

I N D E X

Chief Executive Officer's Report

19 SEPTEMBER 2005

ITEMS ON REPORT

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ATTACHMENTS

A-1	MONTHLY FINANCIAL REPORT – AUGUST 2005
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CITY OF ARMADALE

Chief Executive Officer's Report

**Mayor and Councillors
City of Armadale**

Following is my Report for the period
ended 15 September 2005

1. FINANCIAL REPORT – AUGUST 2005

WARD : ALL
FILE REF : FIN/1
DATE : 14 September
2005
REF : AFM / NC
RESPONSIBLE : EDCorpS and
MANAGER EMBS

In Brief:-

This Report presents:

- details and an explanation of the recent amendments made to the Local Government (Financial Management) Regulations, relating to the preparation and presentation of City's Monthly Financial Report,
- the City's Monthly Financial Report as at 31st August 2005

Tabled Items

Nil

Strategic Implications

Developing our Organisation:

- Improve the environment for effective governance;
- Improve the overall financial viability of Council.

Legislation Implications

Local Government Act 1995 – Part 6 – Division 3 – Reporting on Activities and Finance
Local Government (Financial Management) Regulations – Part 4 – Financial Reports

Council Policy/Local Law Implications

Nil

Budget/Financial Implications

The Statement of Financial Activity as presented refers and explains.

Consultation

Directors and Managers relevant to the reported instances of 'material variance'.

BACKGROUND

The Local Government (Financial Management) Regulations have been amended with effect from 1st July 2005 requiring, amongst other matters, local governments to prepare monthly financial statements in a new format.

The amended Regulations provide as follows:

34. *Financial activity statement report – s.6.4*
1. *A local government is to prepare each month a statement of financial activity reporting on the sources and applications 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 refers;*
 - (c) *actual amounts of expenditure, revenue and income to the end of the month to which the statement relates;*
 - (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 refers.*
 2. *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*
 3. *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.*
 4. *A statement of financial activity, and the accompanying documents referred to in sub-regulation (2), are to be –*
 - (a) *presented to the council –*
 - (i) *at the next ordinary meeting of the council following the end of the month to which the statement relates; or*
 - (ii) *if the statement is not prepared in time to present it to the meeting referred to in sub-paragraph (i), to the next ordinary meeting of the council after that meeting; and*
 - (b) *recorded in the minutes of the meeting at which it is presented.*

City of Armadale Statement of Financial Activity For the period 1 July 2005 to 31 August 2005					
Particulars	Notes / Tables	31 August 2005 Actual \$	31 August 2005 YTD Budget \$	2005-2006 Revised Budget \$	Material Variance Indicator
(Profit)/Loss on Asset Disposal written-back					
Depreciation on Assets written-back					
<i>total operating</i>					
<u>Non operating</u>					
Land and Buildings					
Furniture and Equipment					
Plant and Machinery					
Infrastructure - Roads					
Infrastructure - Drainage					
Infrastructure - Pathways					
Infrastructure - Parks					
Loan Repayments (principal only)					
Transfers to Reserve Accounts					
<i>total non operating</i>					
Less Total Funds to be Spent					
Less Closing Balance for Period (Net Current Assets Year to Date)					
Amount Required From Rates					

- The above format is essentially the Rate Setting Statement as used for Annual Budget purposes and is a logical one page representation of the City's Financial position in that it brings together the year start position, the operating and capital revenues, the operating and capital expenditures, the current net assets position as at the date of the Report and the amount required from rates.
 - As per part 3 of the Regulation 34, the operating revenue and expenditure line items can be presented according to:
 - programs as is shown in the above Statement, OR
 - nature and type classifications which are listed as follows, OR
- Revenue**
- ✓ Rates
 - ✓ Grants and subsidies
 - ✓ Contributions, reimbursements and donations
 - ✓ Profit on asset disposals
 - ✓ Service charges
 - ✓ Fees and charges
 - ✓ Interest earnings
 - ✓ Other revenue/income
- Expenditure**
- ✓ Employee costs
 - ✓ Materials and contracts
 - ✓ Utilities (gas, electricity, water etc.)
 - ✓ Depreciation on non-current assets

- ✓ Loss on asset disposal
- ✓ Interest expenses
- ✓ Insurance expenses
- ✓ Other expenditure

→ OR business units of the local government which in the City's case may be as follows:

