



City of Joondalup

Financial Activity Statement for the
Period Ended 31 January 2014

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 January 2014

	Notes	Adopted Budget	YTD Adopted Budget	YTD Actual	YTD Variance \$	YTD Variance %
OPERATING REVENUE						
Rates	1	(81,545,757)	(81,420,757)	(82,075,839)	655,082	1%
Specified Area Rates		(339,195)	(339,195)	(342,831)	3,636	1%
Grants and Subsidies	2	(4,305,925)	(2,160,521)	(1,058,996)	(1,101,525)	(51)%
Contributions Reimbursements and Donations		(2,258,993)	(1,302,846)	(1,337,153)	34,307	3%
Profit on Asset Disposals	3	(75,812)	(12,002)	(1,159,212)	1,147,210	9558%
Fees and Charges	4	(37,468,658)	(30,780,531)	(30,861,457)	80,926	0%
Interest Earnings	5	(4,545,377)	(3,064,748)	(3,238,841)	174,093	6%
Other Revenue/Income	6	(147,500)	(108,125)	(172,271)	64,146	59%
Total Operating Revenue		(130,687,217)	(119,188,725)	(120,246,600)	1,057,875	1%
OPERATING EXPENSES						
Employee Costs	7	55,626,942	33,649,694	33,005,546	644,148	2%
Materials and Contracts	8	49,374,974	29,497,471	27,320,330	2,177,141	7%
Utilities (gas, electricity, water etc.)	9	6,139,451	3,570,913	3,336,523	234,390	7%
Depreciation of Non-Current Assets	10	21,016,218	12,342,252	11,334,004	1,008,248	8%
Loss on Asset Disposals	11	215,682	98,010	154,397	(56,387)	(58)%
Interest Expenses		490,458	300,907	298,883	2,024	1%
Insurance Expenses		1,602,758	1,593,644	1,612,829	(19,185)	(1)%
Total Operating Expenses		134,466,483	81,052,892	77,062,512	3,990,380	5%
(SURPLUS)/DEFICIT FROM OPERATIONS		3,779,266	(38,135,833)	(43,184,088)	5,048,255	13%
OPERATING NON-CASH ADJUSTMENTS						
Depreciation on Assets		(21,016,218)	(12,342,252)	(11,334,004)	(1,008,248)	(8)%
Loss on Asset Disposal		(215,682)	(98,010)	(154,397)	56,387	58%
Profit on Asset Disposals		75,812	12,002	1,159,212	(1,147,210)	(9558)%
Other Non-Current items	12	(242,999)	-	(470,088)	470,088	100%
OPERATING CASH (SURPLUS)/DEFICIT		(17,619,821)	(50,564,093)	(53,983,365)	3,419,271	7%
NON-OPERATING REVENUE						
Capital Grants and Subsidies	13	(5,834,548)	(2,698,235)	(2,274,999)	(423,236)	(16)%
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)	(2,703,235)	(4,323,483)	1,620,248	60%
CAPITAL EXPENDITURE						
Capital Projects	16	4,474,194	2,807,762	1,261,858	1,545,904	55%
Capital Works	17	32,855,563	11,818,851	14,691,240	(2,872,389)	(24)%
Motor Vehicle Replacements	18	2,738,500	1,688,000	793,557	894,443	53%
Loan Repayment Principal		1,655,977	842,235	842,235	-	0%
Equity Investments		39,712	-	-	-	0%
Total Capital Expenditure		41,763,946	17,156,849	17,588,890	(432,042)	(3)%
TPRC Development Costs	19	-	-	393,368	(393,368)	(100)%
CAPITAL (SURPLUS)/DEFICIT		35,099,398	14,453,614	13,658,775	794,839	5%
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL		17,479,577	(36,110,480)	(40,324,590)	4,214,110	12%
FUNDING						
Proceeds from Disposal	3	(681,100)	(443,300)	(1,762,014)	1,318,714	297%
Loan Funds		-	-	-	-	-
Materials Recovery Facility	20	(229,557)	(140,000)	-	(140,000)	(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	100%
Opening Funds		(1,735,647)	(1,735,647)	(986,719)	(748,928)	(43)%
CLOSING FUNDS		-	(38,429,427)	(43,073,323)	4,643,896	100%



