



City of
Joondalup

City of Joondalup

Financial Activity Statement for the
Period Ended 31 December 2013

Contents

Appendix

Financial Activity Statement	1
Investment Summary	2
Notes to and Forming Part of the Financial Activity Statement	3



City of Joondalup
Financial Activity Statement
for the period ended 31 December 2013

	Notes	Adopted Budget	YTD Adopted Budget	YTD Actual	YTD Variance \$	YTD Variance %
OPERATING REVENUE						
Rates	1	(81,545,757)	(81,395,757)	(81,991,972)	596,215	1%
Specified Area Rates		(339,195)	(339,195)	(342,632)	3,437	1%
Grants and Subsidies	2	(4,305,925)	(2,118,687)	(1,015,438)	(1,103,249)	(52)%
Contributions Reimbursements and Donations	3	(2,258,993)	(1,105,836)	(1,158,939)	53,103	5%
Profit on Asset Disposals	4	(75,812)	(12,002)	(989,236)	977,234	8142%
Fees and Charges	5	(37,468,658)	(29,403,153)	(29,519,929)	116,776	0%
Interest Earnings	6	(4,545,377)	(2,684,437)	(2,851,679)	167,242	6%
Other Revenue/Income	7	(147,500)	(100,250)	(171,895)	71,645	71%
Total Operating Revenue		(130,687,217)	(117,159,317)	(118,041,720)	882,403	1%
OPERATING EXPENSES						
Employee Costs	8	55,626,942	29,074,584	28,736,180	338,404	1%
Materials and Contracts	9	49,374,974	25,822,255	23,734,357	2,087,898	8%
Utilities (gas, electricity, water etc.)	10	6,139,451	3,077,378	2,827,833	249,545	8%
Depreciation of Non-Current Assets	11	21,016,218	10,576,266	9,710,731	865,535	8%
Loss on Asset Disposal	4	215,682	93,025	146,353	(53,328)	(57)%
Interest Expenses		490,458	259,312	257,963	1,349	1%
Insurance Expenses		1,602,758	1,593,593	1,611,638	(18,045)	(1)%
Total Operating Expenses		134,466,483	70,496,414	67,025,055	3,471,359	5%
(SURPLUS)/DEFICIT FROM OPERATIONS		3,779,266	(46,662,903)	(51,016,665)	4,353,762	9%
OPERATING NON-CASH ADJUSTMENTS						
Depreciation on Assets		(21,016,218)	(10,576,266)	(9,710,731)	(865,535)	(8)%
Loss on Asset Disposal		(215,682)	(93,025)	(146,353)	53,328	57%
Profit on Asset Disposals		75,812	12,002	989,236	(977,234)	(8142)%
Other Non-Current items	12	(242,999)	-	(115,904)	115,904	100%
OPERATING CASH (SURPLUS)/DEFICIT		(17,619,821)	(57,320,193)	(60,000,417)	2,680,224	5%
NON-OPERATING REVENUE						
Capital Grants and Subsidies	13	(5,834,548)	(1,276,039)	(2,274,999)	998,960	78%
Capital Contributions	14	(330,000)	(5,000)	(1,381,818)	1,376,818	27536%
Equity Distribution - TPRC	15	-	-	(666,666)	666,666	100%
Acquired Infrastructure Assets		(500,000)	-	-	-	(100)%
Total Non-Operating Revenue		(6,664,548)	(1,281,039)	(4,323,483)	3,042,444	237%
CAPITAL EXPENDITURE						
Capital Projects	16	4,474,194	2,546,387	1,035,507	1,510,880	59%
Capital Works	17	32,855,563	10,539,111	13,120,384	(2,581,273)	(24)%
Motor Vehicle Replacements	18	2,738,500	1,638,000	320,311	1,317,689	80%
Loan Repayment Principal		1,655,977	816,340	816,340	-	0%
Equity Investments	19	39,712	-	(318,963)	318,963	100%
Total Capital Expenditure		41,763,946	15,539,838	14,973,580	566,259	4%
TPRC Development Costs	20	-	-	196,001	(196,001)	(100)%
CAPITAL (SURPLUS)/DEFICIT		35,099,398	14,258,800	10,846,097	3,412,702	24%
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL		17,479,577	(43,061,393)	(49,154,320)	6,092,927	14%
FUNDING						
Proceeds from Disposal	4	(681,100)	(437,300)	(1,574,138)	1,136,838	260%
Loan Funds		-	-	-	-	-
Materials Recovery Facility		(229,557)	(120,000)	-	(120,000)	(100)%
Transfer from Trust		(641,463)	-	-	-	-
Transfer from Reserve		(18,480,027)	-	-	-	-
Transfer to Reserve		3,788,217	-	1,059	(1,059)	(100)%
Transfer to Accumulated Surplus		500,000	-	-	-	-
Transfer from Accumulated Surplus		-	-	(1,059)	1,059	-
Opening Funds		(1,735,647)	(1,735,647)	(986,719)	(748,928)	(43)%
CLOSING FUNDS	21	-	(45,354,340)	(51,715,177)	6,360,837	100%