CEO's Office & Corporate Services Directorate

- ✓ Members Administration
- ✓ CEO's Office
- ✓ Human Resources
- ✓ Governance & Administration
- ✓ Information Technology
- ✓ Financial Services
- ✓ Statutory Revenues and Expenses

Community Services Directorate

- ✓ Ranger Services
- ✓ Recreation Services
- ✓ Events
- ✓ Aquatic Centre
- ✓ Library Services
- ✓ Heritage Services
- ✓ Community Development & Administration

Development Services Directorate

- ✓ Town Planning
- ✓ Building Control
- ✓ Private Pool Inspections
- ✓ Health Services
- ✓ Environmental Services

Technical Services Directorate

- ✓ Civil Works
- ✓ Parks & Reserves
- ✓ Property Management
- ✓ Waste Services
- ✓ Support Services
- ✓ Private Works
- ✓ Client Services

- It is recommended that the City start with the program option and over the next 2-3 months move to the business unit option format. The business unit option is not presently available however when it does become available it is the preferred option as it provides a much clearer and more legible picture of the City's financial position.

(B) Part 2 of Regulation 34 refers to supplementary information to accompany the Statement of Financial Activity. This supplementary information is partly discretionary and partly non-discretionary and each is explained as follows:

- Non-discretionary information to be Reported:
 - firstly, an explanation of each of the 'material variances' as reported in the Statement of Financial Activity. This is a logical requirement given the variance reporting contained in the Statement. The difference between "material" and "non-material" Where there is a material variance requiring explanation/comment in the Statement the word "Review" will appear in the column headed "Material Variance Indicator", alerting the reader to the relevant note.
 - secondly, an explanation of the net current assets less committed and restricted assets (as shown in the example below). together with a listing of what makes-up each of the line item totals, e.g.
 - ✓ Cash Unrestricted will include such things as petty cash, investments and cash at bank,
 - ✓ Cash Restricted will include the Reserve account balances, the sundry deposit and bond account balances, unspent loans and unspent grants for specific purposes,
 - ✓ Receivables (Debtors) listed by debtor groups,
 - ✓ etc.

Statement of Net Current Assets For the Period 1 July 2005 to 31 August 2005		
Particulars	As At 31 Aug 05	Brought Forward 1.7.05
	\$	\$
Composition of Net Current Asset Position		
CURRENT ASSETS		
Cash - Unrestricted		
Cash - Restricted		
Receivables (Debtors) & Accruals		
Inventories		
LESS: CURRENT LIABILITIES		
Payables (Creditors) & Accruals		
Provisions		
NET CURRENT ASSET POSITION		

- Discretionary Information to be Reported:
 - Examples may include,
 - ✓ a listing of the capital expenditures and revenues,
 - ✓ a listing of the City's cash investments,
 - ✓ rates collection data,
 - ✓ details of budget amendments and variations,
 - ✓ recommended debtor write-offs,
 - ✓ ratio analysis and trends,
 - ✓ organizational 'health-check', etc.

It is proposed that this supplementary information be progressively introduced into the monthly report over the next 4-5 months thereby enabling Council to determine what data is deemed of interest and appropriate for inclusion on an on-going basis. It is not intended that the supplementary information ever be 'set in concrete' but rather that parts of the Report change from time to time depending on the circumstances at the time, i.e. if Council and/or Management believe there is value in adding certain information into the Report then the reporting process ought to be flexible enough to cater for that requirement.

- (C) Part 4 of Regulation 34 refers to when the Financial Reporting is to be presented to Council, i.e. either the first Council meeting following the month end to which the Financial Reports refer OR the next council meeting.

In the City's case, the Reports will have to be presented to the second council meeting of the month which generally occurs on the third Monday (the reason for this is that the first council meeting occurs on the first Monday of the month which leaves no time to prepare the Report for the prior month end). An issue that arises is that for probably 6 out of the 12 months it will not be possible to complete the Financial Reports in time for the City Strategy Committee Meeting Agenda. Accordingly and so as to have a consistent approach to the matter, it is recommended *that the Report be presented direct to the second council meeting of each month via the CEO's Report and that part of the Report Recommendation always be to refer the Financial Report as presented, to the next City Strategy Committee meeting for review and analysis*. Whilst the obvious downside to this approach is the one month delay in the review process, it does provide greater time and opportunity for Councillors and Management to review the Report. Of course if there were 'pressing' matters requiring more urgent attention, then such matters would be the subject of separate report and recommendation at an earlier time. Another option in this regard is the possibility/practicality of swapping the City Strategy Committee meeting date with that of the Technical or Community Services Committees, which currently occur in the fourth week of the month.

