



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

Contents

Appendix

Financial Activity Statement	A
Capital Expenditure Summary	B
Capital Works Summary	C
Investment Summary	D
Notes to and Forming Part of the Financial Activity Statement	E

Material Variances

For the financial year ended 30 June 2006, Council has adopted a variance amount of \$50,000 or 5% of the appropriate base, whichever is higher, to be a material variance.



Financial Activity Statement for the period ended 30 June 2006

	Note	Revised Budget	YTD Budget	YTD Actual	Variance	Variance
		\$	\$	\$	\$	%
OPERATING REVENUE						
Rates		49,066,057	49,066,057	49,467,380	401,323	1
Rates - Specified Area		116,592	116,592	119,156	2,564	2
Government Grants & Subsidies	1	9,013,648	9,013,648	7,964,605	(1,049,043)	(12)
Contributions, Reimbursements and Donations	2	9,124,102	9,124,102	11,547,947	2,423,845	27
Profit on Asset Disposal	3	369,596	369,596	51,757	(317,839)	(86)
Fees & Charges		14,841,068	14,841,068	14,330,190	(510,878)	(3)
Interest Earnings	4	2,596,644	2,596,644	3,451,631	854,987	33
Other Revenue		151,321	151,321	181,241	29,920	20
		85,279,028	85,279,028	87,113,907	1,834,879	2
OPERATING EXPENDITURE						
Employee Costs	5	30,046,364	30,046,364	27,609,431	2,436,933	8
Materials & Contracts		26,599,077	26,599,077	25,436,526	1,162,551	4
Utilities (Gas, Electricity, Water etc)		3,189,388	3,189,388	3,318,677	(129,289)	(4)
Depreciation on Non Current Assets		15,030,810	15,030,810	15,095,114	(64,304)	(0)
Loss on Asset Disposal	6	260,485	260,485	104,208	156,277	60
Interest Expense		194,683	194,683	188,101	6,582	3
Insurance Expenses		966,963	966,963	932,952	34,011	4
Other Expenses		54,000	54,000	53,978	22	0
		76,341,770	76,341,770	72,738,987	3,602,783	5
SURPLUS/(DEFICIT) FROM OPERATIONS		8,937,258	8,937,258	14,374,921	5,437,663	61
CAPITAL EXPENDITURE						
Purchase of Land		0	0	0	0	0
Purchase of Buildings		0	0	0	0	0
Purchase of Artworks		20,000	20,000	10,000	10,000	50
Purchase of Furniture & Equipment	7	1,798,808	1,798,808	583,895	1,214,913	68
Purchase of Vehicles & Plant	8	3,547,000	3,547,000	1,759,357	1,787,643	50
Acquired Infrastructure Assets	9	3,750,000	3,750,000	6,121,122	(2,371,122)	(63)
Construction of Infrastructure Assets	10	32,640,750	32,640,750	16,283,183	16,357,567	50
SUB TOTAL CAPITAL EXPENDITURE		41,756,558	41,756,558	24,757,557	16,999,001	41
SURPLUS/(DEFICIT) FROM OPERATIONS AND CAPITAL EXPENDITURE		(32,819,300)	(32,819,300)	(10,382,637)	22,436,663	(68)
Adjustments for Non-Cash Movements						
Depreciation on Assets		15,030,810	15,030,810	15,095,114	64,304	0
Loss on Disposal	6	260,485	260,485	104,208	(156,277)	(60)
Profit on Disposal	3	(369,596)	(369,596)	(51,757)	317,839	(86)
						0
Adjustments for Other Cash Movements						
Proceeds from Disposal	11	1,560,000	1,560,000	635,329	(924,671)	(59)
Loan funds		900,000	900,000	900,000	0	0
Loan repayments (principal)		(228,493)	(228,493)	(228,493)	0	0
						0
Funded From						
Transfers from Reserves	12	20,777,394	20,777,394	9,107,156	(11,670,238)	(56)
Transfers to Reserves	13	(12,723,873)	(12,723,873)	(11,330,178)	1,393,695	(11)
Opening Funds	14	8,229,698	8,229,698	8,199,039	(30,659)	(0)
Closing Funds		617,125	617,125	12,047,781	11,430,656	1,852

