



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

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Financial Activity Statement for the period ended 31st December 2007

CITY OF JOONDALUP

Period: DEC-07

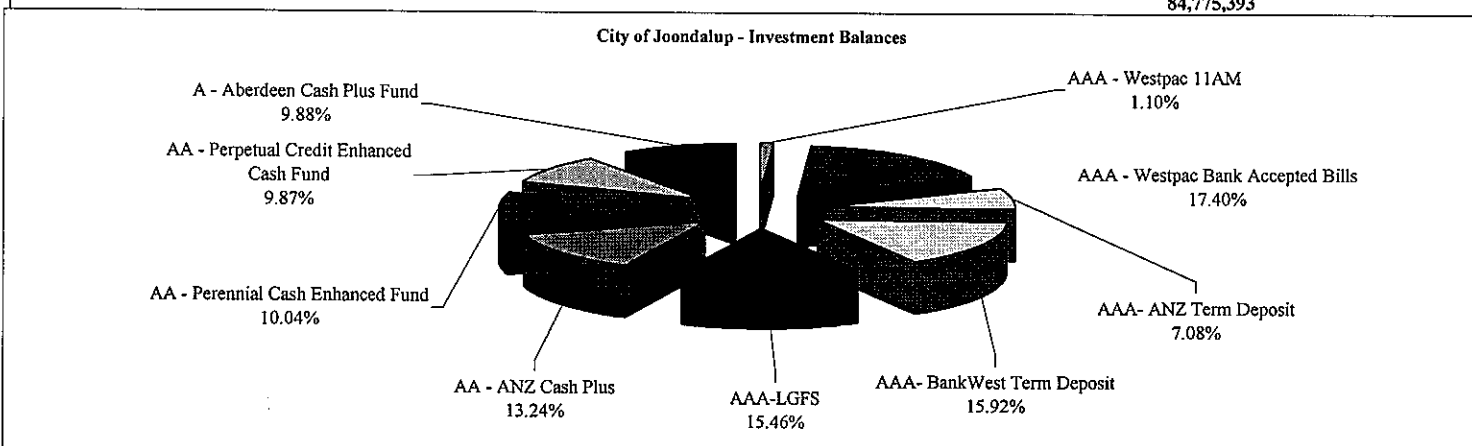
	Notes	Adopted Budget	YTD Budget	YTD Actual	YTD Variance	YTD Variance %
OPERATING REVENUE		\$	\$	\$	\$	%
Rates		(56,310,787)	(56,144,287)	(56,272,938)	128,651	(0)
Rates Specified Area		(141,353)	(141,353)	(144,430)	3,077	(2)
Government Grants and Subsidies	1	(3,364,026)	(1,736,735)	(1,842,756)	106,021	(6)
Contributions, Reimbursements & Donations	2	(668,646)	(389,564)	(517,207)	127,643	(33)
Profit on Disposal	3	(797,244)	(712,430)	(150,996)	(561,434)	79
Fees & Charges		(20,925,240)	(16,523,389)	(16,755,303)	231,914	(1)
Interest Earnings		(3,258,557)	(1,774,058)	(1,765,690)	(8,368)	0
Other Revenue		(115,000)	(52,500)	(44,396)	(8,104)	15
Total Operating Revenue		(85,580,853)	(77,474,316)	(77,493,715)	19,399	(0)
OPERATING EXPENSES						
Employee Costs		35,622,498	17,789,385	17,392,056	397,329	2
Materials & Contracts	4	30,516,132	15,632,645	14,001,716	1,630,929	10
Utilities		3,409,028	1,711,330	1,692,963	18,367	1
Depreciation on Assets		16,310,047	8,215,162	8,359,769	(144,607)	(2)
Loss on Disposal		254,756	91,495	46,595	44,900	49
Insurance Expenses		1,049,495	1,001,480	990,061	11,419	1
Interest Expenses		297,910	98,186	68,535	29,651	30
Other Expenses		66,000	66,000	66,279	(279)	(0)
Total Operating Expenditure		87,525,866	44,605,683	42,617,973	1,987,710	4
					0	0
(SURPLUS)/DEFICIT FROM OPERATIONS		1,945,013	(32,868,633)	(34,875,742)	2,007,109	(6)
CAPITAL REVENUE						
Capital Grants	5	(11,604,574)	(2,803,224)	(3,178,059)	374,835	(13)
Contributions & Reimbursements	6	(143,158)	(143,158)	0	(143,158)	100
Acquired Infrastructure Assets		(5,190,000)	0	0	0	0
Total Capital Revenue		(16,937,732)	(2,946,382)	(3,178,059)	231,677	(8)
CAPITAL EXPENDITURE						
Capital Budget - Capital Projects	7	15,252,775	5,509,107	2,286,744	3,222,363	58
Capital Budget - Capital Works	8	23,876,959	2,786,880	2,317,911	468,969	17
Motor Vehicle Replacement	9	2,490,500	1,171,000	551,351	619,649	53
Loan Repayment (Principal)		606,879	161,867	161,867	0	0
Equity Investment		0	0	0	0	0
Total Capital Expenditure		42,227,113	9,628,854	5,317,873	4,310,981	45
CAPITAL (SURPLUS)/DEFICIT		25,289,381	6,682,472	2,139,814	4,542,658	68
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL EXPENDITURE		27,234,394	(26,186,161)	(32,735,928)	6,549,767	(25)
ADJUSTMENTS FOR NON-CASH MOVEMENTS						
Depreciation on Assets		(16,310,047)	(8,215,162)	(8,359,769)	144,607	(2)
Loss on Disposal		(254,756)	(91,495)	(46,595)	(44,900)	49
Profit on Disposal	3	797,242	712,430	150,996	561,434	79
FUNDING						
Proceeds from Disposal	3	(1,398,326)	(907,326)	(389,941)	(517,385)	57
Loan Funds	10	(4,000,000)	(2,500,000)	0	(2,500,000)	100
Transfer from Reserve		(14,563,910)	0	0	0	0
Transfer to Reserve		9,247,653	0	0	0	0
Transfer to Accumulated Surplus		5,190,000	0	0	0	0
Opening Funds		(5,980,367)	(5,980,367)	(7,927,237)	1,946,870	(33)
CLOSING FUNDS	11	(38,117)	(43,168,081)	(49,308,474)	6,140,393	(14)



