

## 5.2 OPERATING STATEMENTS AND CASH INVESTMENTS

(All Wards) (Financial Services)

### KEY ISSUES

- This report provides Council with financial statements which are prepared in accordance with Australian Accounting standards. Financial statements show relevant financial information about the City's operating activity.
- This report incorporates a commentary on the financial statements and the City's cash investments. The commentary and investment details were previously shown in a separate report.

It is recommended that Council resolve to accept the monthly financial statements for the period ended 30 September 2006.

### BACKGROUND

Clause 34 of the Local Government (Financial Management) Regulations 1996 requires the City of Swan to submit to Council monthly financial reports. The financial reports are as follows:

1. Statement of Financial Performance (Operating Statement). This summarises the operating revenues and expenses of Council. The Operating Statement does not include capital items and infrastructure projects. The principle aim to report to Council on the performance of the Administration in meeting the approved financial budgets in both revenue and expenditure terms. There are two versions presented and they are by Program or alternatively nature and type.

### REPORT

#### 1. Operating Statement

Total operating revenue for the year to date of September 2006 is \$57.52m and exceeds the original year to date budget of \$57.25m and is 78.5% of the full year budget on a year to date basis. Total operating expenditure to the end of September 2006 is \$15.05m which is under the year to date budget of \$18.08m and is 20.7% of the full year originally adopted budget. Amendments to the budget adopted at the September 2006 Council meeting will be reflected in October 2006 Operating Statements.

#### 2. Investments

The total investment cash is \$44.49m with an average interest yield on the City's investments including that for the TPS 14 scheme for the year to date is 6.583%. The

balance sheet reflects a lower cash balance of \$42.64m. The variation is due creditors' cheques being processed (lowering the accounts payable and cash at bank balance) but the cash investment funds not being recalled to cover the creditors payment run.

## **ATTACHMENTS**

- Statement of Financial Performance - Nature and Type View
- Balance Sheet
- Rate Setting Statement
- Cashflow and
- Cash Investments Summary

## **STRATEGIC IMPLICATIONS**

Action in accordance with section 6.4 of the Local Government Act and clause 34 of the Local Government (Financial Management) Regulations

Monitoring performance by comparison of budget and actual is an essential management tool to ensure financial performance within acceptable pre determined limits

## **STATUTORY ENVIRONMENT**

Nil

## **FINANCIAL IMPLICATIONS**

Compares financial activity with budget as detailed in this report

## **RECOMMENDATION**

That the Council resolve to:

- 1) Receive the monthly financial statements and investment report for the period ended 30 September 2006

**CARRIED**