



City of Cockburn  
Ordinary Council Meeting  
**Addendum Agenda**

For Thursday, 13 December 2018



## CITY OF COCKBURN

### SUMMARY OF ADDENDUM AGENDA TO BE PRESENTED TO THE ORDINARY COUNCIL MEETING TO BE HELD ON THURSDAY, 13 DECEMBER 2018 AT 7:00 PM

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## CITY OF COCKBURN

### ADDENDUM AGENDA TO BE PRESENTED TO THE ORDINARY COUNCIL MEETING TO BE HELD ON THURSDAY, 13 DECEMBER 2018 AT 7:00 PM

#### 21. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY MEMBERS OR OFFICERS

##### 21.1 STATEMENT OF FINANCIAL ACTIVITY AND ASSOCIATED REPORTS - NOVEMBER 2018

**Author(s)** N Mauricio  
**Attachments** 1. Monthly Financial Activity Statement - November 2018 [↓](#)

#### RECOMMENDATION

That Council:

- (1) adopt the Statement of Financial Activity and associated reports for November 2018, as attached to the Agenda; and
- (2) amend the 2018/19 Municipal Budget in accordance with the detailed schedule attached as follows:

Revenue	Increase	728,126
Expenditure	Increase	504,363
Transfer from Reserve	Increase	255,179
Transfer to Reserve	Increase	242,948
Budget Contingency Account	Decrease	87,906
Net impact on Municipal budget surplus	Increase	323,900

**TO BE CARRIED BY AN ABSOLUTE MAJORITY OF COUNCIL**

## Background

Local Government (Financial Management) Regulations prescribe that a local government is to prepare each month a Statement of Financial Activity.

Regulation 34(2) requires the Statement of Financial Activity to be accompanied by documents containing:–

1. Details of the composition of the closing net current assets (less restricted and committed assets).
2. Explanation for each material variance identified between YTD budgets and actuals.
3. Any other supporting information considered relevant by the local government.

Regulation 34(4)(a) prescribes that the Statement of Financial Activity and accompanying documents be presented to Council within two months after the end of the month to which the statement relates.

The regulations require the information reported in the statement to be shown either by nature and type, statutory program or business unit. The City chooses to report the information according to its organisational business structure, as well as by nature and type.

Local Government (Financial Management) Regulations - Regulation 34 (5) states “Each financial year, a local government is to adopt a percentage or value, calculated in accordance with the AAS, to be used in statements of financial activity for reporting material variances.”

This regulation requires Council to annually set a materiality threshold for the purpose of disclosing budget variances within monthly financial reporting and Council adopted at the July 2018 meeting to continue with a materiality threshold of \$200,000 for the 2018/19 financial year.

Detailed analysis of budget variances is an ongoing exercise, with necessary budget amendments either submitted to Council each month (via this report) or included in the City’s mid-year budget review, as deemed appropriate.

## Submission

N/A

## Report

Given the absence of a Council meeting in January 2018, there is a legislative requirement to present the November financial report to the December meeting. By presenting last year’s November financial report to the February Council meeting, the City’s auditor found this did not comply with the requirement to present the report within two months after the end of the reporting month (was 8 days late). In order to comply, Management has agreed to present a late item at December Council meetings going forward.

*Opening Funds*

The City brought forward \$11.97 million in opening funds from the previous year (confirmed by audit), which included \$9.56 million of municipal funding committed to carried forward works and projects. The remaining uncommitted \$2.41 million was \$410,382 above the \$2.0 million surplus estimate in the 2018/19 adopted budget. This has been sent to the Community Infrastructure Reserve in accordance with Council's budget policy.

*Closing Funds*

The City's actual closing funds position for the month of \$83.13 million was \$11.90 million higher than the YTD budget. This result included the annual rates revenue raised in July and also reflected budget variances across the operating and capital programs as further detailed in this report.

The 2018/19 revised budget is showing a closing surplus of \$110,877 up from \$15,400 in the adopted budget. A reconciliation of the changes is included at note 3 to the financial report.

*Operating Revenue*

Operating revenue of \$124.81 million was ahead of YTD budget by \$2.42 million. A significant portion of the City's operating revenue is recognised in July upon the issue of annual rates and charges. The remaining revenue, largely comprising service fees, operating grants and contributions and interest earnings from investments, flows relatively uniformly over the remainder of the year.

The following table summarises the operating revenue budget performance by nature and type:

<b>Nature or Type Classification</b>	<b>Actual Revenue \$M</b>	<b>Revised Budget YTD \$M</b>	<b>Variance to Budget \$M</b>	<b>FY Revised Budget \$M</b>
Rates	101.40	100.73	0.67	103.70
Specified Area Rates	0.46	0.45	0.01	0.45
Fees & Charges	14.73	14.13	0.60	29.00
Operating Grants & Subsidies	4.95	4.38	0.58	10.42
Contributions, Donations, Reimbursements	0.63	0.46	0.17	1.25

Nature or Type Classification	Actual Revenue \$M	Revised Budget YTD \$M	Variance to Budget \$M	FY Revised Budget \$M
Interest Earnings	2.65	2.26	0.39	4.99
<b>Total</b>	<b>124.81</b>	<b>122.40</b>	<b>2.42</b>	<b>149.82</b>

Material variance identified for the month included:

- Rates revenue was \$0.67million ahead of YTD projections due to part year rating on new and improved properties.
- Fees and Charges:
  - A \$0.29 million variance against YTD budget for Port Coogee marina fees caused by timing issues in revenue recognition (fees received in advance);
  - Landfill fees were \$0.28 million ahead of the YTD budget.
  - Cockburn ARC revenue was \$0.21 million below YTD budget targets, mainly due to swim school and aquatic revenues.
- Operating Grants & Subsidies:
  - Grant funding of \$0.39 million for the Roe 8 rehabilitation project has been received ahead of the YTD budget setting.
  - A milestone payment of \$0.28 million for the Better Bins program for the roll out of the third bin project was received from the Department of Water & Environmental Regulation and is not currently budgeted.
- Interest earnings were tracking \$0.39 million ahead of YTD budget, mainly due to higher earnings from invested funds.

#### *Operating Expenditure*

Operating expenditure (including asset depreciation) of \$59.56 million was under the YTD budget by \$4.18 million.

The following table shows the operating expenditure budget variance at the nature and type level. The internal recharging credits reflect the amount of internal costs capitalised against the City's assets:

Nature or Type Classification	Actual Expenses \$M	Revised Budget YTD \$M	Variance to Budget \$M	FY Revised Budget \$M
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Nature or Type Classification	Actual Expenses \$M	Revised Budget YTD \$M	Variance to Budget \$M	FY Revised Budget \$M
Employee Costs - Direct	22.77	23.47	0.70	55.28
Employee Costs - Indirect	0.35	0.43	0.08	1.57
Materials and Contracts	15.95	18.66	2.71	44.66
Utilities	2.03	2.28	0.25	5.46
Interest Expenses	0.07	0.00	(0.07)	0.71
Insurances	1.59	1.64	0.05	1.49
Other Expenses	3.72	4.24	0.52	9.14
Depreciation (non-cash)	13.37	12.97	(0.40)	31.12
Amortisation (non-cash)	0.46	0.47	0.02	1.14
Internal Recharging-CAPEX	(0.74)	(0.42)	0.33	(0.99)
<b>Total</b>	<b>59.56</b>	<b>63.74</b>	<b>4.18</b>	<b>149.58</b>

- Spending on Material and Contracts was collectively \$2.71 million under the YTD year budget with the identified significant variances being:
  - A delayed start to the Port Coogee sand bypassing works is showing a \$0.34 million variance against YTD budget.
  - The Roe 8 rehabilitation project budget was underspent by \$0.43 million as various governance issues need to be resolved before spending can ramp up.
  - Cockburn ARC was showing a \$0.27 million underspend across their business for various service contracts and material costs.
  - Waste Collection contract spending was down \$0.24 million, mainly due to lower RRRRC entry fees.
- Employee Costs – Direct:
  - Parks salaries were \$0.27 million (13.2%) under the YTD budget.
- Other Expenses:
  - The Grants and Donations budget was running \$0.49 million behind the YTD budget setting.

- Utilities:
  - Power expenses on Council facilities were behind YTD budget by \$0.24 million.
- Depreciation:
  - Depreciation on Parks Equipment assets is exceeding YTD budget by \$0.22 million as \$12 million in new assets were capitalised at the end of the 2017/18 financial year.

#### *Capital Expenditure*

The City's adopted budget capital budget of \$40.92 million has increased to \$64.72 million primarily due to the addition of carried forward works and projects. To the end of the month, actual spending of \$13.74 million was \$1.54 million under the YTD budget setting.