Investment Summary

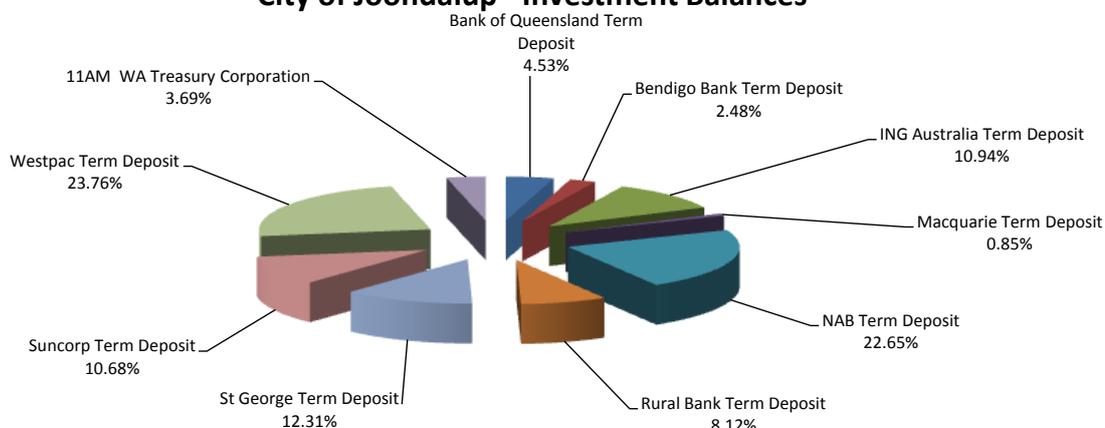
CITY OF JOONDALUP
December-13

Credit Rating		Investment Account	MTD Return	YTD Return	Value \$	% of Portfolio	Policy Limit
Long Term	Short Term						
A-	A-2	Bank of Queensland Term Deposit	3.83%	3.84%	5,300,000	4.53%	10%
A-	A-2	Bendigo Bank Term Deposit	3.80%	3.80%	2,900,000	2.48%	10%
A	A-1	ING Australia Term Deposit	3.87%	4.18%	12,800,000	10.94%	15%
A	A-1	Macquarie Term Deposit	3.75%	3.75%	1,000,000	0.85%	15%
AA-	A-1+	NAB Term Deposit	3.89%	3.99%	26,500,000	22.65%	25%
A-	A-2	Rural Bank Term Deposit	3.82%	3.81%	9,500,000	8.12%	10%
AA-	A-1+	St George Term Deposit	3.83%	3.84%	14,400,000	12.31%	25%
A+	A-1	Suncorp Term Deposit	3.87%	3.98%	12,500,000	10.68%	15%
AA-	A-1+	Westpac Term Deposit	3.86%	3.95%	27,800,000	23.76%	25%
AA+	A-1+	11AM WA Treasury Corporation	2.50%	2.50%	4,323,000	3.69%	25%

