



*Financial Activity Statement for
the Period Ended
30 June 2008*

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Financial Activity Statement for the period ended 30 June 2008

Subject to final audit confirmation

	Notes	Revised Budget	YTD Revised Budget	YTD Actual	YTD Variance	YTD Variance %
		\$	\$	\$	\$	%
OPERATING REVENUE						
Rates		(56,409,271)	(56,409,271)	(56,551,642)	142,371	0
Rates Specified Area		(144,374)	(144,374)	(144,966)	592	0
Operating Grants and Subsidies	1	(3,771,231)	(3,771,231)	(3,453,882)	(317,349)	(8)
Contributions, Reimbursements & Donations	2	(720,062)	(720,062)	(964,675)	244,613	34
Profit on Asset Disposals	3	(797,244)	(797,244)	(712,995)	(84,249)	(11)
Fees & Charges		(20,994,943)	(20,994,943)	(21,048,067)	53,124	0
Interest Earnings	4	(3,650,346)	(3,650,346)	(3,979,178)	328,832	9
Other Revenue		(88,996)	(88,996)	(90,345)	1,349	2
Total Operating Revenue		(86,576,467)	(86,576,467)	(86,945,751)	369,284	0
OPERATING EXPENSES						
Employee Costs		35,445,684	35,445,684	35,923,528	(477,844)	(1)
Materials & Contracts	5	32,475,486	32,475,486	30,265,861	2,209,625	7
Utility Charges	6	3,440,499	3,440,499	3,169,625	270,874	8
Depreciation on Non-current Assets	7	16,684,526	16,684,526	14,887,533	1,796,993	11
Loss on Asset Disposals		273,843	273,843	246,830	27,013	10
Insurance Expenses		1,052,346	1,052,346	1,001,563	50,783	5
Interest Expenses	8	240,308	240,308	189,118	51,190	21
Other Expenses		66,279	66,279	66,279	0	0
Total Operating Expenditure		89,678,971	89,678,971	85,750,337	3,928,634	4
(SURPLUS)/DEFICIT FROM OPERATIONS		3,102,504	3,102,504	(1,195,414)	4,297,918	139
Non-Operating Revenue						
Non-operating Capital Grants and Subsidies	9	(7,654,002)	(7,654,002)	(4,429,516)	(3,224,486)	(42)
Non-operating Contributions & Reimbursements		(30,000)	(30,000)	(60,636)	30,636	102
Acquired Infrastructure Assets	10	(5,190,000)	(5,190,000)	(6,623,890)	1,433,890	28
Total Non-Operating Revenue		(12,874,002)	(12,874,002)	(11,114,042)	(1,759,960)	(14)
CAPITAL EXPENDITURE						
Capital Budget - Capital Projects	11	12,928,309	12,928,309	7,862,759	5,065,550	39
Capital Budget - Capital Works	12	18,655,979	18,655,979	11,534,835	7,121,144	38
Motor Vehicle Replacement	13	2,490,500	2,490,500	1,685,649	804,851	32
Loan Repayment (Principal)		328,483	328,483	328,483	0	0
Equity Investment		0	0	53,675	(53,675)	100
Total Capital Expenditure		34,403,271	34,403,271	21,465,401	12,937,870	38
CAPITAL (SURPLUS)/DEFICIT		21,529,269	21,529,269	10,351,359	11,177,910	52
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL EXPENDITURE		24,631,773	24,631,773	9,155,945	15,475,828	63
ADJUSTMENTS FOR NON-CASH MOVEMENTS						
Depreciation on Assets	7	(16,684,526)	(16,684,526)	(14,887,533)	(1,796,993)	(11)
Loss on Disposal		(273,843)	(273,843)	(246,830)	(27,013)	(10)
Profit on Disposal	3	797,244	797,244	712,995	84,249	11
FUNDING						
Proceeds from Disposal		(1,310,441)	(1,310,441)	(1,324,813)	14,372	1
Loan Funds	14	(1,200,000)	(1,200,000)	0	(1,200,000)	(100)
Transfer from Reserve		(11,806,284)	(11,806,284)	(10,775,732)	(1,030,552)	(9)
Transfer to Reserve		8,551,191	8,551,191	15,418,988	(6,867,797)	(80)
Transfer to Accumulated Surplus		5,190,000	5,190,000	6,761,825	(1,571,825)	(30)
Opening Funds		(7,927,239)	(7,927,239)	(7,927,237)	(2)	(0)
CLOSING FUNDS	15	(32,125)	(32,125)	(3,112,392)	3,080,267	9,588

