



*Financial Activity Statement For
The Period Ended
31 July 2005*

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Financial Activity Statement for the period ended 31 July 2005

	Note	Adopted Budget	YTD Budget	YTD Actual	Variance	Variance	%
		\$	\$	\$	\$		
OPERATING REVENUE							
Rates							
Rates - Specified Area		48,494,368	0	(1,318)	(1,318)		100
Government Grants & Subsidies		116,592	0	0	0		0
Contributions, Reimbursements and Donations	1	9,024,744	31,924	377,032	345,108		1,703
Profit on Asset Disposal	2	8,475,736	279,128	636,622	357,494		123
Fees & Charges		74,596	0	28,168	28,168		100
Interest Earnings		16,080,116	421,270	433,886	12,616		3
Other Revenue	3	2,248,000	145,096	203,430	58,334		40
		126,000	10,500	36,751	26,251		250
		84,640,172	887,918	1,914,590	1,026,672		116
OPERATING EXPENDITURE							
Employee Costs							
Materials & Contracts	4	30,652,013	2,404,350	1,960,043	444,307		18
Utilities (Gas, Electricity, Water etc)	5	26,584,915	1,978,988	1,693,948	485,040		25
Depreciation on Non Current Assets	6	3,164,388	301,628	30,507	223,121		73
Loss on Asset Disposal		15,030,810	1,252,241	1,262,957	(10,716)		(1)
Insurance Expenses		260,485	0	28,558	(28,558)		100
Other Expenses		939,272	77,428	76,509	919		1
		45,000	3,750	0	3,750		100
		76,676,883	6,020,385	4,902,822	1,117,563		19
SURPLUS/(DEFICIT) FROM OPERATIONS							
		7,963,289	(5,132,467)	(2,988,232)	2,144,235		(642)
CAPITAL EXPENDITURE							
Purchase of Land		0	0	0	0		0
Purchase of Buildings		0	0	20,182	(20,182)		100
Purchase of Airworks		20,000	0	0	(20)		100
Purchase of Furniture & Equipment		1,814,878	81,668	18,492	63,176		77
Purchase of Vehicles & Plant	7	3,517,000	27,000	252,148	(225,148)		(834)
Acquired Infrastructure Assets	8	3,730,000	0	0	(0)		100
Construction of Infrastructure Assets	9	32,932,758	1,972,670	1,158,706	813,964		41
		42,034,636	2,081,338	1,449,538	631,808		30
SURPLUS/(DEFICIT) FROM OPERATIONS AND CAPITAL EXPENDITURE							
		(34,071,347)	(7,213,805)	(4,437,761)	2,776,044		(138)
Adjustments for Non-Cash Movements							
Depreciation on Assets		15,030,810	1,252,241	1,262,957	10,716		1
Loss on Disposal		260,485	0	28,558	28,858		100
Profit on Disposal		(74,596)	0	(22,944)	(22,944)		100
Adjustments for Other Cash Movements							
Proceeds from Disposal		1,265,000	0	(90,818)	(90,818)		100
Loan funds	10	900,000	0	0	0		0
Loan repayments (principal)		(228,493)	0	0	0		0
Funded From							
Transfers from Reserves	11	20,764,314	195,000	0	(193,000)		(100)
Transfers to Reserves		(12,075,873)	(38,437)	(72,100)	14,257		(17)
Opening Funds		8,229,698	8,229,698	8,220,279	(9,419)		(0)
Closing Funds		(2)	2,376,677	4,882,471	2,505,794		105