- (D) Part 5 of Regulation 34 refers to the requirement each year for Council to adopt a percentage or value by which 'material variances' will be identified for review/comment purposes.

Setting the percentage or value too low or too high will obviously result in meaningless outcomes and hence the need for the percentage or value determined to be relevant to the area of review. Whilst the Regulations require Council to adopt an indicator of material variance, nothing prevents Council from subsequently changing that indicator based on experience. Given (i) that the variance analysis occurs on a period to date basis rather than an annual basis and (ii) our practical experience in capturing and recording budget to actual data on a monthly basis is limited, it's likely that subsequent changes to the adopted percentage or value will be necessary.

In determining a material percentage or value, reference is to be made to "Australian Accounting Standard 5 – Materiality" (AAS 5) which makes the following commentary on materiality, i.e.

"Information is material if its omission, misstatement or non-disclosure has the potential to adversely affect:

- (a) *decisions about the allocation of scarce resources made by users of the financial report; or*
- (b) *the discharge of accountability by the management or governing body of the entity.”*

“Quantitative thresholds used as guidance for determining the materiality of an amount of an item must, of necessity, be drawn at arbitrary levels.

Materiality is a matter of professional judgment influenced by characteristics of the entity and the perceptions as to who are, or are likely to be, the users of the financial reports, and their information needs”.

The general “rule of thumb” approach to determining what’s material, is that a 10% variance is material, 5% is not material and anything between 5% and 10% is in the “grey area”.

On the basis of the above commentary on ‘materiality’, and having regard for officer experience/knowledge, it is recommended that Council pursuant to Clause 34(5) of the Local Government (Financial Management) Regulations, initially adopt the following material variance methodology for use in the Statement of Financial Activity, i.e.

Revenues – ‘material variances’ will be identified, where for the period being reported, the actual is less than budget by an amount greater than \$50,000 – in these instances explanatory comment will be provided.

Expenditures – ‘material variances’ will be identified, where for the period being reported, the actual is greater than budget by an amount greater than \$100,000 – in these instances explanatory comment to be provided.

Concluding Comments

Other matters for Council to note in terms of the form in which the new Statements of Financial Activity will be presented are as follows:

- It is proposed that the Statements and the Accompanying Financial Information be presented in the form of a separate booklet and that the order of the information be relatively fixed for ease of on-going monthly reference purposes with executive summary type information at the front and the detailed supporting information at the back of the document,
- It is proposed that the document be inclusive of other financial type reports thereby making it a ‘one-stop’ report on all key financial matters, e.g. the List of Accounts Paid, Quarterly Budget Reviews, etc.
- It is proposed that the document:
 - be a ‘living’ document in that the reported information over time continues to be refined and developed thereby remaining relevant and meaningful,
 - be compiled, written and presented in a form which is interesting, meaningful and doesn’t require accounting/financial skills to interpret the information presented.

Our goal is to produce a Monthly Financial Report that provides a meaningful and reliable 'barometer' of the City's financial performance in a manner which is readily understood by Councillors, officers and public alike.

Presented at Attachment A-1 to this report is the Financial Report for the period 1st July 2005 to 31st August 2005.

It should be noted that a number of line items clearly show "whole of year" expenditure rather than "Year to Date". This is an anomaly of the reporting system and will be reported on to Committee.

RECOMMEND

That Council:

- 1. Pursuant to clause 34(5) of the Local Government (Financial Management) Regulations, adopt the following indicators of material variance for use in Statements of Financial Activity for the 2005-06 financial year, i.e.**
 - **Revenues – 'material variances' will be identified, where for the period being reported, the actual is less than budget by an amount greater than \$50,000 – in these instances explanatory comment to be provided.**
 - **Expenditures – 'material variances' will be identified, where for the period being reported, the actual is greater than budget by an amount greater than \$100,000 – in these instances explanatory comment to be provided.**
- 2. Approve the following practice for presenting future Monthly Financial Reports to Council, i.e.**
 - **Monthly Financial Reports be presented to the second Council meeting of each month via the CEO's Report and that part of the Report Recommendation be to refer the Monthly Financial Report as presented, to the next City Strategy Committee for review and analysis.**
- 3. Receive the Financial Report for the period ended 31st August 2005 as presented at Attachment A-1 to this Report and refer this Financial Report to the October 2005 City Strategy Committee Meeting for review.**

Moved Cr _____
Carried/Lost ()

2. *COUNCILLORS' INFORMATION BULLETIN – ISSUE NO. 18/2005*

WARD All
FILE REF: CIB
DATE 14 September
2005
REF SDS
RESPONSIBLE CEO
MANAGER

In Brief:

- Councillors' Information Bulletin – Councillors are advised to take note of the information submitted in Issue No.18/2005 to be received by Council.