The following table details this budget variance by asset class:

<b>Asset Class</b>	<b>YTD Actuals \$M</b>	<b>YTD Budget \$M</b>	<b>YTD Variance \$M</b>	<b>Revised Budget \$M</b>	<b>Commit Orders \$M</b>
Roads Infrastructure	6.21	6.15	(0.06)	21.36	6.11
Drainage	0.34	0.38	0.04	1.90	0.04
Footpaths	0.61	0.63	0.02	1.89	0.06
Parks Infrastructure	2.88	3.29	0.41	13.25	1.37
Landfill Infrastructure	0.08	0.05	(0.03)	0.54	0.07
Freehold Land	(0.01)	0.25	0.26	0.66	0.00
Buildings	2.51	2.72	0.20	16.99	1.55
Furniture & Equipment	0.01	0.03	0.01	0.05	0.00
Information Technology	0.37	0.93	0.56	2.24	0.19
Plant & Machinery	0.21	0.26	0.05	4.31	2.21
Marina Infrastructure	0.51	0.59	0.08	1.55	0.09
<b>Total</b>	<b>13.74</b>	<b>15.28</b>	<b>1.54</b>	<b>64.72</b>	<b>11.69</b>

Significant project budget variances recorded for the month are detailed below:

- Information Technology (under by \$0.55 million) –
  - IT related software and hardware project initiatives were collectively \$0.59 million below YTD budget.

#### *Capital Funding*

Capital funding sources are highly correlated to capital spending, the sale of assets and the rate of development within the City (determining developer contributions received).

Material variances for the month included:

- Capital Grants & Subsidies (over YTD budget by \$5.23 million):
  - MRWA funding for the Spearwood Ave duplication and bridge works of \$3.92 million has been received ahead of YTD budget.
  - Roads to Recovery funding of \$0.99 million has been received ahead of the budget setting.
  - CSRFF funding of \$0.34 million for the Lakelands Hockey Facilities project was received one month ahead of the budget setting.
- Developer Contribution Plans (under YTD budget by \$0.20 million):
  - Revenue of \$1.53 million from the Community Infrastructure Scheme was \$0.34 million below the YTD budget.
  - Contributions for the Success North DCA for roads infrastructure were \$0.20 million ahead of YTD budget.

#### *Reserve Transfers*

- Transfers from reserves of \$11.29 million were \$1.82 million below YTD budget. This mainly comprised funding for the capital program behind by \$1.75 million.
- Transfers to Reserve included interest revenue that was \$0.29 million ahead of YTD budget

#### *Cash & Investments*

The closing cash and financial investment holding at month's end totalled \$188.85 million, down from \$191.73 million the previous month.

\$123.33 million of this balance was held for the City’s financial reserves. The remaining \$65.52 million represented municipal funds available to meet operational liquidity requirements.

*Investment Performance, Ratings and Maturity*

The City’s investment portfolio yielded a weighted annualised return of 2.77 percent for the month, up slightly on the 2.76 percent reported last month. This exceeded the target rate of 2.60 percent (RBA cash rate of 1.50 percent plus 1.10 percent) by 0.17 percent. Interest earnings on the investment portfolio were \$2.02 million against the full year budget of \$4.30 million.

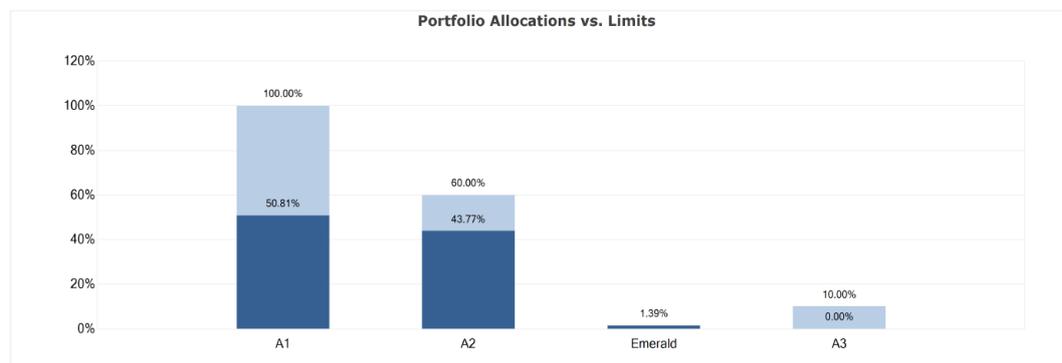
The cash rate was most recently reduced at the August 2016 meeting of the Reserve Bank of Australia (by 25bp to 1.50 percent). Markets are indicating that the next move in interest rates will most likely be up, but not until late 2019 or even early 2020 due to prevailing economic conditions.

The majority of investments are currently held in term deposit (TD) products placed with highly rated APRA (Australian Prudential Regulation Authority) regulated Australian and foreign owned banks. All current investments comply with the Council’s Investment Policy, other than those made under previous statutory provisions (grandfathered by the updated legislation).

The City’s TD investments fall within the following Standard and Poor’s short term risk rating categories. During the month, the A-2 holding decreased slightly from 46.17 percent to 43.77 percent, comfortably below the policy limit of 60 percent. The investment portfolio met all Council policy compliance requirements at month end.

Compliant   
 City of Cockburn  
 30 Nov 2018

**FIIG Portfolio Limits**



*Figure 1: Portfolio allocations compared to Investment Policy limits*

The current investment strategy seeks to secure the highest possible rate on offer (up to 12 months for term deposits), subject to cash flow

planning and investment policy requirements. Best value is currently being derived within the six to nine month investment range.

The City’s TD investment portfolio had an average duration of 161 days or 5.3 months, slightly down from 172 days the previous month. The maturity profile of the City’s TD investments is graphically depicted below, showing sufficient maturities in the zero-90 days range to meet liquidity requirements:

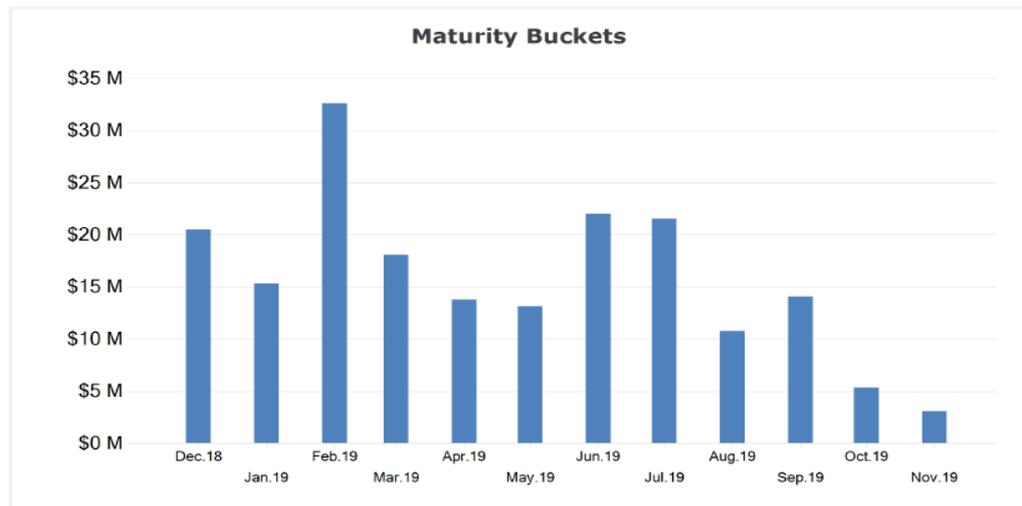


Figure 2: Council Investment Maturity Profile

*Investment in Fossil Fuel Free Banks*

At month end, the City held 49 percent (\$92.0 million) of its TD investment portfolio with banks deemed free from funding fossil fuel related industries. This was down from 52 percent (\$98 million) the previous month and fluctuates in line with policy limits and deposit rates available at time of placement.

*Rates Debt Recovery*

At month’s end, the City had collected \$88.77 million (70.3 percent) of the \$126.18m levied (inclusive of prior year balances and YTD part year rating), with \$37.41 million still to collect from remaining instalments and payment arrangements.

*Budget Amendments*

There were a number of budget amendments identified during the month that require Council adoption. These items are:

- Royalty revenue of \$10,000 from fuel sales at Port Coogee Marina.
- Net income of \$2,200 from an EV Charging Station at Cockburn Central, with annual maintenance costs of \$21,000 funded from the Greenhouse Action Fund Reserve.