Investment Summary

CITY OF JOONDALUP
January-14

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	3.82%	3.83%	6,500,000	5.85%	10%
A-	A-2	Bendigo Bank Term Deposit	3.79%	3.80%	4,700,000	4.23%	10%
A	A-1	ING Australia Term Deposit	3.87%	4.14%	12,800,000	11.52%	15%
A	A-1	Macquarie Term Deposit	3.75%	3.75%	1,000,000	0.90%	15%
AA-	A-1+	NAB Term Deposit	3.83%	3.97%	27,500,000	24.75%	25%
A-	A-2	Rural Bank Term Deposit	3.82%	3.81%	11,000,000	9.90%	10%
AA-	A-1+	St George Term Deposit	3.83%	3.84%	7,500,000	6.75%	25%
A+	A-1	Suncorp Term Deposit	3.82%	3.97%	11,000,000	9.90%	15%
AA-	A-1+	Westpac Term Deposit	3.84%	3.94%	26,500,000	23.85%	25%
AA+	A-1+	11AM WA Treasury Corporation	2.45%	2.49%	2,628,000	2.36%	25%

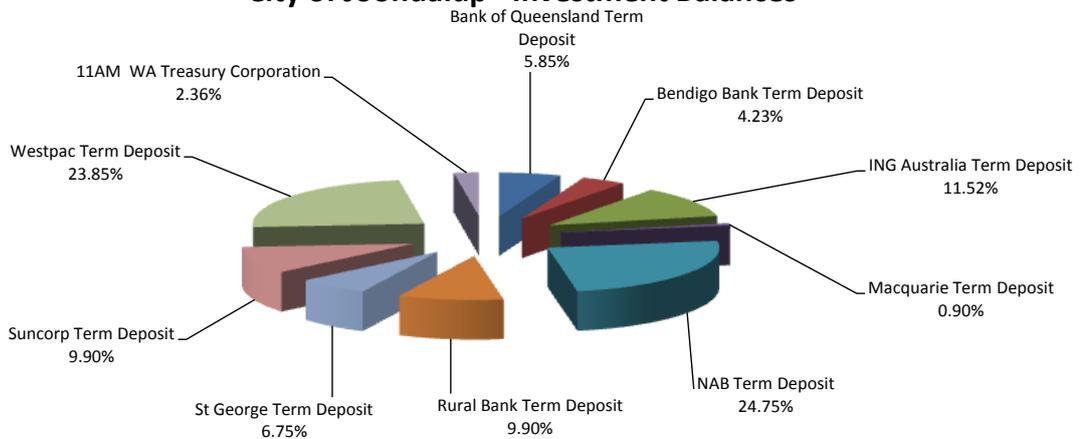
Total Investment Portfolio			3.79%	3.93%	111,128,000	100.00%	
-----------------------------------	--	--	-------	-------	--------------------	---------	--

Municipal Funds					55,342,698		
------------------------	--	--	--	--	------------	--	--

Reserve Funds					55,785,302		
----------------------	--	--	--	--	------------	--	--