Capital Expenditure Summary

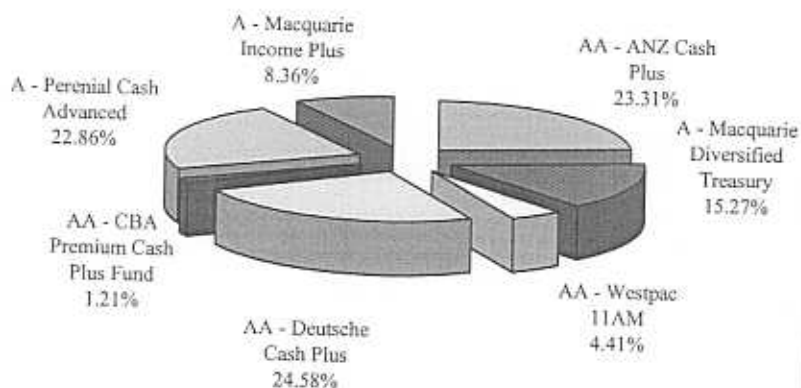
Appendix B

CITY OF JOONDALUP
July-05

	Note	Adopted Budget	YTD Budget	YTD Spend Actual	Variance	Variance
		\$	\$	\$	\$	%
Capital Expenditure						
Computer & Computer Equipment	7	1,508,793	55,000	18,492	36,508	66
Furniture & Office Equipment		134,985	0	0	0	0
Heavy Vehicles	8	980,000	0	163,840	(163,840)	100
Light Vehicles		1,795,000	27,000	42,983	(15,983)	(59)
Mobile Plant	8	742,000	0	75,245	(75,245)	100
Plant & Equipment	7	171,100	26,668	0	26,668	100
Artifacts & Artworks		20,000	0	0	0	0
Parks & Reserves Infrastructure		105,000	0	0	0	0
Roads Infrastructure		2,450,000	0	0	0	0
Footpaths Infrastructure		235,000	0	0	0	0
Drainage Infrastructure		785,000	0	0	0	0
Car Parking Infrastructure		0	0	0	0	0
Other Engineering Infrastructure		175,000	0	0	0	0
Capital Expenditure Total		9,101,878	108,668	300,560	(191,892)	(177)

CITY OF JOONDALUP
July-05

	Note	Adopted Budget	YTD Budget	YTD Spend Actual	Variance	Variance %
		\$	\$	\$	\$	%
Capital Works						
C101 Major Building Works - Municipal Fund		9,448,079	870,000	840,217	29,783	3
C102 Major Building Works - Reserve Fund		6,954,426	0	0	0	0
C201 Roadworks - Municipal Fund	9	2,502,871	428,550	3,150	425,400	99
C203 Roadworks - MRRP	9	1,657,926	0	112,198	(112,198)	100
C205 Roadworks - Reserve Fund	9	158,450	158,450	0	158,450	100
C301 Resurfacing - Municipal Fund		460,852	34,715	222	34,493	99
C303 Resurfacing - FLRG	9	1,904,937	213,471	15,968	197,503	93
C304 Resurfacing - MRRP		535,796	48,217	0	48,217	100
C305 Resurfacing - MRDG		520,745	0	11,360	(11,360)	100
C306 Resurfacing - Roads to Recovery		1,074,349	0	777	(777)	100
C401 Traffic Management - Municipal Fund		1,747,441	0	26,434	(26,434)	100
C404 Traffic Management - Black Spot		466,216	2,882	14,788	(11,906)	(413)
C407 Traffic Management - Reserve		146,800	0	36,041	(36,041)	100
C501 Shared Paths/Bicycle Facilities		180,606	0	286	(286)	100
C503 Shared Paths/Bicycle Facilities - BkeWest/PBN		105,000	0	0	0	0
C511 Footpaths - Construction		58,000	0	(335)	335	100
C512 Footpaths - Replacement		306,800	15,800	23,300	(7,500)	(47)
C521 Pedestrian Underpasses & Bridges		72,600	0	128	(128)	100
C531 Parking Facilities - Municipal Fund		299,500	0	22,717	(22,717)	100
C541 Drainage - Municipal Fund	9	822,189	74,490	16,926	57,564	77
C542 Drainage - Reserve Fund		61,878	0	(11,290)	11,290	100
C551 Street Lighting - Municipal Fund		338,516	0	11,674	(11,674)	100
C601 Foreshore Protection/Restoration	9	459,991	86,960	5,600	81,360	94
C611 Sporting Facilities		399,366	9,643	0	9,643	100
C621 Playground Equipment		337,236	12,852	0	12,852	100
C641 Streetscape Enhancement		19,223	0	1,875	(1,875)	100
C651 Park & Reserve Enhancements		380,779	3,440	7,602	(4,162)	(121)
C661 Dry Park Development/Upgrade		339,941	3,500	9,764	(6,264)	(179)
C671 Retic Park Development/Upgrade		141,600	7,200	9,305	(2,105)	(29)
C702 Major Council Works - Reserve		1,030,645	2,500	0	2,500	100
Capital Works Total		32,932,758	1,972,670	1,158,707	813,963	41

City of Joondalup - Investment Balances


Investment Account	Funds Held
AA - ANZ Cash Plus	\$ 8,458,984
A - Macquarie Diversified Treasury	5,541,072
AA - Westpac 11AM	1,600,000
AA - Deutsche Cash Plus	8,919,355
AA - CBA Premium Cash Plus Fund	440,726
A - Perennial Cash Advanced	8,294,544
A - Macquarie Income Plus	3,035,079
Total Funds held in AA + A Investments	36,289,760