CITY OF JOONDALUP
June-06

	<i>Note</i>	<i>Revised Budget</i>	<i>YTD Budget</i>	<i>YTD Actual</i>	<i>Variance</i>	<i>Variance</i>
		\$	\$	\$	\$	%
Capital Expenditure						
Computer & Computer Equipment	7	1,361,793	1,361,793	354,765	1,003,985	74
Furniture & Office Equipment	7	234,985	234,985	133,271	101,714	43
Heavy Vehicles	8	980,000	980,000	163,840	816,160	83
Light Vehicles	8	1,825,000	1,825,000	1,221,708	610,262	33
Mobile Plant	8	742,000	742,000	373,809	368,191	50
Plant & Equipment	7	202,030	202,030	95,859	108,228	54
Artifacts & Artworks		20,000	20,000	10,000	10,000	50
Parks & Reserves Infrastructure	9	105,000	105,000	0	105,000	100
Roads Infrastructure	9	2,450,000	2,450,000	4,302,936	(1,852,936)	(76)
Footpaths Infrastructure	9	235,000	235,000	335,668	(100,668)	(43)
Drainage Infrastructure	9	785,000	785,000	1,391,418	(606,418)	(77)
Car Parking Infrastructure		0	0	0	0	0
Other Engineering Infrastructure	9	175,000	175,000	91,100	83,900	48
Capital Expenditure Total		9,115,808	9,115,808	8,474,375	647,417	7



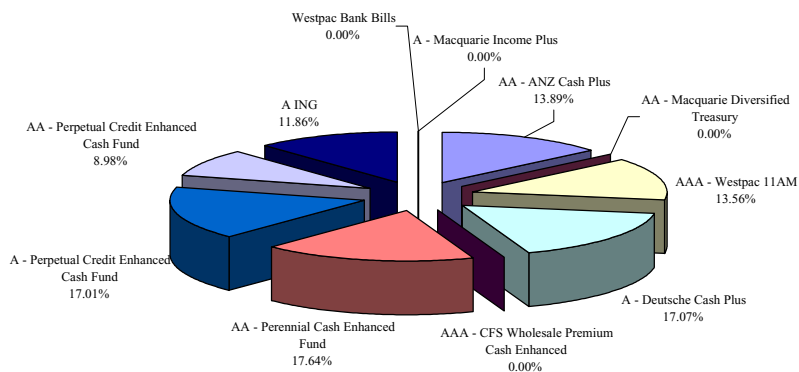
Capital Works Summary

CITY OF JOONDALUP

June-06

	<i>Note</i>	<i>Revised Budget</i>	<i>YTD Budget</i>	<i>YTD Actual</i>	<i>Variance</i>	<i>Variance</i>
		\$	\$	\$	\$	%
Capital Works						
Council Projects	10	15,118,512	15,118,512	5,785,470	9,333,042	62
Road Resurfacing	10	4,507,734	4,507,734	3,256,185	1,251,549	28
Major Road Construction Program	10	4,319,247	4,319,247	2,690,985	1,628,262	38
Traffic Management	10	2,360,457	2,360,457	1,464,332	896,125	38
Drainage	10	845,211	845,211	338,419	506,792	60
Street Lighting	10	338,516	338,516	90,452	248,064	73
Paths Program	10	650,406	650,406	456,187	194,219	30
Parking Facilities	10	372,100	372,100	74,730	297,370	80
Major Building Works	10	2,184,234	2,184,234	991,624	1,192,610	55
Foreshore Protection	10	326,188	326,188	258,979	67,209	21
Sporting Facilities	10	399,366	399,366	93,640	305,726	77
Playground Equipment	10	337,236	337,236	254,353	82,883	25
Parks & Reserves Enhancement	10	881,543	881,543	527,827	353,716	40
Capital Works Total		32,640,750	32,640,750	16,283,183	16,357,567	50

City of Joondalup - Investment Balances



Investment Account	Funds Held
AA - ANZ Cash Plus	\$ 6,880,023
AA - Macquarie Diversified Treasury	-
AAA - Westpac 11AM	6,716,015
A - Deutsche Cash Plus	8,456,071
AAA - CFS Wholesale Premium Cash Enhanced	-
AA - Perennial Cash Enhanced Fund	8,738,278
A - Perpetual Credit Enhanced Cash Fund	8,425,411
AA - Perpetual Credit Enhanced Cash Fund	4,449,462
A ING	5,873,405
A - Macquarie Income Plus	0
Westpac Bank Bills	-
Total Funds held in AA + A Investments	49,538,666

