

Attachment A

# Blue Mountains City Council

---



## Budget Quarterly Review

March 2006

---

**Blue Mountains City Council  
Budget Review - March 2006**

<b>Table of Contents</b>	<b>Page</b>
<b>Report from Responsible Accounting Officer</b> .....	<b>i to vi</b>
<b>Explanation of Budget Review Document</b> .....	<b>1</b>
<b>Summary Budget Report</b> .....	<b>2</b>
<b>Annual Budget and Comparison to Actuals</b> .....	<b>3</b>
<b>Budget Forecast - Outcomes and Principal Activities</b> .....	<b>4 to 7</b>
<b>Statement of Financial Performance &amp; Financial Position</b> .....	<b>8</b>
<b>Group Report</b> .....	<b>9</b>
<b>Details of Movements &amp; Utilisation of Restricted Assets</b> .....	<b>10</b>

# BLUE MOUNTAINS CITY COUNCIL

## 2005/2006 BUDGET REVIEW - MARCH QUARTER 2006

### *Report by the Responsible Accounting Officer*

In accordance with the Local Government Act, 1993 and the provisions of clause 9 of the Financial Management Regulation, a budget review statement and revision of estimates must be completed and submitted to Council for formal adoption at the end of each financial quarter. This report must include details on the general financial position of Council and if this position is regarded as unsatisfactory, recommendations for remedial action.

The attached report details the budget review statement to the end of June 2006 in accordance with the requirements of the legislation.

An analysis of the actual results as at March 2006 has resulted in an increase in working capital of \$105,585 from the original budget, giving a revised total working capital as at 30 June 2006 of \$1,050,585

The following reconciliation illustrates the expected Working Capital position as at 31 March 2006:

Actual Working Capital – 1 July, 2005	445,000
Original 05/06 Forecast Improvement in Working Capital	500,000
Adopted Council Resolutions	0
September 2005 Review	(22,527)
December 2005 Review	112_
March 2006 Review	<u>128,000</u>
<b>Estimated Working Capital – 30 June 2006</b>	<b>1,050,585</b>

The significant variations that occur in this review are summarised in the table as follows:-

	Favourable	Unfavourable
<b>Legal Costs</b> Due to some additional and significant appeals to the Land and Environment Court not anticipated in the original budget the expenditure for the year is estimated to increase by \$230,000.		230,000
<b>Building and Development Income/Expenditure</b> Due to the decline in the building industry the competitive and regulatory income has reduced by \$150,000. Employment levels have been temporarily adjusted to reflect the decline in approval work by \$150,000.	150,000	150,000

## BLUE MOUNTAINS CITY COUNCIL

### 2005/2006 BUDGET REVIEW - MARCH QUARTER 2006

<b>Waste Management Facilities Income</b> The projected income for the year from landfill fees is estimated to be \$406,000 below the adopted budget.		406,000
<b>Waste Management Facilities Expenditure</b> Due to delayed improvement works (mainly at Blaxland Waste Management Facility) the contract operating costs is estimated to reduce by \$403,000.	403,000	
<b>Public Risk Insurance</b> The original budget provided for possible settlements costs and insurance excesses from public risk claims. The Council has a small number of claims being litigated but it anticipated that the budget saving of \$200,000 could be achieved in the current year.	200,000	
<b>Interest on Investments</b> The favourable budget variation from interest on investments is \$120,000. The increased income is due to the cash flow being better than originally budgeted and investment strategies that have resulted in higher earnings.	120,000	
<b>Loan Repayments</b> The favourable budget variation for debt servicing costs is \$41,000. The favourable budget is due to a lower interest rate negotiated on new borrowings and the refinancing of Council's loan and investment set-off arrangements.	41,000	
<b>Total</b>	<b>914,000</b>	<b>786,000</b>

### Working Capital Position

The optimum level of working capital for Council has previously been identified in the range of \$1.1 million to \$1.3 million, which represents the industry standard to allow for stores and the provision of hard-core debtors. Subject to Council adopting the recommended variations, the estimated effective working capital of \$1,050,585 is satisfactory. The satisfactory financial position will be reinforced with the 2006-2007 budget, which will continue to develop and implement sustainable financial strategies. For the remainder of the year management will continue to constrain expenditure to stay within the adopted budget levels.

