

4.2: FINANCIAL ACTIVITY STATEMENT – 31 MAY 2011

Responsible Officer : Acting Executive Director Corporate Services (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 May 2011.
- The June Financial Activity Statement will not be available for this Ordinary Council Meeting as it will take several months to finalise the financial year end (including audit). The 30 June 2011 financial information will be made available to Council in the audited Annual Accounts.
- The financial information for 31 May 2011 was omitted from the June OCM in error. It is included in this item.

ITEM 4.2: RESPONSIBLE OFFICER RECOMMENDATION

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

BACKGROUND

1. The Statement of Financial Activity for the period ending 31 May 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 31 MAY 2011

| | Actual Year to Date 31-May-11 | Current Budget Year to Date 31-May-11 | Current Budget vs Actual Variance | |
|---|-------------------------------------|---|---|---|
| REVENUE | | | | |
| Operating Grants, Subsidies and Cont | 2,918,827 | 3,218,350 | -299,523 | X |
| Fees and Charges | 6,783,312 | 6,677,722 | 105,590 | X |
| Service Charges | 3,740,226 | 3,727,907 | 12,319 | √ |
| Interest Earnings | 929,195 | 663,889 | 265,306 | √ |
| Other Revenue | 1,649,443 | 572,975 | 1,076,468 | √ |
| | 16,021,003 | 14,860,843 | 1,160,160 | |
| EXPENDITURE | | | | |
| Employee Costs | 13,351,828 | 14,255,077 | -903,249 | √ |
| Materials and Contracts | 9,374,594 | 11,447,364 | -2,072,770 | √ |
| Utility Charges | 1,264,674 | 1,304,513 | -39,839 | √ |
| Interest Expenses | 635,883 | 579,260 | 56,623 | X |
| Insurance Expenses | 543,200 | 526,393 | 16,807 | X |
| Other Expenditure | 790,830 | -167,654 | 958,484 | X |
| Depreciation | 10,289,652 | 11,305,237 | -1,015,585 | √ |
| | 36,250,661 | 39,250,190 | -2,999,529 | |
| Adjustment for Non-cash Revenue and Expenditure: | | | | |
| Depreciation | -10,289,652 | -11,305,237 | 1,015,585 | |
| CAPITAL REVENUE | | | | |
| Non-Operating Grants, Subsidies and Cont | 8,400,487 | 8,618,767 | -218,280 | X |
| Proceeds from asset disposals | 918,088 | 534,306 | 383,782 | X |
| Proceeds from New Loans | 0 | 0 | 0 | |
| Self-Supporting Loan Principal Revenue | 14,282 | 29,050 | -14,768 | |
| Transfers from Reserves (Restricted Assets) | 5,690,072 | 5,780,786 | -90,714 | √ |
| | 15,022,929 | 14,962,909 | 60,020 | |
| CAPITAL EXPENDITURE | | | | |
| Capital Expenditure | 15,565,112 | 18,713,843 | -3,148,731 | √ |
| Repayment of Loans | 641,269 | 641,269 | 0 | √ |
| Transfers to Reserves (Restricted Assets) | 3,833,365 | 3,549,128 | 284,237 | √ |
| | 20,039,746 | 22,904,240 | -2,864,494 | |
| Estimated Surplus B/fwd | | | | |
| ADD Net Current Assets July 1 B/fwd | 1,578,986 | 1,578,986 | n/a | |
| LESS Net Current Assets Year to Date | 10,734,042 | 4,714,643 | n/a | |
| Amount Raised from Rates | -24,111,881 | -24,161,098 | 49,217 | |