Total Investment Portfolio 3.82% 3.95% **117,023,000** 100.00%

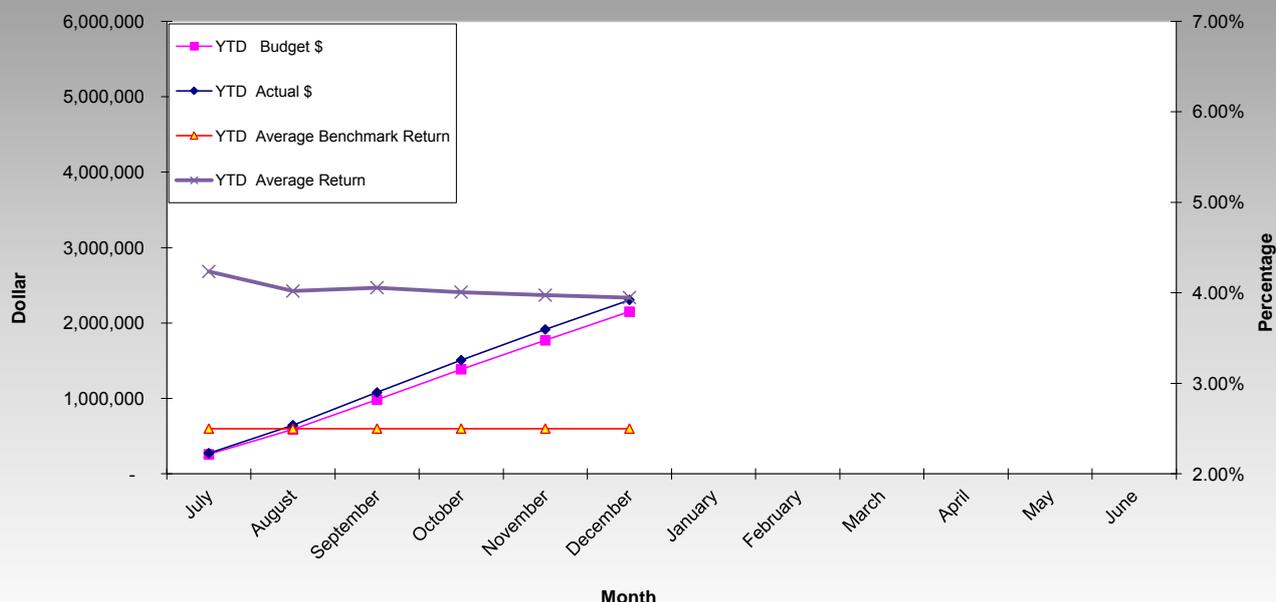
Municipal Funds 60,768,212
Reserve Funds 56,254,788
117,023,000

City of Joondalup - Investment Balances



Month	Budget \$	MTD		YTD		YTD Average Benchmark Return	YTD Average Return
		Actual \$	Budget \$	Actual \$	Budget \$		
July	259,633	274,496	259,633	274,496	2.50%	4.24%	
August	328,803	372,095	588,437	646,591	2.50%	4.02%	
September	395,251	433,162	983,687	1,079,754	2.50%	4.06%	
October	403,809	429,027	1,387,496	1,508,780	2.50%	4.01%	
November	382,499	406,188	1,769,996	1,914,968	2.50%	3.97%	
December	380,166	390,809	2,150,162	2,305,777	2.50%	3.95%	

Return on Investments





NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT
FOR THE PERIOD ENDED ON 31 DECEMBER 2013

1. Rates

The variance is mainly due to additional rates arising from interim valuations received after the budget was finalised.

2. Grants and Subsidies

	YTD Adopted Budget	YTD Actual	Variance
a) WALGGC – General Purpose Grant	\$1,705,903	\$793,835	(\$912,068)
b) Other Grants & Subsidies	\$412,784	\$221,603	(\$191,181)
	<u>\$2,118,687</u>	<u>\$1,015,438</u>	<u>(\$1,103,249)</u>

a) The quarterly State General Purpose Assistance Grant received is (\$912,068) lower than budget as \$1,819,230 of the City's 2013-14 allocation was received in advance during the 2012-13 financial year. This will be amended during the mid-year budget review.

b) This variance is driven mainly by (\$90,000) for Sponsorship of the BiodiverCities Conference and (\$65,000) for BiodiverCities Conference ticket sales. \$65,000 of the Sponsorship revenue was received in advance in 2012-13 and a further \$10,000 coded to Sponsorships. BiodiverCities ticket sales revenue of \$45,927 has been booked to Fees and Charges. Both of these items were incorrectly budgeted as grant revenue and the budget will be adjusted at the Mid Year Review to reflect the actual allocations.