### Cash Flow

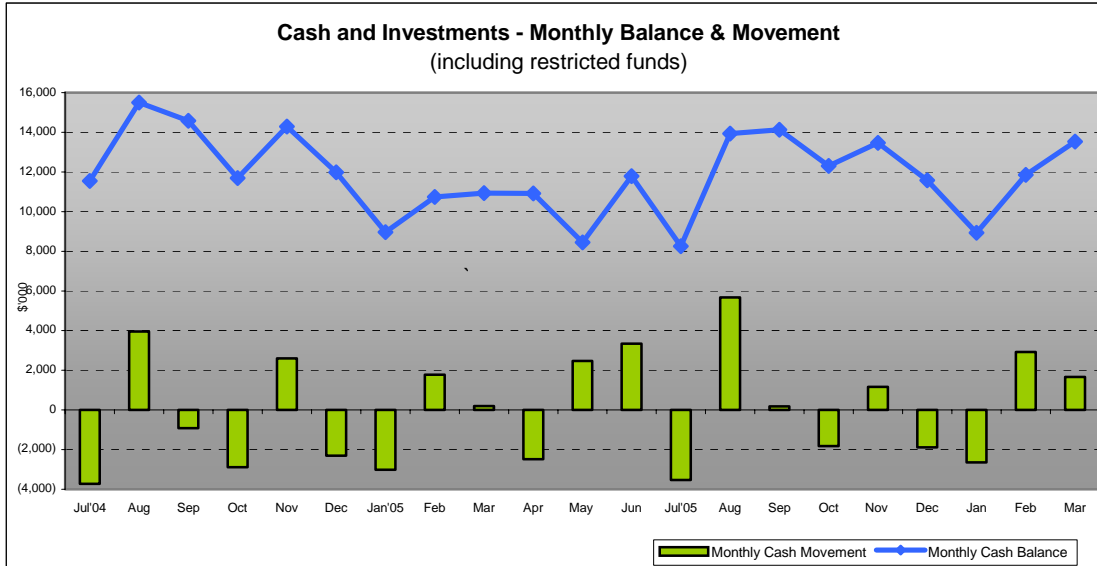
To date Council's cash position has increased by \$1,731k from July 2005.

# BLUE MOUNTAINS CITY COUNCIL

## 2005/2006 BUDGET REVIEW - MARCH QUARTER 2006

The following are graphical representations of Council's cash position.

### Performance Indicators



Description	Prior Year as at 30/06/05	Actual as at March 2005	Benchmark (Like sized councils)	Change
Current Ratio*	1.42:1	1.42:1	TBA*	No change
Unrestricted Current Ratio	1.09:1	1.24:1	>1:1	Favourable
Debt Service Ratio	6.54%	6.4	10%	Favourable

\*Specific Benchmark information is not available for this ratio

#### Current Ratio

This is the ratio of current assets to current liabilities and demonstrates the ability of Council to satisfy its financial obligations in the short term. A higher ratio indicates a stronger financial position.

#### Unrestricted Current Ratio

This is the ratio of current assets to current liabilities excluding externally restricted assets and liabilities such as s94 and grant funds. This ratio again demonstrates the ability of Council to satisfy its financial obligations in the short term excluding the assistance of externally restricted funds such as s94 and grant monies. A higher ratio indicates a stronger financial position.

#### Debt Service Ratio

This is the ratio that demonstrates the cost of servicing Council's annual debt obligations (principal and interest) with available Revenue from Ordinary Activities. A lower ratio is a positive financial indicator as it indicates a lesser call on revenues to service debt obligations. It must be noted that the decision or ability to borrow funds and subsequently

# BLUE MOUNTAINS CITY COUNCIL

## 2005/2006 BUDGET REVIEW - MARCH QUARTER 2006

service debt, must always be made in conjunction with Council's overall operating position.

### Loan Liability

Council's outstanding loan position as at 30 June 2005 was \$23.67M. At the end of March the loan position stands at \$22.12M

As shown in Figure 1 below, total loan repayments in 2005/2006 amount to \$4.3M. These repayments are made up of principal repayments totalling \$2.8M and interest repayments totalling \$1.5M.