* √ 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 MAY 2011

| | Actual 31-May-11 | Actual 30-Jun-10 |
|---|-----------------------------|-----------------------------|
| NET CURRENT ASSETS | | |
| Composition of Net Current Asset Position | | |
| CURRENT ASSETS | | |
| Cash - Unrestricted | 8,756,235 | 2,445,735 |
| Cash - Restricted | 6,064,870 | 8,268,976 |
| Receivables | 2,372,047 | 3,428,043 |
| Inventories | 4,334,083 | 4,607,191 |
| Total Current Assets | 21,527,235 | 18,749,944 |
| LESS: CURRENT LIABILITIES | | |
| Payables and Provisions | 4,728,322 | 8,901,982 |
| | 16,798,913 | 9,847,962 |
| Less: Cash - Restricted - Trust | (1,141,289) | (1,488,688) |
| Less: Cash - Restricted - Reserves | (4,923,581) | (6,780,288) |
| NET CURRENT ASSET POSITION | 10,734,043 | 1,578,986 |
| NET CURRENT ASSETS PER BALANCE SHEET | 13,803,646 | 5,898,549 |
| Difference | 3,069,603 | 4,319,563 |
| Difference Represented by: | | |
| Restricted Cash (Trust) | 1,141,289 | 1,488,688 |
| Reserve Funds - Financial Assets | 1,054,480 | 1,054,480 |
| Reserve Funds - Other | 3,869,101 | 5,725,809 |
| Self Supporting Loans (part of Receivables and Other) | (14,282) | |
| | 6,050,588 | 8,268,976 |
| Less: | | |
| Borrowings | 1,890,837 | 2,532,106 |
| Trust Liabilities | 1,090,148 | 1,417,307 |
| Difference | 3,069,603 | 4,319,563 |

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

| | Actual 31-May-11 | Budget 30-Jun-11 | Actual 30-Jun-10 | Actual 30-Jun-09 |
|-------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| CURRENT ASSETS | | | | |
| Cash - Municipal | 8,756,236 | 1,800,755 | 2,445,735 | 477,330 |
| Restricted cash (Trust) | 1,141,289 | 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 | 3,869,101 | 7,197,963 | 5,725,809 | 7,360,046 |
| Receivables & Other | 2,357,765 | 1,600,000 | 3,428,043 | 2,912,825 |
| Investment Land | 3,523,483 | 0 | 3,523,483 | 0 |
| Stock on hand | 810,600 | 800,000 | 1,083,708 | 1,033,538 |
| | 21,512,954 | 13,682,971 | 18,749,944 | 14,941,932 |
| CURRENT LIABILITIES | | | | |
| Borrowings | 1,890,837 | 5,638,175 | 2,532,106 | 5,887,897 |
| Creditors prov - Annual leave & LSL | 2,399,768 | 2,286,053 | 2,245,816 | 2,023,128 |
| Trust Liabilities | 1,090,148 | 1,546,383 | 1,417,307 | 1,930,516 |
| Creditors prov & accruals | 2,328,555 | 3,101,240 | 6,656,166 | 4,190,792 |
| | 7,709,308 | 12,571,851 | 12,851,395 | 14,032,333 |
| NET CURRENT ASSETS | 13,803,646 | 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 | 79,809,083 | 72,666,174 | 68,034,400 | 67,901,036 |
| Infrastructure Assets | 181,606,707 | 196,047,672 | 188,881,619 | 186,048,239 |
| Local Govt House Shares | 19,501 | 19,501 | 19,501 | 19,501 |
| | 264,054,243 | 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 | 364,846 | 260,000 | 364,845 | 259,838 |
| | 18,629,415 | 12,886,394 | 18,629,414 | 16,256,513 |
| NET ASSETS | 259,228,474 | 259,538,073 | 246,823,608 | 241,170,800 |
| EQUITY | | | | |
| Accumulated Surplus | 235,530,259 | 232,764,720 | 221,268,686 | 212,131,561 |
| Reserves | 4,923,582 | 7,998,719 | 6,780,289 | 10,264,605 |
| Asset revaluation Reserve | 18,774,633 | 18,774,634 | 18,774,634 | 18,774,634 |
| | 259,228,474 | 259,538,073 | 246,823,608 | 241,170,800 |

