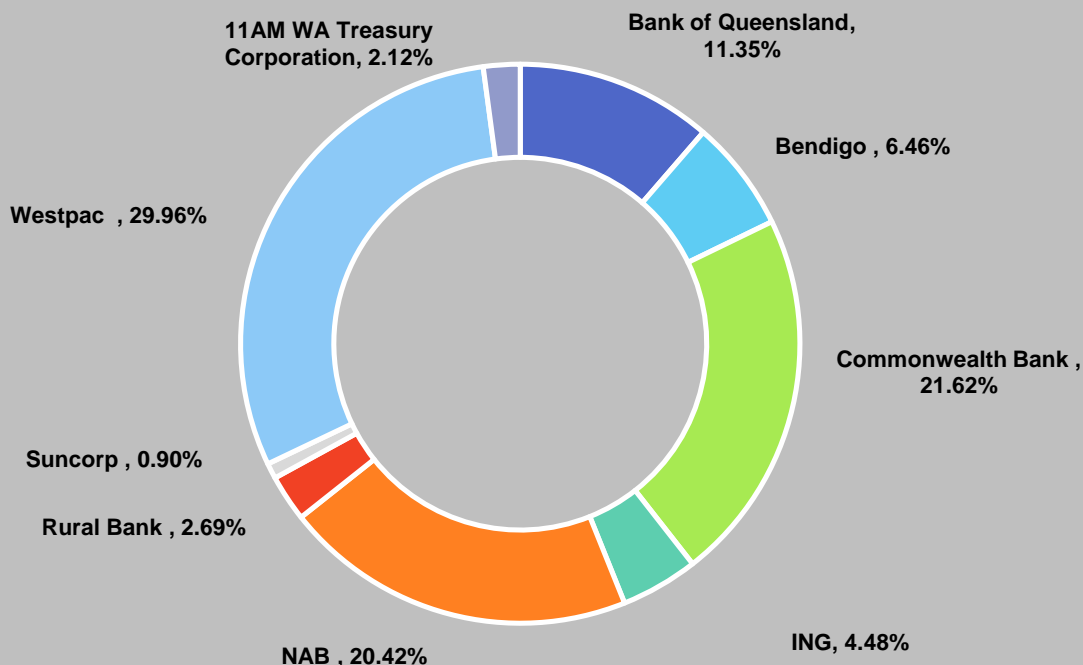


	Notes	Revised Budget	YTD Revised Budget	YTD Actual	YTD Variance \$	YTD Variance %
<b>OPERATING REVENUE</b>						
Rates	1	(98,299,517)	(98,299,518)	(98,481,431)	181,913	0%
Specified Area Rates		(712,913)	(712,913)	(713,538)	625	0%
Grants and Subsidies	2	(4,361,215)	(2,281,019)	(2,203,080)	(77,939)	(3)%
Contributions Reimbursements and Donations		(1,101,411)	(725,629)	(741,365)	15,736	2%
Profit on Asset Disposals	3	(1,272,356)	(1,265,409)	(1,522,844)	257,435	20%
Fees and Charges	4	(39,753,128)	(34,208,644)	(34,299,402)	90,758	0%
Interest Earnings		(1,448,715)	(1,149,047)	(1,163,073)	14,026	1%
Other Revenue/Income	5	(581,584)	(402,304)	(520,659)	118,355	29%
<b>Total Operating Revenue</b>		<b>(147,530,839)</b>	<b>(139,044,481)</b>	<b>(139,645,392)</b>	<b>600,911</b>	<b>0%</b>
<b>OPERATING EXPENSES</b>						
Employee Costs	6	63,237,543	41,885,108	39,719,133	2,165,975	5%
Materials and Contracts	7	53,472,769	31,552,431	28,659,259	2,893,172	9%
Utilities (gas, electricity, water etc.)	8	6,023,862	3,885,362	3,736,885	148,477	4%
Depreciation & Amortisation of Non-Current Assets	9	32,879,000	20,584,579	20,439,872	144,707	1%
Loss on Asset Disposals	10	270,581	77,551	70,373	7,178	9%
Interest Expenses		385,405	259,179	259,031	148	0%
Insurance Expenses		1,458,177	1,452,501	1,451,397	1,104	0%
<b>Total Operating Expenses</b>		<b>157,727,337</b>	<b>99,696,711</b>	<b>94,335,950</b>	<b>5,360,761</b>	<b>5%</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS</b>		<b>10,196,498</b>	<b>(39,347,770)</b>	<b>(45,309,442)</b>	<b>5,961,672</b>	<b>15%</b>
<b>OPERATING NON-CASH ADJUSTMENTS</b>						
Depreciation & Amortisation of Non Current Assets		(32,879,000)	(20,584,579)	(20,439,872)	(144,707)	(1)%
Loss on Asset Disposal		(270,581)	(77,551)	(70,373)	(7,178)	(9)%
Profit on Asset Disposals		1,272,356	1,265,409	1,522,844	(257,435)	(20)%
Other Non-Current items						
Movement in Non-current Items	11	(100,000)	-	(12,380)	12,380	100%