- Bond of \$42,747 provided to fund verge tree planting.
- Budget \$322,085 for in-kind works completed by Stockland for the Calleya (Treeby) Oval – funded from DCA (\$234,179) and municipal funds (\$87,906 from budget contingency account).
- New funding from HACC of \$75,751 for clients not eligible for Commonwealth Home Support Program funding.
- “Better Bins” funding for the Third Bin Rollout of \$281,700 hadn’t been allowed for within the budget.
- A net GST refund on Land Sales made under the margin scheme of \$70,000 less professional costs of \$40,000, concluding a drawn out ATO audit process.
- Sand mining royalties income of \$242,948 received from lot 1712 Russell Rd (transferred to the Land Development and Investment Fund Reserve).

The financial report attached includes a detailed schedule of the proposed budget changes and the associated funding sources.

#### *Description of Graphs & Charts*

There is a bar graph tracking Business Unit operating expenditure against budget. This provides a quick view of how the different units are tracking and the comparative size of their budgets.

The Capital Expenditure graph tracks the YTD capital spends against the budget. It also includes an additional trend line for the total of YTD actual expenditure and committed orders. This gives a better indication of how the capital budget is being exhausted, rather than just purely actual cost alone.

A liquidity graph shows the level of Council’s net current position (adjusted for restricted assets) and trends this against previous years. This gives a good indication of Council’s capacity to meet its financial commitments over the course of the year. Council’s overall cash and investments position is provided in a line graph with a comparison against the YTD budget and the previous year’s position at the same time.

Pie charts included show the break-up of actual operating income and expenditure by nature and type and the make-up of Council’s current assets and liabilities (comprising the net current position).

#### *Trust Fund*

At month end, the City held \$11.39 million within its trust fund. \$6.12 million was related to POS cash in lieu and another \$5.27 million in various cash bonds and refundable deposits.

**Strategic Plans/Policy Implications**Leading & Listening

Deliver sustainable governance through transparent and robust policy and processes

Listen to and engage with our residents, business community and ratepayers with greater use of social media

**Budget/Financial Implications**

The 2018/19 revised budget surplus of \$110,877 will increase by \$323,900 to \$434,777 following the adoption of the budget amendments contained in this report.

**Legal Implications**

N/A

**Community Consultation**

N/A

**Risk Management Implications**

Council's adopted budget for revenue, expenditure and closing financial position will be misrepresented if the recommendation amending the City's budget is not adopted.

**Advice to Proponent(s)/Submissioners**

N/A

**Implications of Section 3.18(3) *Local Government Act, 1995***

Nil

## STATEMENT OF FINANCIAL ACTIVITY

for the period ended 30 November 2018

	Actuals	YTD Revised Budget	Variance to YTD Budget	\$ Variance to YTD Budget	Revised Budget	Adopted Budget	
	\$	\$	%	\$	\$	\$	
<b>Operating Revenue</b>							
Financial Services	105,772,190	104,723,706	1%	1,048,484	√	111,499,815	113,414,800
Information Services	909	625	45%	284		1,500	1,500
Human Resource Management	121,827	121,663	0%	164		292,000	292,000
Library Services	21,104	22,644	-7%	(1,540)		54,346	54,346
Recreation & Community Safety	5,459,816	5,493,823	-1%	(34,007)		13,225,760	13,184,010
Community Development & Services	3,788,126	4,006,500	-5%	(218,374)	×	8,564,146	8,500,008
Corporate Communications	19,064	42,250	-55%	(23,186)		120,865	120,865
Governance & Risk	1,546	333	364%	1,212		800	800
Statutory Planning	431,681	380,833	13%	50,848		977,000	977,000
Strategic Planning	1,515,214	1,493,574	1%	21,640		3,096,944	3,087,944
Building Services	686,108	612,084	12%	74,024		1,263,000	1,263,000
Environmental Health	259,549	258,125	1%	1,424		323,500	323,500
Waste Services	5,283,664	4,739,785	11%	543,879	√	8,130,049	8,130,049
Parks & Environmental Services	468,306	7,285	6328%	461,021	√	1,019,080	1,019,080
Engineering Services	91,670	86,129	6%	5,541		286,709	286,709
Infrastructure Services	745,173	408,662	82%	336,511	√	961,000	961,000
	124,814,118	122,398,022	2%	2,416,096		149,816,514	151,616,611
<b>Total Operating Revenue</b>	<b>124,814,118</b>	<b>122,398,022</b>	<b>2%</b>	<b>2,416,096</b>		<b>149,816,514</b>	<b>151,616,611</b>
<b>Operating Expenditure</b>							
Governance	(1,596,287)	(1,288,787)	24%	(307,501)	×	(3,445,201)	(3,660,479)
Strategy & Civic Support	(421,755)	(407,888)	3%	(13,866)		(1,146,001)	(1,146,001)
Financial Services	(3,420,135)	(3,225,290)	6%	(194,845)		(6,165,893)	(6,082,779)
Information Services	(2,532,493)	(2,571,232)	-2%	38,740		(5,634,507)	(5,627,001)
Human Resource Management	(1,180,391)	(1,250,542)	-6%	70,150		(2,947,112)	(2,853,188)
Library Services	(1,557,754)	(1,694,438)	-8%	136,684		(3,918,933)	(3,896,274)
Recreation & Community Safety	(6,162,794)	(6,903,085)	-11%	740,291	√	(16,493,906)	(16,391,491)
Community Development & Services	(4,928,373)	(6,101,803)	-19%	1,173,431	√	(13,087,305)	(12,429,539)
Corporate Communications	(1,305,556)	(1,539,153)	-15%	233,597	√	(3,990,774)	(3,880,774)
Governance & Risk	(70,168)	(198,705)	-65%	128,537		(479,330)	(479,330)
Statutory Planning	(510,488)	(572,401)	-11%	61,914		(1,435,141)	(1,435,141)
Strategic Planning	(915,707)	(832,688)	10%	(83,018)		(1,956,008)	(1,941,496)
Building Services	(677,189)	(666,345)	2%	(10,844)		(1,637,643)	(1,637,643)
Environmental Health	(736,966)	(826,443)	-11%	89,477		(1,929,160)	(1,923,740)
Waste Services	(7,879,555)	(8,174,998)	-4%	295,443	√	(19,941,355)	(19,593,906)
Parks & Environmental Services	(5,354,554)	(6,351,593)	-16%	997,039	√	(15,361,797)	(15,210,682)
Engineering Services	(3,373,807)	(3,315,052)	2%	(58,756)		(7,937,632)	(7,881,865)
Infrastructure Services	(3,849,669)	(4,794,371)	-20%	944,702	√	(10,794,778)	(10,664,608)
	(46,473,642)	(50,714,815)	-8%	4,241,173		(118,302,476)	(116,735,938)

## STATEMENT OF FINANCIAL ACTIVITY

for the period ended 30 November 2018

	Actuals	YTD Revised Budget	Variance to YTD Budget	\$ Variance to YTD Budget	Revised Budget	Adopted Budget
	\$	\$	%	\$	\$	\$
<b>Less: Net Internal Recharging</b>	742,638	417,473	78%	325,165	986,570	986,570
<b>Add: Depreciation &amp; Amortisation on Non-Current Assets</b>						
Computer Equipment	(509,533)	(421,090)	21%	(88,443)	(1,010,616)	(1,010,616)
Furniture and Equipment	(155,121)	(158,235)	-2%	3,114	(379,764)	(379,764)
Plant & Machinery	(1,381,216)	(1,331,170)	4%	(50,046)	(3,197,550)	(3,197,550)
Buildings	(2,543,979)	(2,565,140)	-1%	21,161	(6,156,336)	(6,156,336)
Infrastructure - Roads	(4,820,353)	(4,737,175)	2%	(83,178)	(11,369,220)	(11,369,220)
Infrastructure - Drainage	(1,097,083)	(1,086,835)	1%	(10,248)	(2,608,404)	(2,608,404)
Infrastructure - Footpaths	(581,118)	(587,650)	-1%	6,532	(1,410,360)	(1,410,360)
Infrastructure - Parks Equipment	(1,885,915)	(1,665,150)	13%	(220,765)	(3,996,360)	(3,996,360)
Landfill Infrastructure	(456,298)	(474,700)	-4%	18,402	(1,139,280)	(1,139,280)
Marina Infrastructure	(396,465)	(413,795)	-4%	17,330	(993,108)	(993,108)
	<b>(13,827,082)</b>	<b>(13,440,940)</b>	<b>3%</b>	<b>(386,142)</b>	<b>(32,260,998)</b>	<b>(32,260,998)</b>
<b>Total Operating Expenditure</b>	<b>(59,558,085)</b>	<b>(63,738,282)</b>	<b>-7%</b>	<b>4,180,196</b>	<b>(149,576,904)</b>	<b>(148,010,366)</b>
<b>Change in Net Assets Resulting from Operations</b>	<b>65,256,032</b>	<b>58,659,740</b>	<b>11%</b>	<b>6,596,292</b>	<b>239,609</b>	<b>3,606,245</b>
<b>Non-Operating Activities</b>						
<b>Profit/(Loss) on Assets Disposal</b>						
Plant and Machinery	(8,298)	(546,030)	-98%	537,732	(376,772)	(410,272)
Freehold Land	515,361	1,200,000	-57%	(684,639)	9,046,400	2,170,000
Buildings	-	-	0%	-	-	-
	<b>507,062</b>	<b>653,970</b>	<b>-22%</b>	<b>(146,908)</b>	<b>8,669,628</b>	<b>1,759,728</b>
<b>Capital Expenditure</b>						
Computer Equipment	(373,500)	(928,826)	-60%	555,326	(2,238,728)	(1,063,280)
Furniture and Equipment	(13,950)	(26,500)	-47%	12,550	(50,000)	(30,000)
Plant & Machinery	(211,279)	(264,800)	-20%	53,521	(4,305,000)	(4,161,000)
Land	9,235	(248,300)	-104%	257,535	(657,387)	-
Buildings	(2,514,606)	(2,718,681)	-8%	204,075	(16,985,020)	(9,362,800)
Infrastructure - Roads	(6,206,219)	(6,146,947)	1%	(59,272)	(21,358,537)	(14,162,636)
Infrastructure - Drainage	(341,558)	(382,801)	-11%	41,243	(1,899,312)	(1,218,300)
Infrastructure - Footpaths	(609,934)	(626,687)	-3%	16,753	(1,893,461)	(1,187,072)
Infrastructure - Parks Equipment	(2,253,651)	(2,615,373)	-14%	361,722	(10,757,698)	(5,847,000)
Infrastructure - Parks Landscaping	(629,807)	(676,702)	-7%	46,895	(2,491,510)	(1,980,000)
Landfill Infrastructure	(82,332)	(47,546)	73%	(34,786)	(538,083)	(360,000)
<b>Note 1.</b>	<b>(13,737,004)</b>	<b>(15,276,545)</b>	<b>-10%</b>	<b>1,539,540</b>	<b>(64,724,736)</b>	<b>(40,922,088)</b>