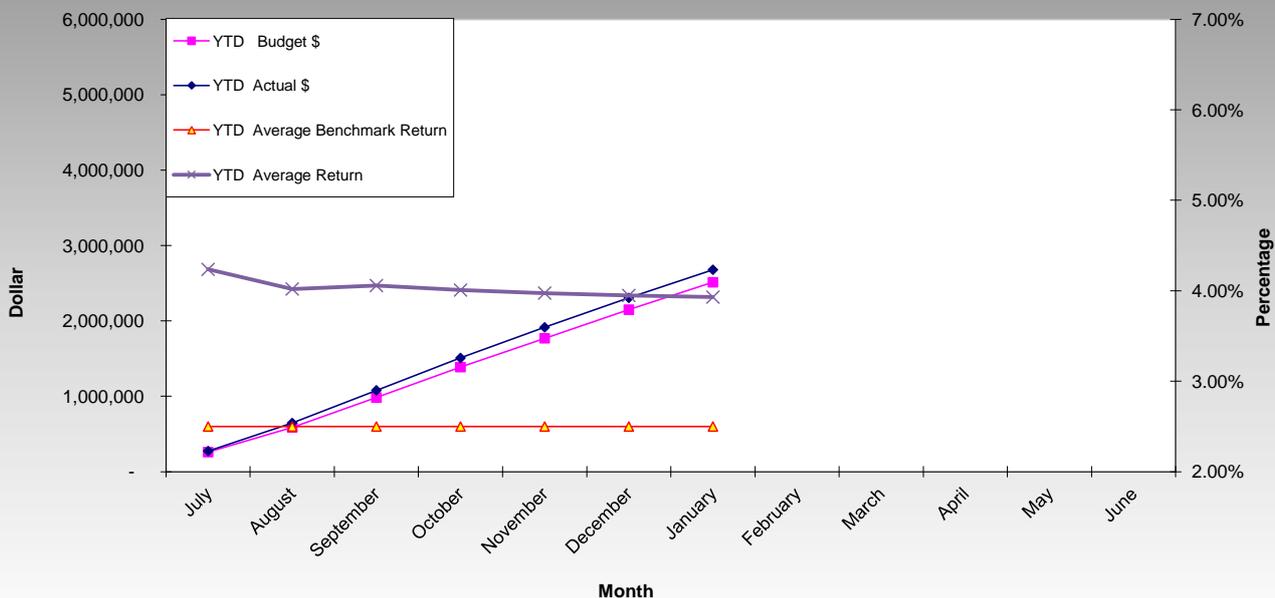
					111,128,000		
--	--	--	--	--	--------------------	--	--

City of Joondalup - Investment Balances



Month	Budget \$	MTD Actual \$	YTD Budget \$	YTD Actual \$	YTD Average Benchmark Return	YTD Average Return
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%
January	362,217	372,842	2,512,379	2,678,619	2.50%	3.93%

Return on Investments





NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT
FOR THE PERIOD ENDED ON 31 JANUARY 2014

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	\$454,618	\$265,161	(\$189,457)
	<u>\$2,160,521</u>	<u>\$1,058,996</u>	<u>(\$1,101,525)</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. Profit on Asset Disposals

The increased profit on disposal is predominantly due to gains on the disposal of Tamala Park Regional Council (TPRC) land holdings which were not included in the budget.



4. Fees and Charges

	YTD Adopted Budget	YTD Actual	Variance
a) Licenses and Registrations	\$462,397	\$646,732	\$184,335
b) Building and Development Fees	\$1,069,267	\$1,284,472	\$215,205
c) Parking Fees	\$1,414,583	\$1,298,289	(\$116,294)
d) Fines & Penalties	\$1,022,358	\$937,221	(\$85,137)
e) Sports and Recreation Fees	\$5,056,569	\$4,878,027	(\$178,542)
Refuse Charges	\$19,192,817	\$19,211,010	\$18,193
Other variances	\$2,562,540	\$2,605,706	\$43,166
	<u>\$30,780,531</u>	<u>\$30,861,457</u>	<u>\$80,926</u>

- a) Dog and Cat registration fees are \$159,128 and \$14,888 respectively higher than budget predominantly due to an increase in license fees from 1 November 2013.
- b) Favourable variances arose for Development Application Fees \$210,070, which includes an application for the expansion of Whitfords Shopping Centre, Other Building and Development Charges \$34,075 including an application for Lakeside Shopping Centre and Land Purchase Enquiries \$26,947. These are partially offset by an unfavourable variance of (\$58,655) for Building Licenses due to lower than expected building activity and private certification, with the remainder of the variance spread across several accounts.
- c) Off Street Parking Fees are (\$78,366) under budget mainly 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. Also, On Street Parking Fees are (\$66,752) below budget due to lower usage during the holiday period. These are partially offset by additional revenue of \$28,824 for Private Property Agreement income due to increased patrols of the new car parks at Joondalup Health Campus.
- d) Parking Infringement income is (\$80,539) 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 (\$37,675) as no accounts have been received from the RSPCA since October 2013 and Dog Act Costs & Fines (\$12,733). These are partially offset by a favourable variance for Building, Planning and Environmental Health non compliance fines of \$57,637. The balance is spread across a number of areas.
- e) Leisure Centre net revenue variances are (\$127,918) 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, mainly due to the leisure pool being close for the whole of January because of issues with the filtration system. Also, lower revenue arose from Court Sport, Personal Training and Term Program Activities. Income from the Hire of City Facilities is (\$89,606) below budget partially offset by additional revenue from the Hire of Parks of \$43,950.



