



# City of Joondalup

Financial Activity Statement for the  
Period Ended 30 September 2015

# Contents

# Appendix

|  |   |
|--|---|
| Financial Activity Statement                                     | 1 |
| Investment Summary   | 2 |
| Notes to and Forming Part of the<br>Financial Activity Statement | 3 |

|  | Notes | Adopted Budget       | YTD Adopted Budget   | YTD Actual           | YTD Variance \$  | YTD Variance % |
|--|-------|----------------------|----------------------|----------------------|------------------|----------------|
| <b>OPERATING REVENUE</b>                             |       |                      |                      |                      |                  |                |
| Rates  |       | (91,535,076)         | (91,405,076)         | (91,409,583)         | 4,507            | 0%             |
| Specified Area Rates                                 |       | (408,157)            | (408,157)            | (408,157)            | -                | 0%             |
| Grants and Subsidies                                 | 1     | (4,230,505)          | (950,395)            | (598,848)            | (351,547)        | (37)%          |
| Contributions Reimbursements and Donations           | 2     | (908,197)            | (167,956)            | (977,369)            | 809,413          | 482%           |
| Profit on Asset Disposals                            | 3     | (1,041,807)          | -                    | (534,005)            | 534,005          | 100%           |
| Fees and Charges                                     |       | (39,556,828)         | (25,790,519)         | (25,796,257)         | 5,738            | 0%             |
| Interest Earnings                                    | 4     | (3,486,332)          | (1,201,094)          | (1,304,105)          | 103,011          | 9%             |
| Other Revenue/Income                                 | 5     | (160,000)            | (33,000)             | (29,874)             | (3,126)          | (9)%           |
| <b>Total Operating Revenue</b>                       |       | <b>(141,326,902)</b> | <b>(119,956,198)</b> | <b>(121,058,198)</b> | <b>1,102,000</b> | <b>1%</b>      |
| <b>OPERATING EXPENSES</b>                            |       |                      |                      |                      |                  |                |
| Employee Costs                                       | 6     | 59,888,303           | 15,451,737           | 15,857,064           | (405,327)        | (3)%           |
| Materials and Contracts                              | 7     | 52,959,486           | 12,745,526           | 11,238,120           | 1,507,406        | 12%            |
| Utilities (gas, electricity, water etc.)             | 8     | 6,276,093            | 1,543,991            | 1,456,856            | 87,135           | 6%             |
| Depreciation & Amortisation of Non-Current Assets    | 9     | 27,123,831           | 6,837,957            | 7,439,497            | (601,540)        | (9)%           |
| Loss on Asset Disposals                              | 10    | 1,560,531            | -                    | 22,075               | (22,075)         | (100)%         |
| Interest Expenses                                    | 11    | 667,100              | 174,109              | 146,882              | 27,227           | 16%            |
| Insurance Expenses                                   | 12    | 1,623,138            | 809,879              | 863,124              | (53,245)         | (7)%           |
| <b>Total Operating Expenses</b>                      |       | <b>150,098,482</b>   | <b>37,563,198</b>    | <b>37,023,618</b>    | <b>539,580</b>   | <b>1%</b>      |
| <b>(SURPLUS)/DEFICIT FROM OPERATIONS</b>             |       | <b>8,771,580</b>     | <b>(82,392,999)</b>  | <b>(84,034,580)</b>  | <b>1,641,581</b> | <b>2%</b>      |
| <b>OPERATING NON-CASH ADJUSTMENTS</b>                |       |                      |                      |                      |                  |                |
| Depreciation & Amortisation of Non Current Assets    |       | (27,123,831)         | (6,837,957)          | (7,439,497)          | 601,540          | 9%             |
| Loss on Asset Disposal                               |       | (1,560,531)          | -                    | (22,075)             | 22,075           | -              |
| Profit on Asset Disposals                            |       | 1,041,807            | -                    | 534,005              | (534,005)        | (100)%         |
