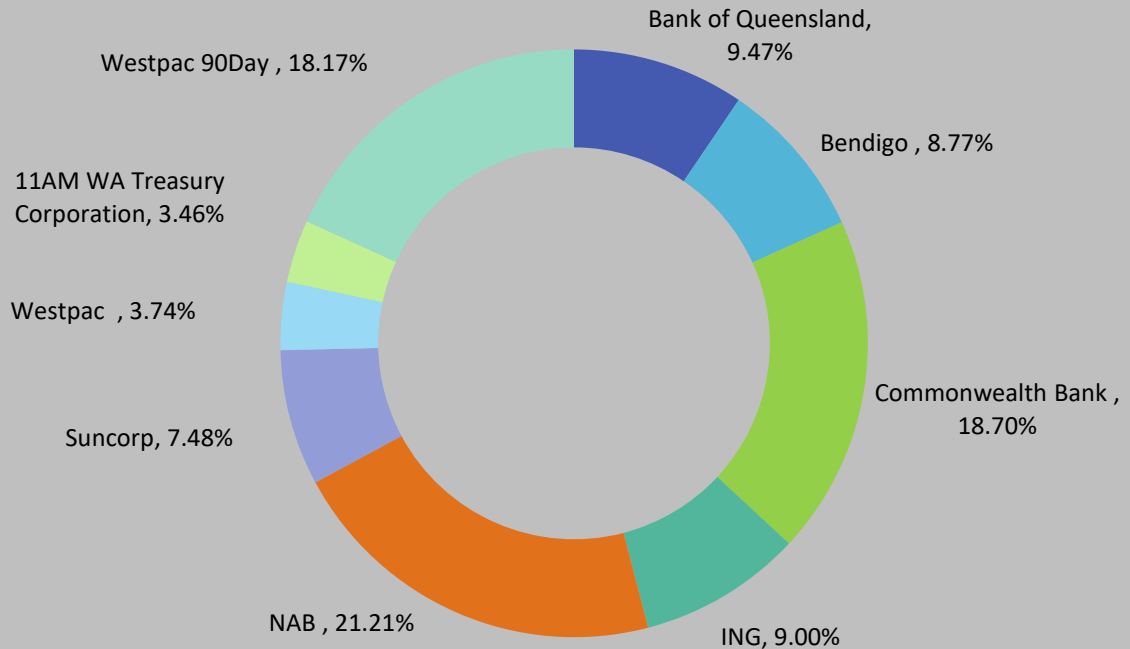


	Notes	Revised Budget	YTD Revised Budget	YTD Actual	YTD Variance \$	YTD Variance %
OPERATING REVENUE						
Rates		(99,943,014)	(99,943,014)	(99,986,428)	43,414	0%
Specified Area Rates		(708,248)	(708,084)	(708,691)	607	0%
Grants and Subsidies	1	(3,683,872)	(2,795,125)	(2,609,829)	(185,296)	(7)%
Contributions Reimbursements and Donations		(1,215,173)	(712,655)	(689,007)	(23,648)	(3)%
Profit on Asset Disposals	2	(932,770)	(932,030)	(982,141)	50,111	5%
Fees and Charges		(41,513,332)	(35,430,156)	(35,382,960)	(47,196)	(0)%
Interest Earnings		(741,099)	(558,559)	(581,096)	22,537	4%
Other Revenue/Income	3	(449,902)	(268,122)	(294,525)	26,403	10%
Total Operating Revenue		(149,187,410)	(141,347,745)	(141,234,677)	(113,068)	(0)%
OPERATING EXPENSES						
Employee Costs	4	64,833,289	42,993,809	41,441,599	1,552,210	4%
Materials and Contracts	5	69,145,463	32,068,611	30,967,684	1,100,927	3%
Utilities (gas, electricity, water etc.)		5,956,419	3,849,877	3,807,227	42,650	1%
Depreciation & Amortisation of Non-Current Assets	6	31,447,158	20,507,670	20,726,940	(219,270)	(1)%
Loss on Asset Disposals	7	202,650	105,360	41,058	64,302	61%
Interest Expenses		326,832	211,298	208,885	2,413	1%
Insurance Expenses		1,523,561	1,513,821	1,519,470	(5,649)	(0)%
Total Operating Expenses		173,435,372	101,250,446	98,712,863	2,537,583	3%
(SURPLUS)/DEFICIT FROM OPERATIONS		24,247,962	(40,097,299)	(42,521,814)	2,424,515	6%
OPERATING NON-CASH ADJUSTMENTS						
Depreciation & Amortisation of Non Current Assets		(31,447,158)	(20,507,670)	(20,726,940)	219,270	1%
Loss on Asset Disposal		(202,650)	(105,360)	(41,058)	(64,302)	(61)%
Profit on Asset Disposals		932,770	932,030	982,141	(50,111)	(100)%
Movement in Non-current Items	8	(100,000)	(100,000)	(90,607)	(9,393)	(9)%
OPERATING CASH (SURPLUS)/DEFICIT		(6,569,076)	(59,878,299)	(62,398,278)	2,519,979	4%
NON-OPERATING REVENUE						
Capital Grants and Subsidies	9	(13,940,393)	(6,519,450)	(8,985,352)	2,465,902	38%
