



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

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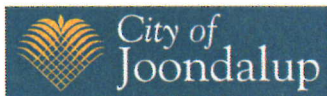
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## Financial Activity Statement for the period ended 31 August 2008

	Notes	Adopted Budget	YTD Adopted Budget	YTD Actual	YTD Variance	YTD Variance %
		\$	\$	\$	\$	%
<b>OPERATING REVENUE</b>						
Rates		(60,972,082)	(59,549,074)	(59,668,069)	118,995	0
Rates Specified Area		(157,534)	(157,534)	(157,472)	(62)	(0)
Operating Grants and Subsidies	1	(3,510,975)	(936,529)	(864,890)	(71,639)	(8)
Contributions, Reimbursements & Donations		(1,276,575)	(100,051)	(99,963)	(88)	(0)
Profit on Asset Disposals		(2,015,189)	0	(36,970)	36,970	100
Fees & Charges		(24,729,963)	(15,520,571)	(14,998,411)	(522,160)	(3)
Interest Earnings	2	(4,555,137)	(642,168)	(718,722)	76,555	12
Other Revenue		(94,800)	(15,800)	(22,864)	7,064	45
<b>Total Operating Revenue</b>		<b>(97,312,255)</b>	<b>(76,921,726)</b>	<b>(76,567,362)</b>	<b>(354,365)</b>	<b>(0)</b>
<b>OPERATING EXPENSES</b>						
Employee Costs	3	40,049,751	6,758,839	6,022,789	736,050	11
Materials & Contracts	4	34,613,464	5,828,074	4,502,914	1,325,160	23
Utility Charges		3,319,031	553,113	549,726	3,387	1
Depreciation on Non-current Assets		16,524,473	2,780,123	2,856,448	(76,325)	(3)
Loss on Asset Disposals		180,058	0	4,065	(4,065)	100
Interest Expenses		303,861	17,928	29,107	(11,180)	(62)
Insurance Expenses	5	1,210,641	676,114	603,503	72,611	11
Other Expenses	6	0	0	(239,362)	239,362	100
<b>Total Operating Expenditure</b>		<b>96,201,279</b>	<b>16,614,190</b>	<b>14,329,190</b>	<b>2,285,000</b>	<b>14</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS</b>		<b>(1,110,976)</b>	<b>(60,307,536)</b>	<b>(62,238,171)</b>	<b>1,930,635</b>	<b>(3)</b>
<b>OPERATING NON-CASH ADJUSTMENTS</b>						
Depreciation on Assets		(16,524,473)	(2,780,123)	(2,856,448)	(76,325)	(3)
Loss on Disposal		(180,058)	0	(4,065)	4,065	100
Profit on Disposal		2,015,189	0	36,970	36,970	100
<b>OPERATING CASH (SURPLUS)/DEFICIT</b>		<b>(15,800,318)</b>	<b>(63,087,659)</b>	<b>(65,061,714)</b>	<b>1,895,346</b>	<b>194</b>
<b>CAPITAL REVENUE</b>						
Non-operating Capital Grants and Subsidies	7	(9,708,843)	(926,066)	(449,498)	(476,568)	(51)
Non-operating Contributions & Reimbursements		0	0	0	0	0
Acquired Infrastructure Assets		(6,085,000)	0	0	0	0
<b>Total Non-Operating Revenue</b>		<b>(15,793,843)</b>	<b>(926,066)</b>	<b>(449,498)</b>	<b>(476,568)</b>	<b>(51)</b>
<b>CAPITAL EXPENDITURE</b>						
Capital Budget - Capital Projects	8	9,063,754	237,498	784,363	(546,865)	(230)
Capital Budget - Capital Works		23,558,100	524,650	497,396	27,254	5
Motor Vehicle Replacement	9	3,221,639	651,360	454,556	196,804	30
Loan Repayment (Principal)		651,146	85,132	85,132	0	0
Equity Investment		0	0	0	0	0
<b>Total Capital Expenditure</b>		<b>36,494,639</b>	<b>1,498,640</b>	<b>1,821,447</b>	<b>(322,807)</b>	<b>(22)</b>
<b>CAPITAL (SURPLUS)/DEFICIT</b>		<b>20,700,796</b>	<b>572,574</b>	<b>1,371,949</b>	<b>(799,375)</b>	<b>(140)</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL</b>		<b>4,900,478</b>	<b>(62,515,084)</b>	<b>(63,689,764)</b>	<b>1,095,971</b>	<b>54</b>
<b>FUNDING</b>					0	0
Proceeds from Disposal		(2,820,179)		(74,773)	(74,773)	(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		(1,768,285)	(1,768,285)	(3,310,467)	1,542,182	87
<b>CLOSING FUNDS</b>	10	<b>(28,226)</b>	<b>(64,283,369)</b>	<b>(67,075,004)</b>	<b>2,563,380</b>	<b>(4)</b>



