



*Financial Activity Statement for  
the Period Ended  
31 May 2008*

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## Financial Activity Statement for the period ended 31st May 2008

	Notes	Revised Budget	YTD Revised Budget	YTD Actual	YTD Variance	YTD Variance %
<b>OPERATING REVENUE</b>		\$	\$	\$	\$	%
Rates		(56,409,271)	(56,372,514)	(56,599,601)	227,087	(0)
Rates Specified Area		(144,374)	(144,374)	(144,929)	555	(0)
Operating Grants and Subsidies	1	(3,771,231)	(3,743,174)	(3,399,344)	(343,830)	9
Contributions, Reimbursements & Donations	2	(720,062)	(698,536)	(905,960)	207,424	(30)
Profit on Asset Disposals	3	(797,244)	(790,101)	(690,620)	(99,481)	13
Fees & Charges		(20,994,942)	(20,358,678)	(20,164,398)	(194,280)	1
Interest Earnings	4	(3,650,346)	(3,332,443)	(3,591,141)	258,698	(8)
Other Revenue		(88,996)	(82,996)	(82,724)	(272)	0
<b>Total Operating Revenue</b>		<b>(86,576,466)</b>	<b>(85,522,816)</b>	<b>(85,578,716)</b>	<b>55,900</b>	<b>(0)</b>
<b>OPERATING EXPENSES</b>						
Employee Costs		35,445,684	32,489,435	32,382,591	106,844	0
Materials & Contracts	5	32,475,483	29,187,726	26,782,990	2,404,736	8
Utility Charges	6	3,440,499	3,126,099	2,914,266	211,833	7
Depreciation on Non-current Assets	7	16,684,526	15,296,913	13,642,803	1,654,110	11
Loss on Asset Disposals	8	273,843	231,727	101,992	129,735	56
Insurance Expenses		1,052,346	1,045,132	1,001,563	43,569	4
Interest Expenses		240,308	174,747	216,921	(42,174)	(24)
Other Expenses		66,279	66,279	66,279	0	0
<b>Total Operating Expenditure</b>		<b>89,678,968</b>	<b>81,618,058</b>	<b>77,109,404</b>	<b>4,508,654</b>	<b>6</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS</b>		<b>3,102,502</b>	<b>(3,904,758)</b>	<b>(8,469,312)</b>	<b>4,564,554</b>	<b>(117)</b>
<b>Non-Operating Revenue</b>						
Non-operating Capital Grants and Subsidies	9	(7,654,002)	(7,626,002)	(4,120,176)	(3,505,826)	46
Non-operating Contributions & Reimbursements		(30,000)	(30,000)	0	(30,000)	100
Acquired Infrastructure Assets		(5,189,999)	0	0	0	0
<b>Total Non-Operating Revenue</b>		<b>(12,874,001)</b>	<b>(7,656,002)</b>	<b>(4,120,176)</b>	<b>(3,535,826)</b>	<b>46</b>
<b>CAPITAL EXPENDITURE</b>						
Capital Budget - Capital Projects	10	12,928,309	10,553,873	6,552,847	4,001,026	38
Capital Budget - Capital Works	11	18,655,979	10,089,674	6,146,786	3,942,888	39
Motor Vehicle Replacement	12	2,490,500	1,655,500	1,564,819	90,681	5
Loan Repayment (Principal)		328,483	328,483	328,483	0	0
Equity Investment		0	0	28,430	(28,430)	100
<b>Total Capital Expenditure</b>		<b>34,403,271</b>	<b>22,627,530</b>	<b>14,621,365</b>	<b>8,006,165</b>	<b>35</b>
<b>CAPITAL (SURPLUS)/DEFICIT</b>		<b>21,529,270</b>	<b>14,971,528</b>	<b>10,501,189</b>	<b>4,470,339</b>	<b>30</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL EXPENDITURE</b>		<b>24,631,772</b>	<b>11,066,770</b>	<b>2,031,877</b>	<b>9,034,893</b>	<b>82</b>
<b>ADJUSTMENTS FOR NON-CASH MOVEMENTS</b>						
Depreciation on Assets	7	(16,684,526)	(15,296,913)	(13,642,803)	(1,654,110)	11
Loss on Disposal	8	(273,843)	(231,727)	(101,992)	(129,735)	56
Profit on Disposal	3	797,242	790,101	690,620	99,481	13
<b>FUNDING</b>						
Proceeds from Disposal		(1,310,441)	(1,007,441)	(1,202,077)	194,636	(19)
Loan Funds	13	(1,200,000)	(1,200,000)	0	(1,200,000)	100
Transfer from Reserve		(11,806,284)	0	0	0	0
Transfer to Reserve		8,551,191	0	0	0	0
Transfer to Accumulated Surplus		5,190,000	0	0	0	0
Opening Funds		(7,927,239)	(5,980,367)	(7,927,237)	1,946,870	(33)
<b>CLOSING FUNDS</b>	14	<b>(32,128)</b>	<b>(11,859,577)</b>	<b>(20,151,612)</b>	<b>8,292,035</b>	<b>(70)</b>



