

City of Joondalup

Financial Activity Statement for the
Period Ended 31 July 2009

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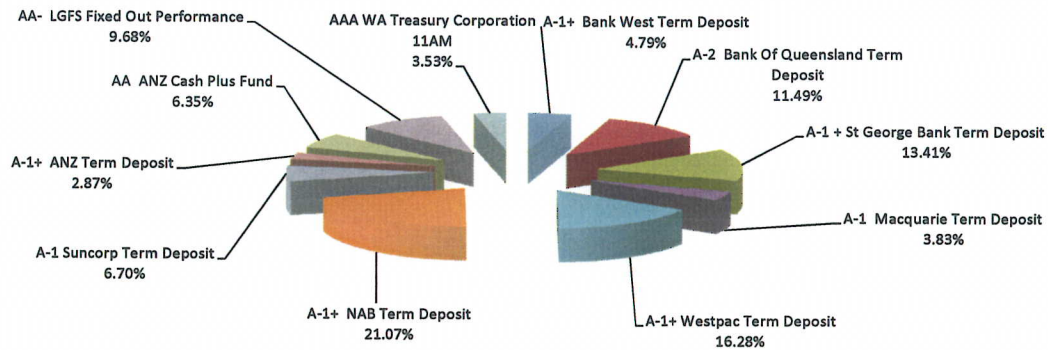


City of Joondalup
Financial Activity Statement
for the period ended 31 July 2009

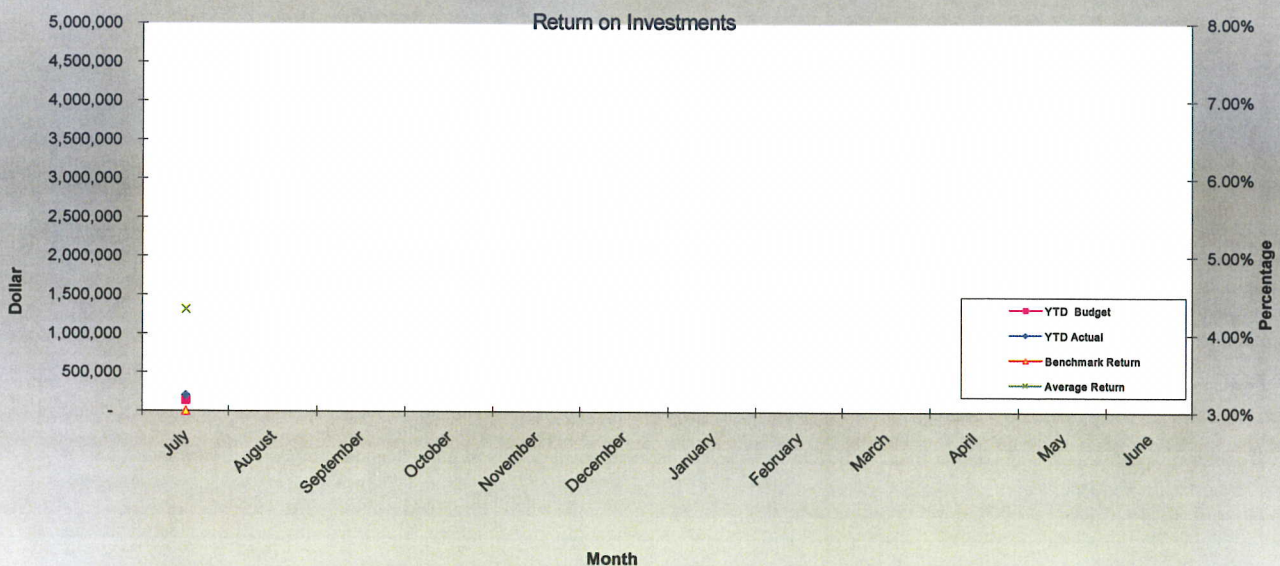
	Notes	Adopted Budget	YTD Adopted Budget	YTD Actual	YTD Variance \$	YTD Variance %
OPERATING REVENUE						
Rates		(63,695,321)	(62,963,942)	(62,969,786)	5,844	(0)%
Grants and Subsidies		(3,485,875)	(79,628)	(79,849)	221	(0)%
Contributions Reimbursements and Donations		(2,093,364)	(49,605)	(71,246)	21,641	(44)%
Profit on Asset Disposals		(98,335)	-	(1,296)	1,296	(100)%
Fees and Charges	1	(27,767,095)	(16,601,682)	(16,100,397)	(501,286)	3%
Investment Earnings	2	(2,193,760)	(139,355)	(201,901)	62,546	(45)%
Other Revenue/Income		(100,000)	(8,333)	(0)	(8,333)	100%
Total Operating Revenue		(99,433,749)	(79,842,546)	(79,424,475)	(418,071)	0%
OPERATING EXPENSES						
Employee Costs		41,641,592	3,671,387	3,611,793	59,594	2%
Materials and Contracts	3	39,052,324	2,905,474	2,202,254	703,219	24%
Utilities (gas, electricity, water etc.)	4	4,052,858	419,114	249,778	169,337	40%
Depreciation of Non-Current Assets	5	17,042,401	1,436,159	1,739,894	(303,735)	(21)%
Loss on Asset Disposal		107,515	-	-	-	-
Interest Expenses		448,077	25,141	17,212	7,929	32%
Insurance Expenses		1,147,444	622,448	653,518	(31,070)	(5)%
Total Operating Expenses		103,492,211	9,079,723	8,474,449	605,274	7%
(SURPLUS)/DEFICIT FROM OPERATIONS		4,058,462	(70,762,823)	(70,950,026)	187,203	(0)
OPERATING NON-CASH ADJUSTMENTS						
Depreciation on Assets	5	(17,042,401)	(1,436,159)	(1,739,894)	303,735	(21)%
Loss on Asset Disposal		(107,515)	-	-	-	-
Profit on Asset Disposals		98,335	-	1,296	(1,296)	100%
OPERATING CASH (SURPLUS)/DEFICIT		(12,993,118)	(72,198,982)	(72,688,623)	489,642	(1)%
NON-OPERATING REVENUE						
Capital Grants and Subsidies	6	(12,888,838)	(2,909,223)	-	(2,909,223)	100%
Capital Contributions		(425,000)	-	-	-	-
Acquired Infrastructure Assets		(4,880,000)	-	-	-	-
Total Non-Operating Revenue		(18,193,838)	(2,909,223)	-	(2,909,223)	100%
CAPITAL EXPENDITURE						
Capital Projects	7	2,794,980	805,902	28,859	777,043	96%
Capital Works	8	36,004,002	3,030,425	582,643	2,447,782	81%
Motor Vehicle Replacements		1,326,000	-	682	(682)	100%
Loan Repayment Principal		1,152,466	19,852	19,852	-	100%
Equity Investments		-	-	-	-	-
Total Capital Expenditure		41,277,448	3,856,180	632,036	3,224,144	84%
CAPITAL (SURPLUS)/DEFICIT		23,083,610	946,957	632,036	314,921	33%
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL		10,090,492	(71,252,025)	(72,056,587)	804,563	(1)%
FUNDING						
Proceeds from Disposal		(423,500)	-	(1,296)	1,296	100%
Loan Funds		(5,685,000)	-	-	-	-
Transfer from Reserve		(10,460,013)	-	-	-	-
Transfer to Reserve		2,055,415	-	-	-	-
Transfer to Accumulated Surplus		4,880,000	-	-	-	-
Opening Funds		(550,328)	(550,328)	(2,206,523)	1,656,195	
CLOSING FUNDS	9	(92,934)	(71,802,353)	(74,264,407)	2,462,054	(3)%