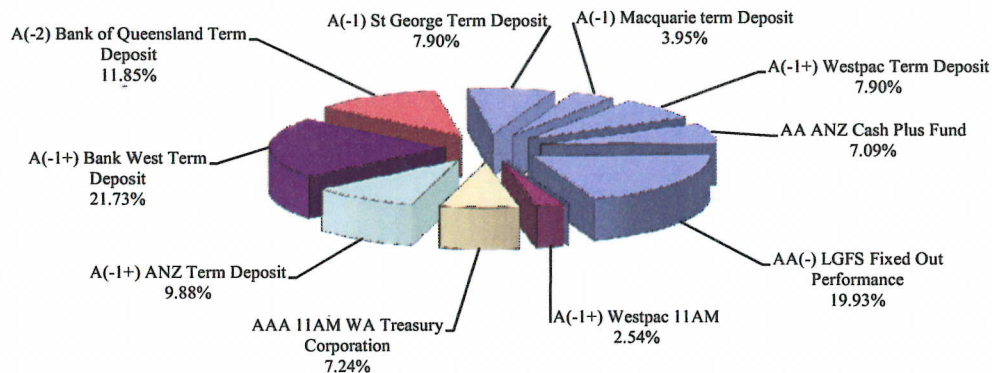


## Investment Summary

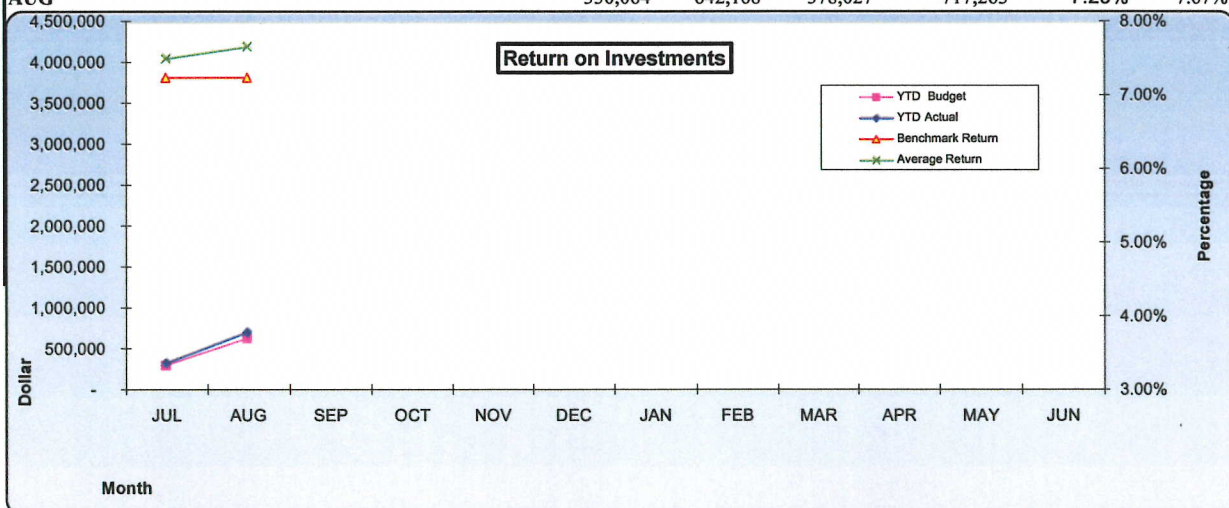
CITY OF JOONDALUP  
August-08

Investment Account	MTD Return	YTD Return	Value \$	% of Portfolio	Policy Limit
A(-1+) Westpac Bank Accepted Bills	7.47%	7.47%	\$ -	0.00%	20%
A(-1+) Westpac 11AM	7.15%	7.15%	\$ 1,928,168	2.54%	20%
AAA 11AM WA Treasury Corporation	7.25%	7.25%	\$ 5,500,000	7.24%	20%
A(-1+) ANZ Term Deposit	7.76%	7.79%	\$ 7,500,000	9.88%	20%
A(-1+) Bank West Term Deposit	8.05%	8.07%	\$ 16,500,000	21.73%	20%
A(-2) Bank of Queensland Term Deposit	8.08%	8.08%	\$ 9,000,000	11.85%	10%
A(-1) St George Term Deposit	7.71%	7.71%	\$ 6,000,000	7.90%	15%
A(-1) Macquarie term Deposit	8.08%	8.08%	\$ 3,000,000	3.95%	15%
A(-1+) Westpac Term Deposit	7.50%	7.50%	\$ 6,000,000	7.90%	20%
AA ANZ Cash Plus Fund	6.11%	4.45%	\$ 5,382,951	7.09%	20%
AA(-) LGFS Fixed Out Performance	8.33%	8.33%	\$ 15,137,164	19.93%	20%
<b>Total Investment Portfolio</b>	<b>7.82%</b>	<b>7.67%</b>	<b>\$ 75,948,283</b>	<b>100.00%</b>	
<b>Municipal Funds</b>			<b>50,195,824</b>		
<b>Reserve Funds</b>			<b>25,752,459</b>		

City of Joondalup - Investment Balances



Month	MTD Budget	YTD Budget	MTD Actual	YTD Actual	Benchmark Return	Average Return
JUL	312,104	312,104	339,235	339,235	7.25%	7.51%
AUG	330,064	642,168	378,027	717,263	7.25%	7.67%



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

**1 Rates**

Total rate revenue raised was \$119K above the budget amount as a result of receiving late adjustments to property valuations from the Valuer Generals Office.

**2 Operating Grants and Subsidies**

This variance relates to the following:

a) State Local Government Assistance Grant	\$38k
b) Community Water Grant	\$(100)k
c) State Community Grants	\$28k
d) Recreation Services	\$(75)k
e) Various Grants	\$37k
	<u>\$(72)k</u>

