

City of Joondalup

Financial Activity Statement for the
Period Ended 31 May 2009

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City of Joondalup
Financial Activity Statement
for the period ended 31 May 2009

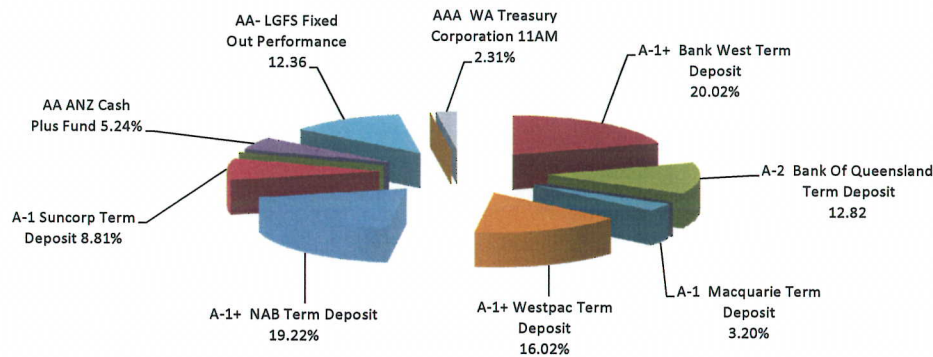
	Notes	Revised Budget	YTD Revised Budget	YTD Actual	YTD Variance \$	YTD Variance %
OPERATING REVENUE						
Rates		(61,442,672)	(61,359,204)	(61,366,657)	7,453	(0)%
Grants and Subsidies		(3,686,415)	(3,521,495)	(3,428,706)	(92,789)	3%
Contributions Reimbursements and Donations	1	(654,994)	(628,912)	(679,824)	50,912	(8)%
Profit on Asset Disposals		(1,952,032)	(146,169)	(130,657)	(15,512)	11%
Fees and Charges		(24,229,637)	(23,296,871)	(23,254,018)	(42,852)	0%
Investment Earnings	2	(4,100,000)	(3,870,337)	(4,390,485)	520,148	(13)%
Other Revenue/Income		(334,162)	(326,063)	(324,017)	(2,046)	1%
Total Operating Revenue		(96,399,912)	(93,149,052)	(93,574,365)	425,313	0%
OPERATING EXPENSES						
Employee Costs	3	40,485,470	37,053,591	37,391,961	(338,369)	(1)%
Materials and Contracts	4	35,363,329	32,271,257	30,568,173	1,703,084	5%
Utilities (gas, electricity, water etc.)		3,296,750	3,019,305	3,089,755	(70,450)	(2)%
Depreciation of Non-Current Assets		16,872,916	15,479,722	15,393,554	86,169	1%
Loss on Asset Disposal		140,058	125,192	93,769	31,422	25%
Interest Expenses		211,805	190,169	164,512	25,657	13%
Insurance Expenses		1,109,190	1,103,525	1,076,402	27,123	2%
Other Expenses		-	-	-	-	100%
Total Operating Expenses		97,479,518	89,242,761	87,778,125	1,464,635	2%
(SURPLUS)/DEFICIT FROM OPERATIONS		1,079,606	(3,906,291)	(5,796,240)	1,889,949	(0)
OPERATING NON-CASH ADJUSTMENTS						
Depreciation on Assets		(16,872,916)	(15,479,722)	(15,393,554)	(86,169)	1%
Loss on Asset Disposal		(140,058)	(125,192)	(93,769)	(31,422)	25%
Profit on Asset Disposals		1,952,032	146,169	130,657	15,512	11%
OPERATING CASH (SURPLUS)/DEFICIT		(13,981,336)	(19,365,036)	(21,152,906)	1,787,870	(9)%
NON-OPERATING REVENUE						
Capital Grants and Subsidies		(12,499,605)	(8,444,419)	(8,622,073)	177,654	(2)%
Capital Contributions		(68,608)	(68,608)	(75,456)	6,848	(100)%
Acquired Infrastructure Assets		(6,085,000)	-	-	-	0%
Total Non-Operating Revenue		(18,653,213)	(8,513,027)	(8,697,529)	184,503	(102)%
CAPITAL EXPENDITURE						
Capital Projects	5	7,988,019	6,271,052	3,388,583	2,882,469	46%
Capital Works	6	29,855,679	18,520,372	14,341,136	4,179,236	23%
Motor Vehicle Replacements	7	3,671,645	2,329,945	2,535,508	(205,563)	(9)%
Loan Repayment Principal		348,039	348,039	347,753	286	100%
Equity Investments		-	-	14,351	(14,351)	100%
Total Capital Expenditure		41,863,382	27,469,408	20,627,331	6,842,078	25%
CAPITAL (SURPLUS)/DEFICIT		23,210,169	18,956,382	11,929,801	7,026,580	37%
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL		9,228,833	(408,654)	(9,223,104)	8,814,450	(2157)%
FUNDING						
Proceeds from Disposal		(2,645,727)	(550,099)	(424,351)	(125,748)	23%
Loan Funds	8	(3,312,937)	(3,312,937)	(1,534,000)	(1,778,937)	54%
Transfer from Reserve		(11,653,244)	-	-	-	-
Transfer to Reserve		5,464,102	-	-	-	-
Transfer to Accumulated Surplus		6,324,362	-	-	-	-
Opening Funds		(3,939,078)	(3,939,078)	(3,310,467)	(628,611)	-
CLOSING FUNDS	9	(533,690)	(8,210,768)	(14,491,922)	6,281,153	(76)%