| Other Non-Current items                              |       |                      |                      |                      |                  |                |
| Movement in Non-current Provisions                   | 13    | (125,000)            | (125,000)            | 101,176              | (226,176)        | (181)%         |
| <b>OPERATING CASH (SURPLUS)/DEFICIT</b>              |       | <b>(18,995,975)</b>  | <b>(89,355,957)</b>  | <b>(90,860,971)</b>  | <b>1,505,014</b> | <b>2%</b>      |
| <b>NON-OPERATING REVENUE</b>                         |       |                      |                      |                      |                  |                |
| Capital Grants and Subsidies                         | 14    | (12,797,452)         | (2,041,256)          | (1,831,530)          | (209,726)        | (10)%          |
| Capital Contributions                                | 15    | (912,046)            | -                    | (234,000)            | 234,000          | 100%           |
| Equity Distribution - TPRC                           |       | (3,333,333)          | -                    | -                    | -                | -              |
| Acquired Infrastructure Assets                       |       | -                    | -                    | -                    | -                | -              |
| <b>Total Non-Operating Revenue</b>                   |       | <b>(17,042,831)</b>  | <b>(2,041,256)</b>   | <b>(2,065,530)</b>   | <b>24,274</b>    | <b>0%</b>      |
| <b>CAPITAL EXPENDITURE</b>                           |       |                      |                      |                      |                  |                |
| Capital Projects                                     | 16    | 7,199,800            | 3,071,459            | 1,453,953            | 1,617,506        | 53%            |
| Capital Works  | 17    | 39,739,288           | 6,924,312            | 9,051,477            | (2,127,165)      | (31)%          |
| Vehicle and Plant Replacements                       | 18    | 2,066,000            | -                    | (864)                | 864              | 100%           |
| Loan Repayment Principal                             | 19    | 2,191,223            | 530,479              | 447,967              | 82,512           | 16%            |
| Equity Investments                                   |       | 44,683               | -                    | -                    | -                | 0%             |
| <b>Total Capital Expenditure</b>                     |       | <b>51,240,994</b>    | <b>10,526,250</b>    | <b>10,952,533</b>    | <b>(426,283)</b> | <b>(4)%</b>    |
| <b>CAPITAL (SURPLUS)/DEFICIT</b>                     |       | <b>34,198,163</b>    | <b>8,484,994</b>     | <b>8,887,003</b>     | <b>(402,009)</b> | <b>(5)%</b>    |
| <b>(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL</b> |       | <b>15,202,188</b>    | <b>(80,870,962)</b>  | <b>(81,973,968)</b>  | <b>1,103,006</b> | <b>1%</b>      |
| <b>FUNDING</b>                                       |       |                      |                      |                      |                  |                |
| Proceeds from Disposal                               | 20    | (5,490,375)          | -                    | (1,134,550)          | 1,134,550        | 100%           |
| Loans - New Borrowings                               | 21    | (2,498,000)          | (1,769,000)          | -                    | (1,769,000)      | (100)%         |
| Transfer from Trust                                  |       | -                    | -                    | -                    | -                | -              |
| Transfer from Reserve                                |       | (18,243,437)         | -                    | -                    | -                | -              |
| Transfer to Reserve                                  |       | 12,019,289           | -                    | -                    | -                | -              |
| Transfer to Accumulated Surplus                      |       | -                    | -                    | -                    | -                | -              |
| Transfer from Accumulated Surplus                    |       | -                    | -                    | -                    | -                | -              |
| Opening Funds  | 22    | (989,665)            | (989,665)            | (3,139,002)          | 2,149,337        | 217%           |
| <b>CLOSING FUNDS</b>                                 | 23    | <b>-</b>             | <b>(83,629,627)</b>  | <b>(86,247,520)</b>  | <b>2,617,892</b> | <b>3%</b>      |