In addition an unfavourable variance arose of (\$50,000) from Lotterywest for the Hepburn Heights Survey which is forecast to be received in February 2014; this is partially offset by an unbudgeted grant received from the Department of Sustainability, Environment, Water, Population and Communities of \$22,727 for the Picture our Past - Celebration History Together project. In addition the grant for Your Tutoring (\$16,800) will not be received, this is offset by savings in Subscription expenditure.

3. Contributions, Reimbursements and Donations

This variance includes Sponsorship revenue which is \$65,880 over budget. This is mainly due to the timing of Sponsorship receipts for various events \$55,880 including Joondalup Festival and the Valentines Concert and \$10,000 for the BiodiverCities Conference that was incorrectly budgeted as Grant revenue (refer 2b above). The balance is spread across a number of areas.



4. Profit / Loss on Asset Disposal

The increased profit on disposal is predominantly due to gains on the disposal of Tamala Park Regional Council (TPRC) land holdings \$986,680, which were not included in the budget. In addition an unbudgeted loss of (\$79,915) arose on the disposal of a portion of lot 977 (15) Burlos Court, Joondalup.

5. Fees and Charges

	YTD Adopted Budget	YTD Actual	Variance
a) Licenses and Registrations	\$414,997	\$557,973	\$142,976
b) Building and Development Fees	\$923,100	\$1,127,353	\$204,253
c) Parking Fees	\$1,212,500	\$1,122,874	(\$89,626)
d) Fines & Penalties	\$873,950	\$810,525	(\$63,425)
e) Sports and Recreation Fees	\$4,367,478	\$4,300,624	(\$66,854)
Refuse Charges	\$19,191,100	\$19,203,657	\$12,557
Other variances	\$2,420,028	\$2,396,923	(\$23,105)
	<u>\$29,403,153</u>	<u>\$29,519,929</u>	<u>\$116,776</u>

- a) Dog and Cat registration fees are \$122,417 and \$16,329 respectively higher than budget predominantly due to an increase in license fees from 1 November 2013.
- b) Favourable variances arose for Development Application Fees \$185,855, which includes an application for the expansion of Whitfords Shopping Centre, Other Building and Development Charges \$37,381 including an application for Lakeside Shopping Centre and Land Purchase Enquiries \$20,369. These are partially offset by an unfavourable variance of (\$42,664) for Building Licenses due to lower than expected building activity, with the remainder of the variance spread across several accounts.
- c) Off Street Parking Fees are (\$70,887) under budget due to reduced use of parking facilities near Joondalup Health Campus caused by the migration of the Health Campus staff to their new on-site staff car park and On Street Parking Fees are \$45,409 below budget. These are partially offset by additional revenue for Private Property Agreement income due to increased patrols of the new car parks at Joondalup Health Campus.
- d) Parking Infringement income is (\$66,521) under budget. This is due to a number of factors including the expiry and non-renewal of the parking enforcement agreement at Hillarys Boat Harbour by the Department of Transport and inclement weather during September. In addition income is below budget for Poundage Fees (\$29,008) due to a decrease in the number of animals impounded and Dog Act Costs & Fines (\$11,598). These are partially offset by a favourable variance for Building, Planning and Environmental Health non compliance fines of \$53,283. The balance is spread across a number of areas.
- e) Leisure Centre net revenue variances are (\$19,996) below budget. Higher than budgeted revenue for Learn to Swim and Hire of Facilities is offset by lower revenue in a number of areas including Admission Fees, Court Sport and Personal Training. Income from the Hire of City Facilities is (\$87,833) below budget partially offset by additional revenue from the Hire of Parks of \$42,781.



6. Interest Earnings

Interest earned on investments exceeded budget by \$156,965 mainly due to the volume of funds invested being higher than budgeted. In addition interest on Rates Instalments, Late Payment and Deferred Pensioners are \$11,202 higher than budget.

7. Other Revenue

This variance includes Insurance rebates received by the City which are \$48,310 higher than budget and a favourable variance of \$40,000 relating to an over accrual of electricity charges in 2012-13. These are offset by an unfavourable timing variance of (\$17,846) for Adshel Advertising Revenue which will be received in the coming months.