<b>OPERATING CASH (SURPLUS)/DEFICIT</b>		<b>(21,780,727)</b>	<b>(58,744,491)</b>	<b>(64,309,223)</b>	<b>5,564,732</b>	<b>9%</b>
<b>NON-OPERATING REVENUE</b>						
Capital Grants and Subsidies	12	(11,417,861)	(4,972,307)	(5,212,632)	240,325	5%
Capital Contributions		(1,254,745)	(683,560)	(701,560)	18,000	3%
Equity Distribution - TPRC		(500,000)	-	-	-	0%
Other Non-Operating Revenue	13	(170,589)	(170,589)	(182,145)	11,556	7%
<b>Total Non-Operating Revenue</b>		<b>(13,343,195)</b>	<b>(5,826,456)</b>	<b>(6,096,337)</b>	<b>269,881</b>	<b>9%</b>
<b>CAPITAL EXPENDITURE</b>						
Capital Projects	14	2,216,411	1,591,876	1,158,319	433,557	27%
Capital Works	15	43,721,775	16,793,990	16,969,184	(175,194)	(1)%
Vehicle and Plant Replacements	16	2,467,156	1,554,156	801,164	752,991	48%
<b>Total Capital Expenditure</b>		<b>48,405,342</b>	<b>19,940,022</b>	<b>18,928,668</b>	<b>1,011,354</b>	<b>5%</b>
<b>CAPITAL (SURPLUS)/DEFICIT</b>		<b>35,062,146</b>	<b>14,113,566</b>	<b>12,832,330</b>	<b>1,281,236</b>	<b>9%</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL</b>		<b>13,281,419</b>	<b>(44,630,925)</b>	<b>(51,476,893)</b>	<b>6,845,968</b>	<b>15%</b>
<b>FUNDING</b>						
Proceeds from Disposal	17	(2,029,485)	(1,885,718)	(1,709,685)	(176,032)	9%
Loans - New Borrowings		-	-	-	-	0%
Loans - Repayment of Principal		2,445,660	1,477,881	1,477,881	-	0%
Transfer from Trust		(95,588)	-	-	-	0%
Transfer from Reserve		(31,109,519)	-	-	-	0%
Transfer to Reserve		37,062,477	-	-	-	0%
Transfer to Accumulated Surplus		-	-	-	-	0%
Transfer from Accumulated Surplus		-	-	-	-	0%
Opening Funds		(19,608,893)	(19,608,893)	(19,608,893)	-	0%
<b>CLOSING FUNDS</b>	18	<b>(53,929)</b>	<b>(64,647,655)</b>	<b>(71,317,590)</b>	<b>6,669,935</b>	<b>10%</b>

# INVESTMENT SUMMARY

February 2021

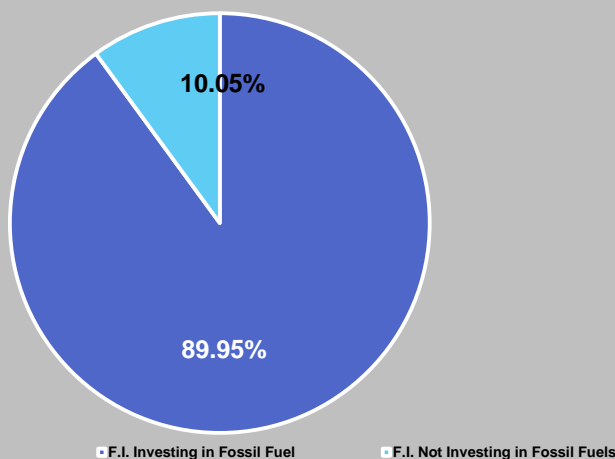


Municipal Funds	\$87,282,985	YTD Return	0.91%
Reserve Funds	\$79,962,015	Benchmark	0.60%
	<u>\$167,245,000</u>	RBA Rate	0.10%