Total	<u>49,538,666</u>
-------	-------------------

Amount included in total funds invested that relate to reserves:

\$ 24,283,778

Other Comments

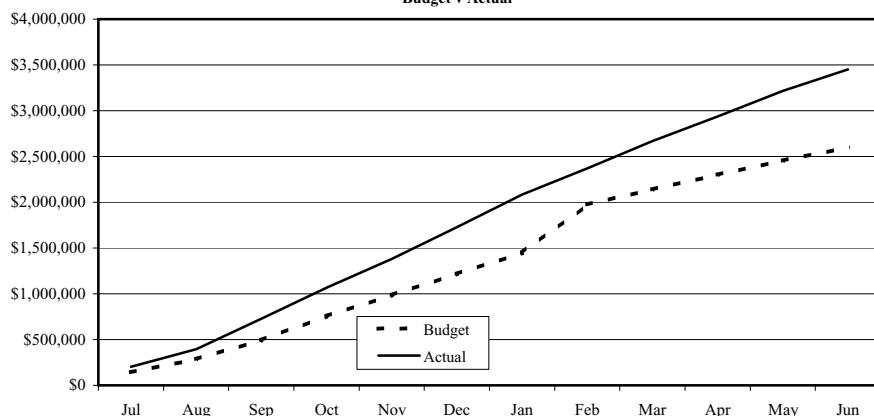
Investments are in accordance with Council Policy. Maximum investment with any one institution :

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 2005/06 Budget v Actual



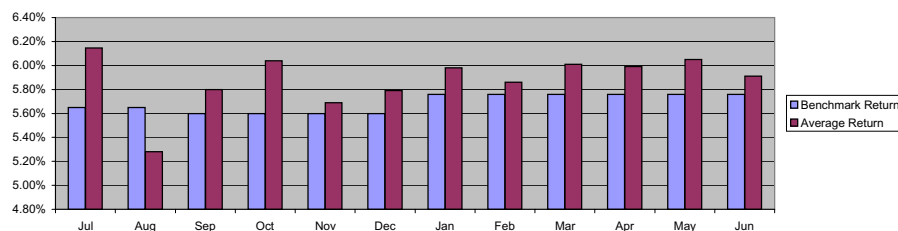
Return on Investments

Year to Date Interest:	Budget	Actual
	\$2.597m	\$3.452m

Average return for the portfolio:	5.91%
Benchmark return:	5.76%

The Benchmark is the UBSWA Bank Bill Index (a 90 day index of bank bill returns)

Return on Investments



NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT
FOR THE PERIOD ENDED ON 30 JUNE 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) Roads to Recovery Program	\$934k	\$1,878k	\$944k
b) Metro Regional Road Program	\$1,281k	\$802k	(\$479k)
c) FESA	\$0k	\$67k	\$67k
d) Geothermal Bore	\$450k	\$0k	(\$450k)
e) Ocean Reef Marina	\$700k	\$0k	(\$700k)
f) Iluka Floodlights	\$120k	\$10k	(\$110k)
g) Black Spot Funding	\$463k	\$267k	(\$196k)
h) Department of Education	\$60k	\$0k	(\$60k)
i) Kendrew Crescent Traffic Signals	\$75k	\$0k	(\$75k)
j) Other	\$4,931k	\$4,941k	\$10k
	<u>\$9,014k</u>	<u>\$7,965k</u>	<u>(\$1,049k)</u>

- a) The grant funds for the Roads to Recovery projects have been received in advance. The program has not yet been completed and funds will be carried forward to the next financial year, **\$944k**.
- b) The variance primarily relates to the grant funds for the Burns Beach Road project. Although approved in 05/06 the project will be constructed in one stage in the next financial year to co-ordinate works with Main Roads WA Mitchell Freeway extension, **(\$479k)**.
- c) An unbudgeted FESA grant has been received for the operation of Joondalup State Emergency Services (SES), **\$67k**. This is offset by unbudgeted contributions paid to the SES unit \$67k.
- d) The geothermal bore component of the Craigie Leisure Centre redevelopment was completed on 27 June 2006 with final payment made during July 2006. This grant is only claimable after completion and payment of the relevant works, **(\$450k)**.
- e) This grant is to be paid progressively in line with expenditure by the City. Capital expenditure for the Ocean Reef Marina project is underspent as at end of June by \$1,017k, **(\$700k)**.
- f) Iluka Sports floodlighting has been deferred as negotiations with the sports club regarding project scope have changed significantly, **(\$110k)**.
- g) Blackspot projects have been delayed awaiting final approvals from Main Roads WA. These projects will be carried forward into the next financial year, **(\$196k)**.