## STATEMENT OF FINANCIAL ACTIVITY

for the period ended 30 November 2018

	Actuals	YTD Revised Budget	Variance to YTD Budget	\$ Variance to YTD Budget	Revised Budget	Adopted Budget
	\$	\$	%	\$	\$	\$
<b>Add: Land - Vested in Crown</b>	(65,000)	-	0%	(65,000)	-	-
<b>Add: Transfer to Reserves</b>	(15,602,235)	(15,672,853)	0%	70,618	(48,260,530)	(31,528,907)
<b>Add Funding from</b>						
Non-Operating Grants and Subsidies	6,299,750	1,071,000	488%	5,228,750	10,162,419	7,341,695
Non-Government Contributions	535,582	616,667	-13%	(81,084)	5,118,105	2,792,000
Developers Contributions Plans: Cash	1,965,011	2,162,472	-9%	(197,461)	5,910,000	5,910,000
Proceeds on Sale of Assets	1,139,818	1,257,000	-9%	(117,182)	10,796,900	3,887,000
Reserves	11,290,970	13,116,102	-14%	(1,825,132)	39,252,888	17,168,457
	<b>21,231,131</b>	<b>18,223,240</b>	<b>17%</b>	<b>3,007,891</b>	<b>71,240,312</b>	<b>37,099,152</b>
<b>Non-Cash/Non-Current Item Adjustments</b>						
Depreciation on Assets	13,370,784	12,966,240	3%	404,544	31,121,718	31,121,718
Amortisation on Assets	456,298	474,700	-4%	(18,402)	1,139,280	1,139,280
(Profit)/Loss on Assets Disposal	(507,062)	(653,970)	-22%	146,908	(8,669,628)	(1,759,728)
Loan Repayments	-	-	0%	-	(2,500,000)	(2,500,000)
Non-Current Leave Provisions	203,801	-	0%	203,801	-	-
Deferred Pensioners Adjustment	51,997	-	0%	51,997	-	-
	<b>13,575,818</b>	<b>12,786,970</b>	<b>6%</b>	<b>788,848</b>	<b>21,091,370</b>	<b>28,001,270</b>
Opening Funds	11,967,494	11,855,223	1%	112,271	11,855,223	2,000,000
<b>Closing Funds</b>	<b>83,133,297</b>	<b>71,229,744</b>	<b>17%</b>	<b>11,903,554</b>	<b>110,877</b>	<b>15,400</b>
	-	-	-	-	-	-

Note 2, 3.

**Notes to Statement of Financial Activity**

**Note 1.**

Additional information on the capital works program including committed orders at end of month:

Assets Classification	Actuals	Commitments at Month End	Commitments & Actuals YTD	YTD Revised Budget	Full Year Revised Budget	Uncommitted at Month End
	\$	\$			\$	\$
Computer Equipment	(373,500)	(87,736)	(461,236)	(928,826)	(2,238,728)	1,777,492
Furniture and Equipment	(13,950)	-	(13,950)	(26,500)	(50,000)	36,050
Plant & Machinery	(211,279)	(2,150,539)	(2,361,818)	(264,800)	(4,305,000)	1,943,182
Land	9,235	-	9,235	(248,300)	(657,387)	666,622
Buildings	(2,514,606)	(1,359,347)	(3,873,953)	(2,718,681)	(16,985,020)	13,111,067
Infrastructure - Roads	(6,206,219)	(5,854,506)	(12,060,725)	(6,146,947)	(21,358,537)	9,297,812
Infrastructure - Drainage	(341,558)	(37,472)	(379,030)	(382,801)	(1,899,312)	1,520,282
Infrastructure - Footpaths	(609,934)	(53,847)	(663,782)	(626,687)	(1,893,461)	1,229,679
Infrastructure - Parks Equipment	(2,253,651)	(1,051,523)	(3,305,174)	(2,615,373)	(10,757,698)	7,452,524
Infrastructure - Parks Landscaping	(629,807)	(229,749)	(859,556)	(676,702)	(2,491,510)	1,631,954
Landfill Infrastructure	(82,332)	(70,128)	(152,459)	(47,546)	(538,083)	385,624
Marina Infrastructure	(509,403)	(51,487)	(560,890)	(593,381)	(1,550,000)	989,110
	(13,737,004)	(10,946,333)	(24,683,338)	(15,276,545)	(64,724,736)	40,041,398

**Note 2.**

Closing Funds in the Financial Activity Statement are represented by:

	Actuals	YTD Revised Budget	Full Year Revised Budget	Adopted Budget
	\$	\$	\$	\$
<b>Current Assets</b>				
Cash & Investments	187,835,791	200,220,815	113,947,104	126,585,931
Rates Outstanding	38,989,660	3,500,000	3,500,000	3,500,000
Rubbish Charges Outstanding	167,295	-	-	-
Sundry Debtors	2,460,389	3,200,000	3,200,000	3,200,000
GST Receivable	707,614	-	-	-
Prepayments	183,041	-	-	-
Accrued Debtors	832,784	-	-	-
Stock on Hand	33,361	-	-	-
	231,209,936	206,920,815	120,647,104	133,285,931
<b>Current Liabilities</b>				
Creditors	(15,729,975)	(7,500,000)	(7,898,311)	(7,898,311)
Income Received in Advance	(1,259,423)	(1,400,000)	(1,400,000)	(1,400,000)
GST Payable	(1,952,846)	-	-	-
Withholding Tax Payable	-	-	-	-
Provision for Annual Leave	(4,203,116)	(4,000,000)	(4,000,000)	(4,000,000)
Provision for Long Service Leave	(2,609,004)	(2,400,000)	(2,400,000)	(2,400,000)
	(25,754,365)	(15,300,000)	(15,698,311)	(15,698,311)
<b>Net Current Assets</b>	205,455,571	191,620,815	104,948,792	117,587,620
<b>Add: Non Current Investments</b>	1,013,051	1,100,000	1,100,000	1,100,000
	206,468,623	192,720,815	106,048,792	118,687,620
<b>Less: Restricted/Committed Assets</b>				
Cash Backed Reserves #	(123,335,325)	(121,491,071)	(127,941,962)	(118,672,220)
Deposits & Bonds Liability *	-	-	-	-
	83,133,297	71,229,744	(21,893,169)	15,400
<b>Closing Funds (as per Financial Activity Statement)</b>	<b>83,133,297</b>	<b>71,229,744</b>	<b>(21,893,169)</b>	<b>15,400</b>

# See attached Reserve Fund Statement

\* See attached Restricted Funds Analysis

Note 3.