5. Interest Earnings

Interest earned on investments exceeded budget by \$167,663 mainly due to the volume of funds invested being higher than budgeted. In addition interest on Rates Instalments, Late Payment and Deferred Pensioners are \$7,449 higher than budget.

6. 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 (\$25,571) for Adshel Advertising Revenue which will be received in February.

7. Employee Costs

	YTD Adopted Budget	YTD Actual	Variance
a) Salaries and Wages	\$31,391,386	\$30,617,969	\$773,417
b) Other Employment Costs	\$2,258,308	\$2,387,577	(\$129,269)
	<u>\$33,649,694</u>	<u>\$33,005,546</u>	<u>\$644,148</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 \$473,299 comprising provision for other Employee Costs \$151,280, Staff Recruitment \$98,700, Staff Training \$118,458 and Conferences and Seminars \$41,176 as well as other net variances spread over several line items. These are partially offset by unfavourable variances for Agency Employees (\$501,777) predominantly used to cover staff vacancies and Capital Labour Recoveries (\$105,469) reflecting reduced use of internal labour on capital works.

8. Materials and Contracts

	YTD Adopted Budget	YTD Actual	Variance
a) Professional Fees and Charges	\$1,547,870	\$990,026	\$557,844
b) External Service Expenses	\$12,635,025	\$11,445,384	\$1,189,641
c) Computing	\$1,127,653	\$922,599	\$205,054
d) Waste Management Services	\$5,917,808	\$5,972,289	(\$54,481)
e) Public Relations, Advertising and Promotions	\$758,387	\$498,784	\$259,603
f) Furniture, Equipment & Artwork	\$1,268,384	\$1,112,641	\$155,743
g) Administration	\$1,050,861	\$882,661	\$168,200
h) Contributions and Donations	\$1,010,888	\$899,829	\$111,059
i) Other Expenses	-	\$335,549	(\$335,549)
j) Charges and Recoveries	(\$346,009)	(\$228,766)	(\$117,243)
Other Materials and Contracts	\$4,526,604	\$4,489,334	\$37,270
	<u>\$29,497,471</u>	<u>\$27,320,330</u>	<u>\$2,177,141</u>



- a) Favourable timing variances arose for Consultancy expenditure \$447,096 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 \$39,524 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 revenue is below budget for Fines Enforcement Lodgement Fees \$17,744 and Recoverable Legal Expenses \$17,356.
- b) The favourable variance is the net effect of several offsetting items. External contractors and services shows a favourable variance of \$708,741, caused predominantly by Marketing \$51,218, Building Maintenance \$117,981, Parks \$485,873 and Administration Building Refurbishment \$59,057. The Parks variance is spread across a number of activities including Turf Mowing \$280,249 due to internal staff being utilised for the mowing of arterial verges and medians. Turf Renovation \$54,258, Fertilising \$67,663 and Weeding Chemicals \$55,186 are also below budget. In addition Domestic and Bulk Tipping Fees to date are \$593,740 below budget mainly due to reduced gate fees. These are offset by an unfavourable variance of (\$168,463) on Program Activities predominantly for the ICLEI Biodiversity project (\$143,215). The balance of the variance is spread across a number of line items.
- c) This is predominantly due to favourable timing variances which includes Traffic Modelling Software replacement \$90,000 which is currently being investigated and Computer Software Licences \$74,362.
- d) Domestic and Bulk waste collection costs are (\$63,434) over budget offset by Weekend Greens and Recycling collection costs which are \$18,819 below budget. In addition recycling costs at the Materials Recovery Facility are (\$9,866) over budget.
- e) A favourable variance of \$118,625 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 \$66,307, Signage and Decals \$33,571 plus Catering and Bar Stocks \$18,769, mainly due to budget phasing.
- f) Hire of Equipment is \$77,078 below budget. This includes a saving of \$45,271 as the lease of the replacement Storage Area Network (SAN) is commencing later than anticipated and timing variances of \$27,259 for various events. In addition favourable timing variances arose for the purchase and maintenance of Computer Equipment \$80,901 and Furniture and Office Equipment \$26,270.
- g) This favourable variance is mainly due to timing differences and includes Sundry Administration Expenses \$49,963, Conferences \$21,000, Printing \$23,356, Stationery \$18,804 and Photography and Video Production \$33,481. 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 \$57,830 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 12 below) and Local Government Insurance Scheme experience bonus (\$15,525).
- j) Capital Overhead Recoveries are (\$182,799) below budget due to lower use of City labour on capital works. This is partially offset by a favourable variance for unbudgeted Fleet and Plant recovery from capital jobs of \$64,622.

