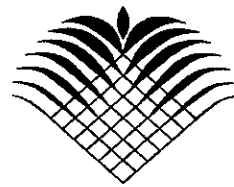


**11 Closing Funds**

	Actual
<b><u>Current Assets</u></b>	
Cash Assets	\$88,499k
Rates and Sundry Debtors	\$19,539k
GST Receivable	\$365k
Accrued Income	\$288k
Advances and Prepayments	\$167k
	\$108,858k
<b><u>Less: Current Liabilities</u></b>	
Creditors	(\$8,944k)
Provisions	(\$6,592k)
Accrued Expenses	(\$4,277k)
Income in Advance	(\$0k)
GST Payable	(\$118k)
Other- Clearing	(\$74k)
	(\$20,005k)
<b><u>Less: Restricted Assets</u></b>	
Reserves	(\$31,367k)
Movement in Long Term Provisions	\$33k
<b>Closing Funds</b>	<b>\$57,519k</b>

## APPENDIX

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City of  
Joondalup

*Financial Activity Statement for  
the Period Ended  
31 October 2007*

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## Appendix

Financial Activity Statement

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# Financial Activity Statement for the period ended 31st October 2007

CITY OF JOONDALUP

Period: OCT-07

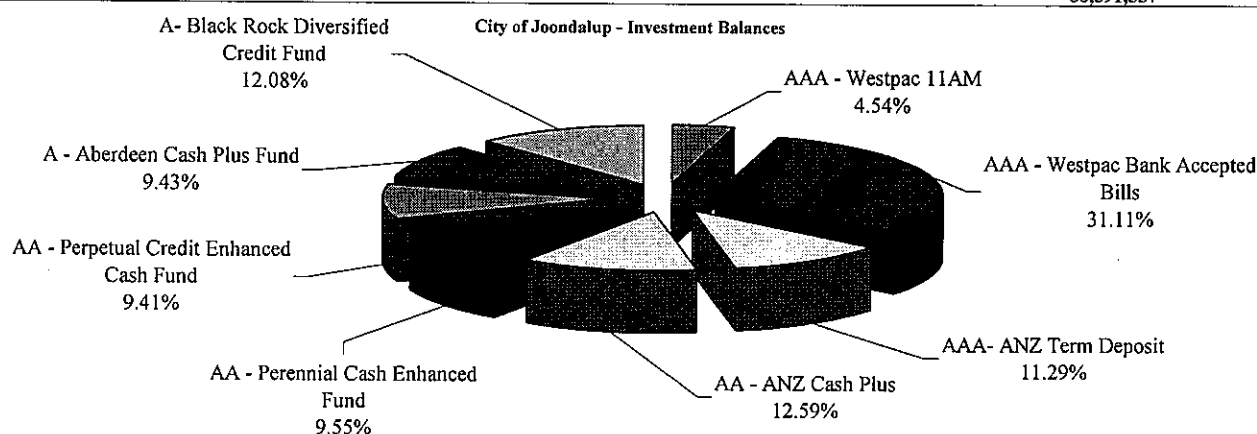
	Note	Adopted Budget	YTD Budget	YTD Actual	YTD Variance	YTD Variance
		\$	\$	\$	\$	%
<b>OPERATING REVENUE</b>						
Rates		(56,310,787)	(56,034,787)	(56,045,985)	11,198	(0)
Rates Specified Area		(141,353)	(141,353)	(141,449)	96	(0)
Government Grants and Subsidies - Operating		(3,364,026)	(958,954)	(957,680)	(1,274)	0
Contributions, Reimbursements & Donations - Operating	1	(668,646)	(200,556)	(370,783)	170,227	(85)
Profit on Disposal	2	(797,244)	(88,103)	(150,996)	62,893	(71)
Fees & Charges	3	(20,925,240)	(15,199,608)	(15,402,191)	202,583	(1)
Interest Earnings		(3,258,557)	(1,140,417)	(1,174,533)	34,116	(3)
Other Revenue		(115,000)	(35,000)	(36,996)	1,996	(6)
<b>Total Operating Revenue</b>		<b>(85,580,853)</b>	<b>(73,798,778)</b>	<b>(74,280,614)</b>	<b>481,836</b>	<b>(1)</b>
<b>OPERATING EXPENSES</b>						
Employee Costs	4	35,622,498	11,899,109	11,954,948	(55,839)	(0)
Materials & Contracts	5	30,516,132	10,209,938	9,294,200	915,738	9
Utilities	6	3,409,028	1,142,599	1,008,283	134,316	12
Depreciation on Assets		16,310,047	5,477,562	5,576,765	(99,203)	(2)
Loss on Disposal		254,756	46,522	39,696	6,826	15