Amendments to original budget since budget adoption. Surplus/(Deficit)

Ledger	Project/ Activity	Description	Council Resolution	Classification	Non Change (Non Cash Items) Adjust.	Increase in Available Cash	Decrease in Available Cash	Amended budget Running Balance
					\$	\$	\$	\$
		<b>Budget Adoption</b>		<b>Closing Funds Surplus(Deficit)</b>				<b>15,400</b>
GL	235	Cockburn Parenting Service - minor income	OCM13/9/18	Income		500		15,900
GL	105	Increased in FAGS grant	OCM11/10/18	Income		85,977		101,877
OP	6,830	Lease income from 159 Phoenix Road	OCM08/11/18	Income		9,000		110,877
				<b>Closing Funds Surplus (Deficit)</b>	<b>0</b>	<b>95,477</b>	<b>0</b>	<b>110,877</b>

**Statement of Comprehensive Income by Nature and Type**  
for the period ended 30 November 2018

	Actual	Amended YTD Budget	\$ Variance to YTD Budget	Forecast	Amended Budget	Adopted Budget
	\$	\$	\$	\$	\$	\$
<b>OPERATING REVENUE</b>						
01 Rates	101,396,781	100,725,000	671,781	104,371,781	103,700,000	103,700,000
02 Specified Area Rates	456,078	450,000	6,078	456,078	450,000	450,000
05 Fees and Charges	14,725,025	14,126,044	598,981	29,597,093	28,998,112	28,988,612
10 Grants and Subsidies	4,954,834	4,377,964	576,870	11,001,115	10,424,245	12,233,842
15 Contributions, Donations and Reimbursements	630,421	459,475	170,946	1,420,635	1,249,689	1,249,689
20 Interest Earnings	2,650,979	2,259,538	391,440	5,385,907	4,994,467	4,994,467
25 Other revenue and Income	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<b>124,814,118</b>	<b>122,398,022</b>	<b>2,416,096</b>	<b>152,232,610</b>	<b>149,816,514</b>	<b>151,616,611</b>
<b>OPERATING EXPENDITURE</b>						
50 Employee Costs - Salaries & Direct Oncosts	(22,771,265)	(23,469,429)	698,164	(54,580,029)	(55,278,194)	(55,123,882)
51 Employee Costs - Indirect Oncosts	(347,445)	(426,752)	79,307	(1,494,840)	(1,574,147)	(1,571,447)
55 Materials and Contracts	(15,946,438)	(18,662,741)	2,716,304	(41,939,713)	(44,656,017)	(43,245,692)
65 Utilities	(2,029,325)	(2,278,915)	249,589	(5,210,196)	(5,459,785)	(5,460,583)
70 Interest Expenses	(73,668)	-	(73,668)	(782,613)	(708,945)	(708,945)
75 Insurances	(1,585,729)	(1,635,000)	49,271	(1,435,729)	(1,485,000)	(1,485,000)
80 Other Expenses	(3,719,772)	(4,241,978)	522,206	(8,618,183)	(9,140,388)	(9,140,388)
85 Depreciation on Non Current Assets	(13,370,784)	(12,966,240)	(404,544)	(31,526,262)	(31,121,718)	(31,121,718)
86 Amortisation on Non Current Assets	(456,298)	(474,700)	18,402	(456,298)	(1,139,280)	(1,139,280)
<b>Add Back:</b> Indirect Costs Allocated to Capital Works	742,638	417,473	325,165	1,311,735	986,570	986,570
<b>Total Operating Expenditure</b>	<b>(59,558,085)</b>	<b>(63,738,282)</b>	<b>4,180,196</b>	<b>(144,732,128)</b>	<b>(149,576,904)</b>	<b>(148,010,366)</b>
<b>CHANGE IN NET ASSETS RESULTING FROM OPERATING ACTIVITIES</b>	<b>65,256,032</b>	<b>58,659,740</b>	<b>6,596,292</b>	<b>7,500,481</b>	<b>239,609</b>	<b>3,606,245</b>
<b>NON-OPERATING ACTIVITIES</b>						
11, 16 Non-Operating Grants, Subsidies and Contributions	6,835,332	1,687,667	5,147,665	20,428,189	15,280,524	10,133,695
18 Developers Contributions Plans: Cash	1,965,011	2,162,472	(197,461)	5,712,539	5,910,000	5,910,000
95 Profit/(Loss) on Sale of Assets	507,062	653,970	(146,908)	507,062	8,669,628	1,759,728
<b>Total Non-Operating Activities</b>	<b>9,242,406</b>	<b>4,504,109</b>	<b>4,738,297</b>	<b>26,582,791</b>	<b>29,860,152</b>	<b>17,803,423</b>
<b>NET RESULT</b>	<b>74,498,438</b>	<b>63,163,849</b>	<b>11,334,589</b>	<b>34,083,272</b>	<b>30,099,761</b>	<b>21,409,668</b>

**Notes to Statement of Comprehensive Income**

**Note 1.**

Additional information on main sources of revenue in fees & charges.

	Actual	Amended YTD Budget	Amended Budget	Adopted Budget
	\$	\$	\$	\$
<b><u>Recreation &amp; Community Safety</u></b>				
Recreational Services	208,864	247,325	593,580	593,580
Law and Public Safety	333,756	163,116	465,596	465,596
Cockburn ARC	4,598,715	4,812,056	11,152,830	11,152,830
	5,141,335	5,222,497	12,212,006	12,212,006
<b><u>Waste Services:</u></b>				
Waste Collection Services	2,572,024	2,533,558	2,647,216	2,647,216
Waste Disposal Services	2,418,997	2,204,749	5,479,288	5,479,288
	4,991,021	4,738,308	8,126,504	8,126,504
<b><u>Infrastructure Services:</u></b>				
Port Coogee Marina	721,362	406,162	955,000	955,000
	721,362	406,162	955,000	955,000
	10,853,717	10,366,967	21,293,509	21,293,509

**Note 2.**

Additional information on Salaries and Direct On-Costs by each Division.

	Actual	Amended YTD Budget	Amended Budget	Adopted Budget
	\$	\$	\$	\$
Executive Services	(1,265,351)	(1,036,836)	(2,451,261)	(2,451,261)
Finance & Corporate Services Division	(3,201,838)	(3,283,263)	(7,631,029)	(7,437,105)
Governance & Community Services Division	(8,361,425)	(8,809,868)	(20,957,840)	(20,997,452)
Planning & Development Division	(2,336,854)	(2,521,393)	(5,754,016)	(5,754,016)
Engineering & Works Division	(7,605,797)	(7,818,070)	(18,484,048)	(18,484,048)
	(22,771,265)	(23,469,429)	(55,278,194)	(55,123,882)

**Note 3**

Additional information on Materials and Contracts by each Division.

	Actual	Amended YTD Budget	Amended Budget	Adopted Budget
	\$	\$	\$	\$
Executive Services	(656,922)	(582,410)	(1,861,055)	(2,076,333)
Finance & Corporate Services Division	(1,977,103)	(1,792,157)	(3,943,270)	(3,952,650)
Governance & Community Services Division	(4,393,666)	(5,686,022)	(13,589,470)	(12,658,920)
Planning & Development Division	(473,274)	(337,419)	(1,033,323)	(1,013,391)
Engineering & Works Division	(8,445,472)	(10,264,734)	(24,228,899)	(23,544,399)
Not Applicable	0	0	0	0
	(15,946,438)	(18,662,741)	(44,656,017)	(43,245,692)