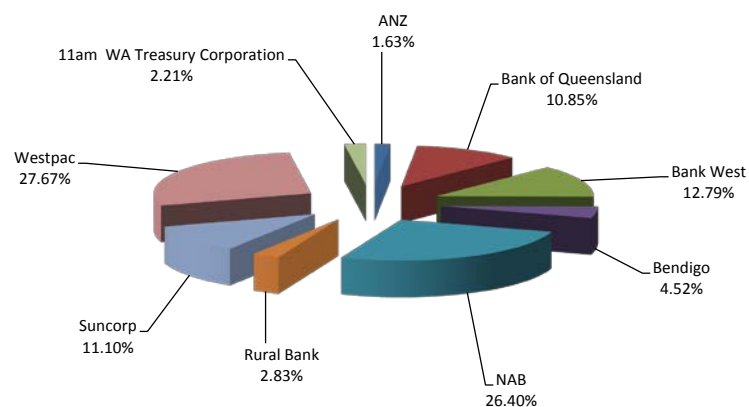
## Investment Summary

**CITY OF JOONDALUP**  
September-15

| Credit Rating |            | Investment Account           |              | MTD Return | YTD Return | Value \$         | % of Portfolio | Policy Limit |
|---------------|------------|------------------------------|--------------|------------|------------|------------------|----------------|--------------|
| Long Term     | Short Term |                              |              |            |            |                  |                |              |
| AA-           | A-1+       | ANZ                          | Term Deposit | 2.82%      | 2.82%      | \$ 2,300,000.00  | 1.63%          | 25%          |
| A-            | A-2        | Bank of Queensland           | Term Deposit | 2.93%      | 3.02%      | \$ 15,350,000.00 | 10.85%         | 10%          |
| AA-           | A-1+       | Bank West                    | Term Deposit | 2.85%      | 2.86%      | \$ 18,100,000.00 | 12.79%         | 25%          |
| A-            | A-2        | Bendigo                      | Term Deposit | 3.00%      | 3.12%      | \$ 6,400,000.00  | 4.52%          | 10%          |
| AA-           | A-1+       | NAB                          | Term Deposit | 2.96%      | 3.05%      | \$ 37,350,000.00 | 26.40%         | 25%          |
| A-            | A-2        | Rural Bank                   | Term Deposit | 2.91%      | 3.25%      | \$ 4,000,000.00  | 2.83%          | 10%          |
| A+            | A-1        | Suncorp                      | Term Deposit | 2.97%      | 3.06%      | \$ 15,700,000.00 | 11.10%         | 15%          |
| AA-           | A-1+       | Westpac                      | Term Deposit | 2.90%      | 2.91%      | \$ 39,140,000.00 | 27.67%         | 25%          |
| AA+           | A-1+       | 11am WA Treasury Corporation |              | 1.95%      | 1.95%      | \$ 3,133,000.00  | 2.21%          | 25%          |

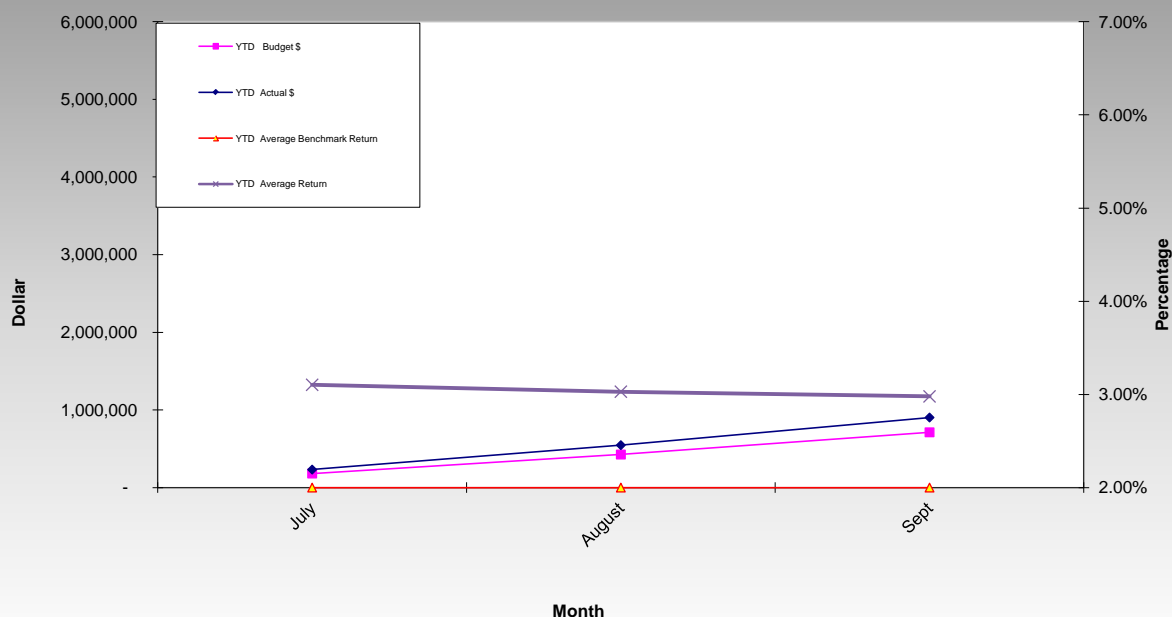
|                                   |       |       |                    |         |  |
|-----------------------------------|-------|-------|--------------------|---------|--|
| <b>Total Investment Portfolio</b> | 2.90% | 2.98% | <b>141,473,000</b> | 100.00% |  |
| <b>Municipal Funds</b>            |       |       | 82,812,180         |         |  |
| <b>Reserve Funds</b>              |       |       | 58,660,820         |         |  |
|                                   |       |       | <b>141,473,000</b> |         |  |