- h) There were no projects identified by the Education Department during the year and consequently no grant funds were received, **(\$60k)**.
- i) The funds received from Main Roads and Public Transport Authority for the traffic signals at the intersection of Grand Boulevard and Kendrew Crescent was originally budgeted as grant income however the funds were received as a contribution, **(\$75k)**.

2 Contributions, Reimbursements and Donations

The details of the year to date variance for contributions, reimbursements and donations are as follows: -

	Budget	Actual	Variance
a) Kendrew Crescent Traffic Signals	\$0k	\$65k	\$65k
b) Acquired Infrastructure Assets	\$3,750k	\$6,121k	\$2,371k
c) Other	<u>\$4,247k</u>	<u>\$4,235k</u>	<u>(\$12k)</u>
	\$9,124k	\$11,548k	\$2,424k

- a) The funds received from the Main Roads and Public Transport Authority for the traffic signals at the intersection of Grand Boulevard and Kendrew Crescent was originally budgeted as grant income however the funds were received as a contribution, **\$65k**.
- b) The value of the contribution for acquired infrastructure assets is dependent on the level of sub-divisional development. The variance is due to a greater amount of sub-divisional development during the year than budgeted, **\$2,371k**.

3 Profit on Asset Disposal

The trade-in of heavy and light vehicles and mobile plant was delayed as a review of the procedures for the trade-in of vehicles under the State Government common use contract was undertaken. In addition some plant and vehicles, which were budgeted to be replaced will not be replaced, as their condition is better than anticipated, **\$318k**.

4 Interest Earnings

The City received a year to date portfolio return of **5.91%**, compared to budgeted return of **5.67%**, resulting in increased revenue of **\$143k** attributable to the higher rate of interest. The average balance of funds invested was **\$58.3m** compared to the budgeted amount of **\$45.8m**, resulting in additional revenue of **\$712k**.

Employee Costs

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

a) 2005/06 Establishment vacancies	\$1,943k
b) 2005/06 New project positions	\$460k
c) Advertising - staff vacancies	(\$99k)
d) Contract/Agency Labour	(\$72k)
e) Staff Training	\$172k
f) Other	<u>\$33k</u>
	\$2,437k

- a) Cumulative effect of vacancies within the approved establishment during the year. This is partly offset by an increase in cost of contract/agency labour (refer item d below) and additional participants in the salary sacrifice scheme.
- b) Delays have occurred in the Spatial Data Management and Ranger services projects.
- c) The advertising variance is primarily due to an increased number of vacancies advertised this financial year.
- d) The contract/agency labour variance is due to contractors being appointed within Rangers, Planning, Approvals and other areas to fill vacancies.
- e) The variance is due to delays with commencing the Corporate Training Plan whilst a review of the Corporate Training Plan was undertaken. In addition there were delays with submission of Business Unit training plans, **\$172k**.
- f) Other variances are related to a number of minor variances individually less than \$50k.

6 Loss on Asset Disposal

The trade-in of heavy and light vehicles and mobile plant was delayed as a review of the procedures for the trade-in of vehicles under the State Government common use contract was undertaken. In addition some plant and vehicles, which were budgeted to be replaced have not be replaced, as their condition is better than anticipated, **\$156k**.