9. Utilities

This is mainly driven by a net favourable variance of \$216,823 on electricity costs, including Street Lighting \$245,172. Budget estimates will be revised at the mid-year budget review. A favourable variance of \$16,765 arose on water costs predominantly due to water rates charges being allocated to Materials and Contracts, the budget will be adjusted at the mid year review.

10. Depreciation

The favourable variance is mainly driven by lower depreciation on building assets \$656,417 following revaluation at 30 June 2013 with the remainder of the variance spread across a number of asset classes.

11. Loss on Asset Disposals

The variance is driven mainly by an unbudgeted loss of (\$79,915) that arose on the disposal of a portion of lot 977 (15) Burlos Court, Joondalup. This is partially offset by lower than estimated loss of \$23,528 on disposal of fleet assets.

12. Other Non-Current items

This variance is predominantly as a result of adjustment to the equity held in Tamala Park Regional Council (refer 8i above). The balance of the variance comprises 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	\$2,376,736	\$1,860,235	(\$516,501)
b) Parks Equipment	-	\$53,872	\$53,872
c) Major Building Capital Works Program	-	\$37,748	\$37,748
Other Grants	\$321,499	\$323,144	\$1,645
	<u>\$2,698,235</u>	<u>\$2,274,999</u>	<u>(\$423,236)</u>

- a) This unfavourable variance is predominantly due to over half of the 2013-14 Federal Local Road Grant being received in advance in 2012-13 as well as unfavourable timing variances for the Metropolitan Regional Road Grants (\$262,517). Additional unbudgeted Roads to Recovery Grant received offset by unfavourable timing variances on some projects generated a net favourable variance of \$191,776. In addition 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.

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	\$544,838	\$370,861	\$173,977
b) Joondalup Performing Arts & Cultural Facility	\$382,819	\$86,730	\$296,089
c) Access Control Upgrade Craigie Leisure Centre	-	\$76,800	(\$76,800)
d) Parking Ticket Machine EMV Compliance	\$275,000	-	\$275,000
e) Jinan Garden	\$70,480	\$403	\$70,077
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) Water Playground Pebble Flex Upgrade	\$80,000	-	\$80,000
j) Roof Refurbishment Craigie Leisure Centre	-	\$75,940	(\$75,940)
Other Projects	\$692,625	\$563,557	\$129,068
	<u>\$2,807,762</u>	<u>\$1,261,858</u>	<u>\$1,545,904</u>

- a) The preparation of the Local Structure Plan is progressing 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. The City has requested a meeting with the Department of Culture and the Arts (State) regarding funding contributions and management options for this project.
- 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 delays in placing orders for switches and new servers for the IT Network.
- g) The CCTV project in Central Park which was to occur in conjunction with the proposed lighting upgrade has been rescheduled as a separate project.
- h) After initial design and investigation, this project will be withdrawn and reconsidered at a future date.
- i) This project is delayed as alternative products for the water playground surface are being investigated.
- j) Additional work was identified after the budget was adopted, with the increase in expenditure to be funded from the savings on other projects.