8. Employee Costs

	YTD Adopted Budget	YTD Actual	Variance
a) Salaries and Wages	\$26,839,079	\$26,486,071	\$353,008
b) Other Employment Costs	\$2,235,505	\$2,250,109	(\$14,604)
	<u>\$29,074,584</u>	<u>\$28,736,180</u>	<u>\$338,404</u>

a) The variance in Salaries and Wages is predominantly due to budgeted salary increases from 1 July for the outside workforce that are yet to occur and for existing staff vacancies.

b) This includes favourable variances totalling \$479,170 comprising provision for other Employee Costs \$169,619, Staff Recruitment \$80,117, Staff Training \$116,404 and Conferences and Seminars \$45,199 as well as other net variances spread over several line items. These are partially offset by unfavourable variances for Agency Employees (\$424,087) predominantly used to cover staff vacancies and Capital Labour Recoveries (\$73,782) reflecting reduced use of internal labour on capital works.

9. Materials and Contracts

	YTD Adopted Budget	YTD Actual	Variance
a) Professional Fees and Charges	\$1,393,108	\$875,648	\$517,460
b) External Service Expenses	\$10,853,861	\$9,769,845	\$1,084,016
c) Computing	\$1,070,114	\$837,760	\$232,354
d) Waste Management Services	\$5,072,407	\$5,292,142	(\$219,735)
e) Public Relations, Advertising and Promotions	\$694,657	\$413,121	\$281,536
f) Furniture, Equipment & Artwork	\$1,105,953	\$855,084	\$250,869
g) Administration	\$959,063	\$822,506	\$136,557
h) Contributions and Donations	\$932,309	\$774,679	\$157,630
i) Other Expenses	-	\$335,547	(\$335,547)
Other Materials and Contracts	\$3,740,783	\$3,758,025	(\$17,242)
	<u>\$25,822,255</u>	<u>\$23,734,357</u>	<u>\$2,087,898</u>

a) Favourable timing variances arose for Consultancy expenditure \$414,470 due to scheduling of a number of projects including Joondalup Activity Structure Plan, Digital



Futures (Digital City Hub feasibility study), Building Condition Audit and the 2013 Employee Opinion Survey. Legal Expenses are \$41,923 below budget mainly due to fewer State Administration Tribunal Appeals pursued than anticipated and the delayed commencement of District Planning Scheme No. 3. In addition Fines Enforcement Lodgement Fees are \$30,413 below budget mainly due to December's lodgements fees not being processed until January.

- b) The favourable variance is the net effect of several offsetting items. External contractors and services shows a favourable variance of \$778,664, caused predominantly by Marketing \$117,956, Building Maintenance \$145,455 and Parks \$435,319. The Parks variance is spread across a number of activities, but mainly Turf Mowing \$240,705, Turf Renovation \$83,280, Fertilising \$88,152 and Weeding Chemicals \$46,856. In addition Domestic and Bulk Tipping Fees to date are \$381,224 below budget mainly due to reduced gate fees. These are offset by an unfavourable variance of (\$148,387) on Program Activities predominantly for the ICLEI Biodiversity project. The balance of the variance is spread across a number of line items.
- c) This is predominantly due to favourable timing variances for the replacement of Traffic Modelling Software \$90,000 which is currently being investigated and Computer Software Licences \$95,530.
- d) Bulk waste collection costs are (\$130,825) over budget predominantly due to tonnages collected for the period being higher than forecast in the budget. In addition unfavourable variances arose for Domestic and Weekend Greens collection costs (\$61,417) and recycling costs at the Materials Recovery Facility (\$29,149).
- e) A favourable variance of \$117,908 arose for Advertising which includes \$70,000 for the advertising of the new draft planning scheme which will not be undertaken this financial year. Additional favourable variances arose for Promotions \$75,025, Signage and Decals \$33,346 and Catering and Bar Stocks \$36,519, mainly due to budget phasing.
- f) Hire of Equipment is \$82,034 below budget. This includes a saving of \$48,750 due to the lease of the replacement Storage Area Network (SAN) commencing later than anticipated and timing variances of \$27,840 for various events. In addition favourable variances arose for the purchase and maintenance of Computer Equipment \$111,672 and Furniture and Office Equipment \$42,637 predominantly due to timing of expenditure.
- g) This favourable variance is mainly due to timing differences and includes Sundry Administration Expenses \$47,302, Conferences \$21,000, Printing \$17,662 and Photography and Video Production \$17,671. Some minor savings for Advertising, Printing and Stationery have been identified and will be adjusted at the Mid Year Review.
- h) A favourable timing variance arose of \$60,000 for the annual contribution to the Small Business Centre North West Metro. In addition Sponsorship expenditure is \$76,951 below budget of which estimated savings are \$50,000.
- i) This unfavourable variance is due to prior year corrections for the equity investment in Tamala Park Regional Council (\$320,022) (refer 19 below) and Local Government Insurance Scheme experience bonus (\$15,525).