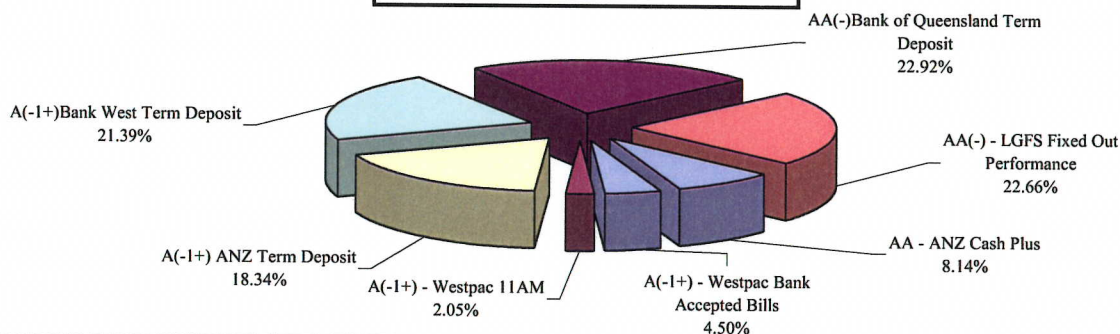


## Investment Summary

CITY OF JOONDALUP  
May-08

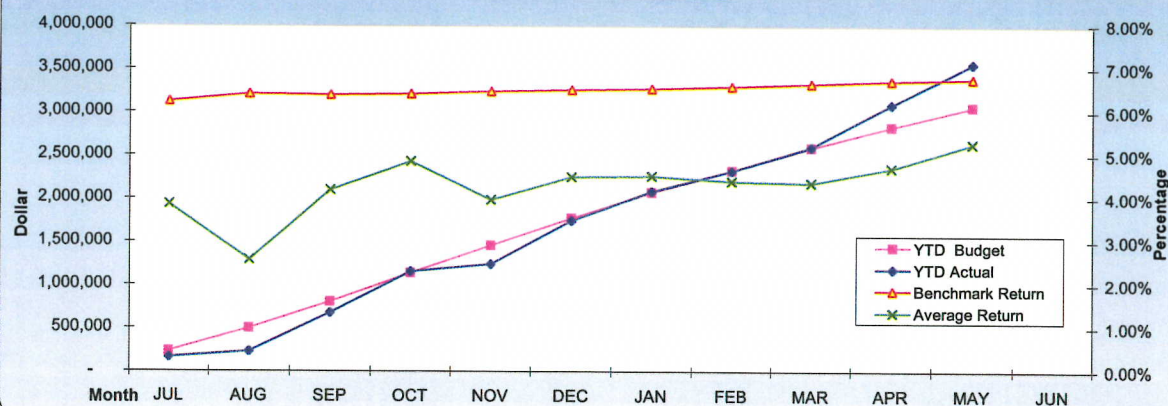
Investment Account	MTD Return	YTD Return	Value	\$	% of Portfolio	Policy Limit
A(-1+) - Westpac Bank Accepted Bills	7.70%	7.72%	2,944,102		4.50%	20%
A(-1+) - Westpac 11AM	7.15%	6.58%	1,343,366		2.05%	20%
A(-1+) ANZ Term Deposit	7.84%	7.38%	12,000,000		18.34%	20%
A(-1+)Bank West Term Deposit	7.89%	7.76%	14,000,000		21.39%	10%
AA(-)Bank of Queensland Term Deposit	7.83%	7.83%	15,000,000		22.92%	20%
AA(-) - LGFS Fixed Out Performance	8.31%	7.86%	14,826,363		22.66%	20%
AA - ANZ Cash Plus	9.99%	3.82%	5,325,194		8.14%	20%
AA - Perennial Cash Enhanced Fund	-	2.82%	-		-	20%
A - Perpetual Credit Enhanced Cash Fund	-	3.02%	-		-	20%
A - Aberdeen Cash Plus Fund	-	0.94%	-		-	20%
A- Black Rock Diversified Credit Fund	-	-2.75%	-		-	20%
<b>Total Investment Portfolio</b>	<b>8.10%</b>	<b>5.28%</b>	<b>65,439,026</b>		<b>100.00%</b>	
<b>Municipal Funds</b>			<b>44,063,642</b>			
<b>Reserve Funds</b>			<b>21,375,384</b>			
			<b>65,439,026</b>			