Purchase of Furniture and Equipment

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

	Budget	Actual	Variance
a) Payroll System	\$250k	\$99k	\$151k
b) Computer Room Upgrade	\$200k	\$137k	\$63k
c) Corporate PC and Notebook Replacement Program	\$289k	\$38k	\$250k
d) Document Management System	\$100k	\$0k	\$100k
e) Network Infrastructure	\$200k	\$0k	\$200k
f) Oracle System Expansion	\$103k	\$11k	\$92k
g) 5 Year Major IT Upgrade Plan	\$75k	\$0k	\$75k
h) Leisure Centres Network Maintenance and Upgrades	\$61k	\$35k	\$26k
i) New Proposal for Building Refurbishment	\$130k	\$0k	\$130k
j) Signage Joondalup Leisure Centre	\$51k	\$0k	\$51k
k) Interior Aesthetics Improvements for Libraries	\$0k	\$64k	(\$64k)
l) Spatial Data Management	\$70k	\$0k	\$70k
m) COJ Mobile Youth Service	\$30k	\$0k	\$30k
n) Other	<u>\$240k</u>	<u>\$200k</u>	<u>\$40k</u>
	\$1,799k	\$584k	\$1,215k

- a) The budget included a provision for a new HR/Payroll system, **\$205k** and associated equipment, **\$45k**. Implementation commenced in February 2006. Items which were originally budgeted as capital expenditure has been purchased as operating due to items costing less than \$2k, **\$42k**. It is expected that project funds of **\$109k** will be carried forward to the next financial year.
- b) The variance primarily relates to items, which were originally budgeted as capital expenditure but have been purchased as operating due to items costing less than \$2k, **\$41k**. It is expected that project funds of **\$22k** will be carried forward to the next financial year.
- c) All orders have been placed for PCs, notebooks and printers for the Corporate PC and Notebook Replacement Program. The variance of **\$250k** primarily relates to items, which were originally budgeted as capital expenditure but have been purchased as operating due to items costing less than \$2k.
- d) The business case for the new Document Management System will not be completed and approved until the first quarter of the next financial year. Therefore these funds will not be spent this financial year and will be carried forward, **\$100k**.
- e) The funding for this project is to be carried forward to 2006/07 due to delays in issuing the request for quotation for design consultancy, **\$200k**.
- f) The variance primarily relates to items, which were originally budgeted as capital expenditure but have been purchased as operating due to items costing less than \$2k, **\$67k**. It is expected that project funds of **\$25k** will be carried forward to the next financial year.

- g) The IT upgrade project plan and business case will need to be further developed before expenditure is incurred. The funds for the project will be carried forward into the next financial year, **\$75k**.
- h) The variance is due to cost savings derived from lower than expected establishment costs for the Craigie Leisure Centre data link, **\$26k**.
- i) This proposal relates to office refurbishments for the administration building. Minor works have been undertaken and are of an operating nature, **\$130k**.
- j) The project for the Signage for Craigie Leisure Centre was completed and fully expended in June 2006. The variance is due to the project was budgeted as capital but the actual expenditure was of an operating nature, **\$51k**.
- k) Equipment purchases to improve the interior aesthetics of the libraries was originally budgeted as operating expenditure but have been classified as capital expenditure as individual items have cost more than \$2k, **(\$64k)**.
- l) The business case for this project has been prepared and is currently under consideration. No expenditure will occur this financial year and funding is to be carried forward to the next financial year, **\$70k**.
- m) The project did not commence during this financial year. The project required negotiation on the agreement regarding the bus ownership and availability of funds to fit out the bus. The project will be carried forward to the next financial year, **\$30k**.
- n) Other variances are not material, **\$40k**.

8 Purchase of Vehicles and Plant

The variances associated with the vehicles and plant capital budgets are mainly as a result of deferred purchases pending the outcome of a review of procedures for the purchase of vehicles under the State Government common use contracts. In addition some plant and vehicles, which were budgeted to be replaced have not be replaced, as their condition is better than anticipated, **\$2,105k**.

These were offset by the purchase of heavy vehicles, **(\$164k)**, light vehicles, **(\$78k)**, and mobile plant, **(\$75k)** budgeted for in 2004/05 as they was expected to be delivered prior to the end of the financial year. Delivery was delayed due to unforeseen circumstances of the supplier.

Acquired Infrastructure Assets

The value of the acquired infrastructure assets is dependent on the level of sub-divisional development. The variance is due to a greater amount of sub-divisional development during the year than budgeted and includes Hillarys, Burns Beach and Iluka developments, **(\$2,371k)**.