Strategic Implications

Corporate Services

- 2.1 Identify and implement mechanisms to improve communication and achieve common understanding of corporate issues and objectives.

COMMENT

The following general information and memorandums were circulated in Issue No. 18 on 14 September 2005.

Correspondence & Papers

- **Local Government News**
Issue No.34.05 – 2 September 2005
Issue No.35.05 – 9 September 2005
- **ALGA News**
2 September 2005
9 September 2005
- **Media Releases**
Local Roads Need Improvement – 2 September 2005

Information from Human Resources

- Employee Movements

Information from City Strategy

- **Outstanding Matters**
Report on Outstanding Matters – Technical Services Committee
- **Monthly / Quarterly Departmental Reports**
Technical Services Directorate Works Programme
- **Minutes from Occasional Advisory Committees**
Bungendore Park Management Committee -27th July 2005
Armadale Settlers Common Minutes – 25th August 2005

- **General Information**

- Infill Sewerage Programme
- Karragullen & Roleystone Seniors Club (Inc) – Letter of Appreciation
- Municipal Waste Advisory Council Information Bulletin
- South East Metropolitan Regional Council – Waste Less Words
- EnHealth Council Position of Copper Chrome Arsenate (CCA) Treated Timber
- Western Australia Local Government Association – Info page

Information from Development Services

- **Outstanding Matters**

- Report on Outstanding Matters – Community Services Committee

- **Monthly / Quarterly Departmental Reports**

- Library & Heritage Services General Monthly Report – August 2005
- Manager Ranger & Emergency Services Monthly Report – August 2005

- **Minutes from Occasional Advisory Committees**

- Aboriginal & Torres Strait Islander Advisory Cttee – 2 August 2005
- Armadale Highland Gathering Committee – 14 June 2005
- Armadale Police & Citizens' Youth Club Mgt Cttee – 27 July 2005
- Armadale Police & Citizens' Youth Club Mgt Cttee – 24 August 2005
- Armadale Youth Advisory Committee – 25 July 2005
- Armadale Youth Advisory Committee – 29 August 2005
- South East Regional Recreation Advisory Group – 19 May 2005

RECOMMEND

That Council acknowledge receipt of Issue No 18/2005 of the Information Bulletin.



R S TAME
CHIEF EXECUTIVE OFFICER



City of Armadale
August 2005 Monthly Financial Report

August 2005 Monthly Financial Report

August 2005 Monthly Financial Report

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City of Armadale

Statement of Financial Activity

City of Armadale
 Statement of Financial Activity
 For the period 1 July 2005 to 31 August 2005