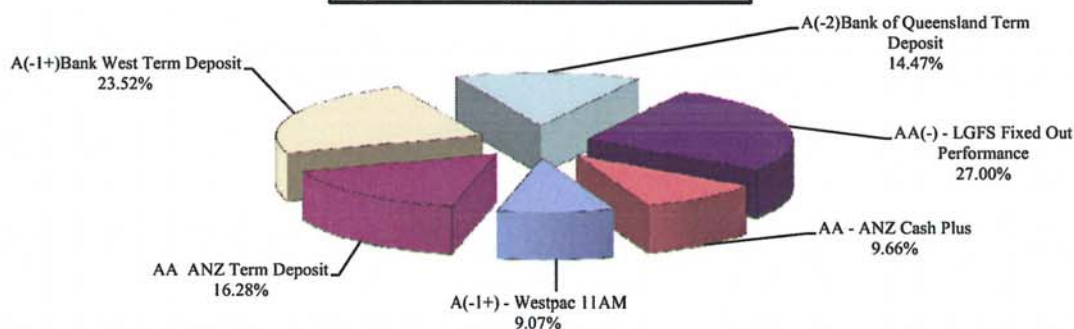


Investment Summary

CITY OF JOONDALUP
June-08

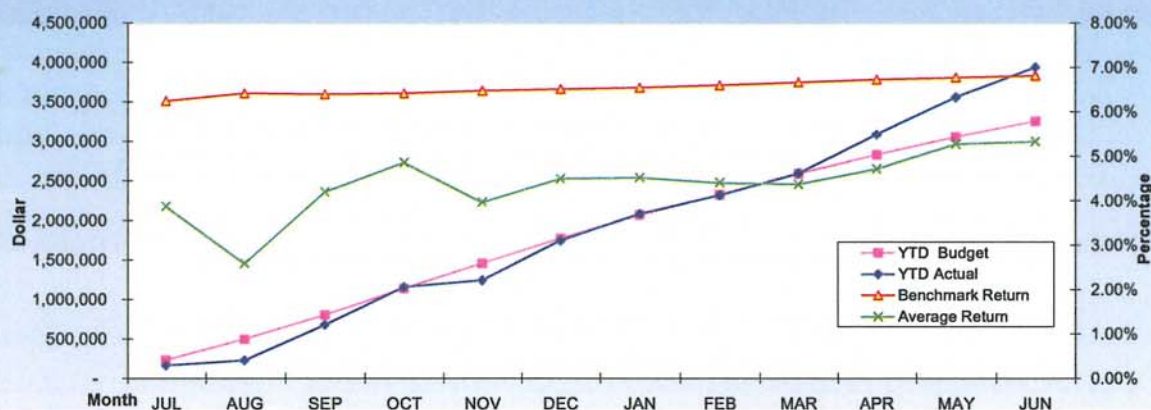
Investment Account	MTD Return	YTD Return	Value \$	% of Portfolio	Policy Limit
A(-1+) - Westpac Bank Accepted Bills	7.70%	7.00%	-	0.00%	20%
A(-1+) - Westpac 11AM	7.15%	6.61%	5,013,366	9.07%	20%
AA ANZ Term Deposit	7.85%	7.40%	9,000,000	16.28%	20%
A(-1+)Bank West Term Deposit	8.09%	7.83%	13,000,000	23.52%	20%
A(-2)Bank of Queensland Term Deposit	7.89%	7.83%	8,000,000	14.47%	10%
AA(-) - LGFS Fixed Out Performance	8.12%	7.88%	14,925,281	27.00%	20%
AA - ANZ Cash Plus	3.89%	3.82%	5,342,391	9.66%	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%
Total Investment Portfolio	7.24%	5.34%	55,281,038	100.00%	
Municipal Funds			33,905,654		
Reserve Funds			21,375,384		
			55,281,038		

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	471,041	3,563,728	6.78%	5.28%
JUN	196,142	3,258,559	380,774	3,944,502	6.82%	5.34%

Return on Investments



SUBJECT TO FINAL AUDIT CONFIRMATION

NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT
FOR THE PERIOD ENDED ON 30 JUNE 2008

1 Operating Grants and Subsidies

This variance relates to the following:

a) Other Government Grants & Subsidies	\$(311)k
b) Various – not material	\$(6)k
	<u>\$(317)k</u>

a) The Community Water Grant of \$(200)k and Eco Business Grant of \$(53)k will now be received in 2008/09. The budgeted Thinklearn Grant of \$(51)k was included in the budget review in error, despite having been received earlier in 2006/07.