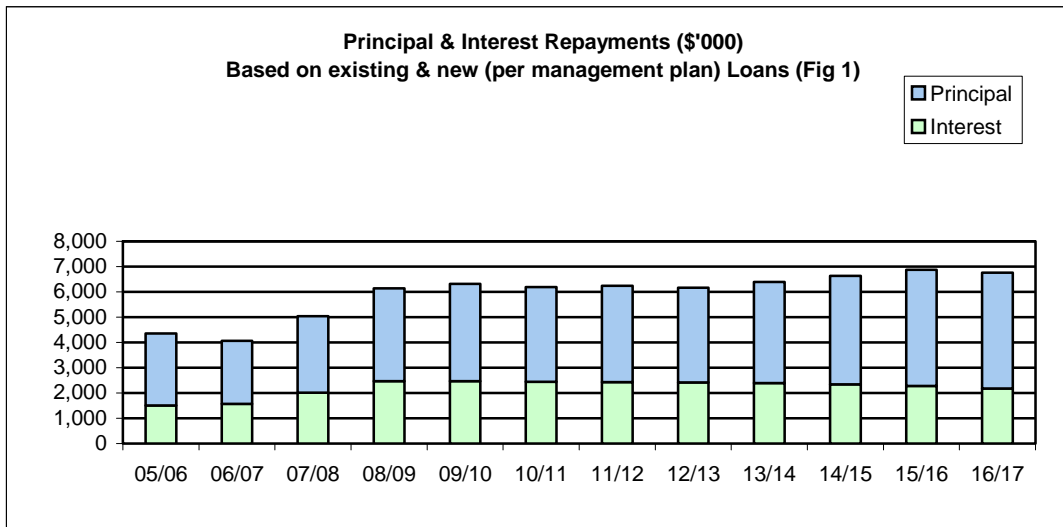
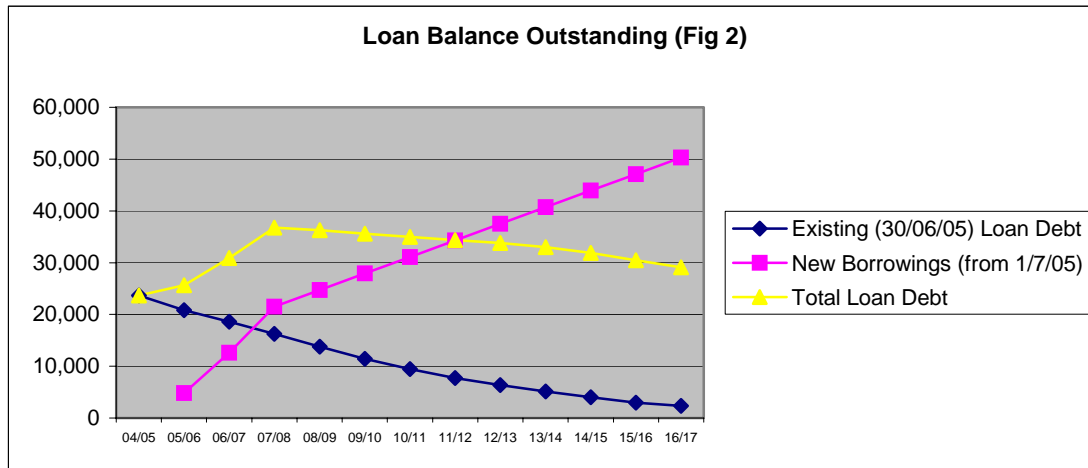


Figure 2 below indicates that the total loan balance will increase from \$23.7m from 30 June 2005 to \$25.6m at 30 June 2006. The new borrowings each year is \$3.2m (except in 05/06 \$4.8m, 06/07 \$7.8m and 07/08 \$8.9m). The total balance increases to \$29m by 2016/17. The debt service ratio will range from 6% to 9% over the 12 year period. The industry benchmark is 10% to 15%.

# BLUE MOUNTAINS CITY COUNCIL

## 2005/2006 BUDGET REVIEW - MARCH QUARTER 2006



### Sundry Debtors

A summary comparison of sundry debtors outstanding for 90 days or more is set out in the table on the next page.

Category	90 days and over as at 30 Sept 05	90 days and over as at 31 Dec 05	90 days and over as at 31 Mar 06
	\$	\$	\$
Aquatics	-	702	618
Commercial Rubbish Charge	98	85	85
Inspection Fees	7,224	9,143	9,450
Kerb & Guttering	22,017	22,618	21,059
Legal Fees	9,060	8,655	8,497
Miscellaneous	128,022	171,038	184,592
Noxious Weeds	11,791	11,444	10,089
Protection of the Environment	13,048	11,474	12,510
Rental	40,551	49,973	46,780
Restorations	162,483	210,363	170,853
Sewerage Management	3,582	2,592	2,742
Tip Fees	24,520	62,089	30,182
Tourism	28,363	61,733	42,679
<b>Total</b>	<b>450,759</b>	<b>621,909</b>	<b>540,136</b>

The above summary reflects a decrease of \$18,227 in amounts outstanding over 90 days as at 31 March 2006 (compared to 31 December 2005).

### General comment on Debtors

The general approach now in place towards sundry debtors is to reduce the number of sundry debtor accounts and where possible, obtain payment for services up front.

**BLUE MOUNTAINS CITY COUNCIL**

**2005/2006 BUDGET REVIEW - MARCH QUARTER 2006**

Many problem accounts have been reconciled and additional information provided to debtors to validate amounts outstanding.

Where Council has some leverage with the debtor, services are restricted until debts have been satisfied. Continued pursuit of Sundry Debts will see an improvement in Council's Cash Flow.

\* \* \* \* \*

## **EXPLANATIONS OF BUDGET REVIEW DOCUMENT**

### **Original Budget**

This is the original budget for the year 2005/2006 as adopted on 21 June 2005.