Capital Contributions	10	(506,041)	(284,154)	(326,035)	41,881	15%
Equity Distribution - TPRC		(1,666,667)	(833,333)	(833,333)	-	0%
Other Non-Operating (GST Reimb TPRC Land Sales)	11	(111,691)	(111,691)	(150,576)	38,885	35%
Total Non-Operating Revenue		(16,224,792)	(7,748,628)	(10,295,296)	2,546,668	33%
CAPITAL EXPENDITURE						
Capital Projects	12	2,759,553	1,119,106	958,938	160,168	14%
Capital Works	13	43,835,270	18,723,500	19,001,743	(278,243)	(1)%
Vehicle and Plant Replacements	14	3,096,536	694,846	476,113	218,733	31%
Total Capital Expenditure		49,691,359	20,537,452	20,436,794	100,658	0%
CAPITAL (SURPLUS)/DEFICIT		33,466,567	12,788,824	10,141,498	2,647,326	21%
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL		26,897,491	(47,089,475)	(52,256,780)	5,167,305	11%
FUNDING						
Proceeds from Disposal		(322,559)	(222,559)	(219,636)	(2,923)	(1)%
Loans - New Borrowings		-	-	-	-	0%
Loans - Repayment of Principal		1,836,594	1,134,136	1,134,136	-	0%
Transfer from Trust		(120,529)	-	-	-	0%
Transfer from Reserve		(44,121,706)	-	-	-	0%
Transfer to Reserve		19,646,204	-	-	-	0%
Transfer to Accumulated Surplus		-	-	-	-	0%
Transfer from Accumulated Surplus		-	-	-	-	0%
Opening Funds		(3,860,336)	(3,860,336)	(3,860,336)	-	100%
CLOSING FUNDS	15	(44,841)	(50,038,234)	(55,202,616)	5,164,382	10%

INVESTMENT SUMMARY

February-22

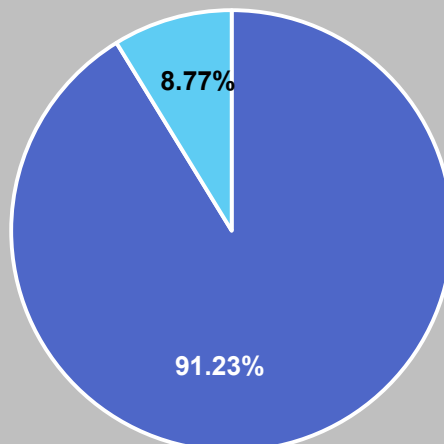


Municipal Funds	\$69,344,404	YTD Return	0.38%
Reserve Funds	\$101,780,596	Benchmark	0.60%
	<u>\$171,125,000</u>	RBA Rate	0.10%

<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*	10%	Rural Bank	A*	10%
Commonwealth Bank	AA-	25%	Suncorp	A+	15%
ING	A+	15%	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 2022

1. Grants and Subsidies (\$185,296)

This unfavourable variance mainly arose due to phasing of Commonwealth General Purpose Grant (WALGGC) (\$162,389) which is corrected in the following month.

2. Profit on Asset Disposals \$50,111

This favourable variance mainly arose due to the profit on sale of land at Tamala Park \$50,111.