<u>Investment Policy Limits</u>					
	<u>LT Rating</u>	<u>Limit</u>		<u>LT Rating</u>	<u>Limit</u>
Bank of Queensland	A-*	10%	NAB	AA-	25%
Bendigo	A-*	25%	Rural Bank	A-*	10%
Commonwealth Bank	AA-	10%	Suncorp	A+	15%
ING	A+	25%	Westpac	AA-	25%
			11AM WATC	AA+	25%

\*S&P Long Term Rating BBB, Based on the investment policy the Long Term Rating Used is (A-) Based on Moody's and Fitch Rating

## Financial Institutions (FI) Investing Vs Not Investing in Fossil Fuels\*



\*Based on Market Forces ratings (<http://marketforces.org.au/>)

**NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT FOR THE PERIOD ENDED 28 FEBRUARY 2021**

**1. Rates \$181,913**

A favourable variance arose mainly due to Interim Rates \$181,763.

**2. Grants and Subsidies (\$77,939)**

This unfavourable variance mainly arose due to timing of the Fire Mitigation Grant (\$117,000) and cancellation of the Joondalup Festival (\$45,000). This was partially offset by a favourable timing variance from Smart Cities & Suburbs Grant received for Yellagonga Wetlands \$83,958.

**3. Profit on Asset Disposal \$257,435**

This favourable timing variance mainly arose due to the timing of the disposal of surplus land holdings and profit on sale of land at Tamala Park \$291,367, partially offset by the unfavourable variance on the sale of fleet assets (\$33,932).

**4. Fees and Charges \$90,758**

	YTD Budget	YTD Actual	Variance
a) Building and Development	\$1,367,712	\$1,590,342	\$222,630
b) Sports and Recreation	\$5,990,556	\$5,782,384	(\$208,172)
c) Other Fees & Charges	\$26,850,376	\$26,926,676	\$76,300
	<u>\$34,208,644</u>	<u>\$34,299,402</u>	<u>\$90,758</u>

a) Favourable variance arose from Development Application Fees \$126,552 and Building Permits \$65,601.

b) Unfavourable variance arose from Admission Fees of \$187,721 and Learn to Swim Program \$41,763 predominately from the recent lockdown.

**5. Other Revenue / Income \$118,355**

This favourable variance arose predominately from insurance rebates \$119,275 over and above that expected from LGIS, which is being reviewed.

**6. Employee Costs \$2,165,975**

	YTD Budget	YTD Actual	Variance
a) Salaries and Wages	\$40,289,621	\$38,390,298	\$1,899,323
b) Other Employment Costs	\$1,595,487	\$1,328,835	\$266,652
	<u>\$41,885,108</u>	<u>\$39,719,133</u>	<u>\$2,165,975</u>

- a) Favourable timing variances for Salaries and Wages arose from vacancies in various areas.
- b) Favourable timing variances arose from Staff Training \$90,830, Agency Employees \$48,429 and Conferences and Seminars \$45,422.

**7. Materials and Contracts**

**\$2,893,172**

	YTD Budget	YTD Actual	Variance
a) External Service Expenses	\$8,747,178	\$7,862,868	\$884,310
b) Other Materials	\$1,538,748	\$1,199,193	\$339,555
c) Professional Fees & Costs	\$1,297,858	\$1,027,455	\$270,403
d) Public Relations, Advertising & Promotions	\$684,134	\$416,844	\$267,290
e) Furniture, Equipment and Artworks	\$1,396,960	\$1,169,585	\$227,375
f) Travel, Vehicles & Plant	\$1,099,361	\$898,979	\$200,382
g) Administration	\$725,140	\$601,173	\$123,966
h) Contributions & Donations	\$808,259	\$703,900	\$104,358
i) Telephones and Communication	\$545,948	\$443,073	\$102,875
j) Accommodation & Property	\$661,400	\$579,330	\$82,070
k) Waste Management Services	\$11,349,872	\$11,269,831	\$80,040
l) Computing	\$1,625,512	\$1,546,529	\$78,983
m) Charges and Recoveries	(\$59,994)	(\$115,240)	\$55,247
Other Materials & Contracts	\$1,132,055	\$1,055,781	\$76,274
	<u>\$31,552,431</u>	<u>\$28,659,259</u>	<u>\$2,893,172</u>

