



*Financial Activity Statement for
the Period Ended
28 February 2007*

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Financial Activity Statement for the period ended 28 February 2007

	Note	Revised Budget	YTD Budget	YTD Actual	Variance	Variance
		\$	\$	\$	\$	%
OPERATING REVENUE						
Rates		52,448,139	52,425,639	52,564,874	139,235	0
Rates - Specified Area		134,724	134,724	135,182	458	0
Government Grants & Subsidies	1	8,945,460	6,552,089	5,862,863	(689,226)	(11)
Contributions, Reimbursements and Donations		7,013,109	818,024	862,494	44,470	5
Profit on Asset Disposal		2,990,274	2,940,330	2,900,728	(39,602)	(1)
Fees & Charges		17,966,504	15,872,175	16,042,109	169,934	1
Interest Earnings		3,983,299	2,984,861	3,073,655	88,794	3
Other Revenue		174,110	146,110	154,943	8,833	6
		93,655,619	81,873,952	81,596,848	(277,104)	(0)
OPERATING EXPENDITURE						
Employee Costs	2	32,723,574	21,348,033	20,694,412	653,621	3
Materials & Contracts	3	27,696,709	17,864,971	17,565,750	299,221	2
Utilities (Gas, Electricity, Water etc)	4	3,418,602	2,154,437	1,957,504	196,933	9
Depreciation on Non Current Assets		15,640,931	10,373,943	10,407,067	(33,124)	(0)
Loss on Asset Disposal		311,153	141,865	125,806	16,059	11
Interest Expense		207,142	156,642	139,655	16,987	11
Insurance Expenses		980,848	978,848	958,971	19,877	2
Other Expenses		64,030	64,030	64,030	0	0
		81,042,989	53,082,769	51,913,195	1,169,574	2
SURPLUS/(DEFICIT) FROM OPERATIONS		12,612,630	28,791,183	29,683,653	892,470	3
CAPITAL EXPENDITURE						
Purchase of Land	5	2,197,706	2,197,706	2,356,352	(158,646)	(7)
Purchase of Buildings	6	561,667	388,814	35,000	353,814	91
Purchase of Artworks		20,000	10,000	10,000	0	0
Purchase of Furniture & Equipment	7	3,870,161	1,086,339	257,583	828,756	76
Purchase of Vehicles & Plant	8	3,273,288	1,038,452	879,510	158,942	15
Carparking Infrastructure	9	1,097,794	412,587	35,160	377,427	91
Construction of Infrastructure Assets	10	14,114,937	7,459,687	6,846,675	613,012	8
SUB TOTAL CAPITAL EXPENDITURE		25,135,553	12,593,585	10,420,280	2,173,305	17
SURPLUS/(DEFICIT) FROM OPERATIONS AND CAPITAL EXPENDITURE		(12,522,923)	16,197,598	19,263,373	3,065,775	19
Adjustments for Non-Cash Movements						
Depreciation on Assets		15,640,931	10,373,943	10,407,067	33,124	0
Loss on Disposal		311,153	141,865	125,806	(16,059)	(11)
Profit on Disposal		(2,990,274)	(2,940,330)	(2,900,728)	39,602	(1)
Non-Cash Developer's Contributions		(6,025,000)	0	0	0	0
Adjustments for Other Cash Movements						
Proceeds from Disposal	11	4,089,905	3,229,805	3,470,214	240,409	7
Loan funds		0	0	0	0	0
Loan repayments (principal)		(310,025)	(230,830)	(230,830)	0	0
Equity Investment		(3,903,573)	(3,903,573)	(3,892,823)	10,750	(0)
Grant Refund		(80,000)	0	0	0	0
Funded From						
Transfers from Reserves		5,986,425	4,429,099	4,429,099	0	0
Transfers to Reserves	12	(5,975,525)	(1,048,257)	(1,520,704)	(472,447)	45
Opening Funds		12,286,095	12,079,842	12,286,095	206,253	2
Closing Funds	13	6,507,189	38,329,162	41,436,569	3,107,407	8