10 Construction of Infrastructure Assets

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

	Budget	Actual	Variance
a) Council Projects	\$15,119k	\$5,786k	\$9,333k
b) Road Resurfacing	\$4,508k	\$3,256k	\$1,252k
c) Major Road Construction Program	\$4,319k	\$2,691k	\$1,628k
d) Traffic Management	\$2,360k	\$1,464k	\$896k
e) Drainage	\$845k	\$338k	\$507k
f) Street Lighting	\$339k	\$91k	\$248k
g) Paths Program	\$651k	\$456k	\$194k
h) Parking Facilities	\$372k	\$75k	\$297k
i) Major Building Works	\$2,184k	\$992k	\$1,193k
j) Foreshore Protection	\$326k	\$259k	\$67k
k) Sporting Facilities	\$399k	\$93k	\$306k
l) Playground Equipment	\$337k	\$254k	\$83k
m) Parks & Reserves Enhancement	<u>\$882k</u>	<u>\$528k</u>	<u>\$354k</u>
	\$32,641k	\$16,283k	\$16,358k

a) Council Projects:-

- Joondalup Cultural Facility: The title required for the transfer of land has not yet been created and accordingly settlement could not proceed, **\$595k**. Landscaping works cannot proceed until the City is in possession of the site, **\$174k**.
- Sorrento Beach Project: The project is open to the public, however some outstanding works on the toilet block and shelters will be completed by August 2006, **\$254k**.
- Craigie Leisure Centre Refurbishment: Work at the Craigie Leisure Centre was completed on 27 June with final payment made during July 2006, **\$211k**.
- Ocean Reef Marina: The appointment of consultants has been finalised and expenditure for the project will now commence, **\$1,017k**.
- Joondalup Works Depot: This project has now changed from purchasing land and constructing a new depot to leasing land and constructing a depot. Accordingly expenditure for this financial year was minimal, **\$6,922k**.

- Currambine Community Centre: Research regarding the needs of the community at Currambine Community Centre has not been undertaken. The funds allocated to the project were for the needs assessment as well as preliminary project costs such as concept design development, **\$160k**

b) Road Resurfacing:-

- There were delays in commencing the road resurfacing program due to a number of contributing factors including inclement weather and an industry-wide demand for contractors. Outstanding works will be carried forward into the next financial year for completion, **\$1,252k**.

c) Major Road Construction Program:-

Details of the year to date variance of **\$1,628k** are as follows:

- Ocean Reef Road: The development was completed on 31st October and was overspent due to variations for lighting, which will be funded from savings in other projects within the Major Road Construction Program.
- Burns Beach Road: This project is funded 2/3 by the State Government and 1/3 by the City. This project is funded over a 2 year period. Although funded in 05/06 this project will be constructed in one stage in next financial year to co-ordinate works with Main Roads WA Mitchell Freeway extension.
- Other Roadworks: The funds for Major Construction Design of Various Roads will be expended on completion of the Burns Beach Road Development.

d) Traffic Management:-

A number of projects are underspent, **\$896k**, including:

- Installation of traffic signals as part of the Black Spot program has been delayed due to final approvals from Main Roads WA. These projects will be carried forward into the next financial year.
- The installation of traffic signals at Grand Boulevard and Kendrew Crescent have been completed and the City is awaiting invoices for these works.
- Construction of a slip lane at Cord Street and Winton Road was delayed as a result of extended public consultation with adjacent business stakeholders.
- Sorrento and Mulligan Traffic Management Schemes were delayed due to extended public consultation issues regarding the final design layout.

e) Drainage:-

A number of projects are underspent, **\$507k**, including:

- Joondalup Gate Development: the City is currently finalising contribution towards a main drainage system.
- Collier Pass has been completed and further expenditure will be incurred on security fencing.
- Yellagonga Regional Park works are being undertaken and will be completed in the next financial year.

f) Street Lighting:-

A number of projects are underspent, **\$248k**, including:

- Minor improvements to arterial and local roads street lighting are carried out on an “as needs” basis throughout the year. To date, minimal works have been identified in this area.

g) Paths Program:-

A number of projects are underspent, **\$195k**, including:

- Shared Paths: The footpath contractors experienced initial delays due to wet weather conditions but it is expected that these projects will be fully expended early in the next financial year.
- Bicycle Facilities: Works on this program to be completed within the next financial year.

h) Parking Facilities:-

- City Centre Parking Project will be carried forward to the next financial year following outcomes from the City Centre Parking Strategy.

i) Major Building Works:-

A number of projects are underspent, **\$1,193k**, including:

- The City Centre toilet block is in the design and documentation stage after delays in obtaining Western Australian Planning Commission approval. Works will be completed in the next financial year.
- Work on Neil Hawkins Park toilets is currently in progress and will be completed early in the next financial year.

