



*Financial Activity Statement for
the Period Ended
31 July 2006*

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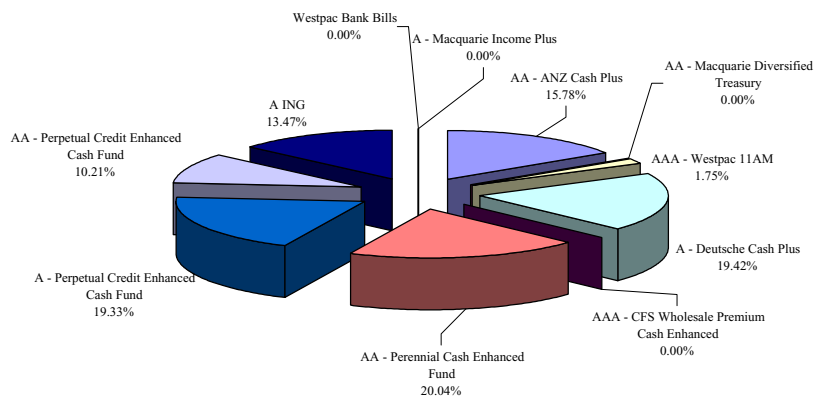
A
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Financial Activity Statement for the period ended 31 July 2006

	Note	Adopted Budget	YTD Budget	YTD Actual	Variance	Variance
		\$	\$	\$	\$	%
OPERATING REVENUE						
Rates		52,373,757	0	3,600	3,600	100
Rates - Specified Area		132,317	0	0	0	0
Government Grants & Subsidies	1	9,978,916	604,544	431,487	(173,057)	(29)
Contributions, Reimbursements and Donations	2	6,893,369	566,976	57,646	(509,330)	(90)
Profit on Asset Disposal		52,674	0	0	0	0
Fees & Charges	3	17,052,117	557,713	738,467	180,754	32
Interest Earnings	4	1,800,000	118,994	233,052	114,058	96
Other Revenue		131,000	10,916	19,196	8,280	76
		88,414,150	1,859,143	1,483,448	(375,695)	(20)
OPERATING EXPENDITURE						
Employee Costs	5	33,222,225	2,677,477	2,422,439	255,038	10
Materials & Contracts	6	27,705,835	2,106,515	1,575,783	530,732	25
Utilities (Gas, Electricity, Water etc)		3,329,213	305,419	312,824	(7,405)	(2)
Depreciation on Non Current Assets		15,738,343	1,293,912	1,300,597	(6,685)	(1)
Loss on Asset Disposal		273,800	0	0	0	0
Interest Expense		205,717	0	19,057	(19,057)	100
Insurance Expenses		988,771	556,554	555,377	1,177	0
Other Expenses		55,000	0	0	0	0
		81,518,904	6,939,877	6,186,077	753,800	11
SURPLUS/(DEFICIT) FROM OPERATIONS		6,895,246	(5,080,734)	(4,702,629)	378,105	(7)
CAPITAL EXPENDITURE						
Purchase of Land		3,235,500	0	0	0	0
Purchase of Buildings		4,459,500	0	0	0	0
Purchase of Artworks		0	0	0	0	0
Purchase of Furniture & Equipment		2,212,568	0	0	0	0
Purchase of Vehicles & Plant		6,548,145	0	0	0	0
Acquired Infrastructure Assets		3,665,392	0	0	0	0
Construction of Infrastructure Assets		13,275,409	280,000	283,074	(3,074)	(1)
SUB TOTAL CAPITAL EXPENDITURE		33,396,514	280,000	283,074	(3,074)	(1)
SURPLUS/(DEFICIT) FROM OPERATIONS AND CAPITAL EXPENDITURE		(26,501,268)	(5,360,734)	(4,985,703)	375,031	(7)
Adjustments for Non-Cash Movements						
Depreciation on Assets		15,738,343	1,293,912	1,300,597	6,685	1
Loss on Disposal		273,800	0	0	0	0
Profit on Disposal		(52,674)	0	0	0	0
Non-Cash Developer's Contributions	2	(6,025,000)	(502,083)	0	502,083	(100)
Adjustments for Other Cash Movements						
Proceeds from Disposal	7	1,282,600	0	295,000	295,000	100
Loan funds		0	0	0	0	0
Loan repayments (principal)		(310,025)	(16,628)	(16,628)	0	0
Funded From						
Transfers from Reserves		9,137,192	0	0	0	0
Transfers to Reserves		(5,603,787)	0	0	0	0
Opening Funds	8	12,079,842	12,079,842	12,047,781	(32,061)	(0)
Closing Funds		19,023	7,494,309	8,641,046	1,146,737	15