2 Contributions, Reimbursements & Donations

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

a) Contributions Income	\$51k
b) Utility Charges	\$61k
c) Reinstatements of Works	\$46k
d) Other Miscellaneous Reimbursements	\$48k
e) Various – not material	\$39k
	<u>\$245k</u>

a) This includes a 50% contribution of \$25k for the school bus embayment at Greenwood Senior High. Other contributions not budgeted include \$8k contribution for the shared path at Woodlake Retreat, \$9k for Business Forums, Wanneroo Council contributions for the Eco-Business and joint feasibility for a Pet Crematorium of \$5k each.

b) An unbudgeted subsidy was received during the period from Main Roads for street lighting, \$24k for 06/07 and \$25k for 07/08. Reimbursements from various community centres and clubs was \$12k above budget.

c) Reinstatement of Works revenue was \$66k for the year, \$45k above the revised budget but only 77% of the original budget.

d) A Workers Compensation adjustment of \$22k was received for 06/07 and reimbursements for ground maintenance charges were \$24k above budget.

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 caused by interest rate variance and \$117k resulting from higher investment balance. Interest on the Municipal bank account is \$(19)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	\$436k
b) Operations – Minor Works Projects	\$376k
c) Grant Expenditure	\$328k
d) Consultancy	\$220k
e) Fleet Recovery Costs	\$153k
f) Furniture & Office Equipment Purchase - minor	\$170k
g) Council Election Costs	\$153k
h) Legal Expenses	\$135k
i) Plant & Equipment Purchase - minor	\$120k
j) Printing	\$112k
k) Other – various – not material	\$7k
	<u>\$2,210k</u>

a) Charges for Waste Management Services provided by the City of Wanneroo are below budget, the net operating surplus for the year has been transferred to reserves.

b) Expenditure on Minor Works Projects fell short of the anticipated budget for the year and has been rescheduled in the new financial year.

c) Grant expenditure of \$79k for the Eco-Business project originally budgeted for the current year has been rescheduled to 2008/09. The Lake Goollelal Community Water Project expenditure of \$199k was budgeted as operating however \$176k has been expended and included in capital works for the year (see note 13d). The Environment Centre which was budgeted at \$50k is currently not planned to go ahead.

d) Consultancy costs were below budget and \$65k has been re-budgeted in the 2008/09 budget.

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

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

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

h) The saving in Legal Expenses is due to some items anticipated in the budget, including the weed spraying issue, that are yet to be progressed.

i) A variance of \$110k relates to the Waste Management Program for the purchase of new bins for which an order has been placed. Delivery of the bins will be in July.

j) Print costs for Leisure and Cultural services were \$29k below budget due to lower expenditure for the Joondalup Festival and the Leisure Guide that was not printed. Costs associated with the review of the Planning Scheme of \$15k have been included in the 2008/09 budget.

6 Utility Charges

a) Electricity	\$235k
b) Gas / Water	<u>\$36k</u>
	\$271k

a) This variance is due to the budget for Parks being overestimated by \$435k, however this has been reduced by underestimated budgets for Libraries and other areas of \$(200)k.

b) Variances not material.

7 Depreciation on Non-Current Assets

The depreciation variance is due mainly to the actual depreciation for Infrastructure Assets, and in particular for Parks and Reserves, being lower than anticipated. Infrastructure depreciation was revised down by \$1,872k while other operating assets were \$(75)k higher.

8 Interest Expenses

The variance in Interest Expenses is due to delays in the implementation of Fee Paid Car Parking as the budgeted loan was not required this financial year.

9 Non-operating Grants, Subsidies

The variances are as follows:

a) Metro Regional Road and Black Spot Programs	\$(2,580)k
b) Other Government Grants & Subsidies	<u>\$(644)k</u>
	\$ (3,224)k

a) 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. Grants of \$671,534 have been carried forward in the 2008/09 budget.

b) This relates to the Ocean Reef Marina development project which is ongoing and is included in the 08/09 budget.

10 Acquired Infrastructure Assets

Acquired infrastructure assets from developers in the year consisted of 8.1km of roads and drainage facilities, 5.75km in Burns Beach, 1.6km in Iluka, 0.57km in Hillarys and 0.179km in Currabine. There was also 6.284km of footpaths acquired, 5.776km in Burns Beach and 0.508km in Currabine.

11 Capital Projects

	YTD Revised Budget	YTD Actual	Variance
a) Fee Paid Car Parking Joondalup CBD	\$1,200k	\$0k	\$1,200k
b) Ocean Reef Marina Development	\$1,200k	\$57k	\$1,143k
c) Aquatic Upgrade – CLC	\$450k	\$57k	\$393k
d) Document Management	\$520k	\$170k	\$350k
e) CCTV Joondalup CBD – City Watch	\$267k	\$0k	\$267k
f) Kingsley Community Facilities	\$259k	\$0k	\$259k
g) IT Disaster Recovery Facilities	\$270k	\$15k	\$255k
h) Woodvale / Kingsley Facility Dev	\$250k	\$0k	\$250k
i) Corporate Email & Domain Upgrade	\$203k	\$13k	\$190k
j) Cultural Facility	\$170k	\$0k	\$170k
k) Library Management System	\$309k	\$154k	\$155k
l) Works Operation Centre	\$5,808k	\$5,692k	\$116k
m) Network Infrastructure Upgrades	\$280k	\$170k	\$110k
n) IT Service Management Systems	\$105k	\$0k	\$105k
o) Various Other projects	\$1,637k	\$1,535k	\$102k
	\$12,928k	\$7,863k	\$5,065k

a) Delivery and installation of the ticket machines is now expected to be in September 2008. The ticket machines are now in place.

