

City of Joondalup

Financial Activity Statement for the
Period Ended 30 April 2009

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Financial Activity Statement

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Investment Summary

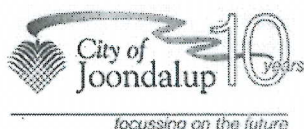
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City of Joondalup
Financial Activity Statement
for the period ended 30 April 2009

	Notes	Revised Budget	YTD Revised Budget	YTD Actual	YTD Variance \$	YTD Variance %
OPERATING REVENUE						
Rates		(61,442,672)	(61,275,737)	(61,340,006)	64,269	(0)%
Grants and Subsidies	1	(3,686,415)	(2,752,186)	(2,607,895)	(144,291)	5%
Contributions Reimbursements and Donations	2	(654,994)	(598,841)	(649,325)	50,484	(8)%
Profit on Asset Disposals		(1,952,032)	(121,883)	(130,656)	8,773	(7)%
Fees and Charges		(24,229,637)	(22,446,241)	(22,343,231)	(103,010)	0%
Investment Earnings	3	(4,100,000)	(3,619,802)	(4,190,689)	570,887	(16)%
Other Revenue/Income		(334,162)	(317,964)	(321,292)	3,328	(1)%
Total Operating Revenue		(96,399,912)	(91,132,654)	(91,583,093)	450,440	0%
OPERATING EXPENSES						
Employee Costs		40,485,470	33,740,526	33,979,286	(238,760)	(1)%
Materials and Contracts	4	35,363,329	29,253,467	27,056,129	2,197,338	8%
Utilities (gas, electricity, water etc.)		3,296,750	2,736,957	2,672,088	64,870	2%
Depreciation of Non-Current Assets		16,872,916	14,071,113	14,087,074	(15,961)	(0)%
Loss on Asset Disposal		140,058	110,325	89,897	20,427	19%
Interest Expenses		211,805	169,509	145,292	24,217	14%
Insurance Expenses		1,109,190	1,097,860	1,072,903	24,957	2%
Other Expenses		-	-	-	-	100%
Total Operating Expenses		97,479,518	81,179,757	79,102,669	2,077,088	3%
(SURPLUS)/DEFICIT FROM OPERATIONS		1,079,606	(9,952,896)	(12,480,424)	2,527,528	(0)
OPERATING NON-CASH ADJUSTMENTS						
Depreciation on Assets		(16,872,916)	(14,071,113)	(14,087,074)	15,961	(0)%
Loss on Asset Disposal		(140,058)	(110,325)	(89,897)	(20,427)	19%
Profit on Asset Disposals		1,952,032	121,883	130,656	(8,773)	(7)%
OPERATING CASH (SURPLUS)/DEFICIT		(13,981,336)	(24,012,451)	(26,526,739)	2,514,288	(10)%
NON-OPERATING REVENUE						
Capital Grants and Subsidies	5	(12,499,605)	(8,264,234)	(7,871,425)	(392,808)	5%
Capital Contributions		(68,608)	(68,608)	(69,546)	938	(100)%
Acquired Infrastructure Assets		(6,085,000)	-	-	-	0%
Total Non-Operating Revenue		(18,653,213)	(8,332,842)	(7,940,972)	(391,870)	(95)%
CAPITAL EXPENDITURE						
Capital Projects	6	7,988,019	5,143,797	3,117,664	2,026,133	39%
Capital Works	7	29,855,679	16,143,413	12,586,462	3,556,951	22%
Motor Vehicle Replacements		3,671,645	2,329,945	2,339,348	(9,403)	(0)%
Loan Repayment Principal		348,039	278,695	278,408	287	100%
Equity Investments		-	-	14,351	(14,351)	100%
Total Capital Expenditure		41,863,382	23,895,850	18,336,233	5,559,617	23%
CAPITAL (SURPLUS)/DEFICIT		23,210,169	15,563,009	10,395,261	5,167,747	33%
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL		9,228,833	(8,449,442)	(16,131,478)	7,682,035	(91)%
FUNDING						
Proceeds from Disposal		(2,645,727)	(550,099)	(423,188)	(126,911)	23%
Loan Funds	8	(3,312,937)	(3,312,937)	-	(3,312,937)	100%
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)	(16,251,556)	(19,865,132)	3,613,576	(22)%



