

City of Joondalup

Financial Activity Statement for the
Period Ended 31 December 2010

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City of Joondalup
Financial Activity Statement
for the period ended 31 December 2010

	Notes	Adopted Budget	YTD Adopted Budget	YTD Actual	YTD Variance \$	YTD Variance %
OPERATING REVENUE						
Rates	1	(69,420,408)	(69,260,808)	(69,630,861)	370,053	1%
Grants and Subsidies		(3,119,042)	(1,556,514)	(1,555,364)	(1,149)	(0)%
Contributions Reimbursements and Donations	2	(2,417,419)	(949,709)	(1,455,664)	505,955	53%
Profit on Asset Disposals		(105,164)	(43,739)	(19,734)	(24,005)	(55)%
Fees and Charges	3	(28,596,520)	(22,337,552)	(23,328,493)	990,941	4%
Investment Earnings	4	(3,798,858)	(2,033,613)	(2,815,140)	781,527	38%
Other Revenue/Income	5	(121,000)	(60,500)	(101,361)	40,861	68%
Total Operating Revenue		(107,578,411)	(96,242,435)	(98,906,618)	2,664,183	3%
OPERATING EXPENSES						
Employee Costs	6	45,149,333	23,460,171	21,947,574	1,512,596	6%
Materials and Contracts	7	40,915,704	20,967,984	18,690,524	2,277,460	11%
Utilities (gas, electricity, water etc.)		4,641,753	2,407,458	2,319,491	87,967	4%
Depreciation of Non-Current Assets		21,306,833	10,708,187	11,144,606	(436,419)	(4)%
Loss on Asset Disposal		62,490	26,970	55,695	(28,725)	(107)%
Interest Expenses		699,800	323,433	291,741	31,692	10%
Insurance Expenses		1,239,486	1,235,560	1,249,393	(13,833)	(1)%
Other Expenses		-	-	467	(467)	(100)%
Total Operating Expenses		114,015,398	59,129,763	55,699,492	3,430,272	6%
(SURPLUS)/DEFICIT FROM OPERATIONS		6,436,988	(37,112,672)	(43,207,126)	6,094,455	16%
OPERATING NON-CASH ADJUSTMENTS						
Depreciation on Assets		(21,306,833)	(10,708,187)	(11,144,606)	436,419	4%
Loss on Asset Disposal		(62,490)	(26,970)	(55,695)	28,725	107%
Profit on Asset Disposals		105,164	43,739	19,734	24,005	(55)%
OPERATING CASH (SURPLUS)/DEFICIT		(14,827,171)	(47,804,089)	(54,387,693)	6,583,604	14%
NON-OPERATING REVENUE						
Capital Grants and Subsidies	8	(9,840,460)	(4,272,942)	(3,346,209)	(926,733)	(22)%
Capital Contributions		-	-	-	-	-
Acquired Infrastructure Assets		(1,725,000)	-	-	-	-
Total Non-Operating Revenue		(11,565,460)	(4,272,942)	(3,346,209)	(926,733)	(22)%
CAPITAL EXPENDITURE						
Capital Projects	9	3,979,222	2,650,703	739,466	1,911,237	72%
Capital Works	10	31,922,178	17,715,083	10,460,919	7,254,164	41%
Motor Vehicle Replacements	11	2,057,360	1,325,960	471,448	854,512	64%
Loan Repayment Principal		1,279,959	578,550	586,756	(8,206)	(1)%
Equity Investments		-	-	-	-	-
Total Capital Expenditure		39,238,719	22,270,296	12,258,589	10,011,707	45%
CAPITAL (SURPLUS)/DEFICIT		27,673,259	17,997,354	8,912,380	9,084,974	50%
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL		12,846,088	(29,806,736)	(45,475,313)	15,668,578	53%
FUNDING						
Proceeds from Disposal		(406,000)	(226,100)	(184,588)	(41,512)	(18)%
Loan Funds	12	(2,924,100)	(2,924,100)	-	(2,924,100)	-
Transfer from Reserve		(14,030,494)	-	-	-	-
Transfer to Reserve		3,974,479	-	-	-	-
Transfer to Accumulated Surplus		1,725,000	-	-	-	-
Opening Funds		(1,212,195)	(1,212,195)	(4,608,378)	3,396,183	280%
CLOSING FUNDS	13	(27,222)	(34,169,131)	(50,268,279)	16,099,148	47%