Insurance Expenses	7	1,049,495	987,356	736,294	251,062	25
Interest Expenses		297,910	61,965	64,729	(2,764)	(4)
Other Expenses		66,000	66,000	66,279	(279)	(0)
<b>Total Operating Expenditure</b>		<b>87,525,866</b>	<b>29,891,051</b>	<b>28,741,192</b>	<b>1,149,859</b>	<b>4</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS</b>		<b>1,945,013</b>	<b>(43,907,727)</b>	<b>(45,539,422)</b>	<b>1,631,695</b>	<b>(4)</b>
<b>CAPITAL REVENUE</b>						
Capital Grants	8	(11,604,574)	(1,141,612)	(857,666)	(283,946)	25
Contributions & Reimbursements - Non Operating	9	(143,159)	(143,158)	0	(143,158)	100
Acquired Infrastructure Assets		(5,190,000)	0	0	0	0
<b>Total Capital Revenue</b>		<b>(16,937,733)</b>	<b>(1,284,770)</b>	<b>(857,666)</b>	<b>(427,104)</b>	<b>33</b>
<b>CAPITAL EXPENDITURE</b>						
Capital Budget - Capital Projects	10	15,252,775	2,464,007	1,302,050	1,161,957	47
Capital Budget - Capital Works		23,876,959	787,000	779,459	7,541	1
Motor Vehicle Replacement	2	2,490,500	644,000	467,906	176,094	27
Loan Repayment (Principal)		606,879	98,251	98,251	0	0
Equity Investment		0	0	0	0	0
<b>Total Capital Expenditure</b>		<b>42,227,113</b>	<b>3,993,258</b>	<b>2,647,666</b>	<b>1,345,592</b>	<b>34</b>
<b>CAPITAL (SURPLUS)/DEFICIT</b>		<b>25,289,380</b>	<b>2,708,488</b>	<b>1,790,000</b>	<b>918,488</b>	<b>34</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL EXPENDITURE</b>		<b>27,234,393</b>	<b>(41,199,239)</b>	<b>(43,749,423)</b>	<b>2,550,184</b>	<b>(6)</b>
<b>ADJUSTMENTS FOR NON-CASH MOVEMENTS</b>						
Depreciation on Assets		(16,310,047)	(5,477,562)	(5,576,765)	(99,203)	2
Loss on Disposal		(254,756)	(46,522)	(39,696)	6,826	(15)
Profit on Disposal	2	797,242	88,103	147,723	59,620	68
<b>FUNDING</b>					0	0
Proceeds from Disposal	2	(1,398,326)	(230,500)	(373,485)	(142,985)	62
Loan Funds		(4,000,000)	0	0	0	0
Transfer from Reserve		(14,563,910)	0	0	0	0
Transfer to Reserve		9,247,653	0	0	0	0
Transfer to Accumulated Surplus		5,190,000	0	0	0	0
Opening Funds		(5,980,367)	(5,980,367)	(7,927,237)	(1,946,870)	33
<b>CLOSING FUNDS</b>		<b>(38,118)</b>	<b>(52,846,087)</b>	<b>(57,518,882)</b>	<b>4,672,795</b>	<b>(9)</b>



