(23,732)
Fair value - Investments adjustment	0	0	(116,275)
Cash Backing of Reserves	0	0	1,651,060
	<b>13,940,260</b>	<b>11,172,727</b>	<b>7,303,869</b>

## 10. PORTFOLIO VALUATION – MARKET VALUE – AS AT 31 MARCH 2011

Security	Maturity Date	Security Cost (Incl accrued interest)	Current Interest %	Market Value Jan-11	Market Value Feb-11	Market Value Mar-11	Latest Monthly Variation
<b>MUNICIPAL ACCOUNT</b>							
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%				
Bankwest	27/01/2011	1,000,000	6.00%				
ANZ	28/01/2011	1,000,000	6.00%				
Bendigo	28/03/2011	1,000,000	6.05%	1,000,000	1,000,000		
NAB	4/03/2011	1,500,000	6.07%	1,500,000	1,500,000		
NAB	16/03/2011	1,000,000	6.07%	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		
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	

Security	Maturity Date	Security Cost (Incl accrued interest)	Current Interest %	Market Value Jan-11	Market Value Feb-11	Market Value Mar-11	Latest Monthly Variation
CBA	18/04/2011	1,000,000	5.71%			1,000,000	
CBA	26/04/2011	1,000,000	5.70%			1,000,000	
NAB	20/08/2011	1,000,000	6.07%			1,500,000	
				<b>11,000,000</b>	<b>11,000,000</b>	<b>8,000,000</b>	n/a
<b>RESERVES ACCOUNT</b>							
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	
				<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	n/a
<b>COMMERCIAL SECURITIES - CDOs (New York Mellon)**</b>							
Saphire (Endeavour) AAA	4/08/2011	413,160	9.10%	4	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
		<b>2,118,046</b>		<b>622,234</b>	<b>622,234</b>	<b>622,234</b>	<b>0</b>



Security	Maturity Date	Security Cost (Incl accrued interest)	Current Interest %	Market Value Jan-11	Market Value Feb-11	Market Value Mar-11	Latest Monthly Variation
<b>COMMERCIAL SECURITIES - CDOs - Other</b>							
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	0	0	0
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%	123,000	123,000	123,000	0
		<b>1,324,656</b>		<b>347,250</b>	<b>336,250</b>	<b>336,250</b>	<b>0</b>
<b>PORTFOLIO TOTAL</b>		<b>3,442,702</b>		<b>14,969,484</b>	<b>14,958,484</b>	<b>11,958,484</b>	<b>0</b>

\*\* 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 - 31 MARCH 2011

CITY OF ALBANY FINANCIAL RATIOS	30-Jun-09	30-Jun-10	31-Mar-11	Benchmark
<b>Liquidity Ratios</b>				
Current Ratio <sup>1</sup>	73.7%	118.5%	490.1%	>100%
Untied Cash to trade creditors Ratio <sup>2</sup>	19.7%	45.4%	2788.9%	>100%
<b>Financial Position Ratio</b>				
Debt Ratio <sup>3</sup>	11.2%	11.2%	8.9%	<100%
<b>Debt Ratios</b>				
Debt Service Ratio <sup>4</sup>	11.1%	7.5%	5.8%	<10%
Gross Debt to Revenue Ratio <sup>5</sup>	63.2%	56.9%	55.2%	<60%
Gross Debt to Economically Realisable Assets <sup>6</sup>	26.2%	25.9%	19.8%	<30%
<b>Coverage Ratio</b>				
Rate Coverage Ratio <sup>7</sup>	58.5%	63.3%	69.9%	>33%
<b>Effectiveness Ratio</b>				
Outstanding Rates Ratio <sup>8</sup>	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 its 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 governments 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 31 MARCH 2011