### **Additional Votes**

Works and projects (carry overs) transferred from 30 June 2005 approved by Council on 23 August 2005.  
Budgets voted by Council for specific works that are additional to the original budget.  
September quarterly budget review variations approved 22 November 2005.  
December quarterly budget review variations approved 21 February 2006

### **Budget Adjustments (Contra)**

Transfer of votes between programs which have no effect on financial position.

### **Revised Budget**

The total of the original budget and additional votes.

### **Actual YTD**

Actual income and expenditure as at 31 March 2006.

The budget review summaries relate to Blue Mountains City Council as a single financial entity, and as such only include payments to external parties. The separate document detailing the Capital Works Program review includes both internal payments for works being undertaken by B M City Services as well as external payments for those works being undertaken by external contractors, to show the progressive cost to the purchaser.

### **Annual Budget incl Variations**

Estimated total expenditure and income for 2005/2006 financial year if the budget variations for the March quarter are adopted.

2005/ 2006 March Budget Review - Summary

Overall Budget Summary	Original Budget	Additional Votes	Budget Adjustments (Contra)	Revised Budget	Actuals YTD	Adopted Budget + Variations	Variation
<b>OPERATING BUDGET</b>							
Looking after the Environment	(6,592,731)	115,186	(11,664)	(6,489,209)	(2,581,928)	(6,498,209)	(9,000)
Looking after People	(11,235,102)	205,439	50,591	(10,979,072)	(7,066,416)	(10,985,072)	(6,000)
Using Land for Living	(7,050,991)	148,326	118,724	(6,783,942)	(4,908,992)	(6,835,942)	(52,000)
Moving Around	(6,990,478)	(363,421)	(62,263)	(7,416,162)	(4,695,995)	(7,422,162)	(6,000)
Working and Learning	(3,538,487)	185,668	32,936	(3,319,884)	(1,917,719)	(3,279,884)	40,000
Non Attributable	35,907,789	(234,006)	(128,324)	35,545,461	35,532,395	35,706,461	161,000
<b>TOTAL OPERATING BUDGET BALANCE</b>	<b>500,000</b>	<b>57,192</b>	<b>0</b>	<b>557,192</b>	<b>14,361,345</b>	<b>685,192</b>	<b>128,000</b>
<b>CAPITAL WORKS PROGRAM</b>	11,944,181	795,536	91,707	12,831,424	5,508,127	8,779,391	(4,052,033)
<b>Less - Non Revenue Funding:</b>							
Loan Funding	3,856,435	(234,467)		3,621,968	1,891,096	3,001,741	(620,227)
Other Funding	8,087,746	950,396	91,707	9,129,849	3,617,031	5,698,043	(3,431,806)
<b>Sub Total</b>	<b>11,944,181</b>	<b>715,929</b>	<b>91,707</b>	<b>12,751,817</b>	<b>5,508,127</b>	<b>8,699,784</b>	<b>(4,052,033)</b>
<b>Capital Works Balance (Revenue Funded)</b>	<b>0</b>	<b>(79,607)</b>	<b>0</b>	<b>(79,607)</b>	<b>0</b>	<b>(79,607)</b>	<b>0</b>
<b>NET BUDGET RESULT: Surplus (Deficit)</b>	<b>500,000</b>	<b>(22,415)</b>	<b>0</b>	<b>477,585</b>	<b>14,361,345</b>	<b>605,585</b>	<b>128,000</b>

2005/2006 March Budget Review

ANNUAL BUDGET COMPARISON TO ACTUALS

	1	2	3	4	5	6	
Outcome	Looking after the Environment	Looking after People	Using Land for Living	Moving Around	Working and Learning	Non Attributable	TOTAL
<b>ADOPTED REVISED BUDGET</b>							
<b>Income</b>							
Income	15,226,608	13,306,523	8,994,125	4,528,177	5,125,797	40,419,979	87,601,209
<b>Expenditure</b>							
Employment Costs	7,762,247	9,842,684	6,143,749	4,544,928	3,350,942	430,000	32,074,550
Operating Costs	11,733,680	11,995,591	7,808,561	5,875,511	3,596,838	1,567,511	42,577,692
Capital	2,219,890	2,447,320	1,825,757	1,523,900	1,497,901	2,877,000	12,391,768
							0
<b>Sub-total(deficit)surplus</b>	<b>(6,489,209)</b>	<b>(10,979,072)</b>	<b>(6,783,942)</b>	<b>(7,416,162)</b>	<b>(3,319,884)</b>	<b>35,545,468</b>	<b>557,199</b>
<b>ACTUALS YTD</b>							
<b>Income</b>							
Income	11,838,030	12,027,497	6,133,901	3,371,875	4,202,976	39,378,869	76,953,150
<b>Expenditure</b>							
Employment Costs	5,873,779	7,630,666	4,710,573	3,577,197	2,575,370	416,327	24,783,911
Operating Costs	7,450,459	9,757,573	5,280,620	3,611,863	2,661,063	1,285,722	30,047,301
Capital	1,095,720	1,705,674	1,051,700	878,810	884,262	2,144,425	7,760,592
							0
<b>Sub-total(deficit)surplus</b>	<b>(2,581,928)</b>	<b>(7,066,416)</b>	<b>(4,908,992)</b>	<b>(4,695,995)</b>	<b>(1,917,719)</b>	<b>35,532,395</b>	<b>14,361,345</b>
<b>DIFFERENCE</b>							
<b>Income</b>	<b>3,388,578</b>	<b>1,279,026</b>	<b>2,860,224</b>	<b>1,156,302</b>	<b>922,821</b>	<b>1,041,110</b>	<b>10,648,059</b>
<b>Expenditure</b>	<b>7,295,859</b>	<b>5,191,681</b>	<b>4,735,174</b>	<b>3,876,469</b>	<b>2,324,986</b>	<b>1,028,037</b>	<b>24,452,206</b>
<b>Total Net Difference</b>							<b>(13,804,146)</b>

