



City of Joondalup

Financial Activity Statement for the
Period Ended 30 November 2015

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City of Joondalup
Financial Activity Statement
for the period ended 30 November 2015

	Notes	Adopted Budget	YTD Adopted Budget	YTD Actual	YTD Variance \$	YTD Variance %
OPERATING REVENUE						
Rates	1	(91,535,076)	(91,495,076)	(91,817,026)	321,950	0%
Specified Area Rates		(408,157)	(408,157)	(413,518)	5,361	1%
Grants and Subsidies	2	(4,230,505)	(1,906,791)	(1,106,949)	(799,842)	(42)%
Contributions Reimbursements and Donations	3	(908,197)	(382,824)	(1,312,547)	929,723	243%
Profit on Asset Disposals	4	(1,041,807)	-	(3,242,145)	3,242,145	100%
Fees and Charges	5	(39,556,828)	(29,131,051)	(28,985,299)	(145,752)	(1)%
Interest Earnings	6	(3,486,332)	(1,863,357)	(2,111,382)	248,025	13%
Other Revenue/Income	7	(160,000)	(66,000)	(327,761)	261,761	397%
Total Operating Revenue		(141,326,902)	(125,253,257)	(129,316,627)	4,063,370	3%
OPERATING EXPENSES						
Employee Costs	8	59,888,303	25,899,412	26,517,476	(618,064)	(2)%
Materials and Contracts	9	52,959,486	21,042,310	19,049,907	1,992,403	9%
Utilities (gas, electricity, water etc.)	10	6,276,093	2,595,856	2,435,774	160,082	6%
Depreciation & Amortisation of Non-Current Assets	11	27,123,831	11,371,690	12,355,364	(983,674)	(9)%
Loss on Asset Disposals	12	1,560,531	-	44,853	(44,853)	(100)%
Interest Expenses	13	667,100	286,290	240,889	45,401	16%
Insurance Expenses	14	1,623,138	1,620,966	1,512,602	108,364	7%
Total Operating Expenses		150,098,482	62,816,525	62,156,865	659,660	1%
(SURPLUS)/DEFICIT FROM OPERATIONS		8,771,580	(62,436,732)	(67,159,762)	4,723,030	8%
OPERATING NON-CASH ADJUSTMENTS						
Depreciation & Amortisation of Non Current Assets		(27,123,831)	(11,371,690)	(12,355,364)	983,674	9%
Loss on Asset Disposal		(1,560,531)	-	(44,853)	44,853	-
Profit on Asset Disposals		1,041,807	-	3,242,145	(3,242,145)	(100)%
Other Non-Current items						
Movement in Non-current Provisions	15	(125,000)	(125,000)	101,371	(226,371)	(181)%
OPERATING CASH (SURPLUS)/DEFICIT		(18,995,975)	(73,933,422)	(76,216,463)	2,283,042	3%
NON-OPERATING REVENUE						
Capital Grants and Subsidies	16	(12,797,452)	(3,514,514)	(4,180,032)	665,518	19%
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)	(3,514,514)	(4,480,601)	966,087	0%
CAPITAL EXPENDITURE						
Capital Projects	18	7,199,800	3,931,456	1,999,460	1,931,996	49%
Capital Works	19	39,739,288	13,581,310	15,498,441	(1,917,131)	(14)%
Vehicle and Plant Replacements	20	2,066,000	-	738,604	(738,604)	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	18,257,680	18,898,907	(641,228)	(4)%
CAPITAL (SURPLUS)/DEFICIT		34,198,163	14,743,166	14,418,306	324,859	2%
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL		15,202,188	(59,190,256)	(61,798,157)	2,607,901	4%
FUNDING						
Proceeds from Disposal	22	(5,490,375)	-	(1,220,323)	1,220,323	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	-	(61,948,921)	(66,157,482)	4,208,561	7%