Total

36,289,760

Amount included in total funds invested that relate to reserves:

\$ 22,130,776

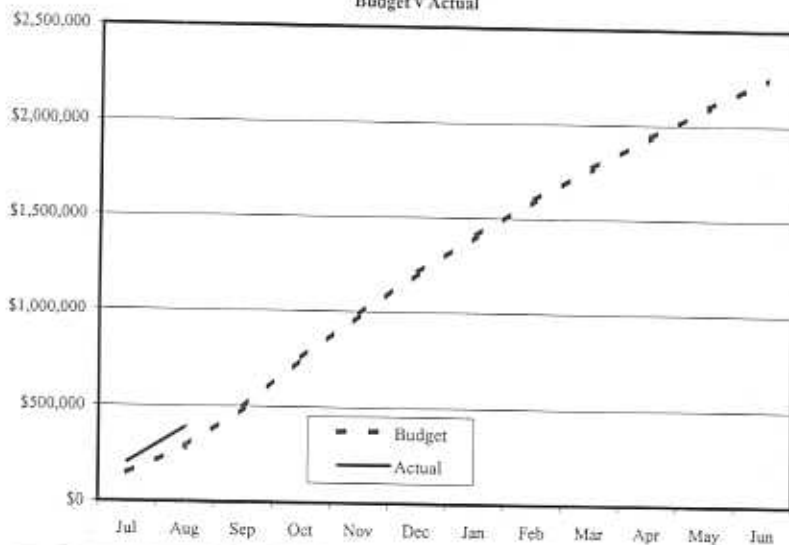
Other Comments

Investments are in accordance with Council Policy. Maximum investment with any one institution :

'A' not to exceed 40%

No breach of Council Policy 2.4.2 has occurred during the month.

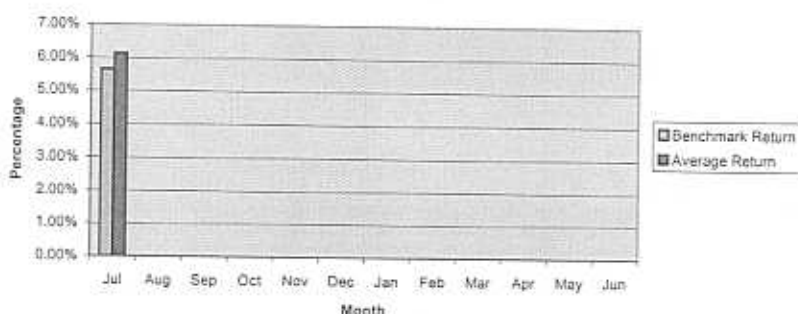
'AA' not to exceed 50%

**Interest on Investments 2005/06
Budget v Actual**

Return on Investments

Year to Date Interest:	Budget	Actual
	\$0.1m	\$0.2m

Average return for the portfolio:	6.13%
Benchmark return:	5.65%

The Benchmark is the UBSWA Bank Bill Index (a 90 day index of bank bill returns)

Return on Investments


**NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT
FOR THE PERIOD ENDED ON 31 JULY 2005**

1 Government Grants & Subsidies

Early receipt of a grant that had been budgeted for September, **\$518k**, for the Metro Regional Road Program.

2 Contributions, Reimbursements and Donations

Early receipt of **\$360k** from Beaumaris Land Sales, budgeted for August, relating to the Ocean Reef Road Development.

3 Interest Earnings

The City received a higher interest rate on funds invested than had been budgeted for, **6.13%** compared to **5.50%**, resulting in additional revenue of **\$20k**. The average balance of funds invested during July was **\$39.0m** compared to the budgeted amount of **\$31.6m**, resulting in additional revenue of **\$38k** at the higher rate of interest.

4 Employee Costs

The details of the underspend in employee costs are as follows:-

• Salary positions in the 2005/06 approved establishment	\$261k
• Wage positions in the 2005/06 approved establishment	\$56k
• Salary positions to be added to the establishment as a result of new 2005/06 projects	\$39k
• Wage positions to be added to the establishment as a result of new 2005/06 projects	\$13k
• Other	\$75k
	\$444k

The material variances in employee costs are as follows:-

The underspend in employee costs is due primarily due to vacant positions yet to be filled.