- Iluka Foreshore Toilets have been completed, awaiting final invoices.
- The contract for the lift replacement for the Administration Building has been awarded however due to industry wide delays this project will be carried forward into the next financial year.
- The replacement of air conditioning chillers for the Administration Building is still in the tender evaluation stage.
- The Woodvale Library air conditioner project is in the tender assessment stage and will be carried forward into the next financial year.

j) Foreshore Protection:-

- This variance is primarily due to delays in the formalisation of a natural areas management team, **\$67k**. This team is in the process of being appointed. The project will be carried forward into the next financial year.

k) Sporting Facilities:-

- Iluka Sports floodlighting has been delayed as negotiations with the sports club, regarding the scope of work, are still to be finalised and will be carried forward into the next financial year, **\$222k**.
- Other minor projects have experienced delays; the projects will be carried forward and expended early in the next financial year, **\$84k**.

l) Playground Equipment:-

- Installation of new playground equipment commenced in November 2005. It is anticipated that the program will be carried forward and completed early in the next financial year, **\$83k**.

m) Parks & Reserves:-

- The City has been experiencing problems regarding the availability of contractors to install bores and to carry out directional drilling for reticulation purposes. This issue has now been resolved and this programme will be carried forward and successfully delivered early in the next financial year, **\$354k**.

Proceeds from Disposal

The trade-in of heavy and light vehicles and mobile plant was delayed due to a review of procedures for the trade-in of vehicles under the State Government common contract. In addition some plant and vehicles, which were budgeted to be replaced have not be replaced, as their condition is better than anticipated, **(\$1,022k)**.

This was offset by vehicles, which were part of the previous year's vehicle replacement program being disposed of during July this financial year, **\$97k**.

12 Transfers from Reserves

	Budget	Actual	Variance
a) Ocean Reef Launching Facility Reserve	\$1,031k	\$0k	\$1,031k
b) Asset Replacement Reserve	\$6,954k	\$31k	\$6,924k
c) Light Vehicles Replacement Reserve	\$879k	\$617k	\$262k
d) Heavy Vehicles Replacement Reserve	\$675k	\$142k	\$533k
e) Plant Replacement Reserve	\$618k	\$325k	\$292k
f) Cultural Facility Reserve	\$1,187k	\$418k	\$769k
g) Leisure Centres Capital Replacement Reserve	\$3,947k	\$2,509k	\$1,439k
h) Community Facilities Reserve	\$160k	\$0k	\$160k
i) Sorrento Beach Foreshore Enhancement Reserve	\$1,800k	\$1,589k	\$211k
j) Other	<u>\$3,526k</u>	<u>\$3,476k</u>	<u>\$49k</u>
	\$20,777k	\$9,107k	\$11,670k

- a) The variance relates to transfer from Ocean Reef Launching Facility Reserve to fund the Ocean Reef Marina project. The project was not completed in this financial year and therefore the transfer from reserves did not occur, **\$1,031k**.
- b) A transfer from the Asset Replacement Reserve was originally budgeted for \$6,954,426 for construction of the Works Depot. This project has now changed from purchasing land and constructing a new depot to leasing land and constructing a depot. Therefore there were minimal transfers from Asset Replacement Reserve during the financial year, **\$6,924k**.
- c) The variance relates to lower than budgeted expenditure for Light Vehicles for the financial year, **\$262k**.
- d) The variance relates to lower than budgeted expenditure for Heavy Vehicles for the financial year, **\$533k**.
- e) The variance relates to lower than budgeted expenditure for Mobile Plant equipment for the financial year, **\$292k**.
- f) The variance relates to transfer from Cultural Facility Reserve to fund the Joondalup Cultural Facility project. The project was not completed in this financial year and therefore transfers from Cultural Facility Reserve were lower than budgeted, **\$769k**.