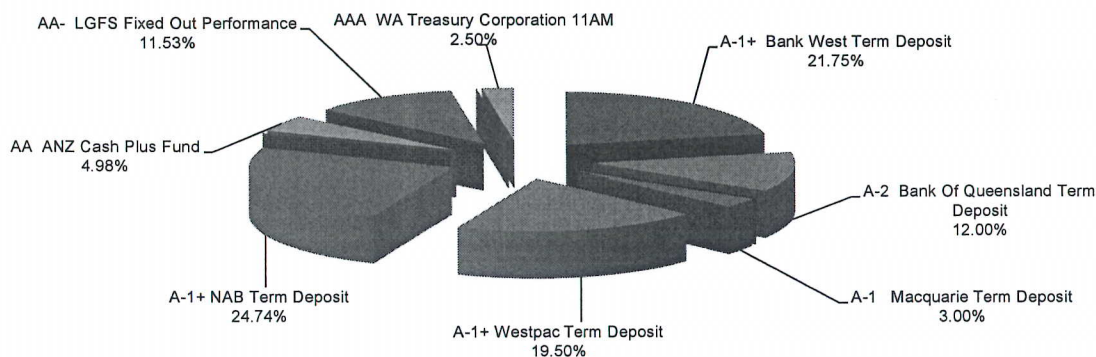
Investment Summary

CITY OF JOONDALUP

April-09

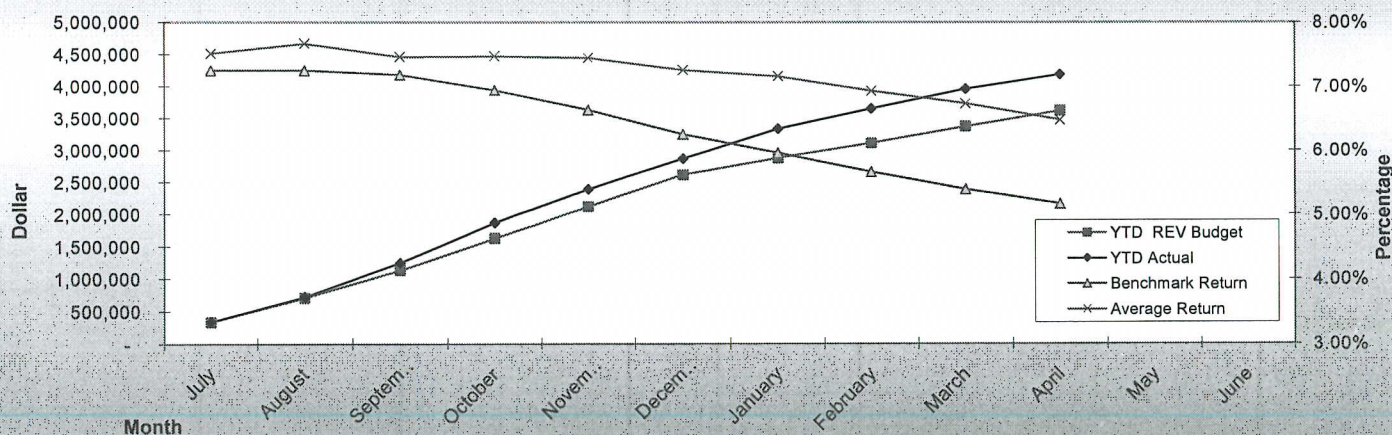
Investment Account	MTD Return	YTD Return	Value \$	% of Portfolio	Policy Limit
A-1+ ANZ Term Deposit	0.00%	7.67%	\$ -	0.00%	20%
A-1+ Bank West Term Deposit	4.28%	7.18%	\$ 14,500,000	21.75%	20%
A-2 Bank Of Queensland Term Deposit	4.41%	6.97%	\$ 8,000,000	12.00%	10%
A-1 + St George Bank Term Deposit	0.00%	7.57%	\$ -	0.00%	20%
A-1 Macquarie Term Deposit	4.90%	7.35%	\$ 2,000,000	3.00%	15%
A-1+ Westpac Term Deposit	4.87%	6.25%	\$ 13,000,000	19.50%	20%
A-1+ NAB Term Deposit	4.30%	6.90%	\$ 16,500,000	24.74%	20%
A-1+ Westpac Bank Accepted Bills	0.00%	6.22%	\$ -	0.00%	20%
AA ANZ Cash Plus Fund	-5.33%	0.92%	\$ 3,319,246	4.98%	20%
AA- LGFS Fixed Out Performance	3.79%	6.44%	\$ 7,691,109	11.53%	20%
A-1+ Westpac 11AM	0.00%	7.15%	\$ -	0.00%	20%
AAA WA Treasury Corporation 11AM	3.06%	4.91%	\$ 1,670,000	2.50%	20%
Total Investment Portfolio	3.88%	6.47%	66,680,355	100.00%	
Municipal Funds			33,176,728		
Reserve Funds			33,503,627		
			66,680,355		