10. Utilities

This is mainly driven by a net favourable variance of \$218,156 on electricity costs, including Street Lighting \$183,894. Budget estimates will be revised at the mid-year budget review. This is also a net favourable variance of \$31,390 on gas and water costs predominantly due to water rates charges being allocated to Materials and Contracts, the budget will be adjusted at the mid year review.

11. Depreciation

The favourable variance is mainly driven by lower depreciation on building assets \$561,058 following revaluation at 30 June 2013 with the remainder of the variance spread across a number of asset classes.

12. Other Non-Current items

This reflects the year to date movement in the non-current long service leave liability. This will be revised in the mid year budget review

13. Capital Grants and Subsidies

	YTD Adopted Budget	YTD Actual	Variance
a) Road Preservation and Resurfacing	\$988,039	\$1,860,235	\$872,196
b) Parks Equipment	-	\$53,872	\$53,872
c) Other Grants	\$288,000	\$360,892	\$72,892
	<u>\$1,276,039</u>	<u>\$2,274,999</u>	<u>\$998,960</u>

a) Favourable variances arose mainly due to budget phasing of the 1st 40% of the Metropolitan Regional Road Grant \$289,457 and the Roads to Recovery Grant \$462,450, inclusive of \$362,399 not previously budgeted. Additionally, a favourable variance of \$64,000 arose for Admiral Grove – Ocean Reef Road to Caridean Street, for which work was completed in 2012-13 but the final grant recoup received in the current financial year.

b) An unbudgeted grant was received from LotteryWest \$53,872 for Outdoor Gym equipment installed at Harbour View Park.

c) Unbudgeted grants were received for Energy and Water Efficiency Initiatives \$30,500 from the Commonwealth Department of Resources, Energy and Tourism and for the Bike Store Upgrade \$7,248 from the Healthier Workplace Small Grants Scheme. In addition \$40,910 FLRG has been reallocated from the Road Preservation program to fund the investigation of the level of funding required for the 20 year road pavement rehabilitation program.

14. Capital Contributions

The City received \$1,381,818 from the Department of Lands to partially fund a new car park next to the Marmion Angling and Aquatic Club. These funds had been budgeted to be received in the previous financial year.



15. Equity Distribution – Tamala Park Regional Council

This is the City's share of the first dividend payment from the Tamala Park Regional Council to member councils in respect of the Catalina residential land development project. It is proposed that this will to be transferred to a reserve which will be created.

16. Capital Projects

	YTD Adopted Budget	YTD Actual	Variance
a) Ocean Reef Marina Development	\$512,338	\$307,401	\$204,937
b) Joondalup Performing Arts & Cultural Facility	\$278,569	\$84,834	\$193,735
c) Access Control Upgrade Craigie Leisure Centre	-	\$76,800	(\$76,800)
d) Parking Ticket Machine EMV Compliance	\$275,000	-	\$275,000
e) Jinan Garden	\$69,480	\$403	\$69,077
f) Network Infrastructure Upgrade	\$210,000	\$83,940	\$126,060
g) CCTV System – Central Park	\$102,000	-	\$102,000
h) Animal Care Centre	\$450,000	\$3,627	\$446,373
i) Craigie Leisure Centre Sports Court Air Conditioning	\$100,000	\$3,321	\$96,679
j) Water Playground Pebble Flex Upgrade	\$80,000	-	\$80,000
k) Roof Refurbishment Craigie Leisure Centre	-	\$75,940	(\$75,940)
Other Projects	\$469,000	\$399,241	\$69,759
	<u>\$2,546,387</u>	<u>\$1,035,507</u>	<u>\$1,510,880</u>