City of Joondalup - Investment Balances



Month	MTD Budget	YTD Budget	MTD Actual	YTD Actual	Benchmark Return	Average Return
JUL	234,206	234,206	167,019	167,019	6.25%	3.88%
AUG	264,234	498,440	65,108	232,127	6.42%	2.59%
SEP	309,808	808,248	450,844	682,970	6.40%	4.21%
OCT	332,657	1,140,905	478,031	1,161,002	6.42%	4.87%
NOV	318,322	1,459,227	85,004	1,246,006	6.48%	3.98%
DEC	315,187	1,774,414	503,789	1,749,795	6.52%	4.51%
JAN	298,317	2,072,731	339,281	2,089,076	6.55%	4.53%
FEB	254,128	2,326,859	236,164	2,325,240	6.60%	4.41%
MAR	266,884	2,593,743	277,587	2,602,826	6.67%	4.38%
APR	240,801	2,834,544	489,861	3,092,687	6.73%	4.72%
MAY	227,873	3,062,417	470,306	3,562,994	6.78%	5.28%

Return on Investments



**NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT**  
**FOR THE PERIOD ENDED ON 31 MAY 2008**

**1 Operating Grants and Subsidies**

This variance relates to the following:

a) Other Government Grants & Subsidies	\$(341)k
b) Various – not material	\$(3)k
	<u>\$(344)k</u>

a) The Community Water Grant of \$(199)k and Eco Business Grant of \$(53)k will now be received in 2008/09. Final payment of the Thinklearn Grant \$(38)k is to be received in June and the balance of \$(51)k was received in 2006/07.

**2 Contributions, Reimbursements & Donations**

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

a) Contributions Income	\$44k
b) Utility Charges	\$61k
c) Other Miscellaneous Reimbursements	\$42k
d) Various – not material	\$60k
	<u>\$207k</u>

a) This includes a 50% contribution of \$25k for the school bus embayment at Greenwood Senior High and an \$8k contribution for the shared path at Woodlake Retreat.

b) An unbudgeted subsidy was received during the period from Main Roads for street lighting, \$24k for 06/07 and \$25k for 07/08.

c) A Workers Compensation adjustment of \$22k for 06/07 was received and \$18k for Operations mowing services at various schools.

**3 Profit on Asset Disposals**

This variance is mainly due to the assets being disposed of later than budgeted due to delays in acquiring replacement assets.

**4 Interest Earnings**

YTD Interest variance is made up of \$231k additional rate variance and \$44k net higher balance variance from investments. Interest on the Municipal bank account is also \$(16)k below budget for the year.



## 5 Materials and Contracts

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

a)	Waste Management Services	\$629k
b)	Consultancy	\$206k
c)	Strategic Development – Grant Expenditure	\$202k
d)	Furniture & Office Equipment Purchase - minor	\$168k
e)	Council Election Costs	\$153k
f)	Legal Expenses	\$150k
g)	Operations – Minor Works Projects	\$143k
h)	Sponsorship	\$123k
i)	Printing	\$116k
j)	Plant & Equipment Purchase - minor	\$114k
k)	Contributions	\$108k
l)	Fleet Recovery Costs	\$98k
m)	Other - various	\$195k
		<u>\$2,405k</u>

a) Variance is due to delays in invoicing by City of Wanneroo and a significant amount is expected in June.

b) Expenditure is forecast to be \$100k below budget for the year.

c) Grant expenditure for the Eco-Business and Lake Goollelal Community Water Projects has been delayed to 2008/09.

d) Stage 2 of the community furniture replacement program of \$120k is to be delivered in August.

e) Actual savings to budget of \$153k.

f) Savings due to timing of payments with expenditure expected to be close to budget for the year.