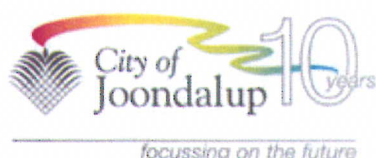
City of Joondalup - Investment Balances



Month	MTD REV Budget	YTD REV 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	2,869,448	6.25%	7.25%
January	263,597	2,878,181	466,224	3,335,672	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%

Return on Investments





NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT
FOR THE PERIOD ENDED ON 30 APRIL 2009

1. Grants and Subsidies

	YTD Revised Budget	YTD Actual	Variance
a) State Grants and Subsidies - Other	\$397k	\$275k	\$(122k)
b) Commonwealth Grants & Subsidies	\$140k	\$118k	\$(22k)
c) State General Purpose-WALGGC	\$2,215k	\$2,215k	\$-k
	<u>\$2,752k</u>	<u>\$2,608k</u>	<u>\$(144k)</u>

- a) State Grants include a budgeted amount of \$88k for the Lake Goollelal Upgrade project which is actually a Capital project and the revenue has been received as a Capital Grant. (Refer to note 5). Other variances are due to timing differences to the phased budget.
- b) Grants received for the Craigie Leisure Centre Holiday Programme of \$25k have been included in a) above these will be re-allocated in May.

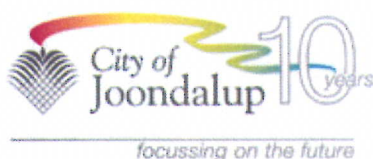
2. Contributions, Reimbursements and Donations

	YTD Revised Budget	YTD Actual	Variance
a) Reimbursements Other	\$339k	\$392k	\$53k
Other Variances – Not material	\$260k	\$257k	\$(3k)
	<u>\$599k</u>	<u>\$649k</u>	<u>\$50k</u>

- a) Other reimbursements received include reimbursements for Workers' Compensation Insurance \$53k and Department of Environment & Conservation-50% of whale removal and cartage costs from Sorrento Beach \$17k, not in the budget. A number of smaller variances generally across the organisation partly offset these amounts.

3. Investment Earnings

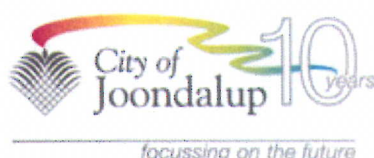
Investment income exceeded the budget to date by \$571k primarily as a result of the level of funds invested being higher than expected due to lower Capital Expenditure combined with returns being above budget for the period.