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

| Nature / Type | YTD Actual 2010/11 | Budget-Total 2010/11 | Actual 2009/10 |
|---|-----------------------|-------------------------|--------------------|
| INCOME | | | |
| Rates | 24,111,881 | 25,574,053 | 21,575,584 |
| Grants & Subsidies | 2,573,247 | 3,196,680 | 3,424,202 |
| Contributions. Reimb & Donations | 345,580 | 349,738 | 395,475 |
| Fees & Charges | 6,783,312 | 7,280,601 | 7,091,836 |
| Service Charges | 3,740,226 | 3,735,000 | 3,011,136 |
| Interest Earned | 929,195 | 680,000 | 904,653 |
| Other Revenue / Income | 1,649,443 | 520,615 | 399,264 |
| | 40,132,884 | 41,336,687 | 36,802,149 |
| EXPENDITURE | | | |
| Employee Costs | 13,351,828 | 15,240,526 | 14,308,136 |
| Utilities | 1,264,674 | 1,362,613 | 1,335,373 |
| Interest Expenses | 635,883 | 1,101,799 | 1,180,372 |
| Depreciation on non current assets | 10,289,652 | 12,334,000 | 11,226,465 |
| Contracts & materials | 9,374,594 | 13,274,398 | 10,516,730 |
| Insurance expenses | 543,200 | 511,098 | 476,810 |
| Other Expenses | 811,070 | (273,177) | 1,251,142 |
| | 36,270,901 | 43,551,257 | 40,295,028 |
| Change in net assets from operations | 3,861,983 | (2,214,570) | (3,492,878) |
| Grants and Subsidies - non-operating | 7,718,177 | 9,156,877 | 5,876,907 |
| Contributions Reimbursements and Donations - non-operating | 682,310 | 2,689,416 | 3,408,787 |
| Profit/Loss on Asset Disposals | 142,397 | 1,541,004 | (23,732) |
| Fair value - Investments adjustment | 0 | 0 | (116,275) |
| Cash Backing of Reserves | 0 | 0 | 1,651,060 |
| | 12,404,867 | 11,172,727 | 7,303,869 |

10. PORTFOLIO VALUATION – MARKET VALUE – AS AT 31 MAY 2011

| Security | Maturity Date | Security Cost (Incl accrued interest) | Current Interest % | Market Value Mar-11 | Market Value Apr-11 | Market Value May-11 | Latest Monthly Variation |
|--------------------------|---------------|---------------------------------------|--------------------|---------------------|---------------------|---------------------|--------------------------|
| MUNICIPAL ACCOUNT | | | | | | | |
| CBA | 16/02/2011 | 1,000,000 | 5.61% | | | | |
| NAB | 4/03/2011 | 1,500,000 | 6.07% | | | | |
| NAB | 16/03/2011 | 1,000,000 | 6.07% | | | | |
| CBA | 18/03/2011 | 1,000,000 | 5.70% | | | | |
| Bendigo | 28/03/2011 | 1,000,000 | 6.05% | | | | |
| CBA | 28/03/2011 | 1,000,000 | 5.82% | | | | |
| CBA | 29/03/2011 | 1,000,000 | 5.82% | | | | |
| Bankwest | 7/04/2011 | 1,500,000 | 6.00% | 1,500,000 | | | |
| Bendigo | 7/04/2011 | 1,000,000 | 6.00% | 1,000,000 | | | |
| CBA | 18/04/2011 | 1,000,000 | 5.71% | 1,000,000 | | | |
| ANZ | 20/04/2011 | 1,000,000 | 6.20% | 1,000,000 | | | |
| CBA | 26/04/2011 | 1,000,000 | 5.70% | 1,000,000 | | | |
| Bankwest | 7/05/2011 | 1,500,000 | 5.50% | | 1,500,000 | | |
| NAB | 11/05/2011 | 1,000,000 | 6.21% | 1,000,000 | 1,000,000 | | |
| CBA | 18/05/2011 | 1,000,000 | 5.68% | | 1,000,000 | | |
| CBA | 27/05/2011 | 1,000,000 | 5.70% | | 1,000,000 | | |
| Bankwest | 7/06/2011 | 1,500,000 | 5.50% | | | 1,500,000 | |
| CBA | 17/06/2011 | 1,000,000 | 5.70% | | | 1,000,000 | |
| CBA | 27/06/2011 | 1,000,000 | 5.73% | | | 1,000,000 | |
| NAB | 20/08/2011 | 1,000,000 | 6.07% | 1,500,000 | 1,500,000 | 1,500,000 | |
| | | | | 8,000,000 | 6,000,000 | 5,000,000 | n/a |