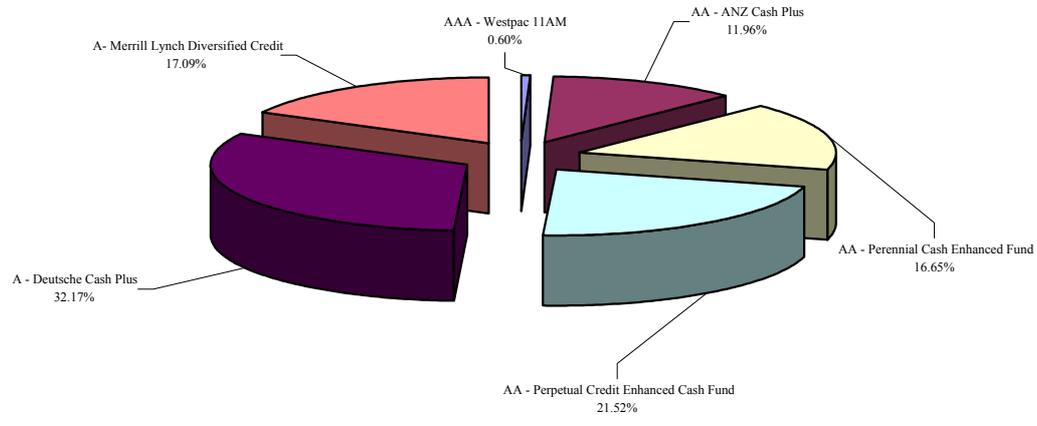


Investment Summary

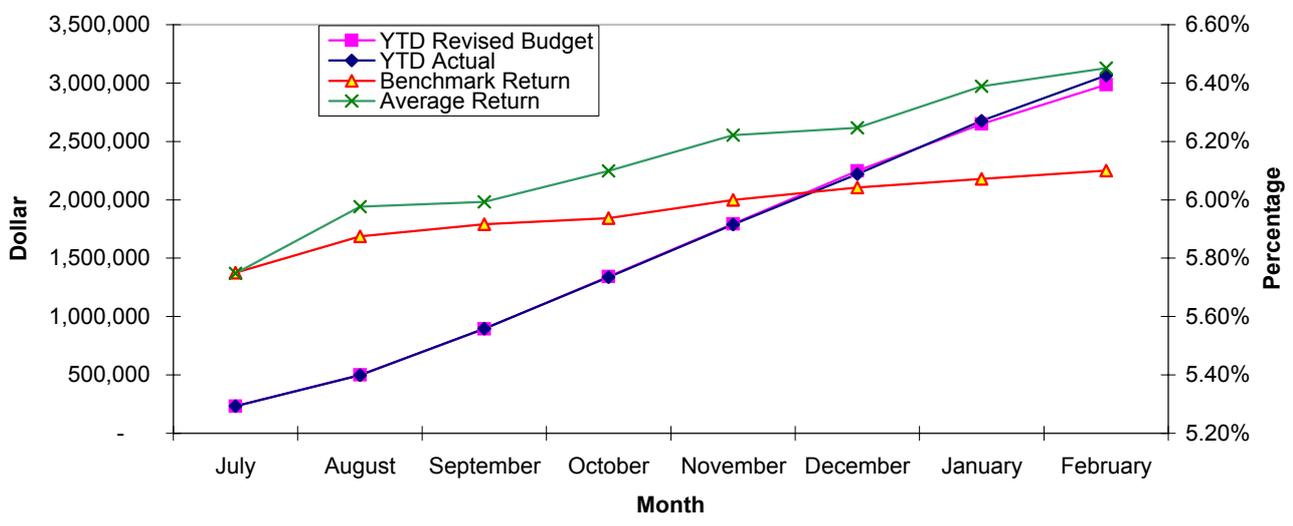
CITY OF JOONDALUP
February-07

	Value		
	\$		

City of Joondalup - Investment Balances



Return on Investments



**NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT
FOR THE PERIOD ENDED ON 28 FEBRUARY 2007**

1 Government Grants & Subsidies

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

	Budget	Actual	Variance
a) Black Spot Funding	\$417k	\$336k	(\$81k)
b) Metro Regional Road Program	\$1,198k	\$993k	(\$205k)
c) Roads to Recovery Program	\$400k	\$0k	(\$400k)
d) Other	<u>\$4,537k</u>	<u>\$4,534k</u>	<u>(\$3k)</u>
	\$6,552k	\$5,863k	(\$689k)

a) The City has difficulties getting contractors to carry out Black Spot Projects. These projects will need to be completed before the remaining grant funds can be claimed, **(\$81k)**.

b) The Metro Regional Road projects have been delayed to coordinate works with the Mitchell Freeway contract, **(\$205k)**.

c) This variance is a timing difference between the budgeted and anticipated period of receiving the grant, which will be adjusted in future months **(\$400k)**.

d) Other minor variances which are not material, **(\$3k)**.