Particulars	Notes / Tables	31 August 2005 Actual \$	31 August 2005 YTD Budget \$	2005-2006 Revised Budget \$	Material Variance Indicator
Opening Balance (Net Current Assets July 1 B/Fwd)		7,146,459	7,146,459	7,146,459	
Plus Operating Revenue					
General Purpose Funding	2	607,321	712,385	3,060,863	Review
Governance		150	34	200	
Law, Order and Public Safety		95,515	82,871	425,919	
Health		42,570	16,230	97,367	
Education and Welfare	2	9,642	129,199	142,865	Review
Community Amenities		3,277,990	2,319,659	4,440,273	
Recreation and Culture	2	6,531	493,865	1,029,563	Review
Transport		684,009	92,220	4,314,439	
Economic Services		111,150	88,026	316,518	
Other Property and Services	2	80,758	146,519	181,754	Review
Total Operating Revenue		4,915,636	4,081,008	14,009,761	
Plus Non-Operating Revenue					
Proceeds from Disposal of Assets	2	238,356	479,000	884,700	Review
New Loan Borrowings		0	0	1,020,000	
Transfers from Reserve Accounts		0	0	1,318,175	
Total Non-Operating Revenue		238,356	479,000	3,222,875	
Total Revenue Available (Less Rates)		12,300,451	11,706,467	24,379,095	
Less Operating Expense					
General Purpose Funding		(53,207)	(120,844)	(461,291)	
Governance		(167,842)	(189,705)	(792,148)	
Law, Order and Public Safety		(113,962)	(163,104)	(977,696)	
Health		(77,976)	(96,042)	(529,379)	
Education and Welfare		(115,587)	(162,946)	(948,223)	
Community Amenities		(755,890)	(873,903)	(5,173,969)	
Recreation and Culture		(1,432,793)	(1,879,215)	(10,338,910)	
Transport		(1,155,408)	(1,090,151)	(6,461,688)	
Economic Services		(84,673)	(164,040)	(603,093)	
Other Property and Services		(1,085,375)	(1,469,323)	(6,928,466)	
(Profit) / Loss on Asset Disposal Written Back		0	(30,242)	(181,523)	
Depreciation on Assets Written Back		1,364,654	1,345,568	8,073,767	
Total Operating Expense		(3,678,059)	(4,893,947)	(25,322,619)	
Less Non-Operating Expense					
Land and Buildings		(23,395)	(95,159)	(283,269)	
Furniture and Equipment		0	(14,580)	(24,580)	
Plant and Machinery		(247,020)	(591,763)	(2,274,706)	
Infrastructure - Roads	2	(1,737,728)	(869,800)	(11,337,843)	Review
Infrastructure - Drainage		(20,743)	(521,400)	(1,163,400)	
Infrastructure - Pathways		22,138	0	(717,345)	
Infrastructure - Parks		3,157	(1,066,000)	(1,066,000)	
Repayment of Loans (Principal)		(205,594)	(204,959)	(409,917)	
Transfers to Reserves		0	0	(1,753,300)	
Total Non-Operating Expense		(2,209,185)	(3,363,661)	(19,030,360)	
Total Expenses		(5,887,244)	(8,257,608)	(44,352,979)	
Closing Balance for Period (Net Current Assets)		25,563,838	22,481,628	(770,767)	
Amount Raised From Rates		(19,150,631)	(19,032,769)	(19,203,117)	

Notes to the Statement of Financial Activity

1 Statement of Objective

In order to discharge its financial responsibilities to the community, the City has developed a set of operational and financial objectives. The objectives have been established both on an overall basis, reflected by the City's Vision Statement, and for each of its broad activities / programmes.

Our Vision

Our vision is for the City of Armadale to be:

- Strong in opportunity
- Clean, green and prosperous
- A strategic regional centre
- A place combining city living with a beautiful bushland setting
- A place where change is welcomed
- A great place to raise children and grow old with dignity

Council operations, as disclosed in this report, encompass the following service oriented activities / programmes:

General Purpose Funding

This programme includes rates, statutory grants from the Western Australian Local Government Grants Commission and interest on investments from Municipal and Reserve Funds.

Governance

This programme includes the administration and operation of facilities and services to the elected members of Council. It also includes civic receptions, citizenship ceremonies, research, development and preparation of policy documents, strategic planning, annual budgets, annual financial reports, audit fees and the annual report.

Law, Order and Public Safety

This programme includes the administration and operation of volunteer fire services and the state emergency services, together with animal control and community safety.

Health

This programme includes services such as immunisation, health administration, inspections, pest control, noise control and health clinics.

Education and Welfare

This programme includes pre-schools, senior citizen centres, disability services and other community development activities such as seniors, youth and indigenous services.

City of Armadale

Notes to the Statement of Financial Activity (continued)

1 Statement of Objective (continued)

Community Amenities

This programme includes town planning and regional development services, protection of the environment, refuse collection and disposal, provision of public toilets, bus shelters and street furniture.

Recreation and Culture

This is the provision of public buildings, libraries, aquatic centres, community events, cultural activities, museums, indoor and outdoor sporting complexes, parks and gardens, and playgrounds.

Transport

This programme includes the maintenance and construction of roads, drains, pathways, crossovers and traffic calming devices, plus street lighting and cleaning, road signs and parking areas.

Economic Services

This programme covers building control, private swimming pool inspections, tourism and economic development.

Other Property and Services

This programme includes public works oncosts and the purchase and maintenance of engineering plant and equipment.

2 Material Variances Explanation

For the purposes of reporting the material variances, the following indicators have been used:

Revenues – Material variances will be identified where, for the period being reported, the actual is less than budget by an amount greater than \$50,000 and in these instances an explanatory comment will be provided.