4. Materials and Contracts

	YTD Revised Budget	YTD Actual	Variance
a) Members Costs	\$335k	\$222k	\$113k
b) Administration Expenses	\$1,004k	\$852k	\$152k
c) Public Relations, Advertising & Proms	\$1,071k	\$817k	\$254k
d) Contributions and Donations	\$1,512k	\$1,023k	\$489k
e) Materials Purchases	\$1,309k	\$1,084k	\$225k
f) Waste Management Services	\$8,942k	\$8,383k	\$559k
Other Variances – Not material	\$15,080k	\$14,675k	\$405k
	<u>\$29,253k</u>	<u>\$27,056k</u>	<u>\$2,197k</u>

- a) Member Costs are below budget mainly due to lower expenditure on Elected Members Conference Expenses of \$79k. Elected Members Training costs are \$13k under budget, which is not expected to occur before the end of the financial year.
- b) Printing expenditure was \$93k under budget which is mainly due to the timing of various events and projects including Youth Projects and industry promotional material for the Business Forums scheduled for the June quarter. Savings of approximately \$15k on printing expenditure have been identified in Leisure and Culture. Photocopying expenditure was \$47k below budget due to an overestimation of the budget and to timing differences for events still to occur. The remaining variance was spread across a number of accounts and was not material.
- c) Expenditure is below budget \$100k due to timing differences in planned events and projects including World Environment Day, the Greenwood Garden Project and the Weed Education Program which are forecast to be complete by the end of the financial year. Expenditure on Catering and Bar Stocks for Council Administration and Support is \$33k below budget. Invoices are still to be processed for Leisure and Culture events \$37k however savings of approximately \$20k have been identified.
- d) The Community Sport and Recreation Facilities Fund contributions are currently behind schedule. Two key projects are significantly delayed; Beaumaris Sports Association floodlighting and Arena Community Sport and Recreation Association Clubroom Project. These projects total \$573k (YTD 436k) and will be carried forward into the next financial year. Warwick Leisure Centre subsidy payments are \$40k below the budget, subject to final figures in June.
- e) The under expenditure in External Materials Purchases mainly occurred in Roads and Parks \$246k, partly due to scheduling of work to be undertaken, some of which occurs on a demand basis, plus the use of contractors who supply the material separately. This is partially offset by an overspend in External Contractors & Services of \$61k.
- f) Waste Management Services are below budget mainly due to estimated invoices being received from the City of Wanneroo with final adjustment invoices yet to be processed.



5. Capital Grants and Subsidies

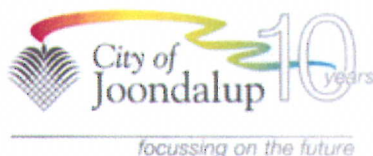
	YTD Revised Budget	YTD Actual	Variance
a) Road Preservation Programme	\$3,145k	\$2,863k	\$(282k)
b) Traffic Management	\$528k	\$337k	\$(191k)
c) Lake Goollellal Upgrade	-	\$80k	\$80k
Other	\$4,591k	\$4,590k	\$-k
	<u>\$8,264k</u>	<u>\$7,871k</u>	<u>\$(393k)</u>

- a) The Road Preservation Grants programme has been impacted by earlier delays in planned work and therefore grant recoups are running behind budget. The works projects are now progressing and outstanding grants are to be claimed in this quarter.
- b) Traffic Management grants received are tied to the work schedule which is behind budget as reported at note 7 below.
- c) The Lake Goollellal Upgrade project received a Grant payment which is budgeted as an operating grant, as reported in note 1 above.

6. Capital Projects

	YTD Revised Budget	YTD Actual	Variance
a) Ocean Reef Marina Development	\$813k	\$554k	\$259k
b) Aquatic Facilities Upgrade - CLC	\$2,007k	\$698k	\$1,309k
c) Information Technology Projects	\$904k	\$635k	\$269k
d) Cultural Facility	\$121k	\$0k	\$121k
Other variances – not material	\$1,299k	\$1,231k	\$68k
	<u>\$5,144k</u>	<u>\$3,118k</u>	<u>\$2,026k</u>

- a) The Ocean Reef Marina project concept plan has been endorsed by Council and an information brochure and feedback form will be sent to all Joondalup residents during May to obtain public comment. Expenditure will continue once public comments have been received.
- b) The Aquatic Facilities Upgrade at Craigie Leisure Centre currently has some progress claims that are yet to be reconciled. The City will review the status of the claims with the builder at the next site meeting.
- c) The main Information Technology Projects variances occurred on the New Financial System project \$115k due to delays in the implementation of the Works and Assets and the Stores modules and Data Centre Upgrade \$60k the bulk of the orders have been placed but work is yet to commence. Other variances include the Redevelopment of the City's Website \$21k where payment milestones not yet reached and the Network Infrastructure Upgrade Program \$39k where a tender has yet to be awarded for the remainder of the program.