### City of Joondalup - Investment Balances



| Month  | Budget \$ | MTD Actual \$ | YTD Budget \$ | YTD Actual \$ | YTD Average Benchmark Return | YTD Average Return |
|--------|-----------|---------------|---------------|---------------|------------------------------|--------------------|
| July   | 180,892   | 231,571       | 180,892       | 231,571       | 2.00%                        | 3.10%              |
| August | 244,585   | 314,846       | 425,477       | 546,417       | 2.00%                        | 3.03%              |
| Sept   | 286,117   | 355,868       | 711,594       | 902,285       | 2.00%                        | 2.98%              |

### Return on Investments





**NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT**  
**FOR THE PERIOD ENDED ON 30 SEPTEMBER 2015**

**1. Grants and Subsidies**

|  | YTD Adopted<br>Budget | YTD Actual       | Variance           |
|--|-----------------------|------------------|--------------------|
| a) Commonwealth Financial Assistance Grant - General Purpose | \$884,168             | \$412,890        | (\$471,278)        |
| b) Other Grants & Subsidies                                  | \$66,227              | \$185,958        | \$119,731          |
|  | <u>\$950,395</u>      | <u>\$598,848</u> | <u>(\$351,547)</u> |

- a) The General Purpose Financial Assistance Grant received is (\$471,278) lower than budget mainly due to a significant portion of the 2015-16 grant having been received in the prior financial year. This will be updated during the mid-year budget review.
- b) The City received grants earlier than budget phasing for Kidsport \$153,350 and Joondalup Festival \$4,000. In addition, an unbudgeted grant of \$5,455 was received from Keep Australia Beautiful for the recycling bins in public places trial. These are partly offset by unfavourable variances of (\$20,718) for the first quarterly payment of the DFES 2015-16 grant which was received in advance in the previous financial year and (\$22,500) for Lotterywest Emergency Relief Grant which is offset by savings in expenditure (refer 7c).

**2. Contributions, Reimbursements and Donations**

|                   | YTD Adopted<br>Budget | YTD Actual       | Variance         |
|-------------------|-----------------------|------------------|------------------|
| a) Contributions  | \$9,510               | (\$8,298)        | (\$17,808)       |
| b) Sponsorship    | \$55,870              | \$34,700         | (\$21,170)       |
| c) Reimbursements | \$102,576             | \$950,967        | \$848,391        |
|                   | <u>\$167,956</u>      | <u>\$977,369</u> | <u>\$809,413</u> |

- a) Contributions for the maintenance of school sports ovals were overstated in the prior financial year. This correction has generated an unfavourable variance of (\$11,558). In addition, an unfavourable timing variance arose of (\$6,000) for contributions to the Youth Liason Program.
- b) Sponsorship revenue for various events including Joondalup Festival and the Valentines Concert are now expected to be received later than budget estimates.
- c) This favourable variance is mainly due to a Residual Carbon Price refund of \$740,969 which was received from Mindarie Regional Council. Additional unbudgeted reimbursements were received of \$31,972 for 2014-15 rates for the Tamala Park Waste Disposal site as a result of the revaluation of the land, Insurance \$34,152 mainly for the Warwick Community Centre and \$10,000 to cover costs associated with the Department of the Environment, Green Army program. The balance is spread across a number of areas.



### 3. Profit on Asset Disposals

Gains on the disposal of Tamala Park Regional Council (TPRC) land parcels, which were not included in the budget, generated a favourable variance of \$528,180. In addition, a favourable timing variance arose of \$5,825 for Fleet and Plant disposals.

### 4. Interest Earnings

Interest earned on investments exceeded budget by \$191,190 mainly due to the volume of investment funds being higher than budgeted. This is partly offset by unfavourable variances for rates instalment options (\$59,387) and interest on late payments (\$28,793).