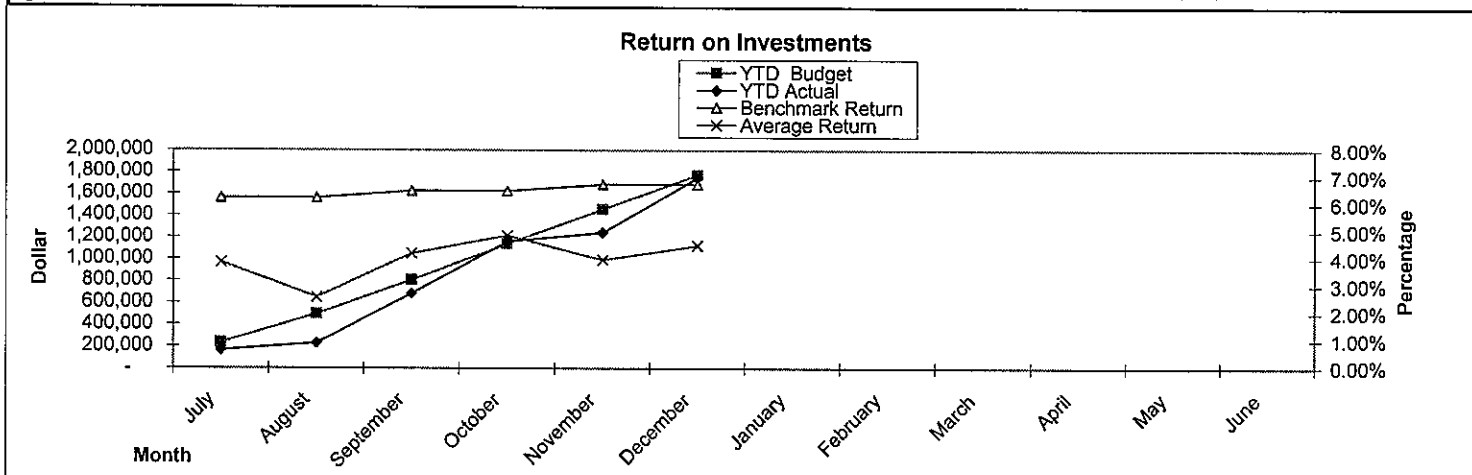
Investment Summary

CITY OF JOONDALUP
December-07

Investment Account	MTD Return	YTD Return	Value	\$	% of Portfolio	Policy Limit
AAA - Westpac 11AM	6.71%	6.42%	934,366		1.10%	50%
AAA - Westpac Bank Accepted Bills	6.80%	6.81%	14,750,852		17.40%	50%
AAA- ANZ Term Deposit	7.03%	7.02%	6,000,000		7.08%	50%
AAA- BankWest Term Deposit	7.33%	7.33%	13,500,000		15.92%	50%
AAA-LGFS	7.53%	7.36%	13,109,146		15.46%	50%
AA - ANZ Cash Plus	6.26%	4.71%	11,228,328		13.24%	50%
AA - Perennial Cash Enhanced Fund	8.90%	4.25%	8,510,048		10.04%	50%
AA - Perpetual Credit Enhanced Cash Fund	5.98%	3.59%	8,369,492		9.87%	50%
A - Aberdeen Cash Plus Fund	3.52%	3.60%	8,373,161		9.88%	40%
A- Black Rock Diversified Credit Fund	0.00%	-2.75%	-		0.00%	40%
Total Investment Portfolio	6.01%	4.51%	84,775,393		100.00%	
Municipal Funds			63,400,009			
Reserve Funds			21,375,384			
			84,775,393			



Month	MTD Budget	YTD Budget	MTD Actual	YTD Actual	Benchmark Return	Average Return
July	234,206	234,206	167,019	167,019	6.25%	3.88%
August	264,234	498,440	65,108	232,127	6.25%	2.59%
September	309,808	808,248	450,844	682,970	6.50%	4.21%
October	332,657	1,140,905	478,031	1,161,002	6.50%	4.87%
November	318,322	1,459,227	85,004	1,246,006	6.75%	3.98%
December	315,187	1,774,414	503,789	1,749,795	6.75%	4.51%



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

1 Government Grants and Subsidies

This variance related mainly to the following:

a) Dept for Community Development (State) Grant	\$17k
b) Lotteries Commission	\$(27)k
c) Healthways	\$(17)k
d) Other Government Grants & Subsidies	\$115k
e) Other	\$18k
	<u>\$106k</u>

- a) This variance is advanced funding forwarded from the Department for Child Protection (formerly Dept for Community Development) for the City's Financial Counselling Service.
- b) The Lotteries Commission revenue is now expected to be received in February 2008.
- c) Healthways grant income will now be less than budget as the second Little Feet Festival in 2007 is not being funded.
- d) A new grant of \$123k was received from the Federal Government for the Eco Business Program, this will be included in the budget review.
- e) Minor variances – not material and spread across various accounts.

2 Contributions, Reimbursements & Donations

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

a) Sponsorships Income	\$(42)k