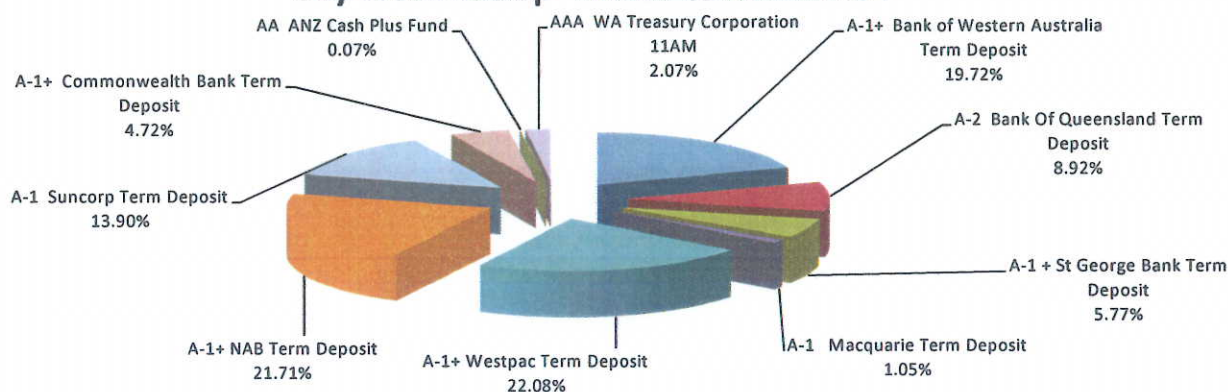


Investment Summary

CITY OF JOONDALUP
December-10

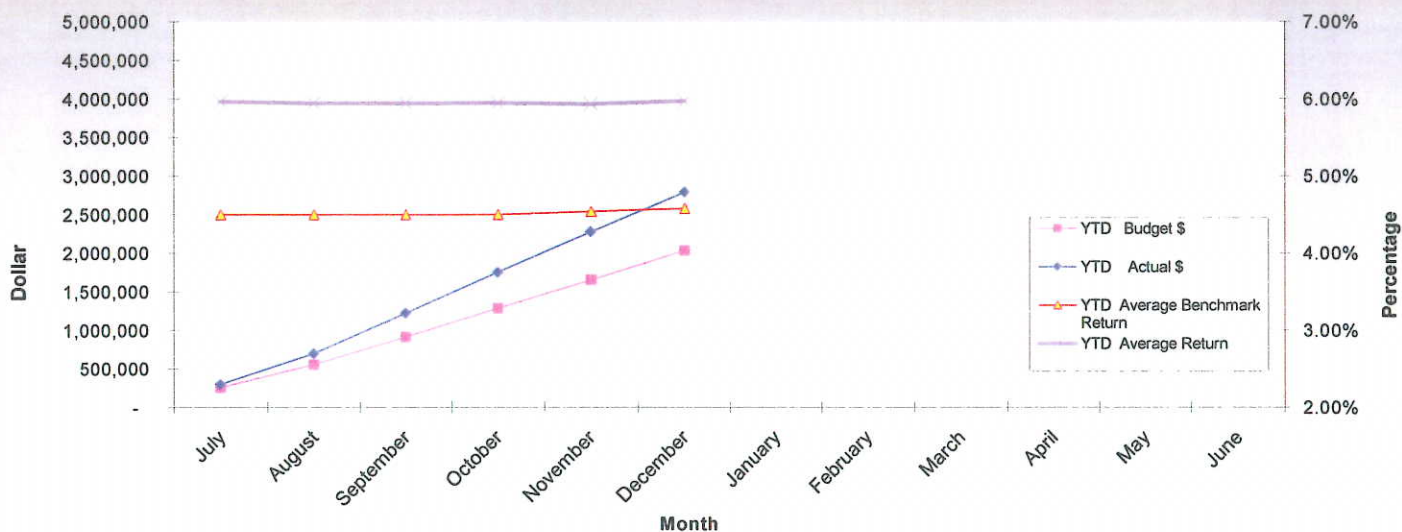
Investment Account	MTD Return	YTD Return	Value \$	% of Portfolio	Policy Limit
A-1+ Bank of Western Australia Term Deposit	6.05%	6.02%	\$ 18,800,000	19.72%	20%
A-2 Bank Of Queensland Term Deposit	6.19%	6.15%	\$ 8,500,000	8.92%	10%
A-1 + St George Bank Term Deposit	5.92%	5.79%	\$ 5,500,000	5.77%	20%
A-1 Macquarie Term Deposit	6.05%	6.10%	\$ 1,000,000	1.05%	15%
A-1+ Westpac Term Deposit	6.08%	6.03%	\$ 21,050,000	22.08%	20%
A-1+ NAB Term Deposit	6.02%	6.00%	\$ 20,700,000	21.71%	20%
A-1 Suncorp Term Deposit	6.21%	6.19%	\$ 13,250,000	13.90%	15%
A-1+ Commonwealth Bank Term Deposit	5.78%	5.69%	\$ 4,500,000	4.72%	20%
AA ANZ Cash Plus Fund	0.30%	5.22%	\$ 66,708	0.07%	20%
AAA WA Treasury Corporation 11AM	4.70%	4.54%	\$ 1,978,000	2.07%	20%
AAA Westpac 11AM	4.65%	4.63%	\$ -	0.00%	20%
Total Investment Portfolio	6.01%	5.97%	95,344,708	100.00%	
Municipal Funds			54,815,770		
Reserve Funds			40,528,938		
			95,344,708		