### 5. Other Revenue

The City's share of Adshell advertising revenue is (\$6,662) lower than budget. This is partly offset by favourable variances for Rebates Received \$2,663 and Discounts Received \$873.

### 6. Employee Costs

|   | YTD Budget          | YTD Actual          | Variance           |
|---|---------------------|---------------------|--------------------|
| a) Salaries and Wages   | \$14,428,607        | \$14,610,143        | (\$181,536)        |
| b) Other Employment Costs   | \$1,023,130         | \$1,246,921         | (\$223,791)        |
|   | <u>\$15,451,737</u> | <u>\$15,857,064</u> | <u>(\$405,327)</u> |
|   |                     |                     |                    |
| a) The Provision for Employee Entitlements is (\$402,082) higher than budget and arises from the timing of annual and long service leave taken. This is partly offset by a favourable variance of \$220,546 mainly due to vacant positions across various areas.  |                     |                     |                    |
| b) A favourable variance arose for Capital Labour Recoveries \$34,942. This is due to a combination of higher utilisation of internal labour and Agency Employees for capital work and the timing of projects compared to budget estimates. In addition, favourable timing variances arose for Staff Training \$67,190 and Employee Support Services \$15,908. These are offset by an unfavourable variance for Agency Employees (\$338,918) that are used for capital work and to cover staff vacancies. |                     |                     |                    |

### 7. Materials and Contracts

|                                      | YTD Budget          | YTD Actual          | Variance           |
|--------------------------------------|---------------------|---------------------|--------------------|
| a) External Service Expenses         | \$5,906,583         | \$5,010,665         | \$895,918          |
| b) Professional Fees and Costs       | \$589,604           | \$505,571           | \$84,033           |
| c) Contributions and Donations       | \$408,384           | \$336,444           | \$71,940           |
| d) Other Materials                   | \$552,771           | \$370,041           | \$182,730          |
| e) Waste Management                  | \$1,967,855         | \$1,894,906         | \$72,949           |
| f) Furniture, Equipment and Artworks | \$435,121           | \$318,669           | \$116,452          |
| g) Charges and Recoveries            | -                   | (\$76,635)          | \$76,635           |
| Other Materials and Contracts        | \$2,885,208         | \$2,878,459         | \$6,749            |
|                                      | <u>\$12,745,526</u> | <u>\$11,238,120</u> | <u>\$1,507,406</u> |



- a) External Contractors and Services is \$840,621 below budget predominantly due to timing variances including Parks and Natural Areas \$485,140, Engineering \$71,418 and Building Maintenance \$176,252. In addition, favourable variances arose for Bulk and Domestic Tipping Fees \$49,304 due to lower tonnages collected. The balance is spread across a number of areas.
- b) Favourable variances arose for Consultancy \$77,106 and Legal Expenses \$42,801 partly offset by unfavourable variances for Fines Enforcement Lodgment Fees (\$12,640) and Recoverable Legal Expenses (\$10,517).
- c) A favourable variance arose for Grants and Contributions \$64,086 mainly due to the timing of contribution payments to cricket and bowling clubs which are now scheduled for October. In addition, savings to budget of \$22,823 arose for Lotterywest Emergency Relief Payments which is offset by a reduction in grant revenue received (refer 1b). These are partly offset by an unfavourable timing variance for SES grant disbursements of (\$16,318) .
- d) Favourable timing variances of \$114,429 arose for Materials mainly associated with Engineering Maintenance \$47,774 and Parks \$60,033 predominantly for irrigation maintenance. Additional timing variances arose of \$44,462 for the purchase of Trading Stock for the Leisure Centre shop and Building Minor Works \$29,606.
- e) This favourable variance includes Bulk Collection \$83,704 due to tonnage variations compared to budget estimates and collection and processing of Recyclables \$10,061. These are partly offset by an unfavourable timing variance for Domestic Collection (\$18,353).
- f) Favourable timing variances arose for Parking Plant and Equipment maintenance \$43,321, Waste Refuse Bin purchases \$16,198, Leisure Centre Fitness Equipment purchases \$16,371 and Hire of Equipment \$12,049. The balance of the variance is spread across a number of areas.
- g) Favourable capital recovery variances arose for Overheads \$53,881 and Fleet and Plant \$22,754. These are due to a combination of higher utilisation of internal labour for capital work and the timing of projects compared to budget estimates.