a) The first quarterly payment of the general purpose State Local Government Assistance Grant was \$38 more than expected in the budget.

b) The Community Water Grant of \$(100)k is dependant on certification upon completion of work. Installation of storm water drains and traps was completed in August, following which a claim is yet to be made for the grant amount.

c) The State West Lotteries Grant for the Joondalup Festival was received earlier than scheduled in the budget.

d) Recreation Services budgeted for a \$10k grant for the Emerging Leaders programme and a \$65k Community Development Grant from the Department of Sport and Recreation which were outstanding.

e) Grants budgeted include the Anchors Youthlinx Grant \$39k in Community Services.

**3 Interest Earnings**

The total of interest earned in respect of investment income exceeded the budget by \$77k, with higher than expected Rates collected in August and average interest rate earned of 7.67%, being above the benchmark of 7.25% in the budget.

**3 Employee Costs**

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

a) Corporate Services Directorate	\$359k
b) Planning & Community Development Directorate	\$286k
c) Other Directorates – Not Material	\$91K
	<u>\$736k</u>

a) The favourable variance in Employee Costs was generally due to delays in filling budgeted positions, principally in Information Management \$209k; Rangers, Parking and Community Safety \$75k and Human Resources \$55k.



b) In Approvals Planning & Environmental Services the savings of \$159k with vacancies occurring primarily in Environmental Health Services \$66k, Building Services \$59k and Planning Approvals \$25k. Leisure and Cultural Services Centres were similarly \$59k below budget and Community Development and Libraries were \$65k below budget.