City of Joondalup - Investment Balances



Month	MTD Budget \$	MTD Actual \$	YTD Budget \$	YTD Actual \$	YTD Average Benchmark Return	YTD Average Return
July	256,840	298,637	256,840	298,637	4.50%	5.96%
August	298,870	400,613	555,710	699,249	4.50%	5.94%
September	357,361	521,996	913,071	1,221,245	4.50%	5.94%
October	372,982	528,372	1,286,053	1,749,617	4.50%	5.95%
November	369,286	527,724	1,655,339	2,277,342	4.54%	5.93%
December	378,273	512,841	2,033,612	2,790,183	4.58%	5.97%

Return on Investments





NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT
FOR THE PERIOD ENDED ON 31 DECEMBER 2010

1. Rates

Rates revenue is \$370k higher than budget predominantly because of valuation adjustments received since the budget was adopted, interim rates and administration fees processed being higher than expected.

2. Contributions, Reimbursements & Donations

	YTD Adopted Budget	YTD Actual	Variance
a) Insurance Reimbursements	-	\$132k	\$132k
b) Legal Fees Recoverable	\$61k	\$285k	\$224k
c) Miscellaneous Reimbursements	\$98k	\$186k	\$88k
d) Other Contributions, Reimbursements & Donations	\$791k	\$853k	\$62k
	<u>\$950k</u>	<u>\$1,456k</u>	<u>\$506k</u>

a) The City has received Insurance Reimbursements totalling \$122k for damage caused by the West Coast Storm in March 2010, plus a number of smaller claims which are not material.

b) Legal Fees have been recovered earlier than phased in the budget.

c) The City received unbudgeted reimbursements including \$81k from other councils for Long Service Leave taken by their former employees, \$39k Fuel Tax Credits and \$7k for traineeships. Maintenance reimbursements on Marmion Avenue Median are (\$48k) below budget and will be reduced at Mid Year Review with smaller variances below budget in other areas.

d) LGIS contributed \$27k for Equal Employment Opportunity training and the WALGA advertising rebate \$25k was received earlier than budget phasing.