| Security | Maturity Date | Security Cost (Incl accrued interest) | Current Interest % | Market Value Mar-11 | Market Value Apr-11 | Market Value May-11 | Latest Monthly Variation |
|---|---------------|---------------------------------------|--------------------|---------------------|---------------------|---------------------|--------------------------|
| 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 | | |
| Bendigo | 24/05/2011 | 1,500,000 | 6.30% | 1,500,000 | 1,500,000 | | |
| ANZ | 16/03/2011 | 1,000,000 | 6.10% | 1,000,000 | 1,000,000 | | |
| ANZ | 11/06/2011 | 500,000 | 5.21% | | | 500,000 | |
| Bendigo | 23/06/2011 | 1,500,000 | 5.50% | | | 1,500,000 | |
| ANZ | 16/06/2011 | 1,000,000 | 6.05% | | | 1,000,000 | |
| | | | | 3,000,000 | 3,000,000 | 3,000,000 | n/a |
| COMMERCIAL SECURITIES - CDOs (New York Mellon)¹ | | | | | | | |
| 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) ² | 20/09/2014 | 1,002,060 | 9.12% | 307,100 | 10 | 10 | 0 |
| Beryl (AAAGlobal Bank Note) | 20/09/2014 | 200,376 | 8.42% | 159,380 | 159,380 | 159,380 | 0 |
| | | 2,118,046 | | 622,234 | 315,144 | 315,144 | 0 |

| Security | Maturity Date | Security Cost (Incl accrued interest) | Current Interest % | Market Value Mar-11 | Market Value Apr-11 | Market Value May-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% | 0 | 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 |
| | | 1,324,656 | | 336,250 | 336,250 | 336,250 | 0 |
| PORTFOLIO TOTAL | | 3,442,702 | | 11,958,484 | 9,651,394 | 8,651,394 | 0 |

Notes

1. 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.

At the time of compiling this report, the City had not received current valuations, despite requests.

2. The City has been advised that there has been a change in the pricing process for securities in early termination.

These securities no longer have a price source and therefore cannot be priced using last known prices.

The City has asked for further explanation of the change in pricing process but is yet to receive this information.

11. FINANCIAL RATIOS - AS AT 31 MAY 2011

| CITY OF ALBANY FINANCIAL RATIOS | 30-Jun-09 | 30-Jun-10 | 31-May-11 | Benchmark |
|---|------------------|------------------|------------------|------------------|
| Liquidity Ratios | | | | |
| Current Ratio ¹ | 73.7% | 117.2% | 233.4% | >100% |
| Untied Cash to trade creditors Ratio ² | 19.7% | 51.2% | 552.0% | >100% |
| Financial Position Ratio | | | | |
| Debt Ratio ³ | 11.2% | 11.3% | 9.2% | <100% |
| Debt Ratios | | | | |
| Debt Service Ratio ⁴ | 11.1% | 6.2% | 6.3% | <10% |
| Gross Debt to Revenue Ratio ⁵ | 63.2% | 56.9% | 50.2% | <60% |
| Gross Debt to Economically Realisable Assets ⁶ | 26.2% | 23.7% | 19.4% | <30% |
| Coverage Ratio | | | | |
| Rate Coverage Ratio ⁷ | 58.5% | 110.4% | 60.3% | >33% |
| Effectiveness Ratio | | | | |
| Outstanding Rates Ratio ⁸ | 3.7% | 3.1% | 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.