- a) The preparation of the Local Structure Plan is continuing in accordance with the draft Local Structure Plan timeframes. Phasing will be reassessed during the mid-year budget review.
- b) The variance is due to timing differences dependent on the progress of project milestones. Discussions were undertaken with a representative from the Department of Culture and the Arts (State) regarding funding contributions and management options.
- c) The access control system was installed in July and commissioning is now complete. This project is funded from amounts carried forward from 2012-13.
- d) An order has been placed to upgrade 55 parking ticket machines to include Europay, Mastercard and Visa (EMV) credit card readers, installation is expected February 2014.
- e) The Jinan Garden / Joondalup Performing Arts and Cultural Facility (JPACF) forecourt master plan was included in the JPACF architectural design competition design brief. The outcome of the competition will influence how the City proceeds with the Jinan Garden project.
- f) This variance is due to the timing of orders being placed for switches and new servers for the IT Network.



- g) The CCTV project in Central Park has been rescheduled to occur in conjunction with the proposed lighting upgrade.
- h) After initial design and investigation, this project will be withdrawn for re-consideration at a future date.
- i) Five Powerfoil commercial fans on four sports courts at the Craigie Leisure Centre were installed in December. However, Invoices will not be processed until January.
- j) This project is delayed as alternative products for the water playground surface are being investigated.
- k) Additional work was identified after the budget was adopted, with the increase in expenditure to be funded from the savings on other projects, subject to confirmation at the budget review.

17. Capital Works

	YTD Adopted Budget	YTD Actual	Variance
a) Road Preservation / Resurfacing Program	\$2,742,570	\$2,918,258	(\$175,688)
b) Paths Program	\$664,900	\$465,971	\$198,929
c) Bridges Program	\$169,521	\$68,556	\$100,965
d) Major Building Capital Works Program	\$625,300	\$499,924	\$125,376
e) Parks Equipment Program	\$586,500	\$1,104,279	(\$517,779)
f) Major Road Construction Program	-	\$999,060	(\$999,060)
g) Traffic Management Program	\$646,665	\$1,131,798	(\$485,133)
h) Streetscape Enhancement Program	\$512,950	\$1,385,268	(\$872,318)
i) Parks Development Program	\$631,000	\$350,401	\$280,599
j) Stormwater Drainage Program	\$367,000	\$529,479	(\$162,479)
k) Parking Facilities Program	\$190,000	\$297,293	(\$107,293)
Other Works variances - not material	\$3,402,705	\$3,370,097	\$32,608
	<u>\$10,539,111</u>	<u>\$13,120,384</u>	<u>(\$2,581,273)</u>

- a) Projects within this program are on schedule but expenditure is behind budget phasing. Commitments at the end of December totalled \$1,041,204.
- b) Unfavourable timing variances arose totalling (\$39,685) for the Path Replacement Program which was completed ahead of schedule as the contractor was available earlier than anticipated. This is offset by a favourable variance for the New Path Program which is progressing behind budget \$238,614.
- c) The Bridges program has a favourable variance due to the program running behind schedule with completion dates being revised from December 2013 to March 2014.
- d) This is mainly due to net favourable timing variances on several projects including Air Conditioning for Joondalup Administration Centre \$78,237, Iluka Sports Club – Air Conditioning replacement \$33,000 and Hazardous Materials Management \$27,952. These are offset by an unfavourable variance for Sorrento Bowling Club toilets upgrade (\$39,134) which is funded by monies carried forward from 2012-13.
- e) The unfavourable variance is mainly due to projects for Outdoor Gym Equipment (\$164,679), Moolanda Park Cricket Wicket Improvements (\$75,754), Falkland



Park/Kinross College Tennis Court Lighting (\$24,080) and Penistone Park Upgrade (\$207,219) which are funded by amounts carried forward from 2012-13. In addition Iluka District Open Space Floodlighting upgrade (\$149,872) is progressing ahead of schedule. The balance of the variance is due to timing differences and spread across several projects.