The City also received event Sponsorship \$25k earlier than budgeted and the Sale of Recyclable Materials has exceeded budget by \$26k. Utility Charges issued are (\$27k) below budget for the period. Other smaller variances are spread across a number of areas.



3. Fees & Charges

	YTD Adopted Budget	YTD Actual	Variance
a) Refuse Charges	\$15,635k	\$15,721k	\$86k
b) Building & Development Fees	\$1,016k	\$1,112k	\$96k
c) Licenses and Registrations	\$328k	\$216k	(\$112k)
d) Sports & Recreation Fees	\$3,142k	\$3,357k	\$215k
e) Hire & Rentals	\$283k	\$337k	\$53k
f) Inspection and Control	\$280k	\$397k	\$117k
g) Fines & Penalties	\$671k	\$776k	\$105k
h) Parking Fees	\$670k	\$805k	\$135k
i) Other Fees & Charges	\$312k	\$609k	\$297k
	<u>\$22,337</u>	<u>\$23,329k</u>	<u>\$992k</u>

a) This variance is due to the actual number of refuse collection services charged being higher than budgeted.

b) Development Application Fees are \$99k and Building License Fees are \$57k above budget. The variance is mainly due to large fees received for proposed developments at Joondalup Resort, Edith Cowan University, Sentiens Joondalup Hospital and 43 grouped dwellings in Currambine.

There were no development applications in the current period that incurred cash in lieu of parking charges giving an (\$50k) unfavourable variance against budget.

The current level of Land Purchase Enquiries is (\$15k) below the budget, however this is predicted to improve over the remainder of the year.

c) Food premises inspections have been reclassified to Inspections (refer to f)) and therefore give a (\$77k) variance against budget. Dog Registrations are (\$18k) less than expected and Stall Fees and Licenses are (\$14k) below the budget, which is expected to be caught up over the holiday period.

d) In Sports and Recreation early registrations for the Learn to Swim programs exceeded expectations and are \$208k over the budget. Also higher enrolment numbers for the term programs are \$31k above budget and hire of Leisure Centre facilities \$34k, including back dated fees received from sporting clubs and annual hire groups.

These increases are partly offset by (\$35) lower revenue from Court Sports, which were adversely affected during refurbishment of flooring surfaces, and (\$23k) fees from fitness centre activities.

e) Variances arose for receipts from annual Property Rental and Outgoings which differ from the phased budget.

f) Inspection Control is \$121k over the budget due to the re-classification of inspections of food premises. (see c) above)



- g) Revenue received from Parking Infringements is \$103k over budget as the level of infringements issued continues to be higher than expected.
- h) Off Street Parking is \$69k above budget mainly due to the Joondalup Health Campus exclusive use of 136 bays in Lawley Court Car Park during the campus redevelopment. Private Property Agreements are \$28k above budget following an increase in the level of patrols in the Joondalup Health Campus and On Street Parking \$38k above budget.
- i) The higher level of parking infringements issued also gives rise to increases in lodgements with the Fines Enforcement Registry which is \$191k above budget. This revenue is partially offset by higher lodgement fees and vehicle license searches charges reported in 7 d) below.

The favourable variance also includes \$73k for the Schools Vaccination program invoiced during the month which was budgeted to occur in the second half of the year. Scheme amendments \$10k and Collection Fees \$10k, plus a range of smaller variances make up the remaining variance.

4. Investment Earnings

Investment income exceeded budget by \$782k, as the volume of funds invested is higher than budget owing to lower expenditure to date.

5. Other Revenue/Income

	YTD Adopted Budget	YTD Actual	Variance
a) Discounts Received	\$15k	\$25k	\$10k
b) Adshell - Advertising Revenue Share	\$45k	\$28k	(\$17k)
c) WA Natural Disaster Relief & Recovery Arrangements	-	\$11k	\$11k
D) Corrections & Adjustments	-	\$37k	\$37k
	<u>\$60k</u>	<u>\$101k</u>	<u>\$41k</u>

- a) The discount received on settlement of supplier invoices exceeded budget by \$10k.
- b) Adshell revenue received in the first half is slower than expected in the budget. This is to be reviewed in the Mid-year Review.
- c) A second claim for West Coast storm damage lodged through the State's WA Natural Disaster Relief & Recovery Arrangements gave rise to \$11k being received which is unbudgeted.
- d) This variance is due to the correction of an accrual for Long Service Leave at the end of the previous financial year.