## City of Cockburn - Reserve Funds

## Financial Statement for Period Ending 30 November 2018

Account Details	Opening Balance		Interest Received		t/f's from Municipal		t/f's to Municipal		Closing Balance	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>Council Funded</b>										
Bibra Lake Management Plan	601,791	601,791	11,324	5,822	-	-	(100,000)	-	513,115	607,613
Carry Forward Projects	3,618,392	3,618,392	-	-	9,557,112	9,557,112	(10,938,249)	(4,636,878)	2,237,255	8,538,627
Cockburn ARC Building Maintenance	2,010,608	2,010,608	53,573	19,451	-	-	-	-	2,064,181	2,030,059
Cockburn Coast SAR	897	897	-	33	-	13,921	-	-	897	14,851
Community Infrastructure	14,879,832	14,879,832	127,034	143,177	7,298,111	298,111	(5,525,836)	(191,364)	16,779,141	15,129,757
Community Surveillance	903,958	903,958	23,842	8,347	200,000	-	(359,238)	(49,392)	768,562	862,914
Environmental Offset	304,512	304,512	8,033	2,946	-	-	-	-	312,545	307,457
Greenhouse Action Fund	420,432	420,432	10,790	4,067	200,000	-	(60,000)	-	571,222	424,500
HWRP Post Closure Management & Contaminated	2,324,206	2,324,206	50,489	22,482	-	-	(135,000)	(497)	2,239,695	2,346,191
Information Technology	206,565	206,565	8,388	1,904	200,000	-	(121,250)	(28,109)	293,703	180,361
Insurance	1,246,137	1,262,819	8,801	14,280	550,000	550,000	(75,000)	(1,046)	1,729,938	1,826,053
Land Development and Investment Fund	3,756,615	3,756,615	256,447	38,895	9,986,201	1,179,625	(3,006,899)	(104,877)	10,992,364	4,870,258
Major Building Refurbishment	13,093,407	13,093,407	147,574	126,667	1,500,000	-	(175,000)	-	14,565,981	13,220,075
Municipal Elections	79,037	79,037	2,977	765	-	-	-	-	82,014	79,802
Naval Base Shacks	1,078,013	1,078,013	24,153	10,429	30,635	-	-	-	1,132,801	1,088,442
Plant & Vehicle Replacement	9,373,858	9,354,672	115,183	89,995	3,350,000	-	(3,539,500)	(155,131)	9,299,541	9,289,536
Port Coogee Marina Assets Replacement	285,423	285,423	-	2,761	1,000,000	-	-	-	1,285,423	288,184
Port Coogee Special Maintenance - SAR	1,629,721	1,418,130	28,417	14,862	380,000	368,495	(206,833)	(165,800)	1,831,305	1,635,687
Port Coogee Waterways - SAR	92,022	92,022	8,852	1,177	70,000	70,000	(50,000)	-	120,874	163,199
Port Coogee Waterways - WEMP	1,763,151	1,763,151	43,009	16,967	-	-	(593,533)	(39,939)	1,212,627	1,740,178
Roads & Drainage Infrastructure	15,446,223	15,446,223	81,300	144,428	2,000,000	-	(5,069,894)	(1,665,291)	12,457,629	13,925,360
Staff Payments & Entitlements	1,709,732	1,709,732	47,023	15,752	125,000	-	(190,000)	(135,000)	1,691,755	1,590,484
Waste & Recycling	14,136,202	14,136,202	363,713	136,439	1,100,000	-	(598,083)	(74,607)	15,001,832	14,198,034
Waste Collection	2,092,296	2,092,296	66,093	19,897	1,400,000	-	(91,207)	(8,201)	3,467,182	2,103,992
Welfare Redundancies	42,634	42,634	797	412	-	-	-	-	43,431	43,046
POS Cash in Lieu (Restricted Funds)	-	-	-	-	-	-	-	545	-	545
	<b>91,095,664</b>	<b>90,881,570</b>	<b>1,487,812</b>	<b>841,956</b>	<b>38,947,059</b>	<b>12,037,264</b>	<b>(30,835,522)</b>	<b>(7,255,587)</b>	<b>100,695,013</b>	<b>96,505,203</b>
<b>Grant Funded</b>										
Aged and Disabled Asset Replacement	191,003	191,003	8,628	1,848	-	-	-	-	199,631	192,851
CIHCF Building Maintenance	6,150,813	6,150,813	5,641	60,793	1,456,941	520,366	-	-	7,613,395	6,731,971
Family Day Care Accumulation Fund	30,674	30,675	-	252	-	-	-	-	30,674	30,927
Naval Base Shack Removal	528,000	528,000	10,822	5,108	56,000	-	-	-	594,822	533,107
Restricted Grants & Contributions	4,398,719	4,532,938	-	-	-	-	(3,934,870)	(3,991,241)	463,849	541,697
Underground Power - Service Charge	-	0	-	-	-	-	-	-	-	0
Welfare Projects Employee Entitlements	506,148	708,130	9,223	6,503	-	-	(11,510)	(11,510)	503,861	703,124
	<b>11,805,357</b>	<b>12,141,558</b>	<b>34,314</b>	<b>74,504</b>	<b>1,512,941</b>	<b>520,366</b>	<b>(3,946,380)</b>	<b>(4,002,751)</b>	<b>9,406,232</b>	<b>8,733,678</b>
<b>Development Cont. Plans</b>										
Cockburn Coast DCP14	(112,255)	(112,255)	-	(1,086)	-	-	(40,961)	-	(153,216)	(113,341)
Community Infrastructure DCP 13	5,714,253	5,714,253	231,370	62,164	4,500,000	1,535,294	(4,370,495)	-	6,075,128	7,311,711
Hammond Park DCP	2,742,378	2,742,378	24,032	26,688	500,000	120,937	(6,885)	-	3,259,525	2,890,004
Munster Development	1,260,069	1,260,069	21,830	12,190	80,000	-	(8,321)	-	1,353,578	1,272,259

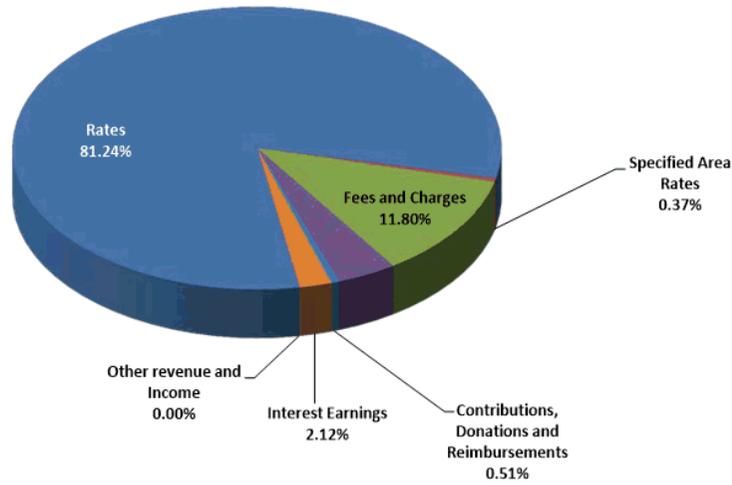
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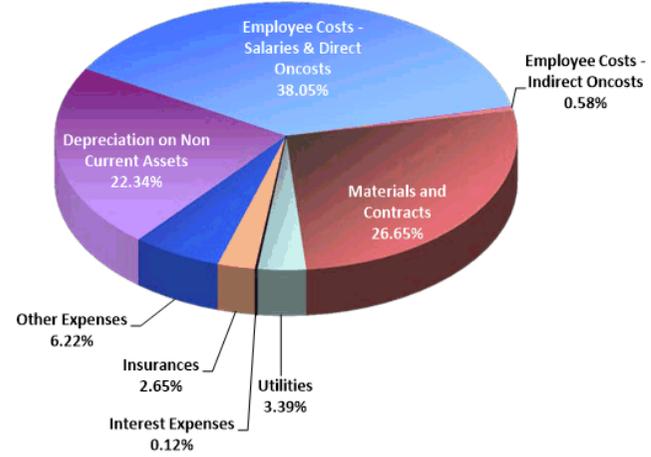
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Muriel Court Development Contribution	257,613	257,613	179	2,492	350,000	-	(11,738)	-	596,054	260,105
Packham North - DCP 12	15,021	15,021	1,146	210	100,000	17,474	(9,379)	-	106,788	32,706
Solomon Road DCP	639,757	639,757	16,500	6,189	-	-	(5,511)	-	650,746	645,946
Success Nth Development Cont. Plans	3,282,848	3,282,848	40,540	32,110	30,000	202,432	(3,776)	-	3,349,612	3,517,391
Thomas St Development Cont. Plans	13,262	13,262	294	128	-	-	-	-	13,556	13,390
Wattleup DCP 10	17,141	17,141	3,394	649	250,000	63,389	(6,885)	(65,000)	263,650	16,179
Yangebup East Development Cont. Plans	1,422,610	1,422,610	18,907	13,848	-	25,485	(3,656)	-	1,437,861	1,461,943
Yangebup West Development Cont. Plans	780,602	780,602	10,212	7,552	100,000	-	(3,376)	-	887,438	788,154
	<b>16,033,299</b>	<b>16,033,299</b>	<b>368,404</b>	<b>163,135</b>	<b>5,910,000</b>	<b>1,965,011</b>	<b>(4,470,986)</b>	<b>(65,000)</b>	<b>17,840,717</b>	<b>18,096,444</b>
<i>Total Reserves</i>	<b>118,934,320</b>	<b>119,056,427</b>	<b>1,890,530</b>	<b>1,079,595</b>	<b>46,370,000</b>	<b>14,522,641</b>	<b>(39,252,888)</b>	<b>(11,323,337)</b>	<b>127,941,962</b>	<b>123,335,325</b>