2005/2006 March Budget Review - Budget Forecast

Outcomes	Original Budget	Additional Votes	Budget Adjustments (Contra)	Revised Budget	Annual Budget incl Variations	Variation	Actuals	YTD
<b>Principal Activity 1: Looking after the Environment</b>								
1.01 Building and Construction	(196,454)		0	(196,454)	(196,454)			(155,973)
1.02 Community Place and Development	(119,690)		(6,728)	(126,418)	(126,418)			(125,041)
1.03 Corporate and Support Services	(2,508,175)	125,386	5,861	(2,376,928)	(2,382,928)	(6,000)		(1,310,459)
1.04 Environmental Health & Regulatory Compliance	(784,642)		(1,200)	(785,842)	(785,842)			(551,668)
1.05 Environmental Management	1,538,674	(8,928)	35,000	1,564,746	1,564,746			3,018,668
1.06 Fire and Emergency Services	(115,835)		0	(115,835)	(115,835)			(68,680)
1.07 Governance and Councillor Supports	(334,180)		3,460	(330,720)	(330,720)			(241,216)
1.08 Land Use Management	(248,825)		(10,800)	(259,625)	(259,625)			(224,202)
1.09 Parks and Recreation Services	(920,278)		(35,000)	(955,278)	(955,278)			(665,158)
1.10 Roads, Bridges, Footpaths and Drainage	(788,467)	(10,200)	(10,600)	(809,267)	(809,267)			(784,122)
1.11 Sustainable Environment & City Planning	(299,962)		0	(299,962)	(299,962)			(189,018)
1.12 Waste Services	(1,814,898)	8,928	8,343	(1,797,627)	(1,800,627)	(3,000)		(1,285,058)
	<b>(6,592,731)</b>	<b>115,186</b>	<b>(11,664)</b>	<b>(6,489,209)</b>	<b>(6,498,209)</b>	<b>(9,000)</b>		<b>(2,581,928)</b>

2005/2006 March Budget Review - Budget Forecast

Outcomes	Original Budget	Additional Votes	Budget Adjustments (Contra)	Revised Budget	Annual Budget incl Variations	Variation	Actuals	YTD
<b>Principal Activity 2: Looking after People</b>								
2.01 Aquatic Centres	(1,060,996)	(223,018)	0	(1,284,014)	(1,284,014)			(924,135)
2.02 Capital Works Program	(21,196)	(50,242)	(6,400)	(77,838)	(77,838)			(19,825)
2.03 Cemeteries	(61,919)		0	(61,919)	(61,919)			(78,196)
2.04 Community & Place Development	(967,409)	111,313	210,298	(645,798)	(645,798)			(407,272)
2.05 Community Buildings and Facilities	(1,985,995)		(76,900)	(2,062,895)	(2,062,895)			(1,371,048)
2.06 Corporate and Support Services	(2,559,957)	339,886	(198,139)	(2,418,210)	(2,424,210)	(6,000)		(1,454,369)
2.07 Environmental Management	(682,769)		113,805	(568,964)	(568,964)			(247,081)
2.08 Family Day Care	(79,148)	5,200	0	(73,948)	(73,948)			122,219
2.09 Fire and Emergency Services	(115,835)		0	(115,835)	(115,835)			(68,680)
2.10 Governance and Councillor Support	(334,180)		3,460	(330,720)	(330,720)			(241,216)
2.11 Library	(831,845)	7,500	15,067	(809,278)	(809,278)			(578,991)
2.12 Parks and Recreation Services	(965,055)		(10,000)	(975,055)	(975,055)			(795,428)
2.13 Roads, Bridges, Footpaths and Drainage	(672,631)	(10,200)	(600)	(683,431)	(683,431)			(422,801)
2.14 Sustainable Community & Recreation Planning	(548,339)	25,000	0	(523,339)	(523,339)			(320,933)
2.15 Waste Services	(347,829)		0	(347,829)	(347,829)			(258,661)
	<b>(11,235,102)</b>	<b>205,439</b>	<b>50,591</b>	<b>(10,979,072)</b>	<b>(10,985,072)</b>	<b>(6,000)</b>		<b>(7,066,416)</b>