6. Employee Costs

	YTD Adopted Budget	YTD Actual	Variance
a) Salaries & Wages	\$21,841k	\$20,032k	\$1,809k
b) Other Employment Costs	\$1,619k	\$1,915k	(\$296k)
	<u>\$23,460k</u>	<u>\$21,947k</u>	<u>\$1,513k</u>

- a) The variance is due to a combination of turnover of staff, vacancies which arose in the period and are backfilled by agency employees (refer to b) below) and budgeted salary increases from 1 July 2010 that are yet to occur.
- b) The Employee Labour capital recovery variance is (\$264k) unfavourable as a result of delayed recruitment of budgeted project staff and is also affected where capital works are behind the budget schedule.

Agency Employee expenditure is (\$107k) over budget in Rangers, Parking Services and Community Safety for processing the increased level of infringements issued and Beach Management Plan Rangers. An additional (\$58k) in engineering maintenance and parks is required to cover vacant positions and secondments. This variance is offset by savings in Salary and Wages.

Staff Training is currently \$106k below budget but this is expected to be made up in the second half of the year.

7. Materials and Contracts

	YTD Adopted Budget	YTD Actual	Variance
a) Accommodation & Property	\$357k	\$464k	(\$107k)
b) Administration	\$658k	\$477k	\$181k
c) Finance Related Costs	\$323k	\$265k	\$58k
d) Professional Fees & Costs	\$1,000k	\$917k	\$83k
e) Public Relations, Advertising & Promotions	\$467k	\$379k	\$88k
f) Contributions & Donations	\$1,317k	\$1,030k	\$287k
g) Furniture, Equipment and Artworks	\$896k	\$576k	\$320k
h) Other Materials	\$829k	\$736k	\$93k
i) External Service Expenses	\$8,891k	\$8,085k	\$806k
j) Service Charges from Other Councils	\$4,163k	\$3,821k	\$342k
Other Variances - not material	\$2,067k	\$1,940k	\$127k
	<u>\$20,968k</u>	<u>\$18,690k</u>	<u>\$2,278k</u>

- a) Accommodation and Property now includes (\$140k) for refuse removal of green waste previously part of External Services Expenses (refer to i) below). This is due to centralising the collection service at the Works Operation Centre as a more efficient method of handling green waste.



There is a variance against budget of \$56k for lease payments to Landcorp in relation to Lot 701, 380 Joondalup Drive which is still to be paid. The balance includes (\$11k) storm damage to the Civic Chambers Building claimed through insurance and (\$12k) various other minor amounts not in the budget, including security charges and additional rate outgoings.

- b) Printing costs for the City are \$135k below budget, including \$30k for the City Directory to be redirected to regional promotion strategy. A number of strategic initiatives are in progress, including the Economic Development Plan and bio-diversity program, and material amounting to \$9k is still to be printed. Other areas underspent to date are Leisure and Culture \$36k, where events and promotions are still to occur, and \$26k for civic functions and ceremonies.

The other Administration expenditure variances below budget are Sundry Administration expenses of \$23k and Photography & Video Production \$24k which includes a sponsorship DVD that was not produced. The balance is spread across a number of areas.

- c) The favourable variance for Finance Related costs includes lower than expected Credit Card Merchant Fees \$21k, Bank Charges \$15k and \$7k for Cash Collections to be adjusted at the budget review.

A provision in Waste Management for license subsidy payments to the Materials Recovery Facility of \$15k is still outstanding with payment for the first six months to be made in January 2011.

- d) Consultancy expenditure is \$189k below budget over a range of projects which include the Currabine Community Centre \$50k which is delayed until early 2011, Percy Doyle Master Plan \$50k, Infrastructure Planning for Northern Corridor \$25k, Traffic Counts \$20k and Edgewater Quarry Master Plan \$15k.