b) Legal Fees	\$50k
c) Rates	\$47k
d) Utility Charges	\$39k
e) Discounts Received	\$(21)k
f) Reinstatement of Works	\$(22)k
g) Miscellaneous Reimbursements	\$77k
	<u>\$128k</u>

- a) Sponsorship Income of \$(40)k for the Summer Concerts was budgeted to be received in November, this is now expected to be received late January. Additional sponsorship funds of \$12k were raised to assist with the printing of the project Youth notebook "My Money My Life" 2008 which will be utilized in March 2008. These are offset by shortfalls in other Sponsorships primarily the Youth Festival.
- b) The year to date variance on Legal Fee Reimbursements is mainly due to \$61k invoiced to the Mullaloo Progress Association and claiming the recovery of Supreme Court Costs, offset by an adverse variance in Rates recovery costs compared to budget.
- c) The year to date variance on Rates Reimbursements of \$47k relates to the recharging of prior years rates from Wanneroo Council for Tamala Park to Mindarie Regional Council. (Please see Note 4a below)
- d) The Utility Charges variance includes \$27k invoiced to Silver Chain Nursing Association for the period August 2006 to July 2007, which was not included in the 2007/08 budget.
- e) Early payment discount is below budget as the volume of business with a major service provider who offers the discount is significantly reduced.
- f) Reinstatement of Works revenue is below that budgeted due to lower levels of work done for external stakeholders
- g) Two unbudgeted amounts were received from the LGIS Liability, Workcare and Property Self Insurance schemes. An amount of \$57k was received as a bonus dividend payment based on claims experience of member Councils. A further \$57k was received in respect of the close out adjustment for the 2001/02 Workers Compensation claim year.

3 Profit on Disposal

The year to date variance is due mainly to the budgeted profit of (\$510k) for the sale of land at Edingurgh Avenue, Kinross that has been delayed due to ongoing contract negotiations, this is anticipated to complete later in the financial year. Profit on the disposal of other assets is behind budget due to the delay in assets being replaced but is forecast to be on budget for the financial year. This has been partially offset by unbudgeted profit of \$62k for a Mitsubishi Grader that was sold as no longer required.