## Investment Summary

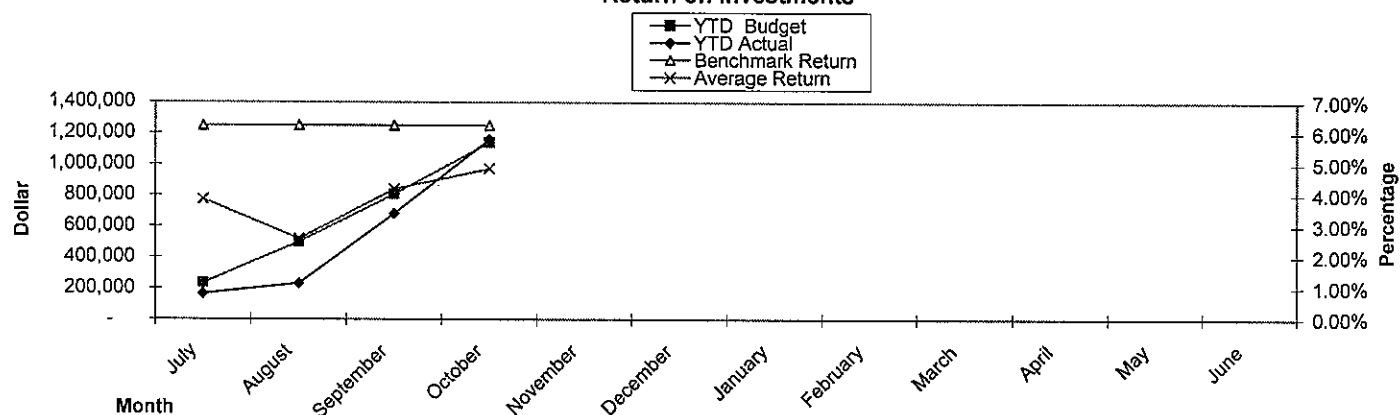
CITY OF JOONDALUP  
October-07

Investment Account	MTD Return	YTD Return	Value \$	% of Portfolio	Policy Limit
AAA - Westpac 11AM	6.40%	6.38%	4,020,285	4.54%	50%
AAA - Westpac Bank Accepted Bills	6.81%	6.81%	27,563,070	31.11%	50%
AAA- ANZ Term Deposit	6.99%	6.99%	10,000,000	11.29%	50%
AA - ANZ Cash Plus	4.86%	5.13%	11,153,702	12.59%	50%
AA - Perennial Cash Enhanced Fund	4.24%	4.56%	8,459,300	9.55%	50%
AA - Perpetual Credit Enhanced Cash Fund	4.73%	4.23%	8,337,738	9.41%	50%
A - Aberdeen Cash Plus Fund	4.71%	4.58%	8,351,653	9.43%	40%
A- Black Rock Diversified Credit Fund	9.58%	1.43%	10,705,808	12.08%	40%
<b>Total Investment Portfolio</b>	<b>6.04%</b>	<b>4.87%</b>	<b>88,591,557</b>	<b>100.00%</b>	
<b>Municipal Funds</b>			<b>67,216,173</b>		
<b>Reserve Funds</b>			<b>21,375,384</b>		
			<b>88,591,557</b>		



Month	MTD Budget	YTD Budget	MTD Actual	YTD Actual	Benchmark Return	Average Return
July	234,206	234,206	167,019	167,019	6.25%	3.88%
August	264,234	498,440	65,108	232,127	6.25%	2.59%
September	309,808	808,248	450,844	682,970	6.25%	4.21%
October	332,657	1,140,905	478,176	1,161,146	6.25%	4.87%

Return on Investments



**NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT  
FOR THE PERIOD ENDED ON 31 OCTOBER 2007**

**1 Contributions, Reimbursements & Donations – Operating**

The year to date variance for Contributions, Reimbursements and Donations relates mainly to the following:

a) Legal Fees	\$80k
b) Rates	\$47k
c) Utility Charges	\$38k
d) Other	\$5k
	<u>\$170k</u>

a) The year to date variance on Legal Fee Reimbursements is mainly due to \$61k invoiced to the Mullaloo Progress Association claiming the full recovery of Supreme Court Costs, as resolved by Council.

b) The year to date variance on Rates of \$47k relates to reimbursement for Tamala Park prior years rates from Mindarie Regional Council.

c) The Utility Charges variance includes \$27k invoiced to Sliver Chain Nursing Association for the period August 2006 to July 2007, which was not included in the 2007/08 budget.