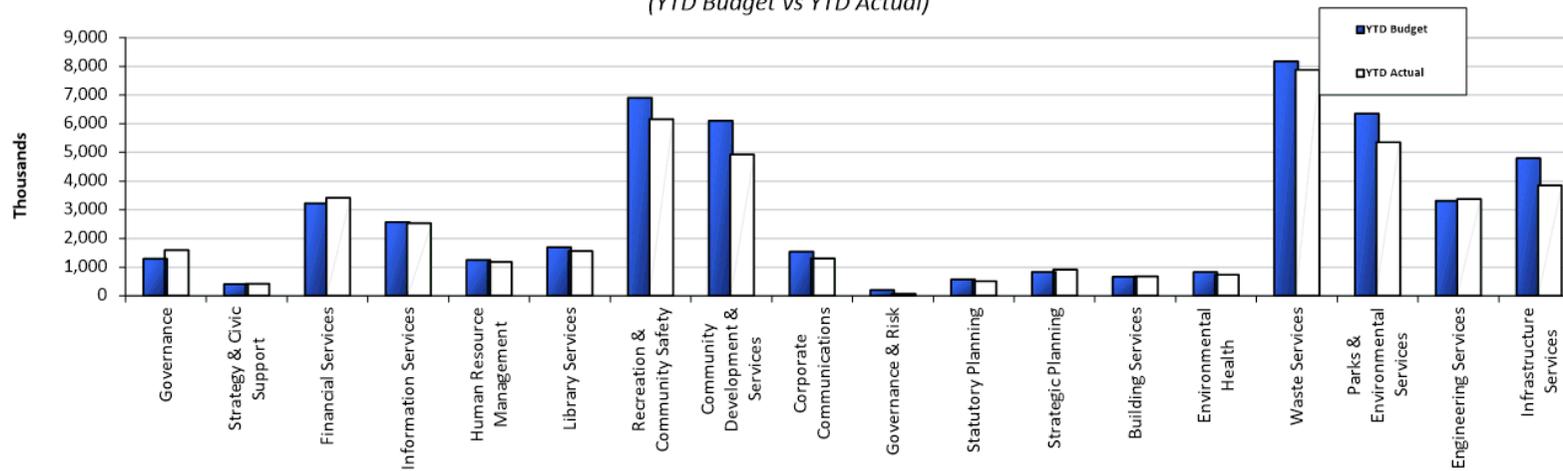
**Operating Income by Nature and Type**  
(YTD Actual)

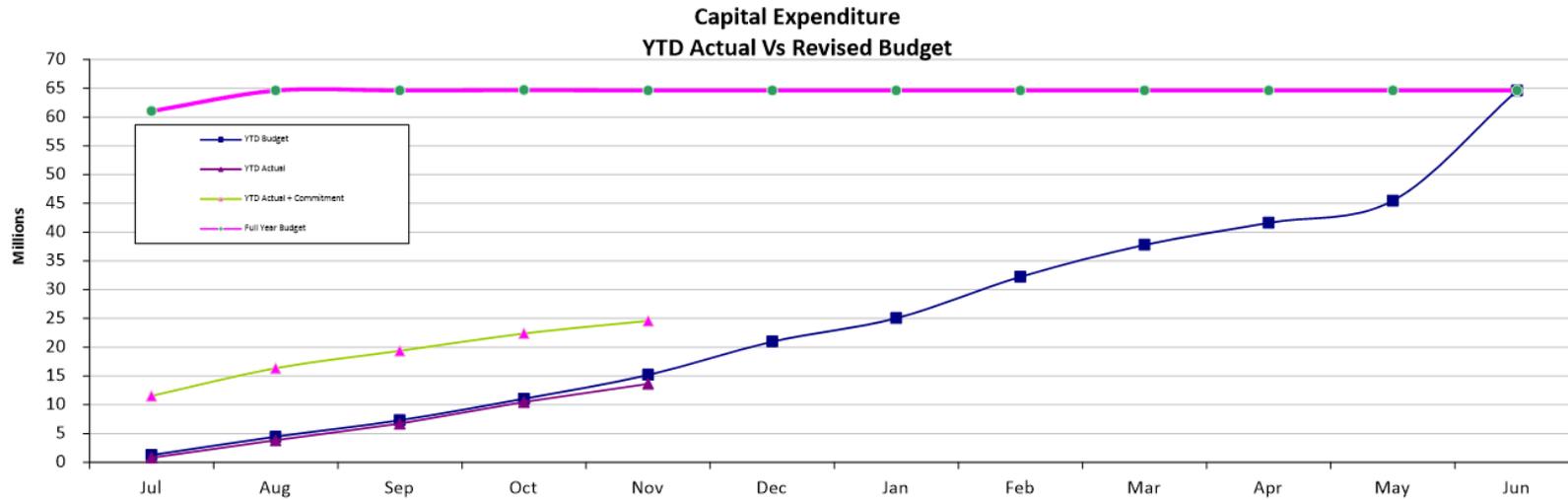
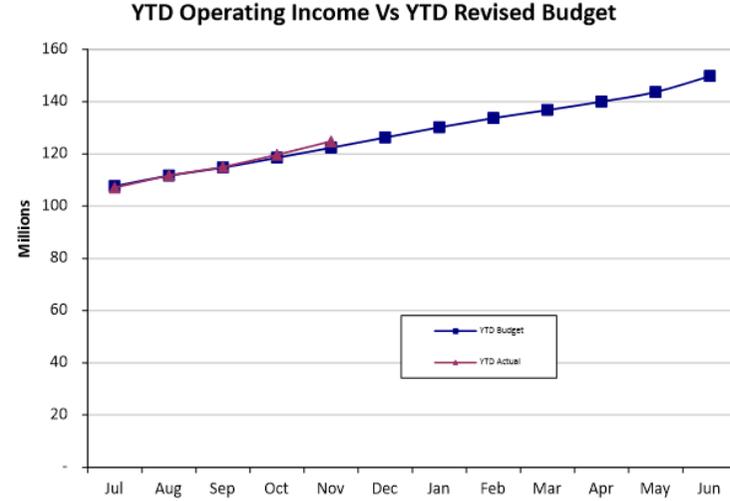
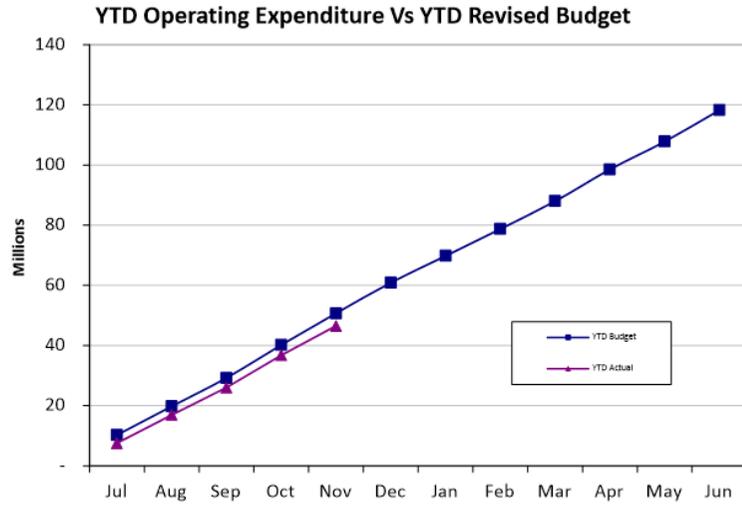


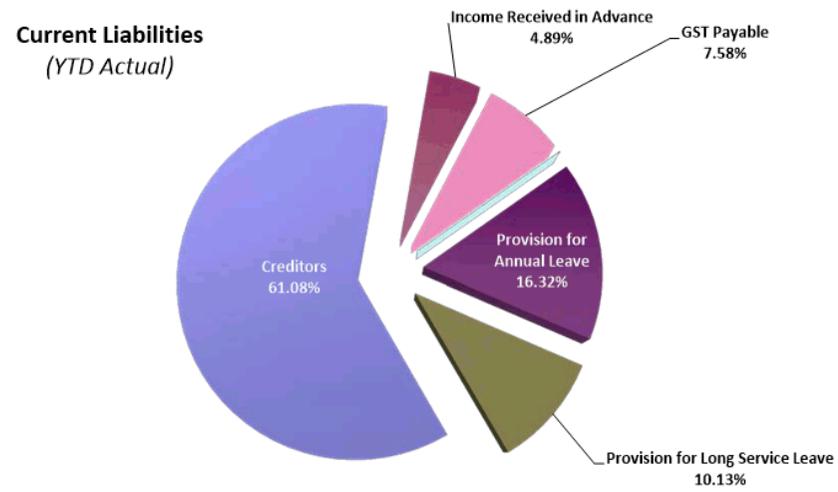
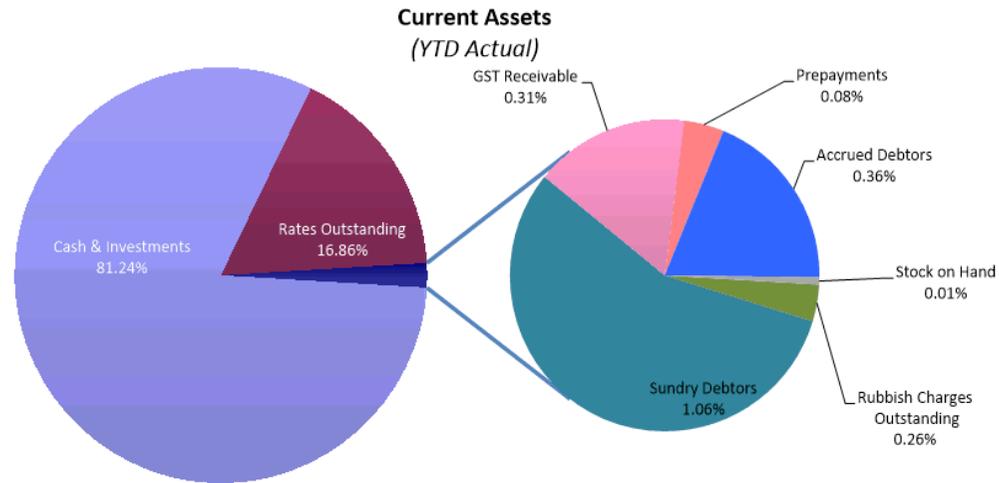
**Operating Expenditure by Nature and Type**  
(YTD Actual)