4 Materials and Contracts

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

a) Accommodation & Property	\$(93)k
b) Administration	\$397k
c) Finance Related Costs	\$83k

d)	Public Relations & Corporate Expenditure	\$59k
e)	Consultancy & Contractors	\$323k
f)	Computing	\$103k
g)	Contributions and Donations	\$(191)k
h)	Equipment	\$142k
i)	Materials	\$165k
j)	Books & Publications	\$55k
k)	Land & Buildings Expenditure	\$158k
l)	Service Charges From Other Councils	\$428k
m)	Other	\$2k
		<u>\$1631k</u>

Year to date variances are attributable to the following:

a) Accommodation and Property includes Rates paid to the City of Wanneroo for Tamala Park \$(85)k, which arose since the budget was adopted and of which \$47k is recoverable from Mindarie Regional Council as reported above.

b) The Administration variance is partially due to \$116k reduction in printing costs compared to budget, including \$10k for Youth Projects to be spent later than budgeted, \$12k in Environmental Waste on Recycling Calendars currently being distributed and \$46K relating to the Craigie Leisure Centre who are utilising more in-house printing facilities than budgeted. The remaining printing variance is due to phasing in the budget and will be caught up as the year progresses. A favourable variance to budget of \$272k also arose due to the timing of the election costs, which will be paid in February and are expected to be within the budget.

c) The Finance Related Costs variance relates mainly to \$62k on Credit Card Charges as actual expense has come below budget due to customers using different methods of payments than estimated in the budget.

d) Public Relations & Corporate expenditure variance to budget mainly relates to Marketing & Council Support with the charges for the Christmas party yet to be received and the timing of civic functions which will recommence in February 2008 including the Valentines Concert and Festival.

e) Consultancy costs were \$314k below budget due to delays compared to the budget phasing, with the main expenditure to date occurring in Infrastructure Management for the Land Scaping Master Plan. The total consulting budget for the year is expected to be below budget.

f) The Computing expenditure variance is mainly due to timing differences occurring in the payment of annual software licences and maintenance agreements. A variance of \$(141)k on maintenance agreements is more than offset by the delay in payment of \$235k for software licences, which will be made in January. Overall the annual actual expenditure will not be materially different to budget.

g) The Contributions and Donations variance is primarily due to the initial payment for the Arena Community Sport Funding of \$(284)k. This was included in the previous year's budget but was not spent nor budgeted for in the current financial year. Sponsorship and Community Funding Program expenditure were \$87k below budget but are forecast to be in line with budget for the financial year. These will all be adjusted in the Budget Review.

h) A variance of \$(53)k for computer equipment purchase arose mainly due to the PC replacement programme being brought forward because of the Office 2007 upgrade. This is offset by other amounts forecast to be spent in the budget yet to occur. These were primarily \$50k for Minor Plant & Equipment Purchases for the Waste Management Program, \$30k for new equipment, plus \$48k for equipment maintenance and repairs spread across various accounts.

i) The Materials variance is mainly below budget in all areas of Operation Services. Building work for various Council and Community buildings is \$112k below budget as much of the budget work is forecast in the coming six-month period. The main areas of over expenditure relate to External Contractor expenses in Waste Management \$(363)k, which includes additional transport costs arising from the use of alternative recycling arrangements to the Wangara Materials Recycling Facility. The additional costs are partly offset by reductions in Services Charges from Other Councils. Other External Contractor costs over budget occurred in Graffiti Control \$(116)k arising from the increased scope of works and Dry Parks \$(89)k.

j) The variance on Books & Publications is due to the timing of expenditure as we are waiting for the delivery of orders. All monies will be expended by the end of the Financial Year.

k) This variance is mainly due to the budgeted work of \$150k for reinstatement costs of the car park retaining wall at Ocean Reef Boat Harbour that is still to commence.

l) The favourable variance on Service Charges from other councils reflects the current offset of lower volumes owing to alternative recycling facilities being utilised. Future periods are expected to more closely align with the budget.

5 Capital Grants Revenue

The Capital Grants revenue variance relates mainly to claims made for work completed under the Roads to Recovery Program and an advance of 40% from a Main Roads Department Grant for the extension from the Freeway to Burns Beach Road, which was not anticipated in the budget.

6 Contributions & Reimbursements

The details of the variance are as follows: -

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

Contributions are not going to be received as budgeted for the Sorrento Surf Club and the Kingsley Reserve Floodlights as the projects are to be undertaken by the Clubs themselves. Some revenue is still expected for the Bus embayment at Greenwood Senior High School however this is likely to be below budget.