b) During the year the project was subject to community consultation and the design phase is now expected to occur in the first half of the new financial year.

c) The feasibility and concept phase is completed and design work has commenced.

d) System has been selected, implementation will continue into the new financial year with \$200k carried forward.

e) This project is behind the original schedule and is now included in the 2008/09 budget.

f) Advertised tenders for the project were received and would be considered at the September meeting of Council.

g) \$200k of this project was duplicated in the budget as costs associated with the Works Operation Centre were also included and charged direct to that project.

h) Proposal outlining development sites and projects within each suburb is under consideration.

i) The order was placed for completion this financial year however, \$123k has been charged to operating as the items were not of a capital nature, \$25k has also been carried forward.

j) This project was rescheduled in the 2008/09 budget and will be funded from reserves.

k) The Library Management System successfully went live in June with the final completion of the project expected to be in September.

l) The Works Operation Centre (WOC) is substantially completed however \$660k has been carried forward into the 2008/09 budget. The WOC has now been completed.

m) Work is almost complete, however some items such as software licences amounting to \$87k are deemed as non capital and have been charged to operating. \$15k has been carried forward to complete the project.

n) Purchase of the system has been deferred and \$90k has been carried forward into 2008/09.

o) These project variances are not material.

12 Capital Works

	Revised Budget	Actual	Variance
a) Road Resurfacing Program	\$4,093k	\$3,881k	\$212k
b) Traffic Management	\$1,121k	\$776k	\$345k
c) Foreshores, Parks and Reserves	\$1,401k	\$1,210k	\$191k
d) Drainage	\$415k	\$655k	\$(240)k
e) Major Building Works	\$839k	\$731k	\$108k
f) Streetscape Enhancement	\$706k	\$594k	\$112k
g) Roadworks	\$7,744k	\$2,065k	\$5,679k
h) Footpaths	\$1,285k	\$622k	\$663k
i) Various – not material	\$1,052k	\$1,000k	\$52k
	<u>\$18,656k</u>	<u>\$11,534k</u>	<u>\$7,122k</u>

a) The Road Resurfacing work was substantially completed by June, however there were impacts associated with the gas crisis which limited the supply of asphalt. There were a few projects which will have to be carried out early in the 08/09 financial year as a consequence of this issue.

b) Traffic Management projects are behind budget due to delays from Western Power upgrading street lighting and also gaining final approvals from Main Roads WA for Marmion Avenue-Cygnnet Street Black Spot project. Both of these works will be completed early in 08/09 financial year.

c) Works are completed on coastal foreshore maintenance, reticulation renewal program and works to various parks and reserves. The City is currently awaiting final invoices for completed works.

d) The majority of the Drainage projects are complete. The variance relates mainly to materials purchased of \$(176)k for the work on the Yellagonga outfall upgrades as this project was originally budgeted as operating (see note 5c). This project will continue into the 08/09 financial year.

e) The Major Building Works to date includes the Joondalup Civic and Administration Buildings basement modifications and upgrades to the security and lift systems. A few minor projects will be completed next financial year.

f) 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 soon. 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) Expenditure on footpaths is below budget which includes a major project for Clontarf Street footpath and retaining wall which will be tendered and constructed in 2008/09, \$450k has been carried forward for this in the 2008/09 budget.

13 Motor Vehicle Replacement

This variance is partly due to increased supplier lead time for some vehicles and plant and the replacement schedule being behind that originally budgeted. Some items have now been included in the 2008/09 budget including a water truck and two tip trucks.

14 Loan Funds

Due to the delay in the implementation of Fee Paid Car Parking this loan is not required this financial year. It is forecast that a reduced loan will be required next year.

15 Closing Funds

	Actual
Current Assets	
Cash Assets	\$54,599k
Rates and Sundry Debtors	\$452k
GST Receivable	\$892k
Accrued Income	\$582k
Advances and Prepayments	\$213k
	\$56,738k
Less: Current Liabilities	
Creditors	(\$5,124k)
Provisions	(\$6,128k)
Accrued Expenses	(\$6,024k)
Income in Advance	(\$0k)
GST Payable	(\$114k)
Other- Clearing	(\$27k)
	(\$17,417k)
Less: Restricted Assets	
Reserves	(\$36,134k)
Movement in Long Term Provisions	(\$75k)
Closing Funds	\$3,112k