2 Employee Costs

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

a) 2006/07 Establishment vacancies	\$717k
b) Staff Training	\$53k
c) Contract/Agency Labour	(\$137k)
d) Other	<u>\$21k</u>
	\$654k

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

• Organisational Development	\$55k
• Financial Services	\$56k
• Office of the CEO	\$38k
• Approvals, Planning and Environmental Services	\$41k
• Community Development	\$65k
• Infrastructure Management	\$105k
• Operations Services	\$440k
• Operations Administration	(\$103k)
• Other	<u>\$20k</u>
	\$717k

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.

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, **\$53k**.
- c) The contract/agency labour variance is primarily due to temporary staff being appointed within the Leisure Centres area, Operation to cover vacant positions, **(\$137k)**.
- d) Other minor variances which are not material, **\$21k**.

3 Materials & Contracts

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

	Budget	Actual	Variance
a) Consultancy & Contractors	\$610k	\$354k	\$256k
b) Other	<u>\$17,255k</u>	<u>\$17,212k</u>	<u>\$43k</u>
	\$17,865k	\$17,566k	\$299k

- a) The consultancy and contractors variance is due to the timing of commissioning consultancy work and the variance is expected to be spent by the end of the financial year, **\$256k**.
- b) Other minor variances which are not material, **\$43k**.

4 Utilities

The variance in utilities is caused by lower than budgeted electricity consumption costs, **\$158k**. This is due to improved efficiency of power consumption and weather conditions.

Other minor variances which are not material, **\$39k**.

5 Purchase of Land

The purchase of land at Lot 6 Lawley Court was greater than budgeted, **(\$170k)**.

Other minor variances which are not material, **\$11k**.

6 Purchase of Buildings

The underspend is due primarily to the following projects:-

	Budget	Actual	Variance
a) New Proposal for Building Refurbishment	\$66k	\$0k	\$66k
b) Arena Community Sports & Recreation Association Clubrooms	\$237k	\$0k	\$237k
c) Redesign of Council Chambers	<u>\$86k</u>	<u>\$35k</u>	<u>\$51k</u>
	\$389k	\$35k	\$354k

a) A current plan is underway to refurbish the first, second and third floor of the administration building. These works will commence during March and may continue into the next financial year. It is anticipated that all funds will be spent by the end of the year, **\$66k**.

b) This project has been delayed by an extended period to formalise a lease agreement between the City and the WA Sports Centre Trust. It is anticipated that 1/3 of the City's contribution will be called upon in March 2007 with the remaining funds to be carried forward into 2007/08, **\$237k**.

c) Works have yet to commenced on the redesign of the Council Chambers as options are still being investigated. Any unspent funds will be carried forwarded into 2007/08, **\$51k**.

7 Purchase of Furniture and Equipment

The underspend is due primarily to the Universal Recycling Service and other projects as follows:-

	Budget	Actual	Variance
a) Network Infrastructure Maintenance and Upgrades	\$131k	\$59k	\$72k
b) Court Sports Netting	\$25k	\$0k	\$25k
c) Aquatic Turnstiles	\$71k	\$0k	\$71k
d) Corporate PC and Notebook Replacement Program	\$56k	\$31k	\$25k
e) Universal Recycling Service	\$458k	\$7k	\$451k
f) Computer Room Upgrade Infrastructure Projects	\$80k	\$0k	\$80k
g) 5 Year Major IT Upgrade Plan	\$20k	\$0k	\$20k
h) Asset Management Strategy	\$39k	\$0k	\$39k
i) 50M Pool Feasibility Study	\$30k	\$0k	\$30k
j) Other	<u>\$176k</u>	<u>\$161k</u>	<u>\$15k</u>
	\$1,086k	\$258k	\$828k

- a) Expected software and hardware purchases of \$90k are to be made in March/April 2007, **\$72k**.
- b) Quotes have been received for the Court Sports Netting project and a recommendation is being prepared. It is anticipated that installation will occur in April 2007, **\$25k**.
- c) Measurements have been completed for the installation of the Aquatic Turnstiles and parts have been purchased. Installation will take place once the goods have been received, **\$71k**.
- d) Final rollouts of PC's and Laptops are being undertaken in March, which will account for the remaining funds, **\$25k**.
- e) The Universal Recycling Service is currently being undertaken by the City. External contract costs for the project will flow through as the roll out progresses, **\$451k**.
- f) The air conditioning tender for the server room is being developed and there have been delays with consulting expertise, **\$80k**.
- g) IT Project costs are likely to be less than initially estimated. Final costings expected in April 2007, **\$20k**.
- h) The Asset Management Strategy was adopted by EMT on February 1 2007. Some of the projects identified in the Strategy are currently underway and have not been invoiced as yet, **\$39k**
- i) Community consultation regarding the 50M pool has now been completed and draft findings will be reported to elected members in April 2007, **\$30k**.

j) Other minor variances which are not material, **\$15k**.