Investment Summary

CITY OF JOONDALUP
May-09

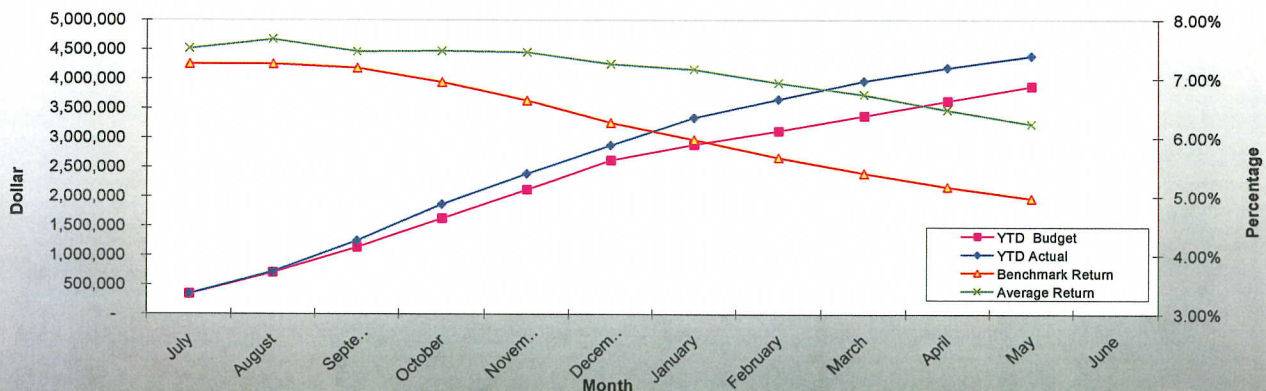
Investment Account	MTD Return	YTD Return	Value \$	% of Portfolio	Policy Limit
A-1+ ANZ Term Deposit	0.00%	7.67%	\$ -	0.00%	20%
A-1+ Bank West Term Deposit	4.30%	6.78%	\$12,500,000	20.02%	20%
A-2 Bank Of Queensland Term Deposit	4.26%	6.74%	\$ 8,000,000	12.82%	10%
A-1 + St George Bank Term Deposit	0.00%	7.57%	\$ -	0.00%	20%
A-1 Macquarie Term Deposit	4.29%	7.10%	\$ 2,000,000	3.20%	15%
A-1+ Westpac Term Deposit	4.23%	6.10%	\$10,000,000	16.02%	20%
A-1+ NAB Term Deposit	4.21%	6.65%	\$12,000,000	19.22%	20%
A-1 Suncorp Term Deposit	4.33%	4.33%	\$ 5,500,000	8.81%	15%
A-1+ Westpac Bank Accepted Bills	0.00%	6.86%	\$ -	0.00%	20%
AA ANZ Cash Plus Fund	-7.05%	0.31%	\$ 3,270,442	5.24%	20%
AA- LGFS Fixed Out Performance	3.45%	6.28%	\$ 7,713,620	12.36%	20%
A-1+ Westpac 11AM	0.00%	7.15%	\$ -	0.00%	20%
AAA WA Treasury Corporation 11AM	3.00%	4.33%	\$ 1,440,000	2.31%	20%
Total Investment Portfolio	3.55%	6.23%	62,424,062	100.00%	
Municipal Funds			29,015,723		
Reserve Funds			33,408,339		
			62,424,062		