## **8. Utilities**

Electricity costs are \$86,087 below budget. This includes favourable variances of \$26,970 for Street Lighting and \$56,725 for Parks mainly due to budget phasing. In addition, a favourable variance of \$1,048 arose for gas and water costs.

## **9. Depreciation and Amortisation of Non-Current Assets**

This unfavourable variance includes higher than estimated depreciation for Infrastructure Assets (\$526,335) mainly for Open Reserves and Other Infrastructure Assets following revaluation at 30 June 2015. In addition depreciation for Property, Plant and Equipment assets is (\$75,205) higher than originally estimated as newly acquired and constructed assets were added to the depreciation schedule after the budget was approved. The depreciation budget will be adjusted in the mid-year review.





## 10. Loss on Asset Disposals

This unfavourable variance arose due to the timing of the disposal of Fleet and Plant assets.

## 11. Interest Expenses

The loan to partly fund the Bramston Park Facility has not yet been drawn generating savings to budget of \$14,488. The balance of the variance is due to a change in the treatment of the Government Guarantee Fee by WATC, which will be better reflected during the budget review.

## 12. Insurance Expenses

An unfavourable timing variance arose for Other General Insurance (\$34,658) which is expected to re-align to budget in the coming months. In addition, Insurance Excess to date is (\$21,670) higher than budget. The balance of the variance is due to net premiums on other insurance categories being lower than budget.

## 13. Non-Current Items

The year to date movement in the non-current long service leave liability is \$226,176 lower than estimated. This is mainly due to the change of entitlements from non-current to current based on age and is offset by an increase in the current long service leave liability.

## 14. Capital Grants and Subsidies

|  | YTD Revised<br>Budget | YTD Actual         | Variance           |
|--|-----------------------|--------------------|--------------------|
| a) Road Preservation / Resurfacing Program | \$1,121,389           | \$990,048          | (\$131,341)        |
| b) Blackspot Program                       | \$346,400             | \$422,800          | \$76,400           |
| c) Other Grants                            | \$573,467             | \$418,682          | (\$154,785)        |
|  | <u>\$2,041,256</u>    | <u>\$1,831,530</u> | <u>(\$209,726)</u> |

a) An unfavourable variance arose for the Federal Local Road Grant (\$265,352) mainly due to a significant portion of the 2015-16 grant having been received in the prior financial year. In addition Direct Grants awarded are (\$40,200) lower than budget estimates. These are partly offset by Metropolitan Regional Road Grants for 2014-15 resurfacing projects for Eddystone Avenue \$40,774, Flinders Avenue \$13,325 and West Coast Drive \$120,112 which were budgeted to be received in the prior financial year.

b) This favourable variance is due to three projects budgeted to be two-thirds State funded being awarded 100% Federal funding instead.

c) An unfavourable variance arose for the Better Bins Project (\$117,000) which will be claimed once final approval of the grant has been received. In addition, the





Lotterywest grant of (\$45,000) for the Youth Services Bus will be received later than originally forecast.

### 15. Capital Contributions

The City has invoiced Marmion Angling and Aquatic Club (MAAC) for their contribution towards the construction of a new car park north of the MAAC earlier than estimated in the budget.

### 16. Capital Projects

|   | YTD<br>Budget      | YTD<br>Actual      | Variance           |
|---|--------------------|--------------------|--------------------|
| a) Joondalup Performing Arts & Cultural Facility (JPACF) and Jinan Garden | \$432,237          | \$21,706           | \$410,531          |
| b) Public Art   | \$100,000          | \$56,564           | \$43,436           |
| c) Infrastructure Asset Management System Implementation                  | \$85,000           | \$8,298            | \$76,702           |
| d) Better Bins Project  | \$400,000          | -                  | \$400,000          |
| e) Youth Bus - Fit Out  | \$90,000           | -                  | \$90,000           |
| f) Parking Ticket Machines – upgrade                                      | \$187,761          | -                  | \$187,761          |
| g) Craigie Leisure Centre – pool refurbishment                            | \$370,000          | \$152,679          | \$217,321          |
| h) Ocean Reef Marina  | \$260,000          | \$175,254          | \$84,746           |
| Other Projects  | \$1,146,461        | \$1,039,452        | \$107,009          |
|   | <u>\$3,071,459</u> | <u>\$1,453,953</u> | <u>\$1,617,506</u> |