3. Other Revenue/Income \$26,403

This favourable variance arose mainly from a prior year accrual correction that will be adjusted to operating expenditure as part of end of year reporting.

4. Employee Costs \$1,552,210

	YTD Budget	YTD Actual	Variance
a) Salaries and Wages	\$41,159,685	\$39,629,689	\$1,529,996
Other Employment Costs	\$1,834,124	\$1,811,910	\$22,214
	<u>\$42,993,809</u>	<u>\$41,441,599</u>	<u>\$1,552,210</u>

a) Favourable timing variances for Salaries and Wages arose from the cumulative impact of vacancies in various areas during the year to date.

5. Materials and Contracts \$1,100,927

	YTD Budget	YTD Actual	Variance
a) External Service Expenses	\$9,024,246	\$8,452,868	\$571,378
b) Waste Management Services	\$11,567,547	\$11,234,436	\$333,111
c) Public Relations, Advertising and Promotions	\$622,906	\$404,316	\$218,590
d) Other Materials	\$1,566,688	\$1,380,956	\$185,732
e) Furniture, Equipment and Artworks	\$1,708,543	\$1,557,656	\$150,887
f) Members Costs	\$495,764	\$438,992	\$56,772
g) Computing	\$2,006,062	\$2,370,867	(\$364,805)
h) Professional Fees & Costs	\$1,015,379	\$1,186,152	(\$170,773)
Other Materials & Contracts	\$4,061,478	\$3,941,441	\$120,035
	<u>\$32,068,611</u>	<u>\$30,967,684</u>	<u>\$1,100,927</u>

a) Favourable timing variances arose mainly from External Contractors and Services \$364,540, including Roads \$139,603, City Projects \$138,033, Parks \$64,651, Recreation Services \$58,856, Cultural Services \$56,366 and Application Services \$56,160, partially offset by Buildings (\$241,087) which is also a timing variance

reflecting reactive maintenance undertaken. A favourable variance also arose on Programme Activities \$195,500. The balances of variances are spread across a number of areas.

- b) A favourable variance arose mainly from Recycling & Govt Levy Processing \$316,319. The balances of variances are spread across a number of areas.
- c) This favourable variance mainly arose from General Advertising \$89,119 and Promotions \$47,871. The balances of variances are spread across a number of areas.
- d) Favourable variance arose mainly due to External Material Purchases Contract \$86,979 and Materials Building Minor Works \$79,371.
- e) Favourable variance mainly arose due to Hire of Equipment \$67,625 and Furniture and Office Equipment Purchase-Minor \$51,158. The balances of variances are spread across a number of areas.
- f) This favourable variance mainly arose due to Elected Members Conference and Training expenses \$42,746. The balances of variances are spread across a number of areas.
- g) Unfavourable timing variance mainly arose due to Computer Software Subscriptions (\$338,426), Computer Software Licences (\$130,654), partially offset by a favourable variance on Computer Software Maintenance \$92,859. The balances of variances are spread across a number of areas.
- h) Unfavourable timing variance arose mainly from Consultancy (\$183,130) and Legal Expenses (\$51,045). The balances of variances are spread across a number of areas.

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

(\$219,270)

Unfavourable variance mainly due to timing of Impairment/Write off of assets (\$332,995) relative to budget phasing, which was partially offset by Depreciation – Roads Infrastructure \$53,659. The balances of variances are spread across a number of areas.

7. **Loss on Asset Disposals**

\$64,302

Favourable variance mainly arose due to Loss on Asset Disposal of Fleet and Plant \$64,302.

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

(\$9,393)

This timing variance arose in respect to Non-current Long Service Leave Liability movements.

9. Capital Grants and Subsidies

\$2,465,902

	YTD Budget	YTD Actual	Variance
a) State Government Grants – Capital -MRRG Grant Roads	\$1,510,855	\$2,749,450	\$1,238,595
b) State Government Grants – Capital - Other	\$1,021,000	\$2,021,000	\$1,000,000
c) Commonwealth Grants & Subsidies – Capital – Black Spot	\$572,480	\$745,787	\$173,307
d) Commonwealth Grants – Capital - Other	\$2,221,554	\$2,275,554	\$54,000
Other Grants and Subsidies	\$1,193,561	\$1,193,561	-
	<u>\$6,519,450</u>	<u>\$8,985,352</u>	<u>\$2,465,902</u>