Lodgement Fees for Fines Enforcement of unpaid parking infringements are (\$68k) over budget and Vehicle License Search fees (\$19k), offset by higher revenue received (see 3 i) above). Total legal fees are over the budget by (\$35k), comprising collection fees recoverable (\$21k) and other fees which include unexpected expenditure incurred in relation to the Mindarie Regional Council.

- e) Savings of \$22k arose at the Craigie Leisure Centres due to the Wildcats event not going ahead. The City incurred unbudgeted Entertainment and Hospitality expenses of (\$46k) to promote extended trading hours within the City Centre.

Other areas underspent include Signage and Decals \$27k, Promotions \$31k and General Advertising \$47k due to the timing of events and incorrect phasing of the budget.

- f) In Contributions and Donations (\$57k) payments were made to Sports Clubs for the maintenance of cricket wickets which are not reflected in the budget.

In Recreation Services under the CSRFF program the Beaumaris Sports Association project was cancelled saving \$126k due to the works not going ahead. A final payment of \$175k for the construction of clubrooms is delayed and will be made to



the Arena Community Sports and Recreation Association upon completion of the project expected in January 2011.

In addition the Clubs in Focus program is underspent by \$11k for sponsorships which are dependent upon receipt of applications for grants from the Joondalup Sports Association. Other variances are not material and spread across different areas.

- g) Plant and Equipment maintenance for Information Technology is \$64k below budget for computer equipment purchases for the PC and minor printers' replacement program which is to be delivered in the second half of the year.

Other areas below budget are Parking Services \$42k in relation to Ticket Machines and Leisure Centre \$102k for pools and Gym equipment.

Waste Management is \$126k behind budget for the replacement of Refuse Bins, with other smaller variances spread across the organisation and are mainly due to timing differences.

- h) Other materials under budget are mainly due to building materials being included in charges from External Contractors who invoice the City in total for work done. (see i) below)
- i) External Service Expenses are below budget for maintenance of Drainage \$97k, Footpaths \$60k and Street Trees \$55k which are affected by seasonal factors and the prevailing dry conditions. Maintenance of the City's Building and Facilities is running (\$114k) ahead of budget due to essential work which is unplanned.

In addition refuse removal charges are \$140k underspent owing to the costs being charged to Accommodation and Property (see a) above).

Infrastructure expenditure is \$148k below budget due to delays with the tender for the collection of data relating to the City's road network audit, including inventory updates, condition rating and roughness testing.

Information Technology is \$53k below budget as projects are progressing later than planned in the budget.

Expenditure for Graffiti Removal \$65k is lower than budget with savings from reduced number of incidents, including at Kinross Park, and the Juvenile Justice Referral Program delivering part of the service. An expected contract price increase later in the year will make up a current variance for City Watch of \$34k.

Tipping Fees for the City are \$213k below budget to date because actual charges vary with the seasonal volumes compared to phasing in the budget and delays in invoicing.

The remaining favourable variance is mainly dependant on requirements for external services such as at Leisure Centres \$70k, with the balance spread across a number of areas.

- j) Waste Management charges from the City of Wanneroo are \$342k under budget largely due to the reversal of an over accrual of expenditure in June 2010 of \$180k



for the MRF recycling costs to be adjusted in the mid-year budget review. Other variances are expected to be caught up by the end of the financial year.

Other variances are spread across a number of different areas and are not material.