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 31 May 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 MAY 2011

| Account | Original Budget | Current Budget | YTD Budgets | YTD Actuals | YTD Variance | YTD % Variance | Variance Ticks | |
|---|-------------------|-------------------|-------------------|------------------|------------------|----------------|----------------|---|
| Grand Total DIRECTOR CORPORATE | 12,536,995 | 11,216,062 | 10,945,904 | 6,716,240 | 4,229,664 | 39% | | |
| 102720. IT-OPERATING COSTS | 277,590 | 279,150 | 244,968 | 131,713 | 113,255 | 46% | ✓ | Saxxon consulting, proof of concept and network configuration for Shared Resourcing and VOIP put on hold. DMS invoices not yet charged. Web development not completed due to delay of internet stage 2. |
| 106030. INTEREST ON INVESTMENTS | (450,000) | (450,000) | (412,470) | (574,513) | 162,043 | 39% | ✓ | Due to a number of large grant receipts, most investment term deposits have been rolled over for an extra 2 or 3 months (on 30 day terms). |
| 106640. INFORMATION TECHNOLOGY | 537,833 | 532,333 | 487,412 | 198,823 | 288,590 | 59% | ✓ | New disaster recovery rack not yet invoiced. Shared resource and council mergers project put on hold. VOIP project not starting until next year. Single point of entry for planning cancelled. DIY not commenced. PC's not purchased due to delay in hardware tender. This will not occur this financial year. Additional ESX server not yet required as server upgrades proved sufficient. Software not yet required. Saving of \$13,500 on reticulation design software. North Road generator requirements reduced so project spend |

| Account | Original Budget | Current Budget | YTD Budgets | YTD Actuals | YTD Variance | YTD % Variance | Variance Ticks | |
|--------------------------------------|------------------|------------------|------------------|----------------|------------------|----------------|----------------|---|
| | | | | | | | | reduced. |
| 137930. A/PORT-LANDING FEES | (979,308) | (1,148,000) | (1,046,141) | (1,159,313) | 113,172 | 11% | ✓ | Continued trend in higher landing fees, due to better fee collection process, and more passenger use. |
| 158130. DAY CARE CENTRE INCOME | (802,140) | (802,140) | (735,238) | (630,947) | (104,291) | -14% | ✗ | Quarterly and yearly payments from government benefits and programs are yet to be received, and further income is due from parents. |
| 164020. LIB - SALARIES | 796,992 | 796,992 | 730,519 | 630,465 | 100,054 | 14% | ✓ | The library has been below optimal staffing level for large part of the year. This is reflected in the under budget wage costs. |
| 174420. ROADS- DEPREC | 8,301,762 | 8,301,762 | 7,609,386 | 6,661,887 | 947,449 | 12% | ✓ | Not all new roads have been capitalised. This is a year end adjust made to annual accounts. |
| Total DIRECTOR CORPORATE | 7,682,729 | 7,510,097 | 6,878,436 | 528,114 | 1,620,322 | 24% | ✓ | |
| DIRECTOR WORKS & SERVICES | | | | | | | | |
| 100040. ROAD SAFETY | 589,000 | 809,000 | 515,583 | 225,009 | 290,574 | 56% | ✓ | Balance of funding received once jobs completed. Related jobs expected to be finished before end of financial year. |
| 119150. GRANTS - WASTE PROJECTS | (10,000) | (205,000) | (205,000) | (97,500) | (107,500) | -52% | ✗ | Part Funding for South Stirling Waste Site, remainder funding to be received in budget 11/12. |
| 119530. REFUSE – INC HANRAHAN RD | (800,000) | (1,169,000) | (1,074,337) | (1,177,460) | 103,123 | 10% | ✓ | More refuse received at Hanrahan Road due to Bakers Junction opening hours being revised |