8 Purchase of Vehicles and Plant

Orders have been raised for Light and Heavy Vehicles and the City is awaiting delivery, **\$159k**.

9 Carparking Infrastructure

The project for Parking Lot 6 Lawley Court is currently being undertaken and payments will occur as the construction progresses, **\$377k**.

10 Construction of Infrastructure Assets

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

	Budget	Actual	Variance
a) Joondalup Council Depot	\$186k	\$142k	\$44k
b) Joondalup Cultural Facility	\$0k	(\$60k)	\$60k
c) Road Resurfacing	\$3,067k	\$2,486k	\$581k
d) Major Road Construction Program	\$57k	\$154k	(\$97k)
e) Traffic Management	\$926k	\$740k	\$186k
f) Street Lighting	\$64k	\$113k	(\$49k)
g) Major Building Works	\$887k	\$1,170k	(\$283k)
h) Playground Equipment	\$146k	\$61k	\$84k
i) Parks and Reserves Enhancement	\$551k	\$461k	\$90k
Other	<u>\$1,576k</u>	<u>\$1580k</u>	<u>(\$4k)</u>
	\$7,460k	\$6,847k	\$613k

a) Joondalup Council Depot:-

- Consultants have not progressed as expected and accordingly they have not submitted invoices, **\$44k**.

b) Joondalup Cultural Facility:-

- The credit against the Joondalup Cultural Facility project reflects the capitalisation of the initial deposit paid in the previous financial year for acquisition of the land. The purchase has been completed this financial year and fully capitalised under Purchase of Land, **\$60k**.

c) Road Resurfacing:-

- There have been delays in commencing the road resurfacing program due to availability of contractors. The City is exploring possible avenues under current market conditions to implement budgeted programs, **\$581k**.

d) Major Road Construction Program:-

- The Metro Regional Road projects have been delayed to coordinate works with the Mitchell Freeway contract. The variance relates to costs for the design component of these works, **(\$97k)**.

e) Traffic Management :-

- All projects have commenced and the variance will be adjusted in future months, **\$186k**.

f) Street Lighting:-

- This program is ahead of schedule and the variance will be adjusted in future months, **(\$49k)**.

g) Major Building Works :-

- This variance covers a number of building projects ahead of schedule and the variance will be adjusted in future months, **(\$283k)**.

h) Playground Equipment:-

- The underspend of this program is due to delays with delivery of materials, **\$84k**

i) Parks and Reserves Enhancements:-

- Projects within this program are still currently in the design stage, however will be completed by the end of the financial year, **\$90k**.

11 Proceeds from Disposal

Proceeds from the sale of light and heavy vehicles and mobile plant have been greater than anticipated, **\$211k**.

Other minor variances which are not material, **\$29k**.

12 Transfers to Reserves

Reserve Account	Budget Transfer to Reserves	Actual Transfer to Reserves	Difference
a) Strategic Asset Management	(\$85k)	(\$555k)	(\$470k)
b) Other Reserves	(\$963k)	(\$966k)	(\$3k)
Total	(\$1,048k)	(\$1,521k)	(\$473k)

a) Transfers to the Strategic Asset Management Reserve are proceeds from sale of a portion of Lot 3 Trappers Drive Woodvale for vehicle access and associated easements, **(\$470k)**.

b) Other minor variances which are not material, **(\$3k)**.

13 Closing Funds

	Actual
<u>Current Assets</u>	
Cash Assets	\$69,299k
Rates and Sundry Debtors	\$6,586k
GST Receivable	\$405k
Accrued Income	\$6k
Advances and Prepayments	\$224k
	\$76,520k
<u>Less: Current Liabilities</u>	
Creditors	(\$5,565k)
Provisions	(\$5,807k)
Accrued Expenses	(\$2,241k)
Income in Advance	(\$0k)
GST Payable	(\$48k)
Other- Clearing	(\$47k)
	(\$13,375k)
<u>Less: Restricted Assets</u>	
Reserves	(\$21,375k)
Closing Funds	\$41,437k