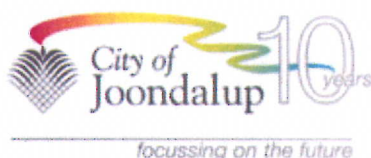
City of Joondalup - Investment Balances



Month	MTD Budget	YTD Budget	MTD Actual	YTD Actual	Benchmark Return	Average Return
July	337,177	337,177	339,235	339,235	7.25%	7.51%
August	367,228	704,405	378,027	717,262	7.25%	7.67%
September	428,359	1,132,764	530,024	1,247,286	7.18%	7.46%
October	494,590	1,627,354	619,347	1,866,633	6.94%	7.47%
November	489,114	2,116,468	522,052	2,388,685	6.63%	7.45%
December	498,116	2,614,584	480,762	2,869,447	6.25%	7.25%
January	263,597	2,878,181	466,224	3,335,671	5.96%	7.16%
February	233,762	3,111,943	315,339	3,651,011	5.66%	6.93%
March	258,241	3,370,184	308,228	3,959,240	5.39%	6.73%
April	249,618	3,619,802	226,551	4,185,791	5.16%	6.47%
May	250,535	3,870,337	199,780	4,385,571	4.96%	6.23%

Return on Investments





NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT
FOR THE PERIOD ENDED ON 31 MAY 2009

1. Contributions, Reimbursements and Donations

	YTD Revised Budget	YTD Actual	Variance
a) Reimbursements Other	\$360k	\$421k	\$61k
b) Contributions & Sponsorship	\$269k	\$259k	\$(10k)
	<u>\$629k</u>	<u>\$680k</u>	<u>\$51k</u>

- a) The variance on Other reimbursements received mainly relates to a Workers' Compensation Insurance contribution adjustment of \$53k and payment from the Department of Environment & Conservation of \$17k for 50% of the whale removal and cartage costs from Sorrento Beach that were not in the budget. A number of smaller variances generally across the organisation make up the balance.
- b) Contribution revenue for waste management is \$(19k) below budget due to no reimbursements received for the sale of recyclables. This is partially offset by sponsorship revenue for various events being \$11k above budget.

2. Investment Earnings

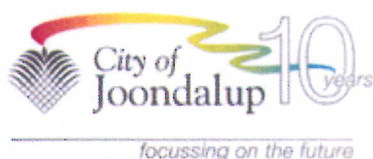
Investment income exceeded the budget to date by \$520k primarily as a result of the level of funds invested being higher than expected, mainly due to lower Capital Expenditure, and recent returns being above budget for the period.

3. Employee Costs

Employee Costs for Leisure and Culture are \$(202k) above budget mainly due to Agency staff continuing to be used due to delays in the approval of the Workplace Agreement for casual staff. The remaining variance predominantly relates to the allocation of Labour cost to Capital Works which will be processed in June.