g) A number of Minor Works Projects will now be carried over to be completed in the new financial year.

h) The Sports Development Program is to expend \$62k in June and sponsorships amounting to \$30k will be paid to the Mullaloo & Sorrento Surf Life Savings Clubs this financial year.

i) Costs associated with the Leisure Guide, Joondalup Festival, 10 year anniversary stationery and publications of \$59k were delayed and are to be expended in June. Printing costs associated with the review of the Planning Scheme of \$11k will be carried forward to next year.

j) A variance of \$94k relates to the Waste Management Program for the purchase of new bins for which an order has been placed.

k) Contributions to the Warwick Leisure Centre were \$63k below budget due to strong revenues. Parks Maintenance expenditure to date has a \$42k saving in the budget allowance for contributions to community associations.

l) Lower repairs and general running costs were incurred compared to budget.

m) Other variances are not material and spread across various accounts.

## 6 Utility Charges

a) Electricity	\$178k
b) Gas / Water	\$34k
	<u>\$212k</u>

a) The variance is caused by significant electricity savings in Parks of \$340k reduced by over expenditure in Libraries and other areas of \$(162)k.

b) Variances not material.

## 7 Depreciation on Non-Current Assets

The depreciation variance is due mainly to the forecast depreciation for Infrastructure Assets, and in particular for Parks and Reserves, being lower than anticipated. Infrastructure depreciation was revised down by \$1,715k while other operating assets were \$(61)k higher.

## 8 Loss on Asset Disposals

This variance is mainly due to the assets being disposed of later than budgeted due to delays in acquiring replacement assets.

## 9 Non-operating Grants, Subsidies and Contributions

The variances are as follows:

a) Metro Regional Road and Black Spot Programs	\$(2,811)k
b) Other Government Grants & Subsidies	\$(694)k
c) Contributions	<u>\$(30)k</u>
	<u>\$ (3,535)k</u>

b) Grants under the Metro Regional Road Programme were redirected to the Burns Beach Road project from planned work on Moore /Connolly Drives and are scheduled for 2008/09. Other road projects, including Burns Beach, are dependant on stages of work being completed, the variance amounting to \$(2,811)k. Road Grants funding to be claimed in June amounts to \$260k.

b) This relates to the Ocean Reef project which has been delayed and is now included in the 08/09 budget.



## 10 Capital Projects

	Revised Budget	YTD Rev Budget	YTD Actual	Variance
a) Fee Paid Car Parking Joondalup CBD	\$1,200k	\$1,200k	\$0k	\$1,200k
b) Joondalup Works Depot	\$5,808k	\$5,660k	\$4,906k	\$754k
c) Document Management	\$520k	\$500k	\$182k	\$318k
d) Aquatic Upgrade – CLC	\$450k	\$300k	\$0k	\$300k
e) Kingsley Community Facilities	\$259k	\$259k	\$0k	\$259k
f) Woodvale / Kingsley Facility Dev	\$250k	\$250k	\$0k	\$250k
g) CCTV Joondalup CBD – City Watch	\$267k	\$214k	\$0k	\$214k
h) Joondalup Drive Masterplan	\$192k	\$192k	\$3k	\$189k
i) Corporate Email & Domain Upgrade	\$203k	\$203k	\$13k	\$190k
j) Library Management System	\$309k	\$309k	\$154k	\$155k
k) Relocate Customer Service Centre	\$81k	\$81k	\$(60)k	\$141k
l) IT Service Management Systems	\$105k	\$105k	\$0k	\$105k
m) Various Other projects	\$3,284k	\$1,281k	\$1,355k	\$(74)k
	<u>\$12,928k</u>	<u>\$10,554k</u>	<u>\$6,553k</u>	<u>\$4,001k</u>

a) Delivery of ticket machines now expected to be mid July with installation by end of July

b) Work on the new Operations Centre is expected to be substantially completed by the end of June with a small amount of work carried forward.

c) System has been selected, implementation will continue into the new financial year.

d) Project behind original schedule and now carried forward to next year

e) Design development work has commenced.

f) Proposal outlining development sites or projects within each suburb is under consideration

g) Project carried forward to next year.

h) Joondalup Drive Project is undertaking seed propagation in preparation for the planting program, which will take place in July. Concrete path works are complete, brick paving will commence in July, with asphalt path works currently underway

i) Order placed but will not be completed this financial year.

j) All library staff completed basic training, System functionality and data conversion testing completed and signed off. Some funds will need to be carried forward

k) Small amount of remedial work yet to be completed, invoices to be processed in June.



l) Hopefully an order for the system will be placed by the end of June so the project will carry forward into next year.

m) These project variances are not material.