Account	Original Budget	Current Budget	YTD Budgets	YTD Actuals	YTD Variance	YTD % Variance	Variance Ticks	
<b>Grand Total</b>	<b>15,838,426</b>	<b>19,742,037</b>	<b>15,521,655</b>	<b>9,659,788</b>	<b>5,861,867</b>	<b>38%</b>		
<b>DIRECTOR CORPORATE &amp; COMMUNITY</b>								
106640. INFORMATION TECHNOLOGY	537,833	532,333	397,716	156,769	240,947	61%	✓	New Radio Link Invoice due, Windows 7 and other Licences are yet to be purchased, hardware not yet purchased, generator upgrade due in May, SynergySoft modules to purchase.
<b>Total DIRECTOR CORPORATE &amp; COMMUNITY</b>	<b>537,833</b>	<b>532,333</b>	<b>397,716</b>	<b>156,769</b>	<b>240,947</b>	<b>61%</b>	✓	
<b>DIRECTOR WORKS &amp; SERVICES</b>								
110270. CITY DESIGN - PROJECTS	286,228	285,597	217,771	19,837	197,934	91%	✓	Some project expenditure to be deferred until 2011-12, per Q3 review.
110920. CITY ASSETS PROJECTS	518,935	553,935	538,920	276,619	262,301	49%	✓	The main component of this work is the drainage management plan. This has commenced, but there will be some expenditure in 2011-12. Revised under Q3 review.
118520. REFUSE-TIP MAINTENANCE	948,500	1,088,500	807,667	937,452	(129,785)	-16%		Cost of E Waste collection and processing was higher than expected. This item is expected to meet the Q3 Review.

\*\*REFER DISCLAIMER\*\*

Account	Original Budget	Current Budget	YTD Budgets	YTD Actuals	YTD Variance	YTD % Variance	Variance Ticks	
119530. REFUSE-INC HANRAHAN ROAD	(800,000)	(1,100,000)	(825,003)	(932,817)	107,814	13%	✓	More refuse received at Hanrahan Rd due Bakers Junction revised opening hours.
134850. ASSET FUNDING - REGIONAL ROAD GROUP	(759,167)	(812,670)	(455,334)	(297,734)	(157,600)	-35%	x	Funding application have been lodged with MRD/FESA, and we are now awaiting notification of approval.
147320. FUEL & OIL	703,677	703,677	527,614	413,955	113,659	22%	✓	Year to date expenditure is below budget due to fuel prices remaining relatively stable.
147920. PLANT-ALLOCATE TO W/SERV.	(3,135,832)	(3,135,832)	(2,351,239)	(2,116,372)	(234,867)	-10%	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.
149120. WO-LESS ALLOC.W/SERVICES	(2,735,417)	(2,735,417)	(2,051,013)	(1,857,164)	(193,849)	-9%	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	1,871,902	984,924	886,978	47%	✓	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	4,023,800	1,751,221	2,272,579	56%	✓	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.

Account	Original Budget	Current Budget	YTD Budgets	YTD Actuals	YTD Variance	YTD % Variance	Variance Ticks	
150140. DRAINAGE CONSTRUCTION	1,834,247	1,719,495	1,390,310	334,361	1,055,949	76%	✓	There are some cost savings in completed projects - adjusted in the Q3 Review. Drainage masterplan grant income not received, corresponding project expenditure (\$750,000) cancelled in Q3 review.
152140. WASTE/TIPS PROJECTS	444,974	663,060	654,251	171,957	482,294	74%	✓	This is a timing difference related to expenditure on the Leachgate Management Project and South Stirlings Waste Site
155850. DRAINAGE MASTERPLAN INCOME	(750,000)	(831,000)	(582,350)	(40,500)	(541,850)	-93%	x	Budget income relates to the water harvesting project (\$750,000), but funding approval has now been declined. Budget adjustments will be made in the Q3 review.
174420. ROADS- DEPREC	8,301,762	8,301,762	6,224,654	5,464,238	760,416	12%	✓	Year to date depreciation is below budget. This is due to delays on road construction completion and capitalisation of assets.
<b>Total DIRECTOR WORKS &amp; SERVICES</b>	<b>10,139,042</b>	<b>12,369,383</b>	<b>9,991,950</b>	<b>5,109,977</b>	<b>4,881,973</b>	<b>49%</b>		

### 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.

<b>File Number (Name of Ward)</b>	FM.FIR.2 - All Wards
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