8. Capital Grants and Subsidies

	YTD Adopted Budget	YTD Actual	Variance
a) Ocean Reef Marina Development	\$600k	-	(\$600k)
b) Major Projects Program	-	\$913k	\$913k
c) Major Road Construction	\$1,831k	\$912k	(\$919k)
d) Road Preservation & Resurfacing Program	\$1,242k	\$1,502k	\$260k
e) Blackspot Program	\$576k	\$21k	(\$555k)
Other	\$24k	(\$2k)	(\$26k)
	<u>\$4,273k</u>	<u>\$3,346k</u>	<u>(\$927k)</u>

- a) It is anticipated that \$100k grant revenue will be received this year from the Recreational Boating Facilities Scheme.
- b) The City received progress payments of \$913k for the Regional Local Community Infrastructure Projects at Seacrest Park, Macdonald Reserve and Forrest Park which were budgeted to be received in 2009/10.
- c) The grant received to date for the Moore Drive East project has exceeded budget by \$141k. The grant for Burns Beach Road East (\$1,060k) will be received later than anticipated in the budget.
- d) This favourable variance is due to the State Local Roads Grant being received quarterly compared to the budget which is phased according to work schedules.
- e) This unfavourable variance includes (\$144k) for Traffic Management work on Craigie Drive, Gradient Way to Barwon Road due to the grant being received in the previous financial year. Also included is (\$80k) for Whitfords - Endeavour Traffic Signals of which only \$47k is anticipated to be received this year as part was received in the previous financial year and the total project will be below budget.

The balance of the variance is mainly due to the timing of actual claims against budget phasing.



9. Capital Projects

	YTD Adopted Budget	YTD Actual	Variance
a) Ocean Reef Marina Development	\$1,372k	\$193k	\$1,179k
b) Joondalup Performing Arts & Cultural Facility	\$96k	\$3k	\$93k
c) Cafes, Restaurants & Kiosks	\$74k	\$2k	\$72k
d) Upgrade to the Wanneroo Materials Recycling Facility	\$245k	-	\$245k
e) Network Infrastructure Upgrade	\$140k	\$64k	\$76k
f) Infringement Issuing System	\$150k	-	\$150k
g) Gym Equipment Upgrade - Stage 3	\$98k	\$34k	\$64k
h) Video Surveillance MacNaughton Park	-	\$75k	(\$75k)
Other Projects – not material	\$476k	\$368k	\$108k
	\$2,651k	\$739k	\$1,912k

- a) A detailed review of the Ocean Reef Marina Development project has deferred some expenditure until 2011/12 thus the forecast expenditure for this financial year will be adjusted at the Mid Year Budget Review.
- b) Council has endorsed the appointment of and Terms of Reference for the Project Steering Committee. Tasks to be undertaken will be considered by this Committee in due course.
- c) It is anticipated that a review and reassessment of the key tasks and milestones for this project will commence in January 2011.
- d) The schedule of works at the Materials Recycling Facility is behind budget phasing.
- e) Some orders have been placed in December and the project phasing will be adjusted at the Mid Year Review.
- f) The tender for the Infringement Issuing System has closed and an evaluation of the responses has been completed.
- g) The replacement gym equipment was installed in December however payment is to be made in January.
- h) Unbudgeted expenditure occurred on Video Surveillance equipment at MacNaughton Park, Kinross. This expenditure is funded by a grant received from the Office of Crime Prevention in the previous financial year.

10. Capital Works

	YTD Adopted Budget	YTD Actual	Variance
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a) Major Road Construction	\$3,140k	\$2,042k	\$1,098k
b) Traffic Management Program	\$2,330k	\$911k	\$1,419k
c) Parks Equipment Program	\$1,102k	\$569k	\$533k
d) Road Preservation / Resurfacing Program	\$2,494k	\$1,908k	\$586k
e) Bridges Program	\$354k	-	\$354k
f) Foreshore and Natural Areas Management	\$392k	\$169k	\$223k
g) Major Building Capital Works	\$1,820k	\$889k	\$931k
h) Major Projects	\$4,585k	\$2,901k	\$1,684k
Other Works variances - not material	\$1,498k	\$1,072k	\$426k
	<u>\$17,715k</u>	<u>\$10,461k</u>	<u>\$7,254k</u>

- a) The Burns Beach Road (East) project has a favourable variance of \$204k as additional expenditure was actually incurred in 2009/10. The project is largely complete and any outstanding commitments will be paid in the coming months.

Work has commenced on the Moore Drive / Connolly Drive dual carriageway with construction of the project extending until May 2011, giving a \$795k favourable timing variance to budget.