## 11 Capital Works

	Revised Budget	YTD Budget	Actual	Variance
a) Road Resurfacing Program	\$4,093k	\$4,032k	\$2,976k	\$1,056k
b) Traffic Management	\$1,121k	\$1,091k	\$438k	\$653k
c) Foreshores, Parks and Reserves	\$1,401k	\$1,209k	\$795k	\$414k
d) Drainage	\$415k	\$335k	\$226k	\$109k
e) Major Building Works	\$839k	\$719k	\$351k	\$368k
f) Streetscape Enhancement	\$706k	\$413k	\$170k	\$243k
g) Roadworks	\$7,744k	\$355k	\$273k	\$82k
h) Footpaths	\$1,285k	\$1,033k	\$219k	\$814k
i) Playground Equipment	\$305k	\$238k	\$128k	\$110k
j) Sporting Facilities	\$228k	\$190k	\$92k	\$98k
k) Engineering Works	\$295k	\$276k	\$288k	\$(12)k
l) Spend re Prior Year	\$172k	\$172k	\$172k	\$0k
m) Council Works – Car Parks CP1	\$52k	\$27k	\$22k	\$5k
	\$18,656k	\$10,090k	\$6,150k	\$3,940k

a) The Road Resurfacing work includes a significant amount of expenditure incurred on work on suburban roads, including Kingsley Drive, Wedgwood Drive, Glenunga Way and Marmion and Whitfords Avenue's. Additionally a number of projects were completed in Duncraig, Heathridge and Greenwood. Most of the planned work is on schedule and will be on track by the end of the financial year.

b) Traffic Management projects are behind budget due to delays in gaining Main Roads approvals, however they are forecast to be caught up by the end of the financial year.

c) - d) Work is progressing well on coastal foreshore maintenance, reticulation renewal program and works to various parks and reserves. The majority of the Drainage projects are complete with work continuing on the Yellagonga outfall upgrades. The projects will complete this financial year and are expected to more closely align to budget.

e) 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 complete on the basement however some costs are yet to be processed but it is expected to be close to budget. Various Building Maintenance projects with a YTD budget of \$100k will be required to be carried forward due to the current industry prices and delays and \$67k reimbursement to the Sorrento Surf Life Saving Club for alterations is still to be processed.

f) Work on the Streetscape Enhancement projects is behind budget some of which is due to works being tied to the winter planting season which is later in the financial year. A major component of this programme is the ongoing design being undertaken on

West Coast Drive Enhancement project. This ongoing project will be carried forward into the next financial year.

g) Of the revised budget for Road Works of \$7,744k, the Burns Beach Road work, together with preliminary design work related to Connolly Drive – Burns Beach Road to McNaughton has commenced. The Woodlake Retreat extension to Wanneroo Road / Kingsway project is progressing and approximately \$439k is to occur by June. A review of the remaining works gave rise to approximately \$959k to be carried forward in the new budget and identified surpluses of \$396k.

h) – m) The variances on other Capital Works are mainly due to the timing of the commencement of the projects compared to budget phasing.

## 12 Motor Vehicle Replacement

This variance is due to increased supplier lead time for some items, such as ride –on mowers, trailers and vans.

## 13 Loan Funds

Due to the delays in the implementation of Fee Paid Car Parking this loan is no longer required this financial year, however it is forecast that a reduced loan will be required next year.

## 14 Closing Funds

	Actual
<b><u>Current Assets</u></b>	
Cash Assets	\$63,664k
Rates and Sundry Debtors	\$1,798k
GST Receivable	\$805k
Accrued Income	\$387k
Advances and Prepayments	\$166k
	\$66,820k
<b><u>Less: Current Liabilities</u></b>	
Creditors	(\$6,327k)
Provisions	(\$5,927k)
Accrued Expenses	(\$2,805k)
Income in Advance	(\$0k)
GST Payable	(\$68k)
Other- Clearing	(\$207k)
	(\$15,334k)
<b><u>Less: Restricted Assets</u></b>	
Reserves	(\$31,367k)
Movement in Long Term Provisions	\$33k
<b>Closing Funds</b>	<b>\$20,152k</b>