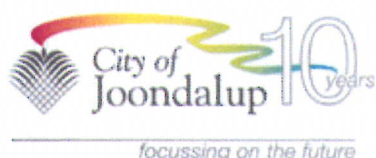


- d) The Cultural Facility project has commenced with other facilities being inspected. Actual expenditure will occur in the next financial year.

7 Capital Works

	YTD Revised Budget	YTD Actual	Variance
a) Major Roads Construction	\$3,623k	\$4,067k	\$(444k)
b) Streetscape Enhancement	\$798k	\$340k	\$458k
c) Traffic Management	\$1,043k	\$659k	\$384k
d) Major Building Works	\$3,076k	\$2,331k	\$745k
e) Foreshore & Natural Areas	\$406k	\$30k	\$376k
f) Road Preservation / Resurfacing	\$3,373k	\$3,018k	\$355k
g) Stormwater Drainage	\$398k	\$71k	\$327k
h) Paths Program	\$720k	\$421k	\$299k
i) Other Works variances	\$2,706k	\$1,649k	\$1,057k
	<u>\$16,143k</u>	<u>\$12,586k</u>	<u>\$3,557k</u>

- a) The Major Roads Construction program included \$3,902k of work on the Burns Beach East and West Roads which is progressing ahead of budget phasing by \$(766k). The remaining variances include Woodlake Retreat extension and Connolly Drive projects which are progressing behind the budget schedule.
- b) There have been delays on the tender documents for Burns Beach Road and Hodges Drive work which is to be carried forward. The Freeway on/off ramps project is also to be carried forward however other works are in progress.
- c) The Traffic Management work is under budget due to delays in obtaining engineering designs in the first half of the financial year. These delays have now been overcome and the work is expected to progress.
- d) Most major Building Works are now in progress or completed and the majority of funds will be expended by end of year.
- e) The Foreshore & Natural Area program is underspent due to complications in fence design for Craigie Bushland, as a new design is required, and the requirement for installation of fire breaks has also caused delays. The new escarpment steps are planned to be installed in May.
- f) Most projects are progressing but are behind the budget schedule, the Canham Way project \$160k is forecast to be carried forward.
- g) The Stormwater Drainage program is expected to be finished by the end of the financial year.
- h) Paths Program includes the Clontarf Street footpath replacement \$300k. The project is progressing well and completion is expected by the end of May. Other Path projects are progressing and contracted to be complete within the budget period.



- i) Variances on other works are due mainly to delays in commencement compared to the budget.

8 Loans

The budget allowed for additional borrowings of \$1.6 million to partly fund the Upgrade to the Craigie Aquatic Centre which will be funded later than originally planned. Also, \$1.7 million was budgeted for the Implementation of Paid Parking for which a loan of \$1.5 million has been acquired in May.

9 Closing Funds

	Actual
Current Assets	
Cash Assets	\$65,375k
Rates and Sundry Debtors	\$1,891k
GST Receivable	\$583k
Accrued Income	\$455k
Advances and Prepayments	\$718k
	\$69,022k
Less: Current Liabilities	
Creditors	\$(2,839k)
Provisions	\$(6,065k)
Accrued Expenses	\$(3,724k)
Income in Advance	\$0k
GST Payable	\$(101k)
Other- Clearing	\$(259k)
	\$(12,988k)
Less: Restricted Assets	
Reserves	\$(36,011k)
Movement Other Receivables - MRF	\$(158k)
Closing Funds	\$19,865k