



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

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Financial Activity Statement

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Investment Summary

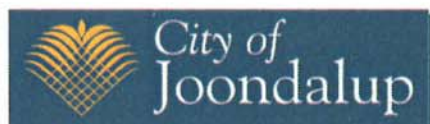
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Notes to and Forming Part of the
Financial Activity Statement

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Financial Activity Statement for the period ended 31 July 2008

	Notes	Adopted Budget	YTD Adopted Budget	YTD Actual	YTD Variance	YTD Variance %
OPERATING REVENUE		\$	\$	\$	\$	%
Rates		(60,972,082)	(11,201)	1,361	(12,562)	(112)
Rates Specified Area		(157,534)			0	0
Operating Grants and Subsidies	1	(3,510,975)	(152,585)	(66,541)	(86,044)	(56)
Contributions, Reimbursements & Donations		(1,276,575)	(58,670)	(34,891)	(23,779)	(41)
Profit on Asset Disposals		(2,015,189)	0	(15,682)	15,682	100
Fees & Charges	2	(24,729,963)	(991,849)	(608,840)	(383,009)	(39)
Interest Earnings		(4,555,137)	(312,104)	(339,489)	27,385	9
Other Revenue		(94,800)	(7,900)	(15,242)	7,342	93
Total Operating Revenue		(97,312,255)	(1,534,309)	(1,079,324)	(454,985)	(30)
OPERATING EXPENSES						
Employee Costs	3	40,049,751	3,367,153	2,885,752	481,401	14
Materials & Contracts	4	34,613,464	3,003,737	1,505,303	1,498,434	50
Utility Charges		3,319,031	276,563	265,094	11,468	4
Depreciation on Non-current Assets		16,524,473	1,390,914	1,442,428	(51,514)	(4)
Loss on Asset Disposals		180,058	0	0	0	0
Interest Expenses		303,861	17,928	46,865	(28,937)	(161)
Insurance Expenses	5	1,210,641	111,345	364,018	(252,673)	(227)
Other Expenses		0	0	0	0	0
Total Operating Expenditure		96,201,279	8,167,639	6,509,460	1,658,179	20
(SURPLUS)/DEFICIT FROM OPERATIONS		(1,110,976)	6,633,330	5,430,136	1,203,194	18
Non-Operating Revenue						
Non-operating Capital Grants and Subsidies	6	(9,708,843)	(280,000)	0	(280,000)	(100)
Non-operating Contributions & Reimbursements		0	0	0	0	0
Acquired Infrastructure Assets		(6,085,000)	0	0	0	0
Total Non-Operating Revenue		(15,793,843)	(280,000)	0	(280,000)	(100)
CAPITAL EXPENDITURE						
Capital Budget - Capital Projects		7,425,254	34,999	2,539	32,460	93
Capital Budget - Capital Works	7	24,218,100	36,925	677,215	(640,290)	(1,734)
Motor Vehicle Replacement	8	4,200,139	242,000	181,615	60,385	25
Loan Repayment (Principal)		651,146	18,713	18,713	0	0
Equity Investment		0	0	0	0	0
Total Capital Expenditure		36,494,639	332,637	880,082	(547,445)	(165)
CAPITAL (SURPLUS)/DEFICIT		20,700,796	52,637	880,082	(827,445)	(1,572)
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL		19,589,820	6,685,968	6,310,218	375,749	6
ADJUSTMENTS FOR NON-CASH MOVEMENTS						
Depreciation on Assets		(16,524,473)	(1,390,914)	(1,442,428)	(51,514)	(4)
Loss on Disposal		(180,058)	0	0	0	0
Profit on Disposal		2,015,189	0	15,682	15,682	100
FUNDING						
Proceeds from Disposal		(2,820,179)		(15,682)	(15,682)	(100)
Loan Funds		(2,794,000)			0	0
Transfer from Reserve		(9,685,276)			0	0
Transfer to Reserve		6,054,036			0	0
Transfer to Accumulated Surplus		6,085,000			0	0
Opening Funds	9	(1,768,285)	(1,768,285)	(3,310,467)	1,542,182	87
CLOSING FUNDS		(28,226)	3,526,769	1,557,323	1,866,417	53