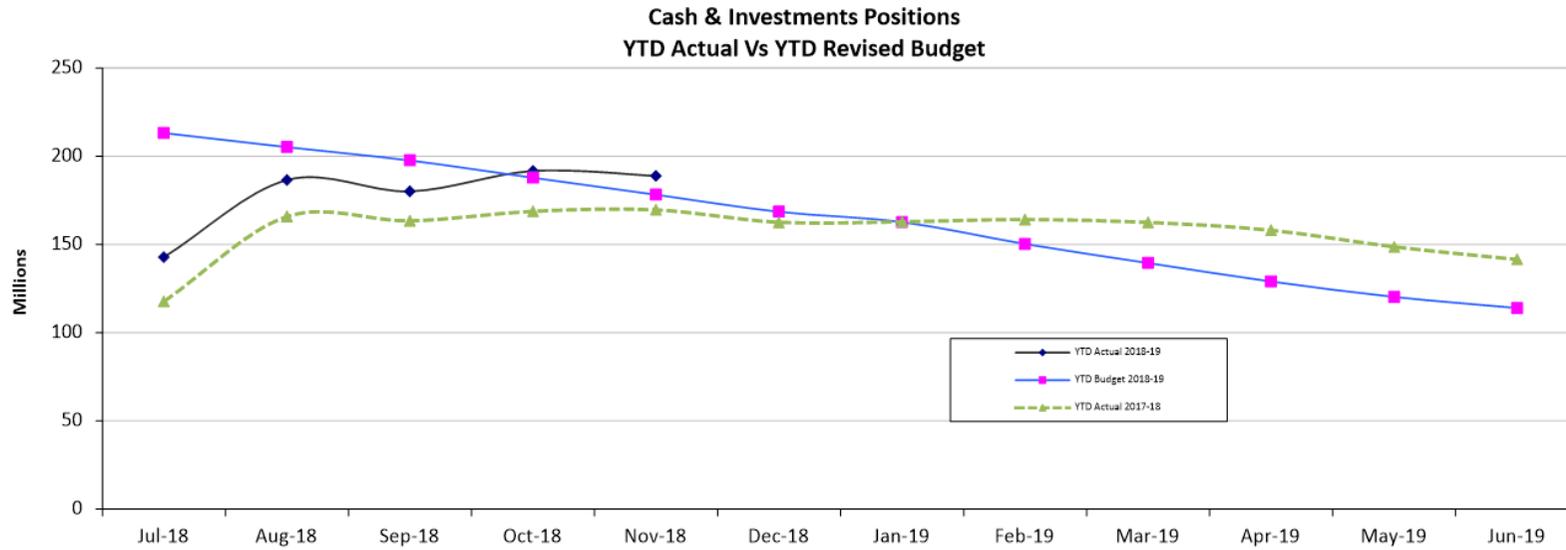
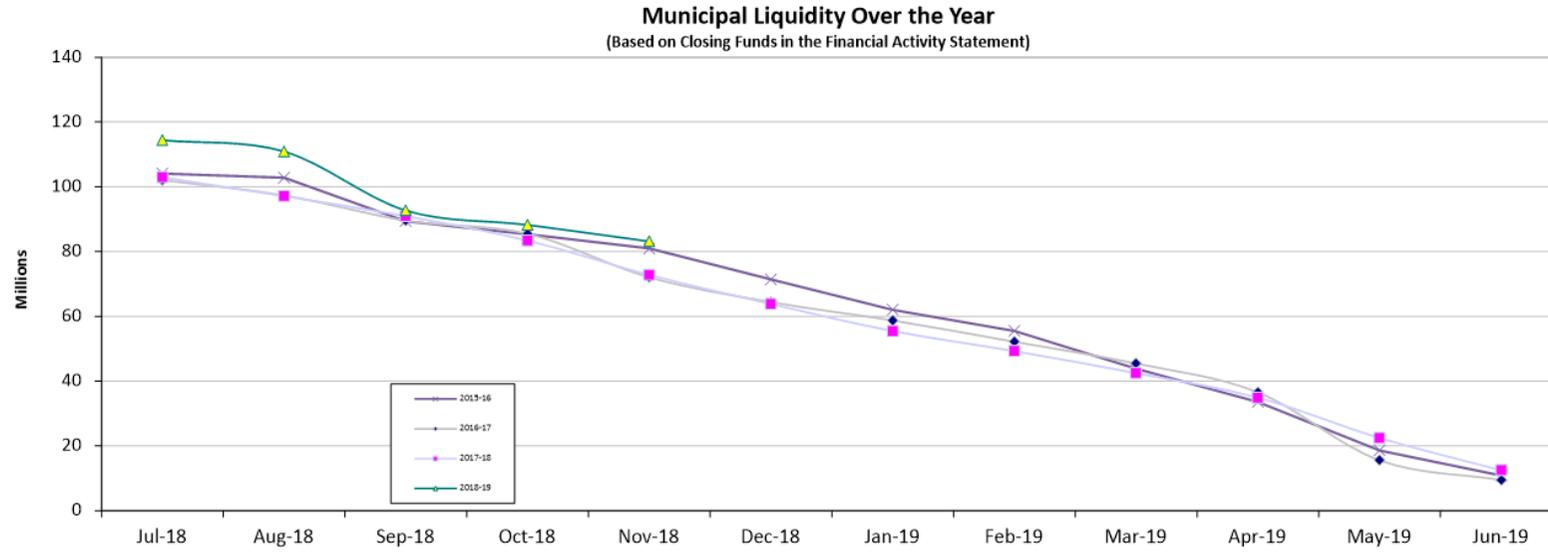


**Operating Expenditure by Business Unit**  
(YTD Budget vs YTD Actual)









**DETAILED BUDGET AMENDMENTS REPORT**

for the period ended 30 November 2018

PROJECT/ACTIVITY LIST		DESCRIPTION	ADD/LESS	EXPENDITURE	TF TO RESERVE	FUNDING SOURCES			
						RESERVE	EXTERNAL	MUNICIPAL	NON-CASH
GL 836	Port Coogee Marina	Fuel royalty income	ADD				(10,000)	10,000	
GL 790	Facilities Maintenance	New income and expenditure at EV Charging Station	LESS	2,800			(5,000)	2,200	
CW5681	City Streets Tree Planting	Bond forfeited to fund verge tree planting	ADD	42,727			(42,727)		
CW5983	Calleya Oval	Development funded from DCP13 and Contingency	ADD	322,085		(234,179)		(87,906)	
OP8969	HACC Program	New funding from HACC	ADD	75,751			(75,751)		
OP8977	EV Charging Unit	Maintenance for EV Charging Station	ADD	21,000		(21,000)			
OP8591	Third Bin Trial	Better Bins funding (1st milestone)	ADD				(281,700)	281,700	
OP9008	Report/Business Development	GST Refund on Land Sale	ADD	40,000			(70,000)	30,000	
OP8272	EM Contingency	To fund development at Calleya Oval	LESS	(87,906)				87,906	
OP6270	Royalty Income - 1712 Russell Road	Income from Mining Royalties	ADD		242,948		(242,948)		
				<b>416,457</b>	<b>242,948</b>	<b>(255,179)</b>	<b>(728,126)</b>	<b>323,900</b>	<b>0</b>