2005/2006 March Budget Review - Budget Forecast

Outcomes	Original Budget	Additional Votes	Budget Adjustments (Contra)	Revised Budget	Annual Budget incl Variations	Variation	Actuals	YTD
<b>Principal Activity 3: Using Land for Living</b>								
3.01 Building and Construction	(294,681)		0	(294,681)	(294,681)			(233,960)
3.02 Capital Works Program	0		0	0	0			0
3.03 Community & Place Development	(426,672)	21,526	109,986	(295,160)	(295,160)			(200,587)
3.04 Corporate and Support Services	(2,601,516)	80,512	52,378	(2,468,626)	(2,520,626)	(52,000)		(1,418,618)
3.05 Environmental Health & Regulatory Compliance	(523,094)		(800)	(523,894)	(523,894)			(367,779)
3.06 Environmental Management	(86,361)		0	(86,361)	(86,361)			(85,934)
3.07 Governance and Councillor Support	(334,180)		3,460	(330,720)	(330,720)			(241,216)
3.08 Land Use Management	(373,238)		(16,200)	(389,438)	(389,438)			(336,303)
3.09 Parks and Recreation Services	(1,100,632)		0	(1,100,632)	(1,100,632)			(747,500)
3.10 Roads, Bridges, Footpaths and Drainage	(844,176)	(10,200)	(12,600)	(866,976)	(866,976)			(1,051,544)
3.11 Sustainable Environment & City Planning	(303,393)		(35,000)	(338,393)	(338,393)			(126,245)
3.12 Waste Services	24,741		0	24,741	24,741			(48,215)
3.13 Sustainable City Infrastructure and Access	(187,790)	56,488	17,500	(113,802)	(113,802)			(51,092)
	<b>(7,050,991)</b>	<b>148,326</b>	<b>118,724</b>	<b>(6,783,942)</b>	<b>(6,835,942)</b>	<b>(52,000)</b>		<b>(4,908,992)</b>

2005/2006 March Budget Review - Budget Forecast

Outcomes	Original Budget	Additional Votes	Budget Adjustments (Contra)	Revised Budget	Annual Budget incl Variations	Variation	Actuals	YTD
<b>Principal Activity 4: Moving Around</b>								
4.01 Capital Works Program	(84,784)	(200,970)	(25,600)	(311,354)	(311,354)			(79,301)
4.02 Corporate and Support Services	(3,508,844)	141,461	(11,423)	(3,378,806)	(3,384,806)	(6,000)		(1,972,262)
4.03 Governance and Councillor Support	(334,180)		3,460	(330,720)	(330,720)			(241,216)
4.04 Roads, Bridges, Footpaths and Drainage	(2,874,881)	(360,400)	(46,200)	(3,281,481)	(3,281,481)			(2,352,125)
4.05 Sustainable City Infrastructure and Access	(187,790)	56,488	17,500	(113,802)	(113,802)			(51,092)
	<b>(6,990,478)</b>	<b>(363,421)</b>	<b>(62,263)</b>	<b>(7,416,162)</b>	<b>(7,422,162)</b>	<b>(6,000)</b>		<b>(4,695,995)</b>
<b>Principal Activity 5: Working and Learning</b>								
5.01 Community & Place Development	(127,790)	5,381	26,310	(96,099)	(96,099)			(72,213)
5.02 Corporate and Support Services	(1,981,119)	81,082	18,233	(1,881,804)	(1,841,804)	40,000		(916,065)
5.03 Governance and Councillor Support	(334,180)		3,460	(330,720)	(330,720)			(241,216)
5.04 Library	(554,563)	30,112	(15,067)	(539,518)	(539,518)			(385,994)
5.05 Roads, Bridges, Footpaths and Drainage	(56,120)		0	(56,120)	(56,120)			(62,450)
5.06 Sustainable Economic Development	(212,889)	69,093	0	(143,797)	(143,797)			(27,660)
5.07 Tourism	(271,826)		0	(271,826)	(271,826)	0		(212,121)
	<b>(3,538,487)</b>	<b>185,668</b>	<b>32,936</b>	<b>(3,319,884)</b>	<b>(3,279,884)</b>	<b>40,000</b>		<b>(1,917,719)</b>
<b>Principal Activity 6: Non Attributable</b>								
6.01 Non Attributable	35,907,789	(234,006)	(128,324)	35,545,461	35,706,461	161,000		35,532,395
	<b>35,907,789</b>	<b>(234,006)</b>	<b>(128,324)</b>	<b>35,545,461</b>	<b>35,706,461</b>	<b>161,000</b>		<b>35,532,395</b>
<b>Total</b>	<b>500,000</b>	<b>57,192</b>	<b>0</b>	<b>557,192</b>	<b>685,192</b>	<b>128,000</b>		<b>14,361,345</b>

