



City of Joondalup

Financial Activity Statement for the
Period Ended 31 October 2015

Contents

Appendix

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

| | Notes | Adopted Budget | YTD Adopted Budget | YTD Actual | YTD Variance \$ | YTD Variance % |
|--|-------|----------------------|----------------------|----------------------|------------------|----------------|
| OPERATING REVENUE | | | | | | |
| Rates | 1 | (91,535,076) | (91,505,076) | (91,590,122) | 85,046 | 0% |
| Specified Area Rates | | (408,157) | (408,157) | (413,411) | 5,254 | 1% |
| Grants and Subsidies | 2 | (4,230,505) | (994,123) | (668,248) | (325,875) | (33)% |
| Contributions Reimbursements and Donations | 3 | (908,197) | (289,339) | (1,145,947) | 856,608 | 296% |
| Profit on Asset Disposals | 4 | (1,041,807) | - | (1,708,028) | 1,708,028 | 100% |
| Fees and Charges | 5 | (39,556,828) | (27,555,995) | (27,448,663) | (107,332) | (0)% |
| Interest Earnings | 6 | (3,486,332) | (1,569,600) | (1,739,287) | 169,687 | 11% |
| Other Revenue/Income | 7 | (160,000) | (66,000) | (62,206) | (3,794) | (6)% |
| Total Operating Revenue | | (141,326,902) | (122,388,290) | (124,775,912) | 2,387,622 | 2% |
| OPERATING EXPENSES | | | | | | |
| Employee Costs | 8 | 59,888,303 | 21,286,350 | 21,782,169 | (495,819) | (2)% |
| Materials and Contracts | 9 | 52,959,486 | 17,054,517 | 15,155,391 | 1,899,126 | 11% |
| Utilities (gas, electricity, water etc.) | 10 | 6,276,093 | 2,068,982 | 1,952,644 | 116,338 | 6% |
| Depreciation & Amortisation of Non-Current Assets | 11 | 27,123,831 | 9,141,985 | 9,904,279 | (762,294) | (8)% |
| Loss on Asset Disposals | 12 | 1,560,531 | - | 44,853 | (44,853) | (100)% |
| Interest Expenses | 13 | 667,100 | 230,199 | 194,738 | 35,461 | 15% |
| Insurance Expenses | 14 | 1,623,138 | 1,619,480 | 1,517,794 | 101,686 | 6% |
| Total Operating Expenses | | 150,098,482 | 51,401,514 | 50,551,868 | 849,646 | 2% |
| (SURPLUS)/DEFICIT FROM OPERATIONS | | 8,771,580 | (70,986,776) | (74,224,044) | 3,237,268 | 5% |
| OPERATING NON-CASH ADJUSTMENTS | | | | | | |
| Depreciation & Amortisation of Non Current Assets | | (27,123,831) | (9,141,985) | (9,904,279) | 762,294 | 8% |
| Loss on Asset Disposal | | (1,560,531) | - | (44,853) | 44,853 | - |
| Profit on Asset Disposals | | 1,041,807 | - | 1,708,028 | (1,708,028) | (100)% |
| Other Non-Current items | | | | | | |
| Movement in Non-current Provisions | 15 | (125,000) | (125,000) | 100,362 | (225,362) | (180)% |
| OPERATING CASH (SURPLUS)/DEFICIT | | (18,995,975) | (80,253,762) | (82,364,786) | 2,111,024 | 3% |
| NON-OPERATING REVENUE | | | | | | |
| Capital Grants and Subsidies | 16 | (12,797,452) | (2,041,256) | (1,831,530) | (209,726) | (10)% |
| Capital Contributions | 17 | (912,046) | - | (300,569) | 300,569 | 100% |
| Equity Distribution - TPRC | | (3,333,333) | - | - | - | - |
| Acquired Infrastructure Assets | | - | - | - | - | - |
| Total Non-Operating Revenue | | (17,042,831) | (2,041,256) | (2,132,099) | 90,843 | 0% |
| CAPITAL EXPENDITURE | | | | | | |
| Capital Projects | 18 | 7,199,800 | 3,537,143 | 1,760,834 | 1,776,309 | 50% |
| Capital Works | 19 | 39,739,288 | 10,510,735 | 12,480,570 | (1,969,835) | (19)% |
| Vehicle and Plant Replacements | 20 | 2,066,000 | - | 405,728 | (405,728) | 100% |
| Loan Repayment Principal | 21 | 2,191,223 | 744,914 | 662,402 | 82,512 | 11% |
| Equity Investments | | 44,683 | - | - | - | 0% |
| Total Capital Expenditure | | 51,240,994 | 14,792,792 | 15,309,534 | (516,742) | (3)% |
| CAPITAL (SURPLUS)/DEFICIT | | 34,198,163 | 12,751,536 | 13,177,435 | (425,899) | (3)% |
| (SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL | | 15,202,188 | (67,502,226) | (69,187,350) | 1,685,125 | 2% |
| FUNDING | | | | | | |
| Proceeds from Disposal | 22 | (5,490,375) | - | (1,175,550) | 1,175,550 | 100% |
| Loans - New Borrowings | 23 | (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 | 24 | (989,665) | (989,665) | (3,139,002) | 2,149,337 | 217% |
| CLOSING FUNDS | 25 | - | (70,260,891) | (73,501,902) | 3,241,011 | 5% |