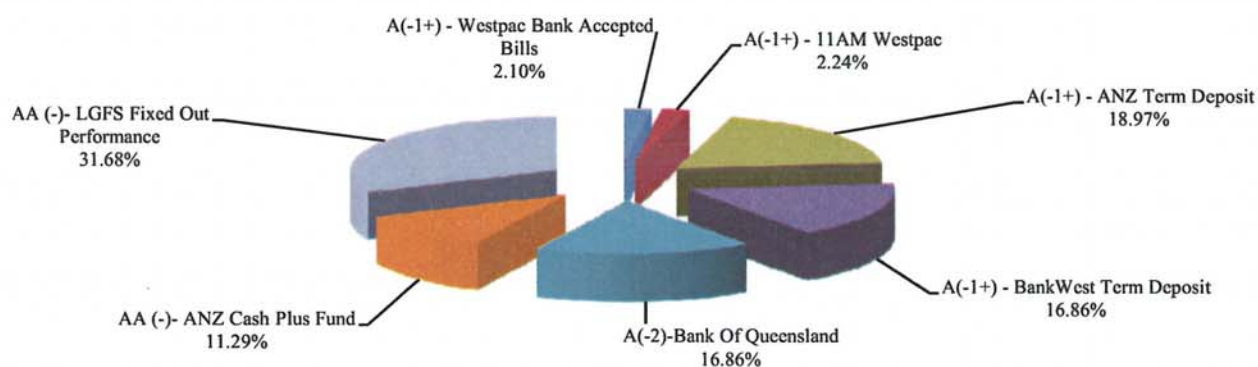


Investment Summary

CITY OF JOONDALUP
July-08

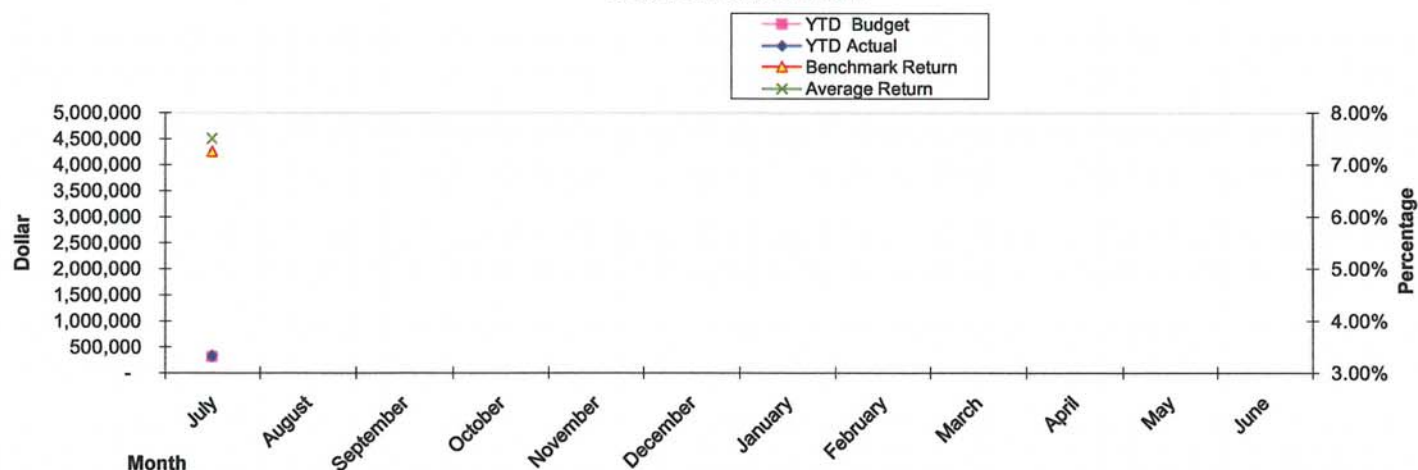
Investment Account	MTD Return	YTD Return	Value \$	% of Portfolio	Policy Limit
A(-1+) - Westpac Bank Accepted Bills	7.47%	7.47%	\$ 993,898	2.10%	20%
A(-1+) - 11AM Westpac	7.15%	7.15%	\$ 1,061,366	2.24%	20%
A(-1+) - ANZ Term Deposit	7.82%	7.82%	\$ 9,000,000	18.97%	20%
A(-1+) - BankWest Term Deposit	8.09%	8.09%	\$ 8,000,000	16.86%	20%
A(-2)-Bank Of Queensland	8.09%	8.09%	\$ 8,000,000	16.86%	10%
AA (-)- ANZ Cash Plus Fund	2.79%	2.79%	\$ 5,355,034	11.29%	20%
AA (-)- LGFS Fixed Out Performance	8.33%	8.33%	\$ 15,030,845	31.68%	20%
Total Investment Portfolio	7.51%	7.51%	47,441,143	100.00%	
Municipal Funds			21,688,684		
Reserve Funds			25,752,459		
			47,441,143		

City of Joondalup - Investment Balances



Month	MTD Budget	YTD Budget	MTD Actual	YTD Actual	Benchmark Return	Average Return
July	312,104	312,104	339,235	339,235	7.25%	7.51%

Return on Investments



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

1 Operating Grants and Subsidies

This variance relates to the following:

a) Community Water Grant	\$(100)k
b) Joondalup Festival	\$27k
Various Grants – Not Material	\$(13)k
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	\$(86)k

- a) The Community Water Grant of \$(100)k is dependant on certification upon completion of work. Timing for the completion of installation of storm water drains and traps is expected to be August, following which a claim for the grant will be made.
- b) The State West Lotteries Grant for the Joondalup Festival was received earlier than scheduled in the budget.