- f) This variance relates to Hodges Drive Duplication which is mainly funded by monies carried forward from 2012-13. Road construction is complete, the landscaping irrigation and concrete work will be completed during February 2014 and final planting is scheduled for May 2014.
- g) This is mainly due to a net unfavourable variance for the State Black Spot Program (\$410,524) driven primarily by Whitfords Avenue and Eddystone Avenue Signals (\$131,087), Endeavour Road Traffic Management (\$134,413) and Lakeside Drive (\$9,084) which are funded by amounts brought forward from 2012-13. In addition, unfavourable timing variances arose for Hepburn Avenue / Kingsley Drive (\$71,916) and Blue Mountain Drive (\$69,485) which are ahead of schedule.

Castlegate Way Traffic Management Scheme has an unfavourable variance of (\$219,373) of which (\$120,000) is funded from 2012-13 carried forward funds and the remainder from savings that have arisen on other projects. These include Fantome Road \$55,243, Quilter Drive \$33,017 and Woodvale Drive \$23,932 which have all been completed under budget.

- h) The Streetscape Enhancement Program shows an unfavourable variance primarily from projects carried forward from 2012-13 including Burns Beach Road Landscaping (\$283,076), Central Walk Renewal Works (\$306,128), West Coast Drive Landscaping (\$200,644), Joondalup Drive (\$181,881) and Entry Statements (\$273,019). These are offset by a favourable timing variance of \$409,795 for Shenton Avenue Landscaping.
- i) Projects within this program are progressing on schedule, the variance is due to favourable timing differences to budget phasing.
- j) Stormwater Drainage is showing an unfavourable variance due mainly to Mullaloo Surf Club Car Park (\$154,540) which is funded by amounts carried forward from 2012-13 and Cadogan / Adenmore Drainage upgrade (\$28,662) and Duffy Terrace upgrade (\$42,477) which were completed ahead of schedule. These are offset by Marmion Avenue, Burns Beach Road to Grand Ocean Entrance \$25,000 and Marmion Avenue, North Grand Ocean Entrance \$25,000 which were completed in 2012-13. In addition, Sandalwood Drive – Pit Upgrade \$24,130 has commenced behind schedule due to the availability of the asphalt contractor and is now expected to be completed in January 2014.
- k) Parking Facilities unfavourable variance includes Sorrento Beach Main car park lighting (\$51,702) of which (\$47,582) is funded by carry forward monies from 2012-13 and Hillarys Primary School Kiss and Ride facility being completed ahead of schedule (\$97,423). The balance of the variance is due to some projects being completed below budget and timing differences.

18. Motor Vehicle Replacements

This variance is mainly due to timing. Orders totalling \$1,215,574 have been placed and are scheduled for delivery in the coming months.



19. Equity Investments

This favourable variance includes an adjustment of (\$320,022) which has been made to the amount of Equity held by the City in Tamala Park Regional Council at the end of the previous financial year (refer 9i above).

20. Tamala Park Regional Council (TPRC) Development Costs

The land development costs as advised by TPRC were not included in the 2013-14 budget.

21. Closing Funds

	June 2013	December 2013
Current Assets		
Cash Assets	\$75,612,053	\$117,139,488
Rates and Sundry Debtors	\$2,067,345	\$19,085,324
GST Receivable	\$981,797	\$765,778
Accrued Income	\$1,461,086	\$1,897,228
Advances and Prepayments	\$448,869	\$85,133
	\$80,571,150	\$138,972,951
Less: Current Liabilities		
Creditors	(\$2,175,318)	(\$2,036,815)
Sundry Payables	(\$380,894)	(\$8,948,212)
Provisions - Annual Leave	(\$3,677,768)	(\$3,827,881)
Provisions - Other	(\$6,540,519)	(\$7,681,371)
Accrued Expenses	(\$5,480,079)	(\$4,958,069)
Income in Advance	(\$1,479,105)	(\$57,750)
Borrowings	(\$1,655,978)	(\$839,637)
GST Payable	(\$243,932)	(\$139,800)
	(\$21,633,593)	(\$28,489,535)
Net Current Assets	\$58,937,557	\$110,483,416
Add: Borrowings	\$1,655,978	\$839,637
Less: Reserves	(\$59,606,816)	(\$59,607,876)
Closing Funds – Surplus	\$986,719	\$51,715,177