



*Financial Activity Statement for
the Period Ended
30 September 2006*

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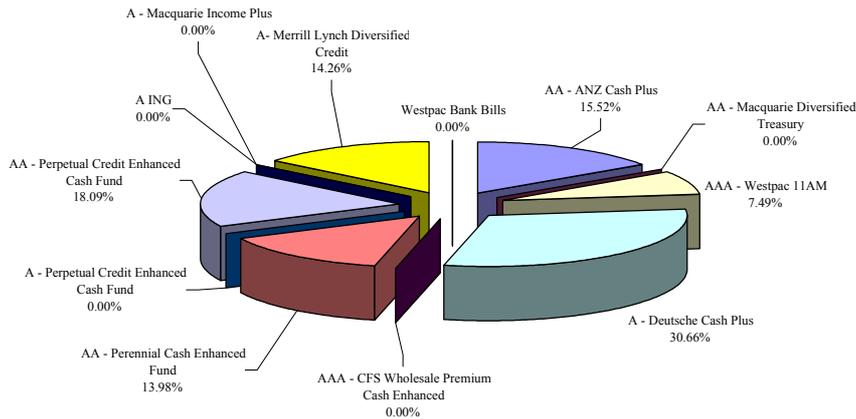
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Financial Activity Statement for the period ended 30 September 2006

	Note	Adopted Budget	YTD Budget	YTD Actual	Variance	Variance
		\$	\$	\$	\$	%
OPERATING REVENUE						
Rates		52,373,757	51,656,720	52,206,991	550,271	1
Rates - Specified Area		132,317	132,317	132,317	0	0
Government Grants & Subsidies		9,978,916	3,055,228	2,987,710	(67,518)	(2)
Contributions, Reimbursements and Donations		6,893,369	170,564	210,680	40,116	24
Profit on Asset Disposal		52,674	0	22,805	22,805	100
Fees & Charges	1	17,052,117	12,007,412	12,829,687	822,275	7
Interest Earnings	2	1,800,000	355,128	893,515	538,387	152
Other Revenue		131,000	32,748	43,619	10,871	33
		88,414,150	67,410,117	69,327,324	1,917,207	3
OPERATING EXPENDITURE						
Employee Costs	3	33,222,225	8,239,701	7,387,308	852,393	10
Materials & Contracts		27,705,835	6,874,372	6,628,995	245,377	4
Utilities (Gas, Electricity, Water etc)	4	3,329,213	853,651	720,829	132,822	16
Depreciation on Non Current Assets		15,738,343	3,881,736	3,903,402	(21,666)	(1)
Loss on Asset Disposal		273,800	0	38,456	(38,456)	100
Interest Expense		205,717	53,093	53,755	(662)	(1)
Insurance Expenses		988,771	725,143	722,827	2,316	0
Other Expenses		55,000	0	0	0	0
		81,518,904	20,627,696	19,455,572	1,172,124	6
SURPLUS/(DEFICIT) FROM OPERATIONS		6,895,246	46,782,421	49,871,752	3,089,331	7
CAPITAL EXPENDITURE						
Purchase of Land		1,768,000	0	0	0	0
Purchase of Buildings		1,035,000	31,250	0	31,250	100
Purchase of Artworks		20,000	12,500	10,000	2,500	20
Purchase of Furniture & Equipment	5	5,094,568	169,000	6,446	162,554	96
Purchase of Vehicles & Plant		3,227,600	165,000	210,346	(45,346)	(27)
Carparking Infrastructure		932,000	0	0	0	0
Construction of Infrastructure Assets	6	21,319,346	2,110,191	1,789,483	320,708	15
SUB TOTAL CAPITAL EXPENDITURE		33,396,514	2,487,941	2,016,275	471,666	19
SURPLUS/(DEFICIT) FROM OPERATIONS AND CAPITAL EXPENDITURE		(26,501,268)	44,294,480	47,855,477	3,560,997	8
Adjustments for Non-Cash Movements						
Depreciation on Assets		15,738,343	3,881,736	3,903,402	21,666	1
Loss on Disposal		273,800	0	38,456	38,456	100
Profit on Disposal		(52,674)	0	(22,805)	(22,805)	100
Non-Cash Developer's Contributions		(6,025,000)	0	0	0	0
Adjustments for Other Cash Movements						
Proceeds from Disposal	7	1,282,600	0	399,918	399,918	100
Loan funds		0	0	0	0	0
Loan repayments (principal)		(310,025)	(75,834)	(75,834)	0	0
Funded From						
Transfers from Reserves		9,137,192	0	0	0	0
Transfers to Reserves	8	(5,603,787)	0	(470,000)	(470,000)	100
Opening Funds		12,079,842	12,079,842	11,976,070	(103,772)	(1)
Closing Funds	9	19,023	60,180,224	63,604,685	3,424,460	6