- a) Favourable timing variances arose mainly from External Contractors and Services \$685,715, including Parks \$119,776, Natural Areas \$210,346, Waste Management Services \$87,839, Recreation Services \$77,279, Leisure Centres \$67,443 and Engineering Maintenance \$61,399. In addition, Programme Activities also reflected a favourable timing variance of \$175,626. The balances of variances are spread across a number of areas.
- b) This favourable timing variance arose mainly due to External Material Purchases Contract \$332,405 predominately in relation to Parks \$142,181. The balances of variances are spread across a number of areas.
- c) Favourable variance arose from Consultancy \$81,960, Legal Expenses Recoverable \$71,862 and Lodgement Fees \$56,471. The balances of variances are spread across a number of areas.
- d) Favourable variance arose mainly from General Advertising \$91,063, Promotions \$64,640 and Catering \$50,559. The balances of variances are spread across a number of areas.
- e) A favourable variance arose mainly from Hire of Equipment \$141,098 predominately in relation to Valentines Day Concert \$107,817, owing to the rescheduling of the event as a result of the COVID-19 shutdown in the State, and Plant & Equipment Maintenance & Repair \$51,564. The balances of variances are spread across a number of areas.

- f) This favourable variance arose mainly from Fuel \$130,201 due to reduced volumes, Tyres & Tubes \$20,135 and Vehicle Servicing Costs \$19,399. The balances of variances are spread across a number of areas.
- g) Favourable timing variance arose mainly from Printing \$54,963, Stationary \$25,408 and Photography and Video Production \$19,661. The balances of variances are spread across a number of areas.
- h) Favourable timing variance arose from Grants & Contributions Made \$51,377, and Sponsorship \$29,762. The balances of variances are spread across a number of areas.
- i) This favourable variance driven mainly from Postage, Courier and Freight Services \$50,822 and Office Telephones & Faxes \$30,905. The balances of variances are spread across a number of areas.
- j) This favourable variance arose mainly from Refuse Removal Charges \$45,731 and Rental and Outgoings \$31,382. The balances of variances are spread across a number of areas.
- k) This favourable variance arose mainly from Recycling Processing & Govt Levy \$107,971, partially offset by Tipping Fees General Waste (\$44,531). The balances of variances are spread across a number of areas.
- l) A favourable variance arose mainly from Computer Software Subscriptions \$76,636. The balances of variances are spread across a number of areas.
- m) A favourable variance arose mainly from savings in Vehicle Running Expenses \$100,739, partially offset by Fleet and Plant Capital Recovery (\$56,218). The balances of variances are spread across a number of areas.

**8. Utilities**

**\$148,477**

Favourable timing variances arose mainly from Electricity costs for Buildings \$66,250 and Roads \$45,465.

**9. Depreciation & Amortisation of Non-Current Assets**

**\$144,707**

Favourable variances arose for Depreciation Roads Infrastructure \$72,243, Depreciation Buildings \$37,204 and Depreciation Open Reserves \$27,963. The balances of variances are spread across a number of areas.

**10. Loss on Asset Disposals**

**\$7,178**

An unfavourable variance mainly arose from sale of Fleet and Plant \$10,918.

**11. Movement in Non-Current Items**

**\$12,380**

This timing variance arose in respect of an increase in Non-current Long Service Leave Liability..

**12. Capital Grants and Subsidies** **\$240,325**

	YTD Budget	YTD Actual	Variance
a) State Government Grants – Capital MRRG Grant Roads	\$2,219,935	\$2,366,100	\$146,165
b) State Government Grants – Capital Other	-	\$100,160	\$100,160
Other Programs	\$2,752,372	\$2,746,372	(\$6,000)
	\$4,972,307	\$5,212,632	\$240,325

- a) This favourable variance predominately related to RDC2019 Burns Beach Rd/Joondalup Dr Roundabout \$133,663 with the final 20% claim received.
- b) This favourable variance mainly arose due to the final payment for PEP2707 Whitfords Nodes Park Health and Wellbeing Hub \$100,160.