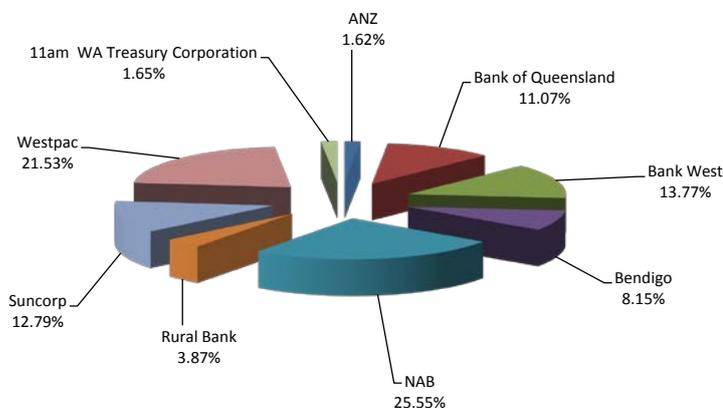
Investment Summary

CITY OF JOONDALUP
October-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 | 1.62% | 25% |
| A- | A-2 | Bank of Queensland Term Deposit | 2.93% | 2.99% | \$ 15,750,000.00 | 11.07% | 10% |
| AA- | A-1+ | Bank West Term Deposit | 2.85% | 2.86% | \$ 19,600,000.00 | 13.77% | 25% |
| A- | A-2 | Bendigo Term Deposit | 2.90% | 3.07% | \$ 11,600,000.00 | 8.15% | 10% |
| AA- | A-1+ | NAB Term Deposit | 2.91% | 3.01% | \$ 36,350,000.00 | 25.55% | 25% |
| A- | A-2 | Rural Bank Term Deposit | 2.84% | 3.17% | \$ 5,500,000.00 | 3.87% | 10% |
| A+ | A-1 | Suncorp Term Deposit | 2.90% | 3.02% | \$ 18,200,000.00 | 12.79% | 15% |
| AA- | A-1+ | Westpac Term Deposit | 2.90% | 2.90% | \$ 30,640,000.00 | 21.53% | 25% |
| AA+ | A-1+ | 11am WA Treasury Corporation | 1.95% | 1.95% | \$ 2,353,000.00 | 1.65% | 25% |
| Total Investment Portfolio | | | 2.88% | 2.95% | 142,293,000 | 100.00% | |