- a) Tasks associated with the project continued throughout the period including the commencement of the preparation of a draft architectural contract; however, expenditure has not been as estimated in the budget.
- b) The water feature installation in Central Walk is complete however, final invoices are yet to be received.
- c) This favourable variance is due to the timing of the Infrastructure Asset Management System Implementation which is progressing behind budget estimate.
- d) The project to purchase larger 360 litre bins is progressing behind budget phasing as it is tied to the approval of the related grant application.
- e) Vehicle and fit out requirements have been finalised and quotes for the truck have been requested.
- f) Alternative vendors for card reader transaction processing are currently being assessed.
- g) Work on the upgrade has commenced with electrical switchboards due for practical completion in October 2015. The phasing will be adjusted at the Mid Year Review.



- h) Tasks associated with the project continued throughout the period including meetings with government departments; however, expenditure has not been as estimated in the budget.

## 17. Capital Works

|  | YTD<br>Budget      | YTD<br>Actual      | Variance             |
|--|--------------------|--------------------|----------------------|
| a) Road Preservation / Resurfacing Program | \$1,462,812        | \$1,292,950        | \$169,862            |
| b) Major Projects Program                  | \$3,355,000        | \$5,300,223        | (\$1,945,223)        |
| c) Stormwater Drainage Program             | \$58,500           | \$174,643          | (\$116,143)          |
| d) Slab Path Replacement Program           | \$113,000          | \$256,564          | (\$143,564)          |
| e) Major Building Capital Works Program    | \$425,000          | \$753,598          | (\$328,598)          |
| f) Local Traffic Management                | \$145,000          | \$85,978           | \$59,022             |
| g) Parks Development Program               | \$256,000          | \$79,491           | \$176,509            |
| h) Major Road Construction Program         | \$400,000          | \$46,059           | \$353,941            |
| i) Parks Equipment Program                 | \$80,500           | \$192,242          | (\$111,742)          |
| j) Streetlighting Program                  | \$31,500           | \$202,736          | (\$171,236)          |
| Other Works variances - not material       | \$597,000          | \$666,993          | (\$69,993)           |
|  | <u>\$6,924,312</u> | <u>\$9,051,477</u> | <u>(\$2,127,165)</u> |

- a) This favourable variance is mainly due to projects which are complete and awaiting final invoices including Gilbert Road \$79,181 and Truslove Way \$83,610.
- b) An unfavourable timing variance arose for the Multi Storey Car Park (\$941,888) which is funded from reserves. This is mainly due to lower expenditure in the prior financial year due to the timing of progress payments for the project. In addition, unfavourable timing variances arose for Marmion Foreshore Parking (\$685,672), which is predominantly reserve funded, and Bramston Park (\$513,393). These are partly offset by a favourable timing variance for Ocean Reef Boat Harbour Floating Jetties \$153,716 which is 100% constructed however contractor payments are behind budget phasing.
- c) This unfavourable variance is a result of a number of projects that are progressing ahead of schedule with 59% of the program complete including Edna Way (\$34,474), Blackall Drive (\$17,965), Juniper Way (\$20,339) and Gosse Road (\$9,751).
- d) This program is progressing ahead of budget phasing with 84% of the program complete. Variances include Camberwarra Marmion Underpass (\$28,088), Barradine Way (\$14,335) and Allenswood Road (\$12,216) which are all complete and Hilton Park (\$65,101) which is 75% constructed.
- e) An unfavourable variance of (\$253,756) arose for the Deep Sewer connection project and Environmental Initiatives (\$92,835) which are funded from 2014-15 carry forwards. These are partly offset by a favourable variance of \$99,595 for the Compliance and Access & Inclusion works project which was originally anticipated to be a carry forward from 2014-15, however the works were eventually undertaken, completed and invoiced within the 2014-15 financial year. The balance of the variance is due to timing differences.