City of Joondalup - Investment Balances



Investment Account	Funds Held
AA - ANZ Cash Plus	\$ 6,913,752
AA - Macquarie Diversified Treasury	-
AAA - Westpac 11AM	766,015
A - Deutsche Cash Plus	8,504,594
AAA - CFS Wholesale Premium Cash Enhanced	-
AA - Perennial Cash Enhanced Fund	8,776,742
A - Perpetual Credit Enhanced Cash Fund	8,467,069
AA - Perpetual Credit Enhanced Cash Fund	4,470,624
A ING	5,901,716
A - Macquarie Income Plus	0
Westpac Bank Bills	-
Total Funds held in AA + A Investments	43,800,511

Total	<u>43,800,511</u>
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Amount included in total funds invested that relate to reserves:

\$ 24,283,776

Other Comments

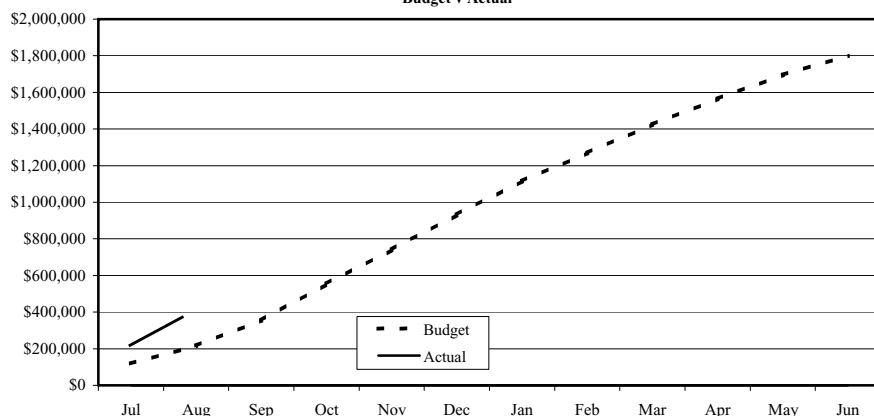
Investments are in accordance with Council Policy. Maximum investment with any one institution :

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 Budget v Actual

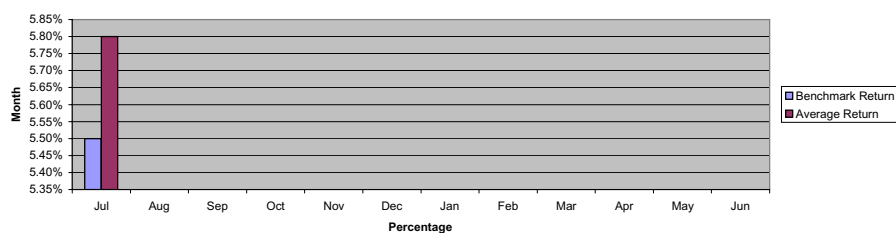


Return on Investments

Year to Date Interest:	Budget	Actual
	\$119k	\$233k

Average return for the portfolio:	5.80%
Benchmark return:	5.50%

Return on Investments



NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT
FOR THE PERIOD ENDED ON 31 JULY 2006

1 Government Grants & Subsidies

The details of the year to date variance for government grants and subsidies are as follows: -

	Budget	Actual	Variance
a) ThinkLearn Project	\$193k	\$154k	(\$39k)
b) Main Roads	\$23k	\$0k	(\$23k)
c) Black Spot Funding	\$60k	\$187k	\$126k
d) Metro Regional Road Program	\$107k	\$0k	(\$107k)
e) Roads to Recovery Program	\$78k	\$0k	(\$78k)
f) Ocean Reef Marina	\$58k	\$0k	(\$58k)
g) Other	<u>\$86k</u>	<u>\$91k</u>	<u>\$5k</u>
	\$605k	\$432k	(\$173k)

- a) The AusIndustry grant contract for ThinkLearn project pays 80% of the grant at commencement and 20% on completion. This variance represents the final payment which will be received in December 2007, **(\$39k)**.
- b) This variance will be adjusted in the upcoming months when grant revenue phasing is matched with associated project expenditure phasing, **(\$23k)**.
- c) Black Spot funding was received earlier than budgeted. **\$126k**.
- d) This variance will be adjusted in the upcoming months when grant revenue phasing is matched with associated project expenditure phasing, **(\$107k)**.
- e) This variance will be adjusted in the upcoming months when grant revenue phasing is matched with associated project expenditure phasing, **(\$78k)**.
- f) This grant is to be paid progressively in line with expenditure by the City. The Ocean Reef Marina project was delayed and contracts have now been approved, **(\$58k)**.

2 Contributions, Reimbursements and Donations

Contributions for acquired infrastructure assets is based upon the value subject to sub divisional development. The contribution has been budgeted to be received in July 2006, however the contribution of infrastructure assets will not be taken up until June 2007, **(\$502k)**.