5 Materials & Contracts

The details of the underspend in materials and contracts are as follows:-

	Budget	Actual	Variance
a) Materials	\$670k	\$551k	\$119k
b) Professional Fees	\$115k	\$27k	\$88k

c) Travel, Vehicles and Plant	\$98k	\$22k	\$76k
d) Consultancy and IT Consulting	\$91k	\$19k	\$72k
e) Other Service Expenses	\$228k	\$171k	\$57k
f) Other	\$1,202k	\$1,170k	\$32k
	\$2,404k	\$1,960k	\$444k

The material variances in the above expenditure are as follows:-

- a) The materials variance is due to an underspend in external contract services. Adverse weather has caused temporary delays in the following maintenance areas: -

	Budget	Actual	Variance
Engineering Maintenance (supply of materials and external contractors)	\$88k	\$40k	\$48k
Building Maintenance (external contractors)	\$43k	\$0k	\$43k
Parks Maintenance (purchase of materials)	\$35k	\$19k	\$16k
	\$166k	\$59k	\$107k

- b) The panel inquiry has a July budgeted expenditure for legal fees of **\$81k**, with no corresponding actual expenditure.
- c) Vehicle usage was budgeted for **\$80k** but year to date spending totalled **\$45k**, due to phasing variances, weather conditions and staff availability due to leave during this time of year. Fuel costs were budgeted for **\$44k** but invoices were not received until after July close-off.
- d) Consultancy and IT consulting had a budget of **\$79k**, but spent only **\$14k** in July. The variance is considered timing in nature with expenditure deferred pending budget approval and finalisation of new centralized cost control procedures.
- e) Tipping fees have a year to date budget of **\$207k**, but only **\$151k** was spent in July. This is due primarily to collecting 4,300 tonnes of waste compared to the budgeted 5,000 tonnes.

6 Utilities (Gas, Electricity, Water etc)

This is a timing variance due to delays in receiving power costs for July in time for close-off. The estimated charge of **\$237k** will be included in the August results.

7 Purchase of Furniture and Equipment

Computer servers for Proclaim, Human Resources and database management systems phased in July for budget purposes will be purchased in August, **\$41k**.

8 Purchase of Vehicles and Plant

A refuse truck, **\$164k**, and a tractor, **\$75k**, have been purchased in 2005/06. Each vehicle had been budgeted for in 2004/05 as it was expected to be delivered prior to the end of the financial year. Delivery was delayed due to unforeseen circumstances of the supplier.

9 Construction of Infrastructure Assets

The details of the underspend in construction of infrastructure assets are as follows:-

	Budget	Actual	Variance
• C201 Joondalup Drive (municipal funded)	a) \$255k	\$3k	\$252k
• C201 Ocean Reef Road (municipal funded)	b) \$174k	\$0k	\$174k
• C203 Joondalup Drive (Main Roads grant)	a) \$0k	\$105k	(\$105k)
• C205 Ocean Reef Road (reserve funded)	b) \$158k	\$0k	\$158k
• C303 Road Resurfacing (FLRG funded)	c) \$213k	\$16k	\$197k
• C541 Drainage (municipal funded)	d) \$74k	\$17k	\$57k
• C601 Foreshore Protection (municipal funded)	e) \$87k	\$6k	\$81k
• Other			
	<u>\$1,011k</u>	<u>\$1,011k</u>	<u>\$0k</u>
	\$1,972k	\$1,158k	\$814k

The material variances in the above expenditure are as follows:-

- Outstanding negotiations with Western Power and contractors over the location and standard of streetlights have delayed payment on the Joondalup Drive development (C201), **\$252k**, however this is offset by an earlier than budgeted payment of the Main Roads component of the project, as the grant was received early by the City, **\$105k**.
- The progress payment for July for work on Ocean Reef (C201 & C205) was not made as phased in the budget as work had not progressed to the point required to initiate the next progress payment, causing a variance of **\$332k**. The project is approximately two weeks behind schedule but is still expected to be finished in October as budgeted.
- Work on road resurfacing has been held up due to adverse weather conditions, **\$197k**.
- Work on drainage has been held up due to adverse weather conditions, **\$57k**.
- Work on foreshore protection has been held up due to adverse weather conditions, **\$81k**.

10 Proceeds from Disposal

Vehicles which were part of the previous year's vehicle replacement program were disposed of during July this financial year, **\$97k**.

11 Transfers from Reserves

The variance in transfers from reserves relates to a delay in funding requirements for the rates revaluation, **\$195k**. The transfer will take place in August.