City of Joondalup - Investment Balances



Investment Account	Funds Held
AA - ANZ Cash Plus	\$ 12,509,439
AA - Macquarie Diversified Treasury	-
AAA - Westpac 11AM	6,036,015
A - Deutsche Cash Plus	24,711,885
AAA - CFS Wholesale Premium Cash Enhanced	-
AA - Perennial Cash Enhanced Fund	11,266,125
A - Perpetual Credit Enhanced Cash Fund	-
AA - Perpetual Credit Enhanced Cash Fund	14,577,017
A ING	-
A - Macquarie Income Plus	0
A - Merrill Lynch Diversified Credit	11,496,227
Westpac Bank Bills	-
Total Funds held in AA + A Investments	80,596,707

Total 80,596,707

Amount included in total funds invested that relate to reserves:

\$ 24,753,776

Other Comments

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

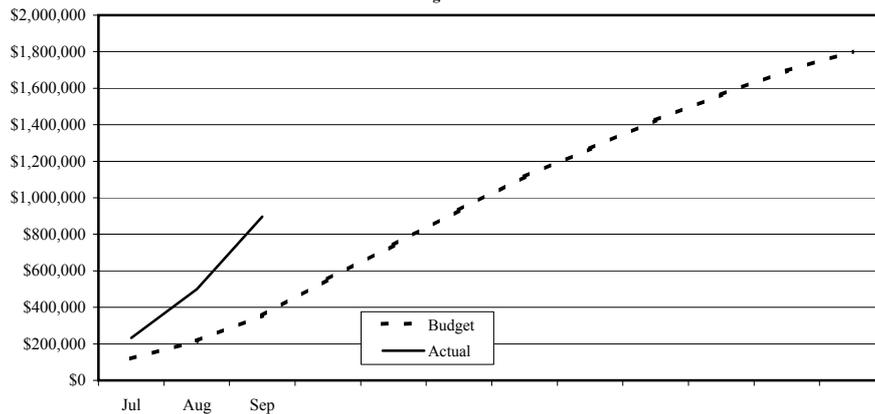
No breach of City Policy 8-9 has occurred during the month.

'A' not to exceed 40%

'AA' not to exceed 50%

Interest on Investments 2006/07

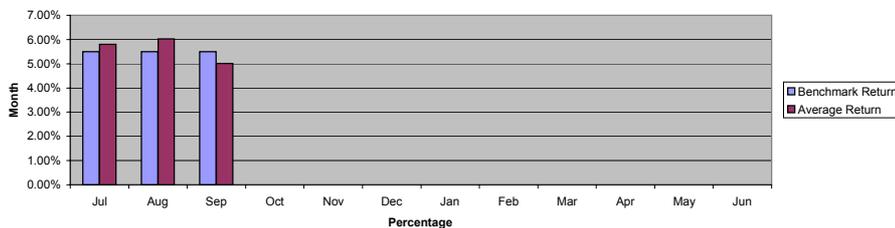
Interest on Investments 2006/07 Budget v Actual



Return on Investments

Year to Date Interest:	Budget \$355k	Actual \$894k
Average return for the portfolio:		5.01%
Benchmark return:		5.50%

Return on Investments



NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT
FOR THE PERIOD ENDED ON 30 SEPTEMBER 2006

1 Fees & Charges

The details of the year to date variance for fees & charges are as follows: -

	Budget	Actual	Variance
a) Service Charges	\$10,103	\$10,268k	\$165k
b) Fees & Licences	\$850k	\$1,071k	\$221k
c) Service Fees & Charges	\$885k	\$1,116k	\$231k
d) Miscellaneous Sales	\$27k	\$230k	\$203k
e) Other	<u>\$142k</u>	<u>\$144k</u>	<u>\$2k</u>
	\$12,007k	\$12,829k	\$822k

- a) Household refuse collection revenue for standard service is greater than anticipated. Revenue for second bin service has not been budgeted for in 2006/07, **\$165k**.
- b) The Building Licence fee for the Lakeside Shopping Centre extension was received earlier than anticipated, **\$254k** and dog registration licence revenue is lower than budgeted, **(\$46k)**.
- c) Membership Fees variance is due to a greater than anticipated influx of new members taking advantage of Craigie Leisure Centre opening offer, **\$283k**, and the Learn to Swim Programme is not yet as developed as anticipated due to the delay in the re-opening of the Craigie Pool, **(\$41k)**.
- d) The Miscellaneous Sales variance is income from the sale of easements at Lot 3 Trapper Drive Woodvale, **(\$175k)**. The transaction was included in the 2005/06 budget but settlement had been delayed until this financial year.
- e) Other minor variances which are not material, **\$2k**.

2 Interest Earnings

The City received a year to date portfolio return of **5.728%**, compared to budgeted return of **5.50%**, resulting in increased revenue of **\$35k** attributable to the higher rate of interest. Higher opening funds and the receipt of rates income earlier than anticipated in the budget, increased the average balance of funds invested to **\$61.9m** compared to the budgeted amount of **\$25.6m**, resulting in additional revenue of **\$503k**.