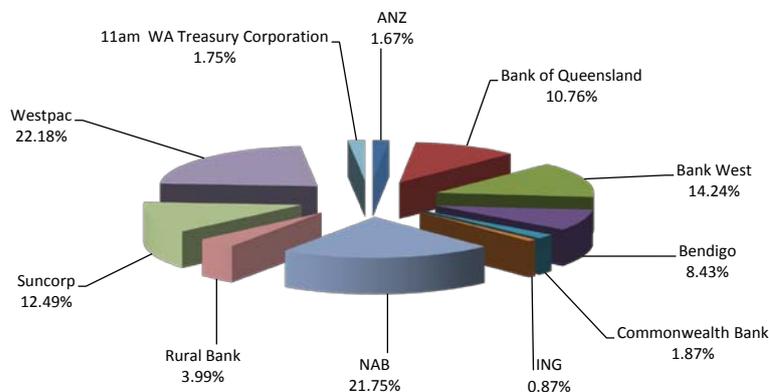
Investment Summary

CITY OF JOONDALUP
November-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	1.67%	25%
A-	A-2	Bank of Queensland Term Deposit	2.92%	2.97%	\$ 14,810,000.00	10.76%	10%
AA-	A-1+	Bank West Term Deposit	2.85%	2.86%	\$ 19,600,000.00	14.24%	25%
A-	A-2	Bendigo Term Deposit	2.87%	3.01%	\$ 11,600,000.00	8.43%	10%
AA-	A-1+	Commonwealth Bank Term Deposit	2.96%	2.96%	\$ 2,580,000.00	1.87%	25%
A-	A-2	ING Term Deposit	2.90%	3.27%	\$ 1,200,000.00	0.87%	10%
AA-	A-1+	NAB Term Deposit	2.91%	2.99%	\$ 29,950,000.00	21.75%	25%
A-	A-2	Rural Bank Term Deposit	2.83%	3.11%	\$ 5,500,000.00	3.99%	10%
A+	A-1	Suncorp Term Deposit	2.90%	3.00%	\$ 17,200,000.00	12.49%	15%
AA-	A-1+	Westpac Term Deposit	2.88%	2.90%	\$ 30,540,000.00	22.18%	25%
AA+	A-1+	11am WA Treasury Corporation	1.95%	1.95%	\$ 2,403,000.00	1.75%	25%

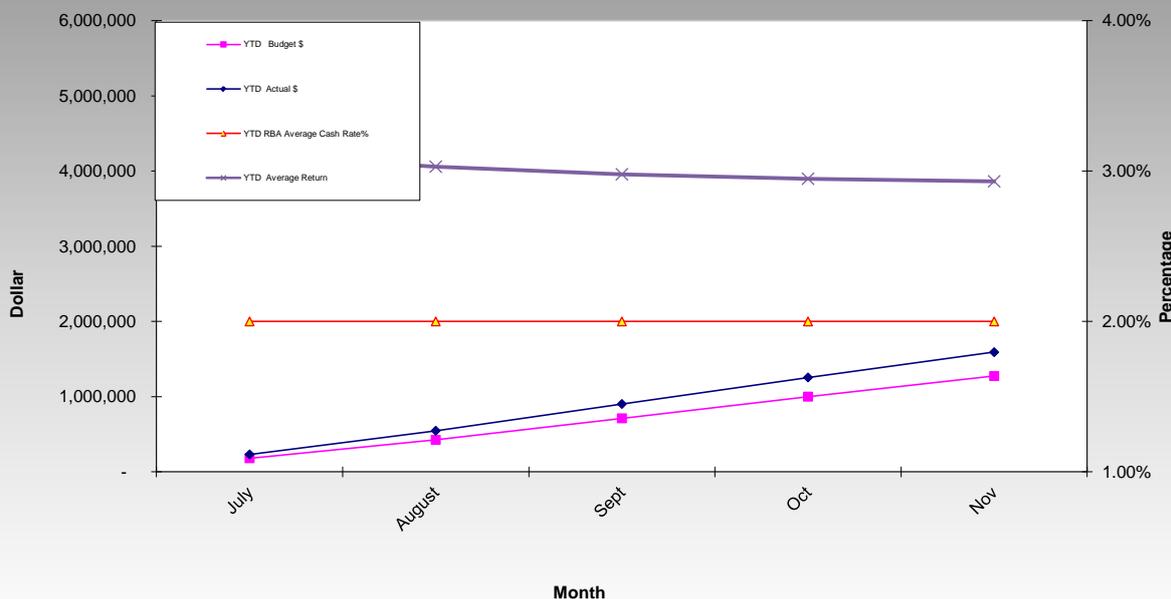
Total Investment Portfolio	2.87%	2.93%	137,683,000	100.00%
Municipal Funds			79,565,904	
Reserve Funds			58,117,096	
			137,683,000	