Expenses – Material variances will be identified where, for the period being reported, the actual is greater than budget by an amount greater than \$100,000 and in these instances an explanatory comment will be provided.

Before commenting on each of the specific material variances identified for review, an aspect to note common to each variance is that the predominant cause is inaccurate period budgets (i.e. the material variances reported are not of a nature reflecting budget problems / difficulties but rather they are indicative of inaccurate period budgets). Accurate period budgets require historical information which is not yet available. These will be addressed over the coming months making subsequent monthly variance reports more meaningful.

August 2005 Monthly Financial Report

Notes to the Statement of Financial Activity (continued)

2 Material Variance Explanation (continued)

Revenue

1 General Purpose Funding

The significant line items that give rise to this variance in actual revenue (i.e. \$105,000 less than budget) are as follows:

Account Description	Period Actual	Period Budget
Rebate – Pensioner Deferment Interest	0	(37,894)
Fees – Legal	0	(21,052)
Interest Earnings – Late Payment	(4,772)	(13,156)
Interest Earnings – Instalments	(768)	(15,792)
Commission – Emergency Services	0	(13,313)

In each of these instances, the revenue is anticipated to reach budget at a later period in the year. For example, the interest on pensioner deferments will not occur until May 2006.

2 Education and Welfare

The significant line items that give rise to this variance in actual revenue (i.e. \$119,500 less than budget) are as follows:

Account Description	Period Actual	Period Budget
Grant – Volunteer Resource Centre	(8,750)	(17,500)
Grant – Indigenous Support	0	(100,000)
Fees – Careers Expo Sites	0	(5,000)

In each of these instances, the revenue is anticipated to reach budget at a later period in the year. For example, funding of the Indigenous Support account occurs on a 6 monthly, in arrears, claim basis.

3 Recreation and Culture

The significant line items that give rise to this variance in actual revenue (i.e. \$487,300 less than budget) are as follows:

City of Armadale

Notes to the Statement of Financial Activity (continued)

2 Material Variance Explanation (continued)

Account Description	Period Actual	Period Budget
Fees – Aquatic Centre Admissions	0	(27,382)
Fees – Pool – School Usage	(954)	(14,028)
Sales – Pool – Kiosk	0	(13,338)
Grant – Rushton Park Tennis Resurface	0	(213,000)
Subsidy – Rushton Park Tennis Resurface	0	(27,000)
Grant – Vandalism Programme	0	(20,000)
Contributions – POS – Ruston Park	(2,400)	(100,000)

In each of these instances, the revenue is anticipated to reach budget at a later period in the year.

4 Other Property and Services

The significant line items that give rise to this variance in actual revenue (i.e. \$80,900 less than budget) are as follows:

Account Description	Period Actual	Period Budget
Rebate – Local Government Advertising	(10,480)	(1,806)
Lease – Former Administration Building	(17,357)	(110,840)
Lease – Mobile Phone Site (Depot)	(14,039)	(28,633)

In each of these instances, the revenue is anticipated to reach budget at a later period in the year. The advertising rebate from the WA Local Government Association has arrived earlier this year than last year. The period budget shown for the former administration building lease is an annual figure whereas it should be a monthly figure of approximately \$(18,500).

5 Proceeds from Disposal of Assets

The variance of \$240,644 (actual revenue less than budget) is fully offset by a commensurate under expense on plant and machinery (i.e. a lesser number of plant items have been replaced at this time than was initially anticipated).

Expense

1 Infrastructure – Roads

The variance of \$868,000 (actual expense greater than budget) is primarily due to the recent Council decision to make payment to Main Roads WA for the Corfield Street project earlier than planned.