3 Employee Costs

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

a) 2006/07 Establishment vacancies	\$805k
b) Staff Training	\$56k
c) Contract/Agency Labour	(\$56k)
d) Other	<u>\$47k</u>
	\$852k

a) This variance is due to vacancies in the approved establishment for the following areas:

• Building and Planning Approvals	\$78k
• Marketing, Communication Council Support	\$56k
• Strategic Development	\$53k
• Community Development	\$52k
• Infrastructure Management	\$132k
• Operations Services	\$253k
• Operations Administration	<u>\$181k</u>
	\$805k

Vacant positions are currently being advertised or will be advertised in the coming months. The underspend in salary and wages is partly offset by an increase in cost of contract/agency labour (refer item c below).

- b) The variance is due to a delay in the identification and compilation of Corporate training requirements (Corporate Training Plan). The plan has now been completed and the variance will begin to be addressed over the next quarter, **\$56k**.
- c) The contract/agency labour variance is primarily due to temporary staff being appointed within the Leisure Centres area, **(\$56k)**.
- d) Other minor variances which are not material, **\$47k**.

4 Utilities

The details of the underspend in utilities are as follows:-

	Budget	Actual	Variance
Utilities	\$854k	\$721k	\$133k

The variance is due to charges not reflecting cost increases as a result of a delay signing a new agreement with Synergy, and irrigation pumps that have not been operational due to seasonal factors, **\$133k**.

5 Purchase of Furniture and Equipment

The underspend is due primarily to information technology projects as follows:-

	Budget	Actual	Variance
a) Oracle System Expansion	\$25k	\$0k	\$25k
b) Payroll System	\$100k	\$0k	\$100k
c) Network Infrastructure Upgrades	\$29k	\$0k	\$29k
d) Other	<u>\$15k</u>	<u>\$6k</u>	<u>\$9k</u>
	\$169k	\$6k	\$163k

a) Expenditure for this project was budgeted as capital however the YTD actual (\$8k) is of an operating nature. It is anticipated the remainder of expenditure will also be of a operating nature, **\$25k**.

b) YTD expenditure for this project (\$36k) is of an operating nature. All future costs will also be operating, however a portion of the setup costs may be capitalised upon completion of the project, **\$100k**.

c) Actual YTD expenditure for this project (\$33k) is of an operating nature with no capital expenditure component, **\$29k**.

d) Other minor variances which are not material, **\$9k**.

6 Construction of Infrastructure Assets

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

	Budget	Actual	Variance
a) Sorrento Beach Project	\$0k	\$97k	(\$97k)
b) Joondalup Cultural Facility	\$535k	\$0	\$535k
c) Council Depot	\$30k	\$8k	\$22k
d) Road Resurfacing	\$1,149k	\$651k	\$498k
e) Traffic Management	\$0	\$290k	(\$290k)

f) Drainage	\$110k	\$196k	(\$86k)
g) Major Building Works	\$103k	\$246k	(\$143k)
h) Foreshore Protection	\$0k	\$74k	(\$74k)
i) Other	<u>\$183k</u>	<u>\$227k</u>	<u>(\$44k)</u>
	\$2,110k	\$1789k	\$321k

a) Sorrento Beach Project:-

- Contrary to budget assumptions the project was not fully completed at 30 June 2006. Outstanding invoices will be funded from Reserve when received **(\$97k)**.

b) Joondalup Cultural Facility:-

- The variance is due to a delay in settlement on the purchase of the land for the cultural facility that has now been confirmed to occur on 18th October 2006. **(\$535k)**.

c) Council Depot Project:-

- The project is currently a few weeks behind budget expectations **(\$22k)**.

d) Road Resurfacing:-

- There have been delays in commencing the road resurfacing program due to inclement weather and availability of contractors, **\$498k**.

e) Traffic Management:-

- The works for this program have commenced ahead of schedule, **(\$290k)**.

e) Drainage:-

- The works for this program have commenced ahead of schedule, **(\$86k)**.

f) Major Building Works:-

- The works for this program have commenced ahead of schedule, **(\$143k)**.

g) Foreshore Protection:-

- The works for this program have commenced ahead of schedule, **(\$74k)**.

i) Other minor variances-

- Other minor variances which are not material, **(\$44k)**.

7 Proceeds from Disposal

The variance relates to the sale of a portion of Lot 3 Trappers Drive Woodvale, **\$295k**, and proceeds on the sale of vehicles originally intended to occur in June 2006, **\$105k**.

8 Transfers to Reserves

The variance relates to the sale of a portion of Lot 3 Trappers Drive Woodvale for vehicle access and associated easements, **(\$470k)**.

9 Closing Funds

	Actual
<u>Current Assets</u>	
Cash Assets	\$81,320k
Rates and Sundry Debtors	\$23,805k
GST Receivable	\$770k
Accrued Income	\$89k
Advances and Prepayments	\$226k
	\$106,210k
<u>Less: Current Liabilities</u>	
Creditors	(\$9,566k)
Provisions	(\$5,693k)
Accrued Expenses	(\$2,320k)
Income in Advance	(\$5k)
GST Payable	(\$171k)
Other- Clearing	(\$95k)
	(\$17,851k)
<u>Less: Restricted Assets</u>	
Reserves	(\$24,754k)
Closing Funds	\$63,605k