4. Materials and Contracts

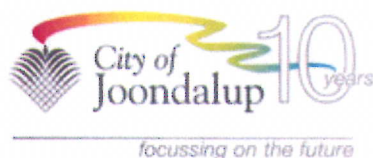
	YTD Revised Budget	YTD Actual	Variance
a) Members Costs	\$378k	\$252k	\$126k
b) Administration Expenses	\$1,109k	\$926k	\$183k
c) Public Relations, Advertising & Proms	\$1,186k	\$947k	\$239k
d) Contributions and Donations	\$1,716k	\$1,118k	\$598k
e) Materials Purchases	\$1,495k	\$1,198k	\$297k
f) Waste Management Services	\$9,929k	\$9,618k	\$311k
Other Variances – Not material	\$16,458k	\$16,509k	\$(51k)
	<u>\$32,271k</u>	<u>\$30,568k</u>	<u>\$1,703k</u>



- a) Member Costs are generally below budget mainly due to lower expenditure on Elected Members Conference Expenses of \$91k and Training costs \$15k
- b) Printing expenditure is \$132k under budget with some expenditure outstanding due to timing of expenditure for various events and projects, scheduled to be expended by the end of June. These include Youth Projects and industry promotional material for the Business Forums. Savings on printing expenditure of \$15k have been identified in Leisure and Culture and \$25k for the City Centre Structure Plan and the District Planning Scheme Review. Photocopying expenditure was \$56k below budget due primarily to an over estimation of the budget and to timing differences. The remaining variances are not material.
- c) Promotional expenditure is below budget \$88k due to timing differences in planned events and projects. This includes \$38k for Environmental Development programs which will be complete by the end of the financial year. Signage is \$70k below budget which includes \$50k for the ICLEI Biodiversity project coastal foreshore information signs, against which only \$14k will be expended, and will be completed in 2009/10. Savings of approximately \$20k have also been identified for Leisure and Culture promotions and catering is \$60k below budget with commitments equating to this to be paid in June.
- d) The Community Sport and Recreation Facilities Fund contributions budgeted this year were significantly delayed. Two key projects totalling \$573k, being the Beaumaris Sports Association floodlighting and Arena Community Sport and Recreation Association Clubrooms, are dependent on works commencing which is now scheduled for next year. Warwick Leisure Centre subsidy payments are \$44k below the budget, subject to final figures in June.
- e) The under expenditure in External Materials Purchases occurred mainly in Roads and Parks \$317k, partly results from scheduling of work undertaken, some of which occurs on a demand basis, and the use of contractors who supply the material used. An over expenditure in External Contractors & Services for Roads and Parks of \$(176)k partly offsets this variance.
- f) Waste Management Services are below budget mainly due to estimated invoices provided from the City of Wanneroo being below actual charges subsequently received.

5 Capital Projects

	YTD Revised Budget	YTD Actual	Variance
a) Ocean Reef Marina Development	\$966k	\$645k	\$321k
b) Aquatic Facilities Upgrade - CLC	\$2,646k	\$698k	\$1,948k
c) Information Technology Projects	\$1,070k	\$658k	\$412k
d) Cultural Facility	\$146k	\$0k	\$146k
Other variances – not material	\$1,443k	\$1,388k	\$55k
	<u>\$6,271k</u>	<u>\$3,389k</u>	<u>\$2,882k</u>

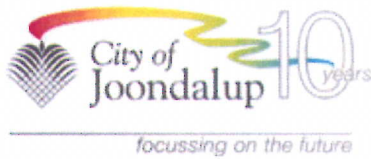


- a) The Ocean Reef Marina project concept plan has been endorsed by Council and an information brochure and feedback form has been sent to all Joondalup residents to obtain public comment. Expenditure will continue once public comments have been reviewed.
- b) The City has received the 4th progress claim for the Aquatic expansion project, however due to the timing of claims from the builder there is still a lag period between the invoices being processed and the phased budget. Additional claims will be made by the end of the financial year.
- c) The main Information Technology Projects variances occurred on the New Financial System project \$150k due to delays in the implementation of the Works and Assets and the Stores modules and Data Centre Upgrade \$78k for which the bulk of the orders have been placed but work will not be completed this financial year. Other variances include the Redevelopment of the City's Website \$35k where payment milestones not yet reached and the Network Infrastructure Upgrade Program \$109k where a tender has been awarded and funds of \$172k have been carried forward to cover the equipment on order but not expected to be delivered before July.
- d) The Cultural Facility project expenditure will occur in the next financial year.