**13. Other Non-Operating Revenue** **\$11,556**

This favourable timing variance predominately arose from GST reimbursements in respect of TPRC land sales undertaken.

**14. Capital Projects** **\$433,557**

This favourable timing variance arose due to progress of Network Infrastructure Upgrade Program \$89,859, IT Disaster Recovery Facilities \$104,859, Cafes/Restaurants/Kiosks \$53,275, Yellagonga Wetlands – Smart Monitoring and Management \$94,807 and Automation Accounts Payable \$54,390. The balances of variances are spread across a number of areas.

15. Capital Works

**(\$175,194)**

	No. Budgeted Projects	YTD Budget	YTD Actual	Variance	Key Variance
a) Road Preservation/Resurfacing Program (RPR)	105	\$4,365,746	\$4,549,736	(\$183,990)	RPR3093 – (\$33,063) RPR3129 – (\$26,786) RPR3125 – (\$24,888)
Other Programs	271	\$12,428,245	\$12,419,448	\$8,797	
	<u>376</u>	<u>\$16,793,991</u>	<u>\$16,969,184</u>	<u>(\$175,193)</u>	

- a) An unfavourable variance mainly arose due to RPR3093 Shenton Ave (\$33,063), RPR3129 Whitfords/Eddystone (\$26,786), RPR3125 Hepburn Ave (\$24,888), RPR3119 Tietkins Way (\$18,142), RPR2491 Joondalup Dr (\$17,618) and RPR3131 Ballantine Rd (\$16,728).

**16. Vehicle and Plant Replacements**

**\$752,991**

A favourable variance arose mainly in relation to capital acquisition of one High Ryder Bus \$255,000, two Isuzu Trucks \$192,236 and one Truck 3-way tipper \$119,410. Orders for \$1,098,614 have been placed and are currently awaiting delivery.

**17. Proceeds from Disposal**

**(\$176,032)**

An unfavourable timing variance arose mainly due to lower than expected proceeds received from the disposal of fleet (\$172,292).

**18. Closing Funds**

**\$6,669,935**

	June 2020	February 2021
<b>Current Assets</b>		
Cash and Investments	\$125,037,769	\$171,778,628
Rates Outstanding, Sundry Debtors and Other Receivables	\$5,559,755	\$15,869,383
Accrued Income	\$983,654	\$513,286
Prepayments	\$443,960	\$674,183
Inventories	\$135,252	\$133,892
Land Held for Resale	\$1,649,532	
<b>Total Current Assets</b>	<b>\$133,809,922</b>	<b>\$188,969,372</b>
<b>Current Liabilities</b>		
Trade Creditors	\$4,934,820	\$1,246,071
Sundry Payables	\$555,119	\$10,669,229
Accrued Expenses	\$3,906,427	\$3,014,441
Other Payables	\$4,726,047	\$1,221,867
Borrowings	\$2,445,660	\$967,779
Lease Liability	\$362,194	\$111,561
Provision for Annual Leave	\$4,937,838	\$4,541,537
Provision for Long Service Leave	\$6,444,938	\$6,356,945
Provision for Purchased Leave	\$92,539	\$124,593
Provision for Workers Compensation Insurance	\$2,048,076	\$2,762,879
Provision for Sick Leave	\$1,114,783	\$1,109,194
Other Provisions	\$66,705	\$9,415
<b>Total Current Liabilities</b>	<b>\$31,635,146</b>	<b>\$32,135,511</b>
<b>Net Current Assets</b>	<b>\$102,174,776</b>	<b>\$156,833,861</b>
<b>Add back: Borrowings</b>	\$2,445,660	\$967,779
<b>Add back: Lease Liabilities</b>	\$362,194	\$111,562
<b>Add back: Contract Liabilities for developer contributions</b>	\$1,221,867	
<b>Less: Cash Backed Reserves</b>	\$86,595,611	\$86,595,612



<b>Closing Funds – Surplus/(Deficit)</b>	<b>\$19,608,886</b>	<b>\$71,317,590</b>
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