2 Fees & Charges

The variance for Fees & Charges relates to the following:

a) Membership Fees	\$(118)k
b) Parking Fees	\$(131)k
c) Parking Infringements	\$(52)k
d) Learn to Swim Program	\$(52)k
e) Admission Fees	\$(22)k
Various Grants – Not Material	\$(8)k
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	\$(383)k

- a) The lower Membership Fees are a result of timing of the budget phasing for attendances, principally the Craigie Leisure Centre.
- b) Parking Fees are below the budget due to the delays in implementation of Fee Paid parking in the CBD.
- c) Similarly Parking Infringements will commence after the introduction of Fee Paid parking.
- d) The Learn to Swim Program is seasonal and it is expected this will be reflected during the year.
- e) Admission Fees were primarily below budget at Craigie Leisure Centre.

3 Employee Costs

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

a) Corporate Services Directorate	\$157k
b) Planning & Community Development Directorate	\$251k
Other Directorates – Not Material	\$73k
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	\$481k

- a) Employee costs arose generally due to a number of budgeted positions across most of the business units yet to be filled, including Rangers & City Watch \$51k.
- b) The variance relates primarily to Leisure and Cultural Services Centres \$186k and Approvals, Planning and Environmental Services \$56k. Craigie Leisure Centre is \$156k below the budget due to delays in processing contract labour charges, which were accounted for in August.

4 Materials and Contracts

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

a)	Waste Management Services – Tipping Fees	\$298k
b)	Waste Management Services – Charges from Other Councils	\$191k
c)	Plant, Furniture & Equipment	\$213k
d)	External Contractors	\$238k
e)	Consultancy	\$84k
f)	FESA Contribution	\$70k
g)	Contributions, Sponsorships & Donations	\$66k
h)	Public Relations, Advertising & Promotions	\$95k
i)	Printing & Photocopying	\$62k
j)	Computing	\$65k
k)	Other variances – not material	\$116k
		<u>\$1498k</u>

- a) Delays in receipt of invoices for tipping fees resulted in expenditure falling below budget for the period as these were not accrued for.
- b) This relates to refuse collection charges from the City of Wanneroo being lower than anticipated in the period due to invoices not being accrued for, with future months expected to more closely align with budget phasing.
- c) This variance predominantly relates to \$128k budgeted in Waste Management for the purchase of domestic refuse and recycling bins for which an order is yet to be placed plus other furniture, computers and equipment across the organisation, including Parking Services and Leisure Centres.
- d) The Community Water Grant expenditure of \$100k is yet to be incurred with the completion of the installation of storm water drains and traps expected in August. Other variances to budget relate to Community Safety \$31k, Leisure Centres \$27k and Building Asset Management \$32k.
- e) Consultancy expenditure is dependant on timing of specific projects to be commenced in future periods.
- f) The contribution to FESA is forecast to be made in October.
- g) Contributions are \$31k below budget, Donations \$23k and sponsorships \$13k. Leisure & Culture contributions, such as to the Warwick Leisure Centre, are \$25k below budget. The timing of donations budgeted includes Art Development and Events and are yet to be incurred.
- h) – k) These variances are spread across various accounts and Business Units.

5 Insurance Expenses

This variance is due to periodic insurance premiums being paid in the period while the budget has been phased evenly over 12 months. The budget phasing has been adjusted in August.

6 Non-operating Grants, Subsidies

The Main Road Direct Grant for the road preservation program was estimated to be received in July, however due to work rescheduling it is now expected to be invoiced in September.

7 Capital Works

	YTD Adopted Budget	YTD Actual	Variance
a) Major Building Works	\$37k	\$294k	(\$257k)
b) Major Road Construction	\$0k	\$179k	(\$179k)
c) Prior Year Works	\$0k	\$151k	(\$151k)
d) Various – not material	\$0k	\$53k	(\$53k)
	<u>\$37k</u>	<u>\$677k</u>	<u>(\$640k)</u>

a) Expenditure on the Works Operation Centre of \$293k has been incurred earlier than phased in the budget.

b) Work is progressing on Burns Beach Road with costs of \$178k incurred in the period.

c) This variance relates to work on prior year projects including Streetscape Enhancement \$28k and speed control nibs on Eddystone Avenue \$28k. Also \$68k was incurred on the Road Preservation / Resurfacing program on various roads including Raleigh Road, Sorrento and Cunningham Place, Padbury.

8 Motor Vehicle Replacement

This variance is due to the timing of purchases compared to budget. A tip truck has been received earlier than expected in July for (\$128k) which was budgeted to be received in September. A water truck for \$170k budgeted to be replaced in July is yet to be ordered as specifications are still being finalized before a tender can be placed.

9 **Closing Funds**

	Actual
Current Assets	
Cash Assets	\$46,950k
Rates and Sundry Debtors	(\$138k)
GST Receivable	\$225k
Accrued Income	\$395k
Advances and Prepayments	\$586k
	\$48,018k
Less: Current Liabilities	
Creditors	(\$2,488k)
Provisions	(\$5,788k)
Accrued Expenses	(\$5,128k)
Income in Advance	(\$0k)
GST Payable	(\$70k)
Other- Clearing	(\$90k)
	(\$13,564)
Less: Restricted Assets	
Reserves	(\$36,011k)
Movement in Long Term Provisions	(\$0k)
Closing Funds	(1,557k)