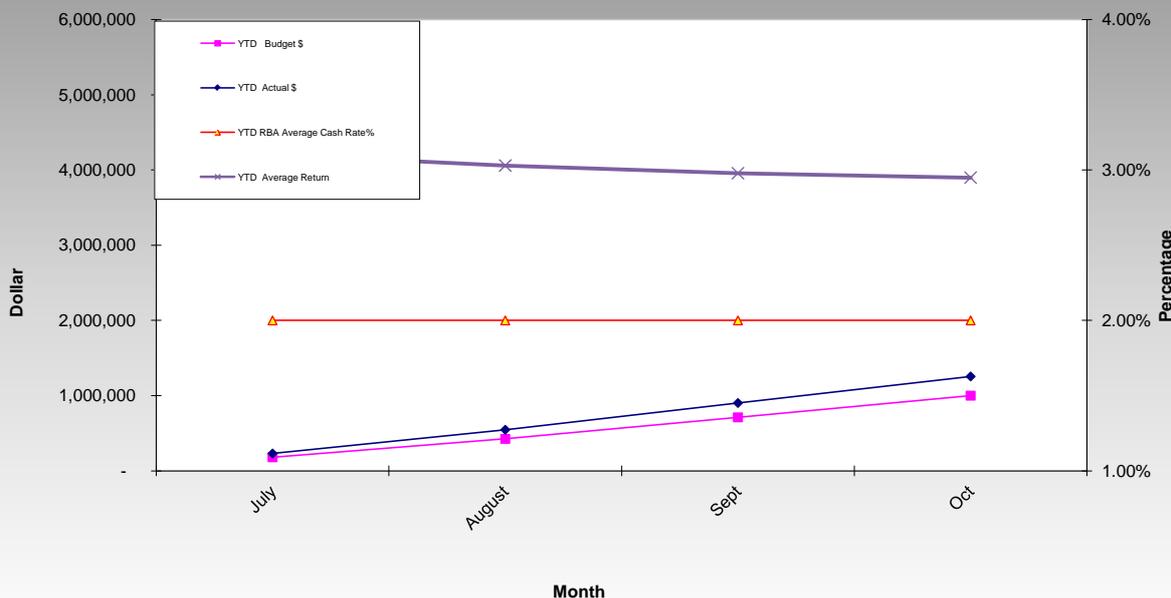
| | |
|-----------------|--------------------|
| Municipal Funds | 84,023,026 |
| Reserve Funds | 58,269,974 |
| Total | 142,293,000 |

City of Joondalup - Investment Balances



| Month | Budget \$ | MTD Actual \$ | YTD Budget \$ | YTD Actual \$ | YTD RBA Average Cash Rate% | 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% |
| Oct | 288,306 | 352,756 | 999,900 | 1,255,041 | 2.00% | 2.95% |

Return on Investments





NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT
FOR THE PERIOD ENDED ON 31 OCTOBER 2015

1. Rates

Interim Rate revenue issued to date is \$85,046 higher than budget estimates due mainly to additional income from newly developed properties.

2. Grants and Subsidies

| | YTD Adopted Budget | YTD Actual | Variance |
|--|-----------------------|------------------|--------------------|
| a) Commonwealth Financial Assistance Grant - General Purpose | \$884,168 | \$412,890 | (\$471,278) |
| b) Other Grants & Subsidies | \$109,955 | \$255,358 | \$145,403 |
| | <u>\$994,123</u> | <u>\$668,248</u> | <u>(\$325,875)</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, Clubs in Focus \$50,000 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 (\$22,036) in respect of the first quarterly payment of the DFES 2015-16 grant which was received in advance in the previous financial year, (\$22,866) for Financial Counselling which will be addressed in the mid year review, and (\$22,500) for Lotterywest Emergency Relief Grant which is offset by savings in expenditure (refer 9c).

3. Contributions, Reimbursements and Donations

| | YTD Adopted Budget | YTD Actual | Variance |
|-------------------|-----------------------|--------------------|------------------|
| a) Contributions | \$12,680 | (\$ 712) | (\$13,392) |
| b) Sponsorship | \$90,347 | \$106,291 | \$15,944 |
| c) Reimbursements | \$186,312 | \$1,040,368 | \$854,056 |
| | <u>\$289,339</u> | <u>\$1,145,947</u> | <u>\$856,608</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 (\$10,212) in addition to a minor unfavourable timing variance of (\$1,180) for school ovals contributions in 2015-16. In addition, an unfavourable timing variance arose of (\$2,000) for contributions to the Youth Liaison Program.

b) A favourable variance arose for the Valentines Day Concert \$29,053 with funds being received earlier than expected, and this was partly offset by unfavourable variances of (\$13,809) in respect of Sponsorship revenue for various events including



Joondalup Festival and Little Feet Festival, now being 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 \$37,342 largely comprising an insurance claim 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.