Investment Account	MTD Return	YTD Return	Value	\$	% of Portfolio	Policy Limit
A-1+ Bank West Term Deposit	4.11%	4.11%	\$	2,500,000	4.79%	20%
A-2 Bank Of Queensland Term Deposit	4.43%	4.43%	\$	6,000,000	11.49%	10%
A-1 + St George Bank Term Deposit	4.20%	4.20%	\$	7,000,000	13.41%	20%
A-1 Macquarie Term Deposit	4.00%	4.00%	\$	2,000,000	3.83%	15%
A-1+ Westpac Term Deposit	3.75%	3.75%	\$	8,500,000	16.28%	20%
A-1+ NAB Term Deposit	4.16%	4.16%	\$	11,000,000	21.07%	20%
A-1 Suncorp Term Deposit	4.34%	4.34%	\$	3,500,000	6.70%	15%
A-1+ ANZ Term Deposit	4.40%	4.40%	\$	1,500,000	2.87%	20%
AA ANZ Cash Plus Fund	9.34%	9.34%	\$	3,313,613	6.35%	20%
AA- LGFS Fixed Out Performance	3.70%	3.70%	\$	5,055,084	9.68%	20%
AAA WA Treasury Corporation 11AM	3.00%	3.00%	\$	1,844,000	3.53%	20%
Total Investment Portfolio	4.31%	4.31%		52,212,698	100.00%	
Municipal Funds				15,177,817		
Reserve Funds				37,034,881		
				52,212,698		

City of Joondalup - Investment Balances



Month	MTD Budget	YTD Budget	MTD Actual	YTD Actual	Benchmark Return	Average Return
July	139,355	139,355	201,882	201,882	3.00%	4.31%





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

1. Fees and Charges

	YTD Adopted Budget	YTD Actual	Variance
a) Refuse Charges	\$15,411k	\$14,890k	\$(521k)
Other Variances – Not material	\$1,191k	\$1,210k	\$19k
	<u>\$16,602k</u>	<u>\$16,100k</u>	<u>\$(502k)</u>

- a) The variance on the Refuse Charges is predominantly due to the \$10 per service reduction adopted at the Special meeting of Council on 7 Jul 2009 which was after the annual budget was adopted (\$561k), this has been partially offset by the actual number of services charged being above budget by 164.