It should be noted that at the end of December 2010 there was \$1.9 million of purchase order commitments that are not reflected in the actual expenditure on Major Road Construction.

- b) The work budgeted in July for Craigie Drive; Gradient Way to Barwon Road was actually completed and the grant claimed in the previous year, resulting in expenditure being \$143k below budget.

Work on Duffy Terrace, Whitfords Avenue to Woodvale Drive project is \$105k under budget with sign installation and mulching still to be completed.

Major Traffic Management projects where work has commenced behind schedule include Timberlane Drive - Trappers Drive (North) \$144k, Lillburne Road - Warwick Road to Hepburn Avenue \$112k and Kingsley Drive \$196k and are below the budget.

State Blackspot Projects commenced behind budget schedule include work in Edgewater Drive \$89k and Bluemount Drive \$78k which are currently being progressed. A range of other projects have commenced or are currently being designed within this program amounting to \$118k below budget.

The balance of the favourable variance is due to the timing of expenditure on a number of similar projects which are behind budget phasing.

- c) This variance includes Revegetation of Sumps \$54k where work has commenced and the Floodlight and Pole replacement program \$122k. Expenditure is also below budget for various Tennis Court Resurfacing and Fencing projects and the replacement of pads and synthetic mats for various Cricket Wickets across the City.
- d) The road resurfacing program was previously delayed by weather conditions earlier in the year with commitments of \$229k awaiting payment. Constellation Drive - Hodges Dr to Shenton Ave shows a variance of \$237k and is expected to be completed at the end of February 2011.



- e) The Bridges program was delayed owing to difficulty experienced in obtaining contractors quotes and is now forecast to be completed in March 2011.
- f) This variance is mainly due to a favourable timing variance \$178k which occurred on the North Marmion Beach redevelopment due to delays in obtaining quotes.
- g) Expenditure was below budget \$150k for the Replacement of the Council Chamber Chiller Compressors and \$77k for the Mullaloo Surf Life Saving Club repainting which were completed in 2009/2010.

The replacement of the Asbestos Cement at the Joondalup Administration Centre was completed \$128k below budget. The balance of the favourable variance is spread across a number of other projects, and is mainly as a result of the timing of the actual works against budget phasing.

- h) Progress payments for the Regional Local Community Infrastructure Projects at Seacrest Park Community Sporting Facility, Forrest Park Clubrooms, Fleur Freame Pavilion and Gibson Park Community Centre are behind budget phasing by \$1,684k. All projects are forecast to be complete this financial year.

It should be noted that at the end of December 2010 there was \$2.1 million of purchase order commitments that are not reflected in the actual expenditure across the four Regional Local Community Infrastructure Projects.

11. Motor Vehicle Replacements

Two Isuzu trucks \$155k budgeted to be replaced this financial year were actually replaced in the previous financial year.

The balance of the variance is mainly due to timing differences compared to the original budget.

12. Loan Funds

The budget provided for the earlier funding of the City share of the Regional Community Local infrastructure Projects \$2.9 million than has occurred to date due to the timing of completion of these projects.



13. Closing Funds

	Actual
Current Assets	
Cash Assets	\$96,115k
Rates and Sundry Debtors	\$12,255k
GST Receivable	\$695k
Accrued Income	\$1,674k
Advances and Prepayments	\$273k
	\$111,012k
Less: Current Liabilities	
Creditors	(\$1,320k)
Sundry Payables	(\$5,731k)
Provisions - Annual Leave	(\$2,877k)
Provisions - Other	(\$4,904k)
Accrued Expenses	(\$3,610k)
Borrowings	(\$603k)
GST Payable	(\$81k)
	(\$19,126k)
Net Current Assets	\$91,886k
Less: Borrowings	(\$587k)
Restricted Assets	(\$40,849k)
Closing Funds - Surplus	\$50,451k
Non Current adjustments to closing funds	
Less: Provision for Long Service Leave	(\$122k)
Less : Recovery of MRF contribution	(\$60k)
Adjusted Closing Funds - Surplus	\$50,268k