3 Fees and Charges

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

	Budget	Actual	Variance
a) Dog Registration Fees	\$18k	\$3k	(\$15k)
b) Membership Fees	\$66k	\$91k	\$25k
c) Other Miscellaneous Sales	\$0k	\$175k	\$175k
d) Other	<u>\$474k</u>	<u>\$470k</u>	<u>(\$4k)</u>
	\$558k	\$739k	\$181k

- a) The period for renewal of Dog Registrations is late October for the new year commencing 1 November. Renewal forms are sent in October, **(\$15k)**.
- b) At the time of formulating the 2006/07 budget the opening of the redeveloped Craigie Leisure Centre was expected to occur at the end of 2005/06. Revenue from memberships is much higher than expected due to an exceptional take up of an opening special for gym membership, **\$25k**.
- c) This variance relates to the sale of the vehicle access & car park easement of Lot 3, 5 Trappers Drive Woodvale, **\$175k**.
- d) Other minor variances which are not material, **(\$4k)**.

4 Interest Earnings

The City received a year to date portfolio return of **5.80%**, compared to budgeted return of **5.50%**, resulting in increased revenue of **\$12k** attributable to the higher rate of interest. The average balance of funds invested was **\$47.3m** compared to the budgeted amount of **\$25.5m**, resulting in additional revenue of **\$102k**.

5 Employee Costs

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

a) 2006/07 Establishment vacancies	\$220k
b) Staff Training	\$25k
c) Other	<u>\$10k</u>
	\$255k

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

• Building and Planning Approvals	\$12k
• Marketing, Communication Council Support	\$12k
• Audit and Executive Services	\$15k
• Strategic Development	\$17k
• Infrastructure Management	\$28k
• Operations Services	\$118k
• Operations Administration	<u>\$18k</u>
	\$220k

With the adoption of the 2006/07 Budget vacant positions are currently being advertised or will be advertised in the coming months.

- b) Staff training expenditure was delayed until adoption of the 2006/07 Budget. As the budget has now been adopted expenditure on training will commence
- c) Other minor variances which are not material, **\$10k**.

6 Materials & Contracts

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

	Budget	Actual	Variance
a) Administration	\$119k	\$64k	\$55k
b) Materials	\$740k	\$371k	\$369k
c) Books and Publications	\$25k	\$66k	(\$41k)
d) Other Service Charges	\$326k	\$224k	\$102k
e) Other	<u>\$897k</u>	<u>\$851k</u>	<u>\$46k</u>
	\$2,107k	\$1,576k	\$531k

- a) The variance is primarily due to:

- The Leisure Guide budgeted to be printed in July is expected to be printed in August, **\$12k**.
- Other printing costs for Community Development, **\$12k**.

- The Annual Report is scheduled to be presented to Council in October 2006. Following adoption of the Annual Report, copies will be produced, **\$8k**.
- Other minor variances which are not material, **\$23k**.

b) The variance is primarily due to:

- A deferral of materials purchases due to unavailability of contractors, **\$284k**;
- Outstanding invoices for City Watch due to assignment of the contract only recently being signed. This variance will be rectified in future accounts, **\$14k**.
- Delays with invoices for kerbside recycling collection costs, **\$38k**
- Other minor variances which are not material, **\$33k**.

c) The variance is primarily due to:

- The timing of the annual subscription for Western Australian Local Government Association which was expended in July 06, this will be corrected in August 2006, **(\$42k)**.
- The City's corporate membership for Chamber of Commerce and Industry was incorrectly allocated to Books and Publications costs. This will be corrected during the month of August, **(\$25k)**.
- Other minor variances which are not material, **\$1k**.

d) The variance is primarily due to:

- Tipping fees are underspent for July due primarily to a lower than budgeted collection of waste tonnage, **\$84k**.
- Other minor variances which are not material, **\$18k**.

e) Other minor variances which are not material, **\$46k**.

7 Profit on Asset Disposal

The variance relates to sale of Lot 35 Trappers Drive Woodvale, **\$295k**.

8 Closing Funds

	Actual
<u>Current Assets</u>	
Cash Assets	\$43,400k
Rates and Sundry Debtors	\$1,780k
GST Receivable	\$270k
Accrued Income	\$85k
Advances and Prepayments	\$250k
	\$45,785k
<u>Less: Current Liabilities</u>	
Creditors	(\$2,853k)
Provisions	(\$5,722k)
Accrued Expenses	(\$2,077k)
Income in Advance	(\$5k)
GST Payable	(\$212k)
Other	(\$1,991k)
	(\$12,860k)
<u>Less: Restricted Assets</u>	
Reserves	(\$24,284k)
Closing Funds	\$8,641k