4. 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 \$652,202. In addition, a favourable timing variance arose of \$5,825 for Fleet and Plant disposals.

5. Fees and Charges

| | YTD Budget | YTD Actual | Variance |
|----------------------------------|---------------------|---------------------|--------------------|
| a) Refuse Charges | \$20,392,981 | \$20,151,549 | (\$241,432) |
| b) Building and Development Fees | \$701,000 | \$762,267 | \$61,267 |
| c) Hire and Rentals | \$284,780 | \$257,247 | (\$27,533) |
| d) Inspection and Control Fees | \$815,936 | \$877,059 | \$61,123 |
| e) Fines and Penalties | \$447,933 | \$533,102 | \$85,169 |
| f) Parking Fees | \$813,484 | \$771,141 | (\$42,343) |
| Other Variances | \$4,099,881 | \$4,096,297 | (\$3,584) |
| | <u>\$27,555,995</u> | <u>\$27,448,663</u> | <u>(\$107,332)</u> |

- a) There was an unfavourable variance for Domestic Refuse Removal Charges (\$246,773) which was offset by a favourable variance of \$5,341 for New/Additional Bin Establishment Fees.
- b) A favourable variance arose for Cash in Lieu of Parking \$130,000 for Hobsons Gate Currambine. This was offset by unfavourable variances for Building Licences (\$34,400) and Building and Development Charges (\$19,354) due to less activity than forecast.
- c) There was an unfavourable timing variance of \$25,836 for Property Rental and Outgoings mainly due to delays in lease re-negotiations.
- d) A favourable variance arose from Environmental Health Services inspection fees being \$60,914 greater than expected.
- e) Favourable variances for Parking Infringements \$76,369 and Local Government Act – Costs & Fines \$14,049 were the main contributors and these were offset slightly by a few minor unfavourable variances.
- f) Unfavourable variances were (\$17,255) for On street Parking Fees and (\$30,156) timing variance in respect of the Multi Storey Car Park.



6. Interest Earnings

Interest earned on investments exceeded budget by \$255,664 mainly due to the volume of investment funds being higher than budgeted. This is partly offset by unfavourable variances for rates instalment options (\$69,614) and interest on late payments (\$16,362)

7. Other Revenue

The City's share of Adshell advertising revenue is (\$11,182) lower than budget and will be reviewed during the mid year budget review. This is partly offset by favourable variances for Rebates Received \$2,663 and Discounts Received \$4,725.

8. Employee Costs

| | YTD Budget | YTD Actual | Variance |
|---------------------------|---------------------|---------------------|--------------------|
| a) Salaries and Wages | \$19,252,896 | \$19,396,333 | (\$143,436) |
| b) Other Employment Costs | \$2,033,454 | \$2,385,836 | (\$352,383) |
| | <u>\$21,286,350</u> | <u>\$21,782,169</u> | <u>(\$495,819)</u> |

- a) The Provision for Employee Entitlements is (\$358,934) higher than budget and arises from the timing of annual and long service leave taken. This is partly offset by a favourable variance of \$215,498 mainly due to vacant positions across various areas.
- b) A favourable variance arose for Capital Labour Recoveries \$70,542. 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 \$79,098 and Staff Recruitment Costs \$9,645. These are offset by an unfavourable variance for Agency Employees (\$491,970) to cover staff vacancies across a number of areas, including Parks (\$171,045), Engineering (\$125,678) and Waste Management (\$71,124).



9. Materials and Contracts

| | YTD Budget | YTD Actual | Variance |
|--------------------------------------|---------------------|---------------------|--------------------|
| a) External Service Expenses | \$7,910,812 | \$6,934,125 | \$976,687 |
| b) Professional Fees and Costs | \$771,558 | \$579,553 | \$192,005 |
| c) Contributions and Donations | \$556,511 | \$544,969 | \$11,542 |
| d) Other Materials | \$712,811 | \$552,753 | \$160,058 |
| e) Waste Management | \$2,623,807 | \$2,445,255 | \$178,552 |
| f) Furniture, Equipment and Artworks | \$729,873 | \$475,623 | \$254,250 |
| g) Members Costs | \$275,280 | \$310,248 | (\$34,968) |
| h) Administration | \$400,079 | \$322,032 | \$78,047 |
| i) Finance Related Costs | \$239,092 | \$203,299 | \$35,793 |
| j) Charges and Recoveries | (\$53,586) | (\$98,421) | \$44,835 |
| Other Materials and Contracts | \$2,888,280 | \$2,885,955 | \$2,325 |
| | <u>\$17,054,517</u> | <u>\$15,155,391</u> | <u>\$1,899,126</u> |