6 Capital Works

	YTD Revised Budget	YTD Actual	Variance
a) Major Roads Construction	\$3,617k	\$4,300k	\$(683k)
b) Major Building Works	\$3,832k	\$2,715k	\$1,117k
c) Road Preservation / Resurfacing	\$3,931k	\$3,300k	\$631k
d) Foreshore & Natural Areas	\$562k	\$30k	\$532k
e) Streetscape Enhancement	\$835k	\$362k	\$473k
f) Traffic Management	\$1,178k	\$755k	\$423k
g) Stormwater Drainage	\$472k	\$83k	\$389k
h) Other Works variances	\$4,093k	\$2,796k	\$1,297k
	<u>\$18,520k</u>	<u>\$14,341k</u>	<u>\$4,179k</u>

- a) The Major Roads Construction program included work of \$3,959k on Burns Beach East and West Roads and \$211k on Connolly Drive which are progressing ahead of budget phasing by \$(1,115k). A large part of the work for Woodlake Retreat was accrued in the 2007/08 financial year, leaving a shortfall against the budget of \$364k.
- b) Most major Building Works are now in progress or completed, however \$662k of the Regional Local Community Infrastructure Project Grant and \$56k for other minor projects will be carried forward to the next financial year, with the balance of work committed for June.
- c) Projects are progressing well, however payments for works are behind. Two projects, Canham Way \$160k and Harman Road \$84k will be carried forward to the next financial year.



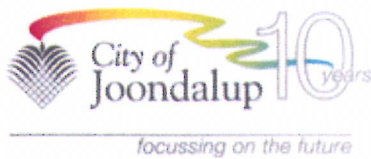
- d) The Foreshore & Natural Areas program is underspent mainly due to delays in the fence design for Craigie Bushland which is included in the \$399k for this program to be carried forward to the next financial year. Other work currently being undertaken includes the Craigie Open Space Escarpment Steps, expected to be complete by the end of June.
- e) A number of projects are to be carried forward including Burns Beach Road and Hodges Drive due to delays on the tender documents and West Coast Drive, with planting to be done during the winter months.
- f) Delays occurred in obtaining engineering designs for Traffic Management work resulting in expenditure being below budget. The Kingsley Drive project \$191k is forecast to be carried forward to the next financial year.
- g) The Stormwater Drainage program is progressing but is behind the budget schedule and \$269k is forecast to be carried forward.
- h) Variances on other works are due mainly to delays in commencement compared to the budget.

7 Motor Vehicle Replacement

Plant Replacements were \$(206k) above budget mainly due six Ride-on Mowers and two Skid Steer Trailers being purchased earlier than phased in the budget.

8 Loans

A loan of \$1,534m acquired for the Implementation of Paid Parking was \$(133k) below the amount expected at the time of the budget. The budget also allowed for a loan of \$(1,645m) to partly fund the Upgrade to the Craigie Aquatic Centre which will now not occur until the next financial year.



9 Closing Funds

	Actual
Current Assets	
Cash Assets	\$62,048k
Rates and Sundry Debtors	\$702k
GST Receivable	\$655k
Accrued Income	\$376k
Advances and Prepayments	\$706k
	\$64,487k
Less: Current Liabilities	
Creditors	\$(3,577k)
Provisions	\$(6,037k)
Accrued Expenses	\$(3,808k)
Income in Advance	\$0k
GST Payable	\$(105k)
Other- Clearing	\$(299k)
	\$(13,826)k
Less: Restricted Assets	
Reserves*	\$(36,011k)
Movement Other Receivables - MRF	\$(158k)
Closing Funds	\$14,492k

*Reserves adjustment to be made at the end of the Financial Year