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%
Nov	273,707	336,254	1,273,607	1,591,295	2.00%	2.93%

Return on Investments



**NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT FOR
THE PERIOD ENDED ON 30 NOVEMBER 2015**

1. Rates

Interim Rate revenue is \$314,368 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	\$1,768,336	\$825,780	(\$942,556)
b) Other Grants & Subsidies	\$138,455	\$281,169	\$142,714
	<u>\$1,906,791</u>	<u>\$1,106,949</u>	<u>(\$799,842)</u>

a) The General Purpose Financial Assistance Grant received is (\$942,556) 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 \$153,532, 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, as well as an unbudgeted grant of \$25,629 for Currambine Youth Space received in respect of expenditure which occurred in the prior year. 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, (\$6,000) timing variance for Music in the Park, (\$22,866) for Financial Counselling which will be addressed in the mid year review and (\$45,000) 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	\$15,850	\$2,354	(\$13,496)
b) Sponsorships	\$95,747	\$106,991	\$11,244
c) Reimbursements	\$271,227	\$1,203,202	\$931,975
	<u>\$382,824</u>	<u>\$1,312,547</u>	<u>\$929,723</u>

a) Contributions for the maintenance of school ovals were invoiced in the prior financial year but when reviewed in this financial year proved to be overstated. The correction of this error has generated an unfavourable variance of (\$11,558) in addition to a minor unfavourable timing variance of (\$1,475) for school ovals contributions in 2015-16. An unfavourable timing variance of (\$2,000) also arose in respect of 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. This was partly offset by an unfavourable variance of (\$17,809) in respect of Sponsorship revenue for various events including Joondalup



Festival, Little Feet Festival and Music in the Park, now 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 and a GST refund of \$79,050 on Tamala Park Regional Council land sales. Additional unbudgeted reimbursements of \$31,972 were received for 2014-15 rates for the Tamala Park Waste Disposal site as a result of the revaluation of the land, Insurance \$37,313 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. Legal Fees Recoverable in Rating Services to date are \$15,147 higher than budget. 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 \$2,180,851. In addition, a favourable timing variance of \$1,050,000 is attributable to the proceeds from the sale of Lot 549 Moolanda Boulevard, Kingsley, awaiting finalisation of settlement costs prior to the determination of the profit(loss) on the sale which is expected to be completed in December 2015 as well as a favourable timing variance of \$11,294 for Fleet and Plant disposals.

5. Fees and Charges

	YTD Adopted Budget	YTD Actual	Variance
a) Refuse Charges	\$20,395,354	\$20,147,552	(\$247,802)
b) Building and Development Fees	\$874,000	\$910,402	\$36,402
c) Licences and Registrations	\$478,009	\$521,330	\$43,321
d) Sports and Recreation Fees	\$3,268,520	\$3,233,732	(\$34,788)
e) Fines and Penalties	\$561,307	\$688,171	\$126,865
f) Parking Fees	\$1,026,094	\$966,749	(\$59,345)
Other Fees and Charges Variances	\$2,527,767	\$2,517,363	(\$10,405)
	<u>\$29,131,051</u>	<u>\$28,985,299</u>	<u>(\$145,752)</u>

- a) There was an unfavourable variance for Domestic Refuse Removal Charges (\$251,427) which was offset by a favourable variance of \$3,626 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 (\$45,979), Development and Application Fees (\$16,307) and Building and Development Charges (\$22,542) due to less activity than forecast.
- c) Dog Registration revenue is \$30,292 over budget estimates, due to a combination of a favourable timing variance and income being greater than estimated. In addition, other favourable variances arose for Food Business Administration Fees \$6,476 and Trading in Public Places \$5,629.
- d) A change in the direct debit date for Membership Fees, resulted in July memberships being taken in the prior financial year, therefore giving rise to an unfavourable variance of (\$144,980). Other unfavourable variances arose for Admission Fees (\$20,105) and Term Program Activities (\$21,