- a) Variance relates to RDC2027 Joondalup Dr / Hodges Dr Intersection Upgrade with funding received for multi-year project of which \$1,222,400 is presently expected to remain unspent at the end of the year and will be accordingly recognised as a liability.
- b) Favourable variance relates to funding received from Department of Local Government Sport for MPP2050 Craigie Leisure Centre Upgrades \$1,000,000.
- c) Variance relates to the recognition of unspent grant income from the previous financial year in respect of SBS2037 Marmion/ McWhae Intersection \$173,307 due to project progress in the current year.
- d) Variance mainly relates to the recognition of unspent grant income from the previous financial year in respect of BCW2525 Connolly Community Centre Minor Works \$25,000 and BCW2637 Seacrest Park UAT Construction \$17,000 due to project progress in the current year.

10. Capital Contributions

\$41,881

This favourable variance mainly arose from insurance reimbursements received for Lexcen Park \$40,049.

11. Other Non-Operating Revenue

\$38,885

This favourable variance predominately arose from GST reimbursements in respect of Catalina Estate land sales undertaken by TPRC \$38,885.

12. Capital Projects

\$160,168

This favourable timing variance arose mainly due to Cafes/Restaurants/Kiosks \$78,215 and IT Disaster Recovery Facilities \$40,000. The balances of variances are spread across a number of areas.

13. Capital Works

(\$278,243)

	No. Budgeted Projects	YTD Budget	YTD Actual	Variance	Key Variance
a) Road Preservation/Resurfacing Program (RPR)	91	\$3,478,694	\$3,745,474	(\$266,780)	RPR3230 – (\$63,628)
Other Programs	188	\$15,244,806	\$15,256,269	(\$11,463)	RPR3231 – (\$40,014)
	<u>279</u>	<u>\$18,723,500</u>	<u>\$19,001,743</u>	<u>(\$278,243)</u>	

- a) An unfavourable variance arose mainly due to RPR3230 Shenton Ave – McLarty Ave (\$63,628) and RPR3231 Shenton Ave – Grand Boulevard to McLarty Avenue (\$40,014). The balances of variances are spread across a number of areas.

14. Vehicle and Plant Replacements

\$218,733

A favourable variance mainly arose in relation to capital acquisition of an Isuzu Truck \$98,551 and three Toro Mowers \$134,190.

15. Closing Funds

\$5,164,382

	June 2021	February 2022
Current Assets		
Cash and Investments	\$140,026,825	\$171,222,597
Rates Outstanding, Sundry Debtors and Other Receivables	\$3,650,817	\$17,450,867
Accrued Income	\$597,565	\$269,957
Prepayments	\$757,967	\$621,090
Inventories	\$226,281	\$144,790
Total Current Assets	\$145,259,456	\$189,709,301
Current Liabilities		
Trade Creditors	\$4,600,329	\$1,690,774
Sundry Payables	\$4,138,421	\$11,391,994
Accrued Expenses	\$3,105,207	\$4,339,228
Other Payables	\$695,348	\$1,221,867
Borrowings	\$1,836,594	\$702,458
Lease Liability	\$455,497	\$140,572
Provision for Annual Leave	\$4,774,903	\$4,460,193
Provision for Long Service Leave	\$6,550,516	\$6,487,295
Provision for Purchased Leave	\$147,488	\$190,413
Provision for Workers Compensation Insurance*	\$2,266,015	\$3,137,004
Provision for Sick Leave	\$1,061,768	\$1,019,773
Other Provisions	\$9,415	\$9,415
Total Current Liabilities	\$34,140,878	\$34,790,986
Net Current Assets	\$111,118,578	\$154,918,315
Add back: Borrowings	\$1,836,594	\$702,458
Add back: Lease Liabilities	\$455,497	\$140,572
Add back: Contract Liabilities for developer contributions	\$1,221,867	\$1,221,867
Less: Cash Backed Reserves	\$110,772,200	\$101,780,596
Closing Funds – Surplus/(Deficit)	\$3,860,336	\$55,202,616

* Provision for Workers' Compensation represents the cumulative balance of provision made in respect of several claim years including the current financial year and does not represent the actual Workers' Compensation insurance premiums paid by the City in the current financial year.