#### 4 Materials and Contracts

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

a) Fleet Running Cost	\$(68)k
b) Waste Management Services – Charges from Other Councils	\$331k
c) Plant, Furniture & Equipment	\$254k
d) External Materials	\$163k
e) Waste Management Services – Tipping Fees	\$110k
f) Printing & Photocopying	\$107k
g) Contribution & Donations	\$149k
h) Computing	\$56k
i) Property Rental & Outgoings	\$55k
j) Postage	\$52k
l) External Contractors	\$42k
m) Other variances – not material	\$74k
	<u>\$1,325k</u>

- a) This variance is mainly due to parts & repairs as the actual June charges were \$(25)k more than estimated. July and August have been estimated based on the June invoice which was higher than the budget.
- b) This variance relates to refuse collection charges from the City of Wanneroo outstanding at the close of the reporting period, which were not accrued for in August. It is expected that the total charges for the quarter will align with the budget.
- 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. Other variances arose across the organisation, including Parking Services \$35k and Leisure and Culture \$57k which are related to timing of equipment purchases, including furniture for new staff.
- d) This is mainly due to maintenance requirements for Building Asset Management \$105k and Natural Areas Parks \$49k being below budget, which occur on a demand basis and on the timing of planned projects.
- e) Tipping fees below budget were also related to the delay in processing charges.
- f) The Printing & Photocopying underspend compared to the budget was due to timing of work and occurred in Infrastructure Management \$25k, Marketing Administration Services \$37k, Leisure Centres \$11k, Council Administration Support \$8k, and the balance is spread across various teams.
- g) The forecast FESA contribution of \$70k in the budget was scheduled to be made in October and was not correctly phased in the budget. Other contributions are due to timing differences and include the payment of Sponsorship for the Constable Care Child Safety programme \$20k, Marketing \$15k and a number of other sponsorships across different areas which were outstanding.
- h) –m) These variances are spread across various accounts and Business Units.

## 5 Insurance

Insurance premiums were generally below budget, principally in relation to the Municipal Property Scheme, Industrial Special Risks. The actual premium was lower than budget because the component for average claims experience over recent years more than offset the increase due to anticipated higher property values.

## 6 Other Expenses

This variance is due to a prior year adjustment to the opening balance of the Refuse Debtors to correct the 2006/07 financial statements.

## 7 Non-operating Grants, Subsidies

	YTD Adopted Budget	YTD Actual	Variance
a) Federal Local Roads Grant	\$412k	\$449k	\$37k
b) State Government Metro Roads	\$514k	\$0k	\$(514)k
	<u>\$926k</u>	<u>\$449k</u>	<u>(\$477)k</u>

a) The first quarterly payment of the Federal Local Roads Grant was \$37k more than expected in the budget.

b) The first payment of the Main Roads Direct Grants for road preservation \$296k has been invoiced in September. The future payments are invoiced progressively as works are completed.

## 8 Capital Projects

	YTD Adopted Budget	YTD Actual	Variance
a) Works Operation Centre	\$0k	\$712k	\$(712)k
b) Aquatic Facilities Upgrade - CLC	\$100k	\$3k	\$97k
Other variances – not material	\$137k	\$69k	\$68k
	<u>\$237k</u>	<u>\$784k</u>	<u>(\$547)k</u>

a) Work is progressing on the Works Operation Centre earlier than phased in the budget, and will be adjusted in the mid-year budget review. The period to date actual is expenditure was incorrectly coded with items not related to this budget. These are to be investigated and corrections made to the processing in September.

b) The Aquatic Facilities Upgrade at Craigie Leisure Centre is in the design stage and is behind the budget schedule.

## 9 Motor Vehicle Replacement

This variance is due to the timing of purchases compared to budget. A replacement Tractor for \$(184)k has been purchased this period which was budgeted to be replaced



later in the year. Two water trucks for \$170k each budgeted to be replaced have yet to be ordered.

## 10 Closing Funds

	Actual
Current Assets	
Cash Assets	\$78,539k
Rates and Sundry Debtors	\$48,136k
GST Receivable	\$528k
Accrued Income	\$554k
Advances and Prepayments	\$331k
	\$128,088k
Less: Current Liabilities	
Creditors	\$(12,899)k
Provisions	\$(5,767)k
Accrued Expenses	\$(4,562)k
Income in Advance	\$(0)k
GST Payable	\$(236)k
Other- Clearing	\$(1,537)k
	\$(25,001)k
Less: Restricted Assets	
Reserves	\$(36,011)k
Movement in Long Term Provisions	\$(0)k
Closing Funds	\$67,076k