7 Capital Projects

The underspend is due primarily to the following projects: -

	Annual Budget	YTD Budget	Actual	Variance
a) Joondalup Works Depot	\$6200k	\$2420k	\$1562k	\$858k
b) Parking Lot 6 Lawley Court	\$0k	\$0k	\$192k	\$(192)k
c) Joondalup Drive Masterplan	\$192k	\$174k	\$0k	\$174k
d) Ocean Reef Development	\$1200k	\$600k	\$0k	\$600k
e) Fee Paid Car Parking Joondalup CBD	\$1200k	\$1145k	\$0k	\$1145k
f) Data Centre Upgrade	\$255k	\$255k	\$121k	\$134k
g) Document Management	\$320k	\$120k	\$0k	\$120k
h) IT Service Management Systems	\$105k	\$105k	\$0k	\$105k
i) Library Management System	\$309k	\$118k	\$0k	\$118k
j) Corporate Email & Domain Upgrade	\$203k	\$90k	\$0k	\$90k
k) Other	\$5269k	\$482k	\$412k	\$70k
	<u>\$15253k</u>	<u>\$5509k</u>	<u>\$2287k</u>	<u>\$3222k</u>

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

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

c) – k) These variances are due to projects being behind schedule or commencing at a later date than budgeted.

8 Capital Works

	Annual Budget	YTD Budget	Actual	Variance
a) Major Building Works	\$1069k	\$224k	\$278k	\$(54)k
b) Council Works – Car Parks CP1	\$850k	\$0k	\$2k	\$(2)k
c) Road Resurfacing Program	\$3370k	\$1065k	\$555k	\$510k
d) Roads to Recovery Program	\$1868k	\$345k	\$685k	\$(340)k
e) Foreshores, Parks and Reserves	\$1,175k	\$370k	\$239k	\$131k
f) Drainage	\$415k	\$30k	\$4k	\$26k
g) Footpaths	\$350k	\$0k	47k	\$(47)k
h) Playground Equipment	\$305k	\$0k	\$70k	\$(70)k
i) Roadworks	\$10882k	\$50k	\$16k	\$34k
j) Sporting Facilities	\$276k	\$17k	\$6k	\$11k
k) Street Lighting	\$335k	\$0k	\$10k	\$(10)k
l) Streetscape Enhancement	\$921k	\$100k	\$19k	\$81k
m) Traffic Management	\$1358k	\$326k	\$170k	\$16k
n) Other Capital Works	\$431k	\$90k	\$41k	\$49k
	<u>\$23877k</u>	<u>\$2787k</u>	<u>\$2318k</u>	<u>\$469k</u>

a) The Major Building Works to date includes the Joondalup Civic and Administration Buildings basement modifications and upgrades to the security and lift systems. Work is progressing faster than phased in the budget and will be within the total budget.

b) The project is in the early design phase and work is yet to be commenced.

c) The Road Resurfacing work includes a significant amount of work on suburban roads, including Marmion and Whitfords Avenue. Most of the planned work is on schedule; however delays in payments were experienced due to outstanding paperwork from contractors', resulting in a favourable variance.

d) A number of scheduled road resurfacing projects were completed under the Roads to Recovery Program, which includes work on Wanneroo Road / King Street in Woodlake Retreat. The programme is well advanced and will be within the overall budget.

e) Work is progressing on coastal foreshore maintenance, the reticulation renewal program, Ocean Reef Road and various parks, with other works still to commence.

f) – n) The variances on other Capital Works are due to projects commencing at a later date than budgeted.

9 Motor Vehicle Replacement

This variance is due to orders being placed later than budgeted, however expenditure on the plant replacement programme is forecast to be on budget for the year.

10 Loan Funds

This variance relates to borrowings for the Fee Paying Parking, which is to be implemented later in the year than budgeted.

11 Closing Funds

	Actual
<u>Current Assets</u>	
Cash Assets	\$84,187k
Rates and Sundry Debtors	\$12,313k
GST Receivable	\$443k
Accrued Income	\$418k
Advances and Prepayments	\$109k
	\$97,470k
<u>Less: Current Liabilities</u>	
Creditors	(\$7,022k)
Provisions	(\$6,088k)
Accrued Expenses	(\$3,436k)
Income in Advance	(\$0k)
GST Payable	(\$156k)
Other- Clearing	(\$126k)
	(\$16,828k)
<u>Less: Restricted Assets</u>	
Reserves	(\$31,367k)
Movement in Long Term Provisions	\$33k
Closing Funds	\$49,308k