- a) External Contractors and Services is \$763,561 below budget predominantly due to timing variances including Parks and Natural Areas \$292,190, Engineering \$75,893, Landscaping & Conservation Services \$107,844 and Building Maintenance \$169,052. In addition, favourable variances arose for Bulk and Domestic Tipping Fees \$37,842 due to lower tonnages collected. The balance is spread across a number of areas.
- b) Favourable variances arose for Consultancy \$146,597 and Legal Expenses \$48,231 partly offset by unfavourable variances for Auctions Fees (\$6,780), Fines Enforcement Lodgment Fees (\$15,707) and Licence Search Fees (\$4,154).
- c) Unfavourable variances arose for Grants and Contributions (\$68,361), mainly due to timing of contributions, and Literacy Programs (\$10,027). There was a favourable timing variance of \$24,578 for Sponsorship payments, and a savings to budget of \$30,323 for Lotterywest Emergency Relief Payments which is offset by a reduction in grant revenue received (refer 2b).
- d) Favourable timing variances arose for Materials mainly associated with Engineering Maintenance \$52,721 and Parks \$65,036 predominantly for irrigation maintenance. Additional timing variances arose of \$21,545 for the purchase of Trading Stock for the Leisure Centre shop and Building Minor Works \$10,056.
- e) This favourable variance includes Bulk Collection \$108,018 due to tonnage variations compared to budget estimates and collection and processing of Recyclables \$125,027. These are partly offset by an unfavourable timing variance for Domestic Collection (\$68,942).
- f) Favourable timing variances arose for Network computer purchases and repairs \$156,755, Parking Plant and Equipment maintenance \$46,956, Waste Refuse Bin purchases \$21,177, Community Safety equipment \$11,912 and Cultural Services Equipment purchases \$10,239. The balance of the variance is spread across a number of areas.



- g) The variance is mainly due to (\$21,374) in costs incurred at the end of October awaiting reimbursement by the Australian Local Government Association (ALGA).
- h) This favourable timing variance includes Printing \$54,138, mainly in the areas of Rating Services, Marketing and Urban Design and Policy. In addition there were favourable timing variances for Interstate and Overseas Conferences \$19,486, Stationery \$11,266 and Photography and Video Production \$9,540. These were offset by a number of minor unfavourable variances.
- i) Favourable variances arose from Credit Card Merchant Fees \$24,752 and Cash Collections \$11,949 mainly in Rating Services and Parking Services.
- j) Favourable capital recovery variances arose for Overheads \$15,328 and Fleet and Plant \$29,507. These are due to a combination of higher utilisation of internal labour for capital work and the timing of projects compared to budget estimates.

10. Utilities

Electricity costs are \$116,577 below budget. This includes favourable timing variances of \$46,951 for Street Lighting and \$102,711 for Parks Lighting. There was also a favourable timing variance of \$13,600 for the Multi Storey Car Park not yet in operation. These were offset mainly by unfavourable timing variances of (\$37,858) for Irrigation Maintenance and (\$16,516) for City Centre Decorative Lighting.

11. Depreciation and Amortisation of Non-Current Assets

This unfavourable variance includes higher than estimated depreciation for Infrastructure Assets (\$662,018) mainly for Open Reserves and Other Infrastructure Assets following revaluation at 30 June 2015. In addition depreciation for Property, Plant and Equipment assets is (\$100,276) 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.

12. Loss on Asset Disposals

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

13. Interest Expenses

The loan to partly fund the Bramston Park Facility has not yet been drawn, contributing to a favourable variance of \$27,277. There has also been a change in the treatment of the Government Guarantee Fee by WATC, which will be better reflected during the budget review.



14. Insurance Expenses

The Insurance Excess to date is (\$27,012) higher than budget. The balance of the variance is due to net premiums on other insurance categories being lower than budget.