| Account | Original Budget | Current Budget | YTD Budgets | YTD Actuals | YTD Variance | YTD % Variance | Variance Ticks | |
|---|-----------------|----------------|-------------|-------------|--------------|----------------|----------------|--|
| 131140. ROADS-CONSTRUCTION | 501,000 | 501,000 | 497,229 | 291,031 | 206,198 | 41% | ✓ | Year to date expenditure is below budget. This is only a timing difference, and annual expenditure is expected to be in line with budget |
| 134830. Road Funds | (694,000) | (694,000) | (310,250) | (832,695) | 522,445 | 168% | ✓ | Balance of funding received once jobs completed. Related jobs expected to be finished before end of financial year. |
| 134850. ASSET FUNDING - REGIONAL ROAD GROUP | (759,167) | (812,670) | (812,670) | (512,534) | (300,136) | -37% | × | Balance of funding received once jobs completed. Related jobs expected to be finished before end of financial year. |
| 135440. Passenger Vehicles Purchase | 658,265 | 658,265 | 355,461 | 481,164 | (125,703) | -35% | × | Year to date expenditure is above budget. This is only a timing difference, and annual expenditure is expected to be in line with budget |
| 135640. Major Plant Purchase | 1,790,000 | 1,790,000 | 1,790,000 | 1,689,748 | 100,252 | 6% | ✓ | Remaining plant purchases to be deferred until new financial year |
| 138070. Waste Minimisation Contract | 2,070,000 | 2,118,000 | 1,923,254 | 1,797,435 | 125,819 | 7% | ✓ | Timing issue with project |
| 141150. Road Funding - Other | (117,000) | (2,183,000) | (2,183,000) | (1,840,000) | (343,000) | -16% | × | Balance of funding received once jobs completed. Related jobs expected to be finished before end of financial year. |
| 141750. Major Plant Proceeds | (600,000) | (620,000) | (257,400) | (477,023) | 219,623 | 85% | ✓ | Year to date income is above budget. This is only a timing difference, and annual income is expected to be in line with budget |

| Account | Original Budget | Current Budget | YTD Budgets | YTD Actuals | YTD Variance | YTD % Variance | Variance Ticks | |
|------------------------------------|-----------------|----------------|-------------|-------------|--------------|----------------|----------------|--|
| 144350. Federal Black Spot Funding | (456,000) | (300,000) | (208,800) | (364,800) | 156,000 | 75% | ✓ | Balance of funding received once jobs completed. Related jobs expected to be finished before end of financial year. |
| 147320. FUEL & OIL | 703,677 | 703,677 | 628,143 | 513,826 | 114,317 | 18% | ✓ | Year to date expenditure is below budget due to fuel prices remaining relatively stable and plant being under utilised due to lack of staff. |
| 147920. PLANT-ALLOCATE TO W/SERV. | (3,135,832) | (3,135,832) | (2,874,293) | (2,619,193) | (255,100) | -9% | × | 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 lack of staff to operate |
| 149120. WO-LESS ALLOC.W/SERVICES | (2,735,417) | (2,735,417) | (2,507,279) | (2,287,420) | (219,859) | -9% | × | 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 | 2,195,502 | 2,101,393 | 1,714,721 | 386,672 | 18% | ✓ | Balance of funding received once jobs completed. Related jobs expected to be finished before end of financial year. |
| 149940. ASSET PRESERVATION | 3,344,638 | 5,222,774 | 5,189,233 | 4,198,993 | 990,240 | 19% | ✓ | Balance of funding received once jobs completed. Related jobs expected to be finished before end of financial year. |

| Account | Original Budget | Current Budget | YTD Budgets | YTD Actuals | YTD Variance | YTD % Variance | Variance Ticks | |
|--|------------------|------------------|------------------|------------------|------------------|----------------|----------------|---|
| 150140. DRAINAGE CONSTRUCTION | 1,834,247 | 822,795 | 795,132 | 449,371 | 345,761 | 43% | ✓ | Year to date expenditure is below budget. This is only a timing difference, and annual expenditure is expected to be in line with budget |
| 152140. WASTE/TIPS PROJECTS | 444,974 | 663,060 | 660,129 | 246,833 | 413,296 | 63% | ✓ | Leachate Management Project delayed awaiting DEC approval, and carried over to next year; South Stirling delayed awaiting SWALSC approval |
| 167640. Peace Park | 289,384 | 193,811 | 161,940 | 58,620 | 103,320 | 64% | ✓ | Funding for Peace Park Lone Pine awaiting signing, before works can commence |
| 197930. CONTRIBUTIONS - MAIN ROADS | 0 | (117,000) | (117,000) | 0 | (117,000) | -100% | × | Bridge works investigation being undertaken by Main Roads – delay in invoicing |
| Total DIRECTOR WORKS & SERVICES | 4,854,266 | 3,705,965 | 4,067,468 | 1,458,126 | 2,609,342 | 64% | | |

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.

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