**2 Profit / Loss on Disposal**

The year to date variance includes unbudgeted profit of \$62k for a Mitsubishi Grader that was sold. Other vehicles and plant have been disposed of in 2007/08 which were part of last year's plant replacement programme that were not included in the 2007/08 budget.

**3 Fees and Charges**

The year to date variance for fees and charges relates in the main to the following:

a) Service Charges	\$(451)k
b) Fees & Licences	\$485k
c) Service Fees & Charges	\$145k
d) Other	\$24k
	<u>\$203k</u>

a) The adverse variance is due to household refuse removal charges being below the number of properties estimated in the budget. This will be adjusted during the budget review.

b) This variance is mainly due to unbudgeted revenue of \$419k re Cash In Lieu of Parking Spaces at Lot 2278 (3) Selkirk Drive, Kinross. There was also higher than budgeted revenue of \$65k for Building Licences and \$91k for Development Application Fees offset by lower than budgeted revenue of \$(65)k relating to Environmental Health Services Immunisation.

c) Service Fees & Charges are above budget mainly due to higher than budgeted CLC Membership Fees of \$166k offset by lower than budgeted revenue of \$(25)k for User / Entry Fees.

d) Minor variances – not material and spread across various accounts

#### **4 Employee Costs**

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

a) Vacant Positions	\$595k
b) Contract / Agency Labour	\$33k
c) Staff Training	\$55k
d) Workers Compensation Premium	\$(621)k
e) Capital Recovery - Wages	\$(75)k
f) Reversal of accrual re 2006/07	\$55k
g) Quarterly Adjustment re Annual Leave & Long Service Leave	\$(96)k
h) Other	\$(2)k
	<u>\$(56)k</u>

a) This variance is primarily due to vacant positions in the following areas:

• Approvals, Planning & Environmental Services	\$39k
• Governance Strategy Admin	\$79k
• Financial Services	\$83k
• Leisure & Cultural Services	\$99k
• Information Management	\$11k
• Infrastructure Management (across all cost centres)	\$184k
• Operations Administration	\$103k
• Others	\$(3)k
	<u>\$595k</u>

Recruitment of staff continues to prove difficult. Some positions have been advertised multiple times, agencies and professional contacts are also being used to identify potential candidates.

b) This variance is due to lower than budgeted spend on contract / agency labour for Environmental Development of \$61k and across other areas of \$49k. This saving has been partially offset by an overspend against budget in Operation Services Parks Maintenance Works of \$(77)k due to agency staff being used to cover vacant positions .

- c) There was an \$110k budget for HR Staff Training costs of which only \$55k has been spent across various departments.
- d) The Workers Compensation Premium variance is a timing difference reflecting the annual premium being expensed in October instead of being spread across the year as budgeted. The total charge however is as per the adopted budget.
- e) Capital Recovery – Wages is budgeted as a recoupment of labour costs on Capital Works. Actual charges are expected to increase as Capital Expenditure increases in the year.
- f) This variance relates to the 2006 / 07 year end accrual being overstated.
- g) The provisions for leave will be aligned more closely to actual liability in the coming months.
- h) Minor variances – not material and spread across various accounts.

## **5 Materials and Contracts**

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

a) Administration	\$431k
b) Consultancy & Contractors	\$158k
c) Computing	\$(120)k
d) Contributions and Donations	\$(284)k
e) Materials	\$335k
f) Land & Buildings Expenditure	\$138k
g) Service Charges From Other Councils	\$195k
h) Other Service Expenses	\$63k
	<u>\$916k</u>

Year to date variances are attributable to the following:

- a) The Administration variance is partially due to an underspend of \$121k on printing of which \$62k relates to the Leisure Centres due to the Leisure Guide that has not yet come out and several other items that are currently with marketing, \$15k relates to Corporate Governance and \$10k to Infrastructure Traffic Management. There was also a favourable variance to budget of \$250k due to the timing of the election costs which are expected to be within budget and \$31k on general advertising across the City.
- b) Consultancy costs were \$185k below budget, expenditure of these funds has been delayed compared to the budget phasing but are expected to be within budget for the year. This is offset by an unfavourable variance on Non Operating related Contract Staff costs of \$(33)k which relate to the cleaning contract for the Leisure Centres which was allocated to the wrong account. This will be transferred to the external contract services account in November.





c) The Computing expenditure variance is mainly due to the allocation of annual software maintenance spend which was budgeted to be incurred later in the year. Overall the annual actual expenditure will not be materially different to budget.

d) The Contributions and Donations variance is primarily due to an overspend against budget of \$(284)k which represents a 40% progress payment for the Arena Community Sport Funding. Savings against budget of \$50k were made on various donations and sponsorship and grant disbursements were \$16k below budget due to the timing of the disbursement of grant monies received from FESA for the Wanneroo SES, which has been paid in November.

e) The Materials variance is mainly due to underspends in Operation Services due to delays in the start of budgeted work. This is partially offset by extra costs associated with the transportation of recyclables during the closure of the Recycling Facility in Wangara.

f) This variance is mainly due to no spend against a budget of \$150k for reinstatement costs of the car park retaining wall at Ocean Reef Boat Harbour.

g) The variance on Service Charges from other councils of \$195k is due to savings in domestic & bulk refuse collection with future periods expected to more closely align with budget.

h) The variance on Other Service Expenses mainly relate to \$16k on tipping fees, \$12k on programme activities and \$11k on consumable chemicals.

## **6 Utilities**

a)	Electricity / Gas	\$170k
b)	Water	\$(36)k
		<u>\$134k</u>

a) There was a saving against budget of \$167k in electricity charges across the City due to lower consumption than what was envisaged.

b) Water charges are above budget across various cost centres including \$(13)k for Building Cleaning Works and \$(5)k for Building Management.

## **7 Insurance Expenses**

Insurance costs were \$251k below budget, which is just a timing difference. The 2<sup>nd</sup> instalment of \$246k for Professional Indemnity & Municipal Liability Insurance will be paid in November when due.



## 8 Capital Grants

The Capital Grants revenue variance relates mainly to \$(294)k for the Roads To Recovery Program. This revenue is dependant on claims being lodged as works progress.

## 9 Contributions – Non Operating

The details of the variance is as follows: -

a) Sorrento Surf Club	\$67k
b) Kingsley Reserve Floodlights	\$26k
c) Schools Various	\$50k
	<u>\$143k</u>

Completion of Capital Works and take up of the assets are forecast in the budget earlier than can now be expected. Contributions to completed works are to be received equally from the Community Sports & Recreation Facilities Fund and the respective Sports Clubs.

## 10 Capital Projects

The underspend is due primarily to the following projects: -

	Annual Budget	YTD Budget	Actual	Variance
a) Joondalup Works Depot	\$6200k	\$1360k	\$842k	\$518k
b) Parking Lot 6 Lawley Court	\$0k	\$0k	\$192k	\$(192)k
c) Joondalup Drive Masterplan	\$192k	\$174k	\$0k	\$174k
d) Ocean Reef Development	\$1200k	\$300k	\$0k	\$300k
e) Fee Paid Car Parking Joondalup CBD	\$1200k	\$120k	\$0k	\$120k
f) Data Centre Upgrade	\$405k	\$115k	\$0k	\$115k
g) Document Management	\$320k	\$50k	\$0k	\$50k
h) Other	\$5736k	\$345k	\$268k	\$77k
	<u>\$15253k</u>	<u>\$2464k</u>	<u>\$1302k</u>	<u>\$1162k</u>

a) The Works Depot variance is due to costs being incurred later than budgeted.

b) Actual expenditure on Parking Lot 6 Lawley Court relates mainly to Works Infrastructure invoices received in July 07, these relate to the prior year expenditure that was not accrued for.

c) – h) These variances are due to projects commencing at a later date than budgeted.