2. Investment Earnings

Investment income exceeded the budget by \$63k, this is due to higher funds invested being carried forward from 2008/09 and actual interest rates achieved being above budget.

3. Materials and Contracts

	YTD Adopted Budget	YTD Actual	Variance
a) Administration Expenses	\$117k	\$73k	\$44k
b) Professional Fees and Costs	\$275k	\$209k	\$66k
c) Pub Relations, Advertising & Prom	\$90k	\$22k	\$68k
d) Furniture, Equipment and Artworks	\$112k	\$26k	\$86k
e) Other Materials	\$94k	\$31k	\$63k
f) External Service Expenses	\$1,248k	\$919k	\$329k
Other Variances – Not material	\$969k	\$922k	\$47k
	<u>\$2,905k</u>	<u>\$2,202k</u>	<u>\$703k</u>

- a) Administration expenses variance is mainly due to timing of printing costs \$44k compared to budget, including \$19k for Craigie Leisure Centre promotion material, \$14k for printing the Joondalup City Centre Structure Plan and District Planning Scheme2 Review scheduled in September, and \$11k spread through other areas. There are offsetting variances in other administration expenses, including Stationary and Photocopying costs \$22k and the Corporate Memberships for CCI \$(23)k.
- b) Professional Fees and Costs below budget comprises Consulting \$44k, where most of the planned projects, such as Building Assets Management Overview \$9k and the Road Safety Audit Program \$12k are in the early stages of work being progressed. Other consulting variances \$23k are for charges still to be received or work waiting for approvals. Legal fees were \$17k under budget, including \$10k for work on the Joondalup City Centre Structure Plan and District Planning scheme No2, which are



now likely to occur in November. Other legal fees relate to litigation costs that arise as needed, such as for parking and planning disputes. Other fees include licenses and statutory charges in a range of areas and are not material.

- c) The variance is comprised of General Advertising expenses \$28k relating to timing of events and programs, with \$12k for Marketing programs and remainder made up of smaller amounts for Leisure Centres, Libraries and community support programs. Expenditure on Signage and Decals of \$12k is yet to be incurred compared to budget and spread across a range of recreation, parking, cultural and other services. The remaining variances are also timing differences, with catering \$13k and promotions \$7k being largest and \$8k in other areas.
- d) Contracts for Plant Maintenance and Repair were \$36k below budget, and include outstanding Parking Services monthly servicing fees of \$17k for the Ticket Machines and \$11k for gym equipment in Leisure Centres. In addition Plant & Equipment Minor Purchases were \$19k below budget which is spread through various operational areas. The remaining \$31k variance relates to furniture and computer equipment purchases due in the coming months.
- e) Other materials mainly refer to operational purchases where materials are either drawn from stores issues or purchased in accordance with scheduled work requirements. Areas under the budget include stores \$18k, Building minor works \$10k, Roads and Footpaths \$13k, Parks and Natural Areas \$9k where work is also affected by weather conditions.
- f) The main variance for External Services are for external contractors utilised in Natural Areas and Parks \$70k and for Road and Footpath maintenance work \$69k, where delays due to weather and planning impact on the scheduling of work. In addition \$29k for contracted Graffiti Removal is to be processed in August, and a timing difference of \$25k in Leisure Centres depends upon usage of contract staff. Tipping Fees are \$64k below budget and other minor variances occurred in general areas amounting to \$72k against budget.

4. Utilities

	YTD Adopted Budget	YTD Actual	Variance
a) Electricity	\$321k	\$143k	\$178k
Water and Gas - not material	\$98k	\$107k	\$(9)k
	<u>\$419k</u>	<u>\$250k</u>	<u>\$169k</u>

- a) Electricity charges were primarily below budget for Street Lighting \$27k and Parks \$38k mainly due to the timing of invoices compared to the budget phasing. The remaining variance includes \$65k which is due to the June accruals being overstated.



5. Depreciation of Non-Current Assets

Buildings were re-valued in 2008/09 and adjusted at the financial year end. Depreciation for the period has been calculated on these re-valued amounts which was not reflected in the budget giving a variance of \$(280k). This has been partially offset by an error in the depreciation calculated on other categories which will be corrected in August.