15. Non-Current Items

The year to date movement in the non-current long service leave liability is \$225,362 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. This will be reviewed during the mid year budget review process.

16. Capital Grants and Subsidies

| | YTD Revised 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 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.

17. 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.



18. Capital Projects

| | YTD Budget | YTD Actual | Variance |
|---|--------------------|--------------------|--------------------|
| a) Joondalup Performing Arts & Cultural Facility (JPACF) and Jinan Garden | \$576,316 | \$30,256 | \$546,060 |
| b) Public Art | \$100,000 | \$57,564 | \$42,436 |
| c) Infrastructure Asset Management System Implementation | \$85,000 | \$11,307 | \$73,693 |
| 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 | \$266,312 | \$103,688 |
| h) Ocean Reef Marina | \$410,000 | \$316,675 | \$93,325 |
| i) Network Infrastructure Upgrade Program | \$118,000 | \$35,659 | \$82,341 |
| Other Projects | \$1,200,066 | \$1,043,061 | \$157,005 |
| | <u>\$3,537,143</u> | <u>\$1,760,384</u> | <u>\$1,776,309</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 public water feature installed in Central Walk has been completed however, the budget includes additional public art works, which will be updated during the mid year budget review.
- c) This favourable variance is due to the timing of the implementation which is progressing behind budget estimates.
- 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 was mostly completed in October, and the majority of invoices have been paid. Practical completion is due in November 2015. A variance of \$70,000 remains to be committed to upgrade plant room air handling systems and chemical store room improvements, which will be completed by 30 June 2016. Phasing will be adjusted during 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.



- i) This favourable variance has arisen mainly due to the timing of orders still being processed.

19. Capital Works

| | YTD Budget | YTD Actual | Variance |
|--------------------------------------|---------------------|---------------------|----------------------|
| Road Preservation / Resurfacing | | | |
| a) Program | \$2,310,865 | \$2,089,818 | \$221,047 |
| b) Major Projects Program | \$4,687,530 | \$6,557,668 | (\$1,870,138) |
| c) Stormwater Drainage Program | \$109,500 | \$223,003 | (\$113,503) |
| d) Slab Path Replacement Program | \$144,500 | \$327,324 | (\$182,824) |
| Major Building Capital Works | | | |
| e) Program | \$775,000 | \$1,010,706 | (\$235,706) |
| f) Local Traffic Management | \$230,000 | \$93,042 | \$136,958 |
| g) Parks Development Program | \$265,375 | \$149,208 | \$116,167 |
| h) Major Road Construction Program | \$900,000 | \$424,887 | \$475,113 |
| i) Parks Equipment Program | \$257,800 | \$329,830 | (\$72,030) |
| j) Streetlighting Program | \$50,000 | \$240,582 | (\$190,582) |
| k) New Paths | \$60,865 | \$185,289 | (\$124,424) |
| l) Streetscape Enhancement Program | \$503,800 | \$614,149 | (\$110,349) |
| Other Works variances - not material | \$215,500 | \$235,064 | (\$19,564) |
| | <u>\$10,510,735</u> | <u>\$12,480,570</u> | <u>(\$1,969,835)</u> |

- a) This favourable variance is across the whole program however the following projects are complete ahead of schedule and under budget Coyle Rd – Adelaide Circle(W) to Cul-de-Sac \$32,733, Althaea Way \$33,369 and Merivale Way – Allenswood Road to Carew Place \$69,576.
- b) An unfavourable timing variance arose for the Multi Storey Car Park (\$896,653) which is funded from reserves held over from the previous financial year. In addition, unfavourable timing variances arose for Marmion Foreshore Parking (\$759,951), which is predominantly reserve funded, and Bramston Park (\$552,238). These are partly offset by a favourable variance for Ocean Reef Boat Harbour Floating Jetties \$295,951 due to expenditure having occurred in the previous financial year, which will be addressed in the mid year review.
- c) This unfavourable variance is a result of a number of projects that are progressing ahead of schedule with 65% of the program complete including Edna Way (\$32,268), Juniper Way (\$20,339), Cade Place (\$20,373) and Stormwater Drainage Upgrades (\$18,015), which includes works at Sycamore Drive, Warbrow Way and Mair Place.
- d) This program is progressing ahead of budget phasing being 89% complete. Variances include Camberwarra Marmion Underpass (\$28,088), Barradine Way (\$14,335) and Allenswood Road (\$11,165) and Hilton Park (\$95,936) which are all complete. The Shared Path renewal & resurfacing Program shows an unfavourable variance of (\$29,253) due to path works at Edna Way in conjunction with the drainage upgrades undertaken.