## 2005/2006 March Budget Review - Statement of Financial Performance (AAS27)

	Original Budget	Additional Votes(incl carry-overs)	Budget Adjustments (Contra)	Revised Budget	Annual Budget incl Variations	Variation	Actuals YTD	Variation Comments
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>								
Employee costs	32,613,607	(2,818)	189,765	32,800,554	32,650,554	(150,000)	24,314,362	Staff vacancies not filled due to downturn in building industry income
Borrowing costs	1,515,500		-	1,515,500	1,496,500	(19,000)	1,144,432	Reduced interest on loan repayments
Materials & Contracts	17,512,086	(62,687)	37,094	17,486,493	17,083,493	(403,000)	9,267,115	Reduced contract costs for waste management facilities
Depreciation	13,194,760		876,000	14,070,760	14,070,760		10,500,141	
Other expenses from ordinary activities	9,371,218	(320,208)	114,040	9,165,050	9,195,050	30,000	6,385,631	Legal costs for land and environment court appeals \$230k. Reduced costs for Public risk payment claims \$200k.
<b>TOTAL EXPENSES FROM ORDINARY ACTIVITIES</b>	<b>74,207,171</b>	<b>(385,713)</b>	<b>1,216,899</b>	<b>75,038,357</b>	<b>74,496,357</b>	<b>(542,000)</b>	<b>51,611,681</b>	
<b>REVENUE FROM ORDINARY ACTIVITIES</b>								
Rates & Annual Charges	40,079,969	165,000		40,244,969	40,244,969		40,334,774	
User Charges & Fees	12,605,896	(656,000)	23,096	11,972,992	11,416,992	(556,000)	8,530,542	Downturn in building industry competitive and regulatory income \$150k. Decreased income from waste management facilities landfill fees \$406k.
Interest	758,333		-	758,333	878,333	120,000	539,414	Increased interest on investments.
Other revenues	4,012,740	(212,000)	75,836	3,876,576	3,876,576		2,521,761	
Grants & Contributions provided for non-capital purposes	10,966,661	(700,516)	157,700	10,423,845	10,423,845		9,372,327	
Gain from the sale of assets			-	-	-		168,811	
<b>REVENUES FROM ORDINARY ACTIVITIES BEFORE CAPITAL AMOUNTS</b>	<b>68,423,599</b>	<b>(1,403,516)</b>	<b>256,632</b>	<b>67,276,715</b>	<b>66,840,715</b>	<b>(436,000)</b>	<b>61,467,629</b>	
<b>SURPLUS / (DEFICIT) FROM ORDINARY ACTIVITIES BEFORE CAPITAL AMOUNTS</b>								
	<b>(5,783,572)</b>	<b>(1,017,803)</b>	<b>(960,267)</b>	<b>(7,761,642)</b>	<b>(7,655,642)</b>	<b>106,000</b>	<b>9,855,948</b>	
Grants & Contributions provided for capital purposes	4,554,458	(9,746)	233,204	4,777,916	2,292,646	(2,485,270)	970,697	Funding of capital works program deferred to 2006/07
<b>SURPLUS / (DEFICIT) FROM ORDINARY ACTIVITIES AFTER CAPITAL AMOUNTS</b>	<b>(1,229,114)</b>	<b>(1,027,549)</b>	<b>(727,063)</b>	<b>(2,983,726)</b>	<b>(5,362,996)</b>	<b>(2,379,270)</b>	<b>10,826,645</b>	
<b>Statement of Financial Position (Movements for Year)</b>								
Movements in Restricted Assets(Transfer from)	6,471,944	1,895,424	641,387	9,008,755	7,441,992	(1,566,763)	5,054,458	Funding of capital works program deferred to 2006/07
Sale of Assets	2,458,541		-	2,458,541	2,458,541		3,266,386	
Capital Acquisitions	17,452,131	890,290	790,332	19,132,753	15,080,720	(4,052,033)	8,974,309	Capital works program deferred to 2006/07
Loan/Lease Repayments	2,944,000		-	2,944,000	2,922,000	(22,000)	2,232,661	Reduced repayments on loans
Non Cash Budget for Depreciation	13,194,760		876,000	14,070,760	14,070,760		10,500,141	
<b>NET BUDGET AFTER MOVEMENTS IN ASSETS &amp; LIABILITIES</b>	<b>500,000</b>	<b>(22,415)</b>	<b>(8)</b>	<b>477,577</b>	<b>605,577</b>	<b>128,000</b>	<b>18,440,660</b>	