17. Capital Works

	YTD Adopted Budget	YTD Actual	Variance
a) Road Preservation / Resurfacing Program	\$3,246,625	\$3,155,440	\$91,185
b) Paths Program	\$702,900	\$562,268	\$140,632
c) Bridges Program	\$203,616	\$69,302	\$134,314
d) Parks Equipment Program	\$671,500	\$1,313,804	(\$642,304)
e) Major Road Construction Program	-	\$1,016,593	(\$1,016,593)
f) Traffic Management Program	\$781,588	\$1,199,240	(\$417,652)
g) Streetscape Enhancement Program	\$557,950	\$1,481,148	(\$923,198)
h) Parks Development Program	\$676,000	\$525,351	\$150,649
i) Stormwater Drainage Program	\$402,000	\$610,250	(\$208,250)
j) Parking Facilities Program	\$190,000	\$337,267	(\$147,267)
Other Works variances - not material	\$4,386,672	\$4,420,577	(\$33,905)
	<u>\$11,818,851</u>	<u>\$14,691,240</u>	<u>(\$2,872,389)</u>

- a) Projects within this program are on schedule but expenditure is behind budget phasing. Commitments at the end of January totalled \$988,727.
- b) Unfavourable timing variances arose totalling (\$31,685) 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 \$172,317.
- 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) 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 (\$129,872) is progressing ahead of schedule. The balance of the variance is due to timing differences and spread across several projects.

- e) 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.
- f) The variance in this program is mainly due to a net unfavourable variance for the State Black Spot program (\$352,289) driven primarily by Whitfords Avenue and Eddystone Avenue Signals (\$101,442), 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 (\$49,666) and Blue Mountain Drive (\$68,235) which are ahead of schedule.

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

- g) 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 (\$335,368), West Coast Drive Landscaping (\$220,510), Joondalup Drive (\$181,881) and Entry Statements (\$273,019). These are offset by a favourable timing variance of \$409,795 for Shenton Avenue Landscaping.
- h) Projects within this program are progressing on schedule, the variance is due to favourable timing differences to budget phasing.
- i) Stormwater Drainage is showing an unfavourable variance due mainly to Mullaloo Surf Club Car Park (\$156,021) which is funded by amounts carried forward from 2012-13 and Lakeway Drive Sump Beautification – sump improvement (\$70,416) 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 commenced behind schedule due to the availability of the asphalt contractor, this is now complete however invoices are yet to be processed.
- j) 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 \$892,812 have been placed and are scheduled for delivery in the coming months.

19. Tamala Park Regional Council (TPRC) Development Costs

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

20. Materials Recovery Facility

The City's outstanding recoverable capital contribution for the Materials Recovery Facility is currently being investigated, recovery of the balance will occur once the outstanding balance has been agreed.

21. Closing Funds

	June 2013	January 2014
Current Assets		
Cash Assets	\$75,612,053	\$111,302,819
Rates and Sundry Debtors	\$2,067,345	\$16,801,181
GST Receivable	\$981,797	\$644,994
Accrued Income	\$1,461,086	\$2,134,319
Advances and Prepayments	\$448,869	\$74,363
	\$80,571,150	\$130,957,676
Less: Current Liabilities		
Creditors	(\$2,175,318)	(\$2,115,479)
Sundry Payables	(\$380,894)	(\$9,173,948)
Provisions - Annual Leave	(\$3,677,768)	(\$3,660,130)
Provisions - Other	(\$6,540,519)	(\$7,637,308)
Accrued Expenses	(\$5,480,079)	(\$5,529,238)
Income in Advance	(\$1,479,105)	(\$57,750)
Borrowings	(\$1,655,978)	(\$813,742)
GST Payable	(\$243,932)	(\$102,624)
	(\$21,633,593)	(\$29,090,219)
Net Current Assets	\$58,937,557	\$101,867,457
Add: Borrowings	\$1,655,978	\$813,742
Less: Reserves	(\$59,606,816)	(\$59,607,876)
Closing Funds – Surplus	\$986,719	\$43,073,323