- f) This favourable variance includes \$26,173 due to the reversal of 2014-15 accruals for Koombana Way traffic treatment for which invoices have not yet been received and \$25,000 for Hepburn Avenue / Karuah Way Wig Wag project which was scheduled to be brought forward to 2015-16 however Main Roads WA completed the works and expended the funds in the previous financial year. Additional favourable variances arose for Doveridge Drive \$24,566 and Roche Road \$17,762 which are complete under budget. These are partly offset by Marybrook Road (\$31,302) which is complete ahead of forecast.
- g) Favourable timing variances of \$204,717 arose across a number of irrigation projects which are progressing behind schedule. This is partly offset by James Cook Park landscape upgrade (\$44,366) which is progressing ahead of schedule.
- h) This favourable variance is mainly due to Whitfords Avenue \$389,546 which commenced at the end of August. This is partly offset by the two Ocean Reef Road design projects totalling (\$35,605) which are progressing ahead of schedule with construction forecast for 2016-2017
- i) A number of playground projects are progressing ahead of schedule, including Otago Park (\$71,579) and Albacore Park (\$89,294), giving rise to this unfavourable timing variance. The balance is spread across a number of projects.
- j) This unfavourable variance is mainly due to Joondalup City Centre Lighting (\$153,204). A consultant has been engaged to undertake lighting designs and to prepare tender documentation for the project.

#### **18. Vehicle and Plant Replacements**

This favourable variance is in respect of a credit received for a hydraulic motor that was scheduled to be replaced but was reconditioned instead.

#### **19. Loan Repayment Principal**

The loan to partly fund the Bramston Park Facility has not yet been drawn generating a favourable variance to budget of \$82,512.

#### **20. Proceeds from Disposal**

The City disposed of Lot 549 Moolanda Boulevard, Kingsley earlier than anticipated in the budget generating a favourable variance of \$1,050,000. In addition, a favourable variance of \$84,550 arose for the disposal of Fleet and Plant assets.

#### **21. Loans – New Borrowings**

Bramston Park Facility borrowings have not yet been drawn down.



## 22. Opening Funds

Variations in the actual results for 2014-15 compared to the budget estimate gave rise to a favourable variance of \$2,149,337 in opening funds. This includes higher operating revenue of \$608,236 mainly from Interim Rates \$241,931, Grants \$105,050, Contributions \$136,981 and Interest Earnings \$130,832. In addition, operating expenditure was \$1,996,156 lower than estimate mainly due to Employee Costs \$1,351,001, which includes a \$665,153 chargeback of the workers compensation provision pertaining to 2009-10, Materials and Contracts \$386,549 and Utilities \$264,191, mainly from lower street lighting costs. These are partly offset by an unfavourable Capital Deficit variance of (\$306,156) predominantly due to the timing of Capital Grant claims.

## 23. Closing Funds

|  | June 2015             | September 2015        |
|--|-----------------------|-----------------------|
| <b>Current Assets</b>                    |                       |                       |
| Cash Assets                              | \$88,083,406          | \$141,651,744         |
| Rates and Sundry Debtors                 | \$3,199,209           | \$40,136,599          |
| GST Receivable                           | \$1,280,332           | \$923,618             |
| Accrued Income                           | \$1,123,565           | \$905,307             |
| Advances and Prepayments                 | \$507,864             | \$282,189             |
|  | \$94,194,376          | \$183,899,457         |
| <b>Less: Current Liabilities</b>         |                       |                       |
| Creditors                                | (\$3,310,018)         | (\$770,604)           |
| Sundry Payables                          | (\$456,510)           | (\$14,979,418)        |
| Provisions - Annual Leave                | (\$4,095,880)         | (\$4,220,549)         |
| Provisions - Other                       | (\$8,241,075)         | (\$9,072,756)         |
| Accrued Expenses                         | (\$7,155,658)         | (\$2,680,415)         |
| Income in Advance                        | (\$1,920,608)         | -                     |
| Borrowings                               | (\$1,823,565)         | (\$1,375,598)         |
| GST Payable                              | (\$194,830)           | (\$247,400)           |
|  | (\$27,198,144)        | (\$33,346,740)        |
| <b>Net Current Assets</b>                | <b>\$66,996,232</b>   | <b>\$150,552,717</b>  |
| <b>Add: Borrowings</b>                   | <b>\$1,823,565</b>    | <b>\$1,375,598</b>    |
| <b>Less: Reserve Accounts</b>            | <b>(\$65,680,795)</b> | <b>(\$65,680,795)</b> |
| <b>Closing Funds – Surplus/(Deficit)</b> | <b>\$3,139,002</b>    | <b>\$86,247,520</b>   |