## 2005/2006 March Budget Review - Group Report

	Actuals	Original Budget	% of Original Budget	Adopted Revised Budget	% of Revised Budget
<b>BM City Services</b>					
CAPITAL	4,233,667	6,432,967	66%	6,543,767	65%
EMPLOYMENT	11,961,050	15,581,449	77%	15,504,345	77%
INCOME	-15,566,491	-21,103,128	74%	-20,183,086	77%
OPERATING	12,337,621	15,019,540	82%	14,724,194	84%
<b>Total</b>	<b>12,965,847</b>	<b>15,930,828</b>	<b>81%</b>	<b>16,589,220</b>	<b>78%</b>
<b>Central Accounting</b>					
CAPITAL	2,144,425	3,377,000	64%	2,877,000	75%
EMPLOYMENT	239,813	- 500,000	-48%	430,000	56%
INCOME	-6,848,613	-40,210,796	17%	-40,419,979	17%
OPERATING	1,187,298	1,426,000	83%	1,567,511	76%
<b>Total</b>	<b>-3,277,077</b>	<b>-35,907,796</b>	<b>9%</b>	<b>-35,545,468</b>	<b>9%</b>
<b>Community and Corporate</b>					
CAPITAL	3,891,574	11,538,452	34%	13,517,833	29%
EMPLOYMENT	5,751,544	8,804,382	65%	7,905,011	73%
INCOME	-23,457,305	-31,816,397	74%	-33,626,929	70%
OPERATING	13,766,247	21,963,639	63%	21,653,463	64%
<b>Total</b>	<b>- 47,940</b>	<b>10,490,076</b>	<b>0%</b>	<b>9,449,378</b>	<b>-1%</b>
<b>Corporate Administration</b>					
CAPITAL	46,199	84,429	55%	84,429	55%
EMPLOYMENT	1,439,730	1,961,302	73%	1,961,302	73%
INCOME	-1,664,199	-2,288,931	73%	-2,302,031	72%
OPERATING	1,536,388	2,185,924	70%	2,181,724	70%
<b>Total</b>	<b>1,358,118</b>	<b>1,942,724</b>	<b>70%</b>	<b>1,925,424</b>	<b>71%</b>
<b>Environment &amp; Customer Services</b>					
CAPITAL	428,808	1,013,099	42%	1,023,099	42%
EMPLOYMENT	4,637,912	6,501,383	71%	6,486,893	71%
INCOME	-2,036,340	-3,430,071	59%	-3,396,710	60%
OPERATING	2,188,520	2,958,750	74%	2,990,572	73%
<b>Total</b>	<b>5,218,900</b>	<b>7,043,161</b>	<b>74%</b>	<b>7,103,854</b>	<b>73%</b>

## Blue Mountains City Council

### Details of Movements & Utilisation of Restricted Cash Assets & Investments

Restrictions	Budgeted Movements 2005/2006			
	Opening Balance 30 June 2005 \$'000	Transfers to Restriction \$'000	Transfers from Restriction \$'000	Closing Balance 30 June 2006 \$'000
<b>External</b>				
Unexpended Loans	1,073		1,073	0
RTA Contributions	99			99
Specific Purpose Unexpended Grants	1,560			1,560
Other	280			280
Developer Contributions	915	57	255	717
Domestic Waste Management	1,015	6		1,021
Special Rates	243	92	15	320
<b>Total External Restrictions</b>	<b>5,185</b>	<b>155</b>	<b>1,343</b>	<b>3,997</b>
<b>Internal</b>				
Employee Leave Entitlements	1,067		565	502
Replacement of Plant & Vehicles	1,228	1,938	1,792	1,374
Sinking Funds	159	5		164
Elections	60	60	63	57
Works Carried Forward	469		469	0
Remediation former Gasworks Site	193			193
Waste Bins	750			750
Tip Improvements	1,410	335	1,178	567
Property Development	(1,828)	3,646	2,866	(1,048)
Land Acquisitions Environmental Protection	224			224
Pay & Display Echo Point	354	143	140	357
Katoomba Civic Centre	400			400
Occupational Health & Safety	25		25	0
Asset Management	152		152	0
Cultural Centre	1,000			1,000
Family Day Care	413			413
Other	401	72	28	445
<b>Total Internal Restrictions</b>	<b>6,477</b>	<b>6,199</b>	<b>7,278</b>	<b>5,398</b>
<b>Total Restrictions</b>	<b>11,662</b>	<b>6,354</b>	<b>8,621</b>	<b>9,395</b>