August 2005 Monthly Financial Report

Net Current Asset Position

**City of Armadale
 Net Current Asset Position
 For the period 1 July 2005 to 31 August 2005**

	Notes / Tables	31 August 2005 YTD Actual \$	2005-2006 Revised Budget \$	Brought Forward 1 July \$
Current Assets				
Cash - Unrestricted	1	5,062,721	81,340	7,516,902
Cash - Restricted (Provisions)	2	879,968	760,960	760,960
Cash - Restricted (Sundry Deposits and Bonds)	3	2,116,033	2,099,230	2,099,230
Cash - Reserves	4	4,042,943	4,478,068	4,042,943
Receivables and Accruals	5	24,850,098	959,673	2,559,764
Inventories	6	109,576	88,994	88,994
		37,061,339	8,468,265	17,068,793
Less Current Liabilities				
Creditors and Accruals	7	(4,458,557)	(1,900,770)	(2,919,201)
Sundry Deposits and Bonds	8	(2,116,033)	(2,099,230)	(2,099,230)
Interest Bearing Liabilities	9	(194,050)	(409,917)	(194,050)
Provisions	10	(1,692,753)	(1,595,421)	(1,695,421)
		(8,461,393)	(6,005,338)	(6,907,902)
Net Current Asset Position (Without Validation)		28,599,946	2,462,927	10,160,891
Additions				
Interest Bearing Liabilities - Budgeted		194,050	409,917	194,050
Sundry Deposits and Bonds - Cash Backed		2,116,033	2,099,230	2,099,230
Provisions - Budgeted		812,785	834,457	834,461
Provisions - Cash Backed		879,968	760,960	760,960
Subtractions				
Cash - Reserves		(4,042,943)	(4,478,068)	(4,042,943)
Cash - Restricted (Provisions) - Cash Backed		(879,968)	(760,960)	(760,960)
Cash - Restricted (Sundry Deposits and Bonds) - Cash Backed		(2,116,033)	(2,099,230)	(2,099,230)
Net Current Asset Position		25,563,838	(770,767)	7,146,459

City of Armadale

Notes to the Net Current Asset Position

City of Armadale
Notes / Tables to the Net Current Asset Position
For the period 1 July 2005 to 31 August 2005

	Notes / Tables	31 August 2005 YTD Actual \$	2005-2006 Revised Budget \$	Brought Forward 1 July \$
1	Cash - Unrestricted			
	Cash on Hand	6,565	6,340	6,315
	Municipal Account	(3,323,814)	75,000	5,680,587
	Dishonoured Cheques	(1,370)	0	0
	Municipal Cash In Investments	8,381,340	0	1,730,000
		5,062,721	81,340	7,416,902
2	Cash - Restricted (Provisions)			
	Annual Leave	405,408	405,408	405,408
	Sick Leave	45,000	45,000	45,000
	Long Service Leave	310,552	310,552	310,552
	Pay Equalisation	2,668	0	0
		763,628	760,960	760,960
3	Cash - Restricted (Sundry Deposits and Bonds)			
	Contractor Deposits	826,662	810,437	810,437
	Other Deposits	2,705	2,505	2,505
	General Deposits	164,217	163,167	163,167
	Nomination Deposits	0	0	0
	Hall Deposits	45,717	47,016	47,016
	Library Deposits	936	936	936
	Cash in Lieu	15,380	15,380	15,380
	POS Strategy North	71,008	71,008	71,008
	Kerb Deposits	359,644	353,244	353,244
	Verge Improvements	21,773	21,773	21,773
	Drainage Works Contributions	92,957	89,746	89,746
	Rezoning Open Spaces	3,131	3,131	3,131
	Cash in Lieu of Open Space	435,563	435,563	435,563
	Engineering Deposits	76,340	85,324	85,324
		2,116,033	2,099,230	2,099,230
4	Cash - Reserves			
	Reserve Account	34,675	4,478,068	3,823,419
	Reserve Cash in Investments	4,008,267	0	219,523
		4,042,942	4,478,068	4,042,942

August 2005 Monthly Financial Report

Notes to the Net Current Asset Position (continued)

City of Armadale
 Notes / Tables to the Net Current Asset Position
 For the period 1 July 2005 to 31 August 2005