- g) The variance relates to transfer from Leisure Centres Capital Replacement Reserve to fund works for the Craigie Leisure Centre. The project was not fully expended in this financial year and therefore transfers from Leisure Centres Capital Replacement Reserve were lower than budgeted, **\$1,439k**.
- h) The variance relates to transfer from Community Facilities Reserve to fund the Currambine Community Centre project. The project was not completed in this financial year and therefore the transfer from reserves did not occur, **\$160k**.
- i) The variance relates to transfer from Sorrento Beach Foreshore Enhancement Reserve to fund works for the Sorrento Beach Foreshore Enhancement project. The project was not fully expended in this financial year and therefore transfers from Sorrento Beach Foreshore Enhancement Reserve were lower than budgeted, **\$211k**.
- j) Other variances are related to a number of minor variances individually less than \$50k.

13 Transfers to Reserves

	Budget	Actual	Variance
a) Asset Replacement Reserve	\$3,948k	\$4,197k	(\$249k)
b) Ocean Reef Launching Facility Reserve	\$900k	\$0k	\$900k
c) Strategic Asset Management Reserve	\$1,809k	\$1,339k	\$470k
d) Light Vehicles Replacement Reserve	\$501k	\$384k	\$117k
e) Joondalup City Centre Parking Reserve	\$0k	\$122k	(\$122k)
f) Leisure Centres Capital Replacement Reserve	\$450k	\$0k	\$450k
g) Domestic Cart- Refuse Collection Reserve	\$715k	\$851k	(\$136k)
h) Special Area Rating- Iluka Reserve	\$0k	\$73k	(\$73k)
i) Other	<u>\$4,401k</u>	<u>\$4,364k</u>	<u>\$37k</u>
	\$12,724k	\$11,330k	\$1,394k

- a) The variance relates to proceeds from the sale of Yagan Pre-school. This property was sold in 2004/05 but the proceeds were not transferred to reserves until 2005/06, **(\$249k)**.
- b) The variance relates to State Government grant and municipal funding for the Ocean Reef Marina project. The project was not completed in this financial year and the grant funds were not received and therefore the transfer to reserve did not occur, **\$900k**.
- c) The variance relates to sale of land at Trappers Drive Woodvale and two access easements at the Woodvale Boulevard Shopping Centre. The sale will occur in the next financial year and therefore transfers to Strategic Asset Management Reserve did not occur in this financial year, **\$470k**.

- d) The variance relates to lower than budgeted usage of Light Vehicles during the financial year, **\$117k**.
- e) Transfers to the Joondalup City Centre Public Parking Reserve comprised of unbudgeted cash in lieu of public parking receipts, **(\$122k)**.
- f) The variance relates to State Government grant funding for the geothermal bore at the Craigie Leisure Centre. As the project was not fully expended in this financial year the grant funds were not received and therefore the transfer to reserve did not occur, **\$450k**.
- g) The variance relates to greater than budgeted surplus by Waste Management Services as at the end of this financial year, **(\$136k)**.
- h) The variance relates to carried forward unspent funds for the Iluka Specified Area, **(\$73k)**.
- k) Other variances are related to a number of minor variances individually less than **\$50k**.

14 Closing Funds

	Budget	Actual	Variance
<u>Current Assets</u>			
Cash Assets	\$48,554k	\$48,273k	\$281k
Rates and Sundry Debtors	\$331k	\$989k	(\$658k)
GST Receivable	\$596k	\$597k	(\$1k)
Accrued Income	\$82k	\$86k	(\$4k)
Advances and Prepayments	\$58k	\$240k	(\$182k)
	\$49,621k	\$50,185k	(\$564k)
<u>Less: Current Liabilities</u>			
Creditors	(\$5,344k)	(\$5,188k)	\$156k
Provisions	(\$6,308k)	(\$5,987k)	\$321k
Accrued Expenses	(\$4,562k)	(\$2,420k)	\$2,142k
Income in Advance	(\$203k)	(\$206k)	(\$3k)
GST Payable	(\$52k)	(\$52k)	\$0
	(\$16,469k)	(\$13,853k)	\$2,616k
<u>Less: Restricted Assets</u>			
Reserves	(\$21,072k)	(\$24,284k)	(\$3,212k)
Closing Funds	\$12,080k	\$12,048k	\$32k