- e) An unfavourable variance of (\$253,756) arose for the Deep Sewer connection project and Environmental Initiatives (\$4,335) 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. Joondalup Library and Civic Centre lift upgrades is showing an unfavourable timing variance of (\$193,580) due to lifts being manufactured. 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 \$24,556, Roche Road \$49,972 and Wandoo Rd \$24,736 which are complete under budget.
- g) Favourable timing variances of \$116,167 arose across a number of irrigation projects which are progressing behind schedule. This is partly offset by James Cook Park landscape upgrade (\$47,068) which is progressing ahead of schedule.
- h) This favourable variance is mainly due to Whitfords Avenue \$516,361 which commenced at the end of August. This is partly offset by the two Ocean Reef Road design projects totalling (\$41,248) which are progressing ahead of schedule with construction forecast for 2016-2017.
- i) A number of playground projects are complete and ahead of schedule, including Otago Park (\$15,855) and Albacore Park (\$40,969), 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 (\$168,046), which is funded from reserves. A consultant has been engaged to undertake lighting designs, and tender documentation has been prepared for the project.
- k) The new paths program is showing an unfavourable variance due mainly to Hepburn Avenue PBN Shared Path (\$50,379) which is progressing ahead of schedule being 70% complete. In addition to this projects at Burns Beach / Iluka Foreshore Widening (\$47,562) and Marmion Avenue Shared Path (\$18,845) are complete ahead of schedule.
- l) Streetscape Enhancement Program shows an unfavourable variance due mainly to Arterial Roads Landscape Upgrade (\$67,099) which is progressing with 80% complete. The Streetscape Renewal Program balance of the variance (\$35,138) is due to timing differences.



20. Vehicle and Plant Replacements

This unfavourable variance of (\$405,728) is largely due to the purchase of a Truck Road Sweeper (\$334,969) that is funded by carried forwards from 2014-15. Two other vehicle purchases totalling (\$70,635) also contributed to the variance, as a result of timing, to be addressed in the budget review.

21. 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.

22. 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 timing variance of \$125,550 arose for the disposal of Fleet and Plant assets.

23. Loans – New Borrowings

Bramston Park Facility borrowings have not yet been drawn down.

24. 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.



25. Closing Funds

| | June 2015 | October 2015 |
|---|---------------------|----------------------|
| Current Assets | | |
| Cash Assets | \$88,083,406 | \$142,367,218 |
| Rates and Sundry Debtors | \$3,199,209 | \$28,496,911 |
| GST Receivable | \$1,280,332 | \$984,477 |
| Accrued Income | \$1,123,565 | \$1,064,271 |
| Advances and Prepayments | \$507,864 | \$280,172 |
| | \$94,194,376 | \$173,193,049 |
| Less: Current Liabilities | | |
| Creditors | (\$3,310,018) | (\$2,186,833) |
| Sundry Payables | (\$456,510) | (\$15,049,415) |
| Provisions - Annual Leave | (\$4,095,880) | (\$4,220,251) |
| Provisions - Other | (\$8,241,075) | (\$9,479,417) |
| Accrued Expenses | (\$7,155,658) | (\$2,934,050) |
| Income in Advance | (\$1,920,608) | (\$5,000) |
| Borrowings | (\$1,823,565) | (\$1,161,163) |
| GST Payable | (\$194,830) | (\$135,386) |
| | (\$27,198,144) | (\$35,171,515) |
| Net Current Assets | \$66,996,232 | \$138,021,534 |
| Add: Borrowings | \$1,823,565 | \$1,161,163 |
| Less: Reserve Accounts | (\$63,835,515) | (\$63,835,515) |
| Less: Non Current Long Service Leave | (\$1,845,280) | (\$1,845,280) |
| Closing Funds – Surplus/(Deficit) | \$3,139,002 | \$73,501,902 |