	Notes / Tables	31 August 2005 YTD Actual \$	2005-2006 Revised Budget \$	Brought Forward 1 July \$
5	Receivables and Accruals			
	Deposits and Prepayments	12,991	300,000	429,043
	Debtors - Rates	17,028,265	0	(117,064)
	Debtors - Pensioner Deferred	0	0	0
	Debtors - Sanitation (Rates)	2,759,369	30,000	36,147
	Debtors - Swimming Pool Inspection Levy	32,910	500	517
	Debtors - Instalment Fees and Charges	3,098	3,000	3,418
	Debtors - ESL	1,941,511	25,000	27,319
	Debtors - ESL Interest	(165)	0	0
	Debtors - ESL Claimed	0	0	0
	Debtors - General	1,347,294	529,673	2,106,942
	Debtors - Employees	1,547	2,000	2,646
	Debtors - Libraries	12,755	7,000	7,640
	Debtors - Rangers	80,818	82,000	82,413
	Loans - Clubs and Institutions	1,036	0	1,036
	Debtors - Fire	8,462	9,000	9,249
	Debtors - Animals	69,488	66,000	66,581
	Debtors - Parking	18,628	18,000	18,213
	Debtors - Litter	7,080	7,000	7,943
	Debtors - Off Road Vehicles	198	500	98
	Doubtful Debts	(122,378)	(120,000)	(122,378)
	GST Paid by Council	(2,453)	0	1
	Rebate Granted - ESL	183,349	0	0
	Pensioner Rebates	1,466,295	0	0
		24,850,098	959,673	2,559,764
6	Inventories			
	Stock on Hand	109,576	88,994	88,994
		109,576	88,994	88,994
7	Creditors and Accruals			
	Trade Creditors	(2,343,597)	(1,104,770)	(2,097,763)
	Cheque Writing Control	29,982	0	(4,177)
	Cheque Reversal	10,867	0	0
	Uninvoiced Control - Creditors	(34,259)	0	0
	GST Paid by Council	229,167	100,000	114,151
	Uninvoiced Control - GST	3,105	0	0
	Expenses - Accruals	44,690	(370,000)	(371,070)
	Salaries and Wages - Accruals	(47,420)	(470,000)	(474,965)
	Loan Interest - Accruals	(11,221)	(11,000)	(11,221)
	General Revenue in Advance	1,811	(35,000)	(38,914)
	Emergency Services Levy - Raised	(5,797,243)	(579,000)	(3,480,272)
	Emergency Services Levy - Interest	(4,447)	(10,000)	(4,224)
	Emergency Services Levy - Remitted	3,448,524	579,000	3,445,770
	Payroll - RDOs	11,484	0	3,484
		(4,458,557)	(1,900,770)	(2,919,201)

City of Armadale

Notes to the Net Current Asset Position (continued)

City of Armadale
 Notes / Tables to the Net Current Asset Position
 For the period 1 July 2005 to 31 August 2005

	Notes / Tables	31 August 2005 YTD Actual \$	2005-2006 Revised Budget \$	Brought Forward 1 July \$
8	Sundry Deposits and Bonds			
	Contractor Deposits	(826,662)	(810,437)	(810,437)
	Other Deposits	(2,705)	(2,505)	(2,505)
	General Deposits	(164,217)	(163,167)	(163,167)
	Nomination Deposits	0	0	0
	Hall Deposits	(45,717)	(47,016)	(47,016)
	Library Deposits	(936)	(936)	(936)
	Cash in Lieu	(15,380)	(15,380)	(15,380)
	POS Strategy North	(71,008)	(71,008)	(71,008)
	Kerb Deposits	(359,644)	(353,244)	(353,244)
	Verge Improvements	(21,773)	(21,773)	(21,773)
	Drainage Works Contributions	(92,957)	(89,746)	(89,746)
	Rezoning Open Spaces	(3,131)	(3,131)	(3,131)
	Cash in Lieu of Open Space	(435,563)	(435,563)	(435,563)
	Engineering Deposits	(76,340)	(85,324)	(85,324)
		(2,116,033)	(2,099,230)	(2,099,230)
9	Interest Bearing Liabilities			
	Loan 268 - Pries Park Pavilion	(7,429)	(7,500)	(7,429)
	Loan 271 - Recreation Centre	(24,404)	(25,000)	(24,404)
	Loan 276 - Gwynne Park Extension	(9,290)	(9,500)	(9,290)
	Loan 279 - Old Administration Upgrade	(45,652)	0	(45,652)
	Loan 280 - Forrestdale Land	(12,288)	(16,400)	(12,288)
	Loan 281 - Golf Course Plan	0	(130,000)	0
	Loan 282 - Corporate System	(94,987)	(95,000)	(94,987)
	Loan 283 - ARA Works (1)	0	(13,000)	0
	Loan 284 - Rushton Park Redevelopment	0	(16,750)	0
	Loan 285 - Temporary Administration	0	(80,050)	0
	Loan 286 - Kelmscott Library Relocation	0	(6,967)	0
	Loan 287 - Civil Works	0	(9,750)	0
		(194,050)	(409,917)	(194,050)
10	Provisions			
	Annual Leave	(900,907)	(900,907)	(900,907)
	Sick Leave	(100,000)	(100,000)	(100,000)
	Long Service Leave	(694,514)	(594,514)	(694,514)
	Pay Equalisation	2,668	0	0
		(1,692,753)	(1,595,421)	(1,695,421)