6. Capital Grants and Subsidies

	YTD Adopted Budget	YTD Actual	Variance
a) Seacrest Community Sport Facility	\$1,305k	-	\$(1,305k)
b) Video Surveillance - Tom Simpson Park	\$100k	-	\$(100k)
c) Major Road Construction Program	\$664k	-	\$(664k)
d) Traffic Management	\$570k	-	\$(570k)
e) Road Preservation and Resurfacing Program	\$271k	-	\$(271k)
	<u>\$2,910k</u>	<u>-</u>	<u>\$(2,910k)</u>

- a) The City received 50% of the Seacrest Community Sport Facility grant, budgeted to be received in the 2009/10 financial year, in June 2009.
- b) The grant funding for the video surveillance system at Tom Simpson Park was budgeted to be received this period however it was actually received in the previous financial year.
- c) This variance relates to grant funding for Moore Drive / Connolly Drive \$(664k) for which grant recoups are currently being prepared.
- d) The Ocean Reef Drive - Craigie Drive Roundabout and the Whitfords / Endeavour Traffic Signals projects have been delayed and the second 40% claim for the State Black Spot funding cannot yet be claimed \$(234k). The first 40% grant recoup for the 2009/10 State Black Spot projects is anticipated to be claimed in August totalling \$(336k).
- e) The first 40% claim for some of the projects in the Road Preservation and Resurfacing program are being prepared and are anticipated to be processed in August.



6 Capital Projects

	YTD Budget	YTD Actual	Variance
a) Aquatic Facilities Upgrade - CLC	\$497k	\$12k	\$485k
b) Library Management System	\$110k	-	\$110k
c) Information Technology Projects	\$75k	\$5k	\$70k
d) Ocean Reef Marina Development	\$62k	\$10k	\$52k
Other variances – not material	\$62k	\$2k	\$60k
	<u>\$806k</u>	<u>\$29k</u>	<u>\$777k</u>

- a) Work on the Aquatic expansion project is continuing however the progress claims are behind the budget phasing.
- b) The Library Management System was signed off by Council in July. An order for the equipment is to be placed in August with delivery anticipated 2 to 4 weeks later.
- c) This variance includes the Network Infrastructure Upgrade \$45k where an order was placed in July and the equipment was delivered in August and the Data Centre Upgrade \$25k where the project has been re-scheduled to occur later in the year.
- d) The Joondalup ratepayer survey on the Ocean Reef Marina concept plan, endorsed by council, closed in July and the results are currently being analysed. Future expenditure will be dependant upon the council progressing the project.

7 Capital Works

	YTD Budget	YTD Actual	Variance
a) Streetscape Enhancement	\$1,122k	\$16k	\$1,106k
b) Major Road Construction	\$1,122k	\$347k	\$775k
c) Road Preservation / Resurfacing	\$389k	\$13k	\$376k
d) Traffic Management	\$152k	\$16k	\$136k
e) Major Building Works	\$131k	\$30k	\$101k
Other Works variances - not material	\$114k	\$161k	\$(47k)
	<u>\$3,030k</u>	<u>\$583k</u>	<u>\$2,447k</u>

- a) This variance mainly relates to the West Coast Drive dual use path and lighting upgrade project where construction works could not commence until drainage works were complete. Contractors have commenced work in July however invoices are yet to be received.
- b) The Major Roads Construction Program variance relates to Connolly Drive - Burns Beach Road to McNaughton Crescent where work is proceeding on time and contractor claims will be processed in August.
- c) The Canham Way \$53k and Harman Road \$32k projects have been delayed due to weather conditions in early July. The remaining variance relates to the 2009/10 program where estimates have now been received and works are being scheduled to commence in August.



- d) The bad weather which effected the Road Preservation projects on Canham Way and Harman Road has also delayed the Traffic Management program on these projects \$120k, the concept designs have been completed and works are due to commence in August.
- e) This variance relates to Craigie Language Centre and Duncraig Pre-Primary Centre projects \$102k where work is complete but invoices are yet to be processed.

8 Closing Funds

	Actual
Current Assets	
Cash Assets	\$52,328k
Rates and Sundry Debtors	\$85,189k
GST Receivable	\$314k
Accrued Income	\$670k
Advances and Prepayments	\$492k
	\$138,993k
Less: Current Liabilities	
Creditors	\$(14,064k)
Provisions - Annual Leave	\$(2,787k)
Provisions - Other	\$(3,972k)
Accrued Expenses	\$(3,422k)
Borrowings	\$(628k)
Income in Advance	-
GST Payable	\$(101k)
Other- Clearing	\$(125k)
	\$(25,099)k
Net Current Assets	\$113,894k
Add: Borrowings	\$628k
Less: Restricted Assets	\$(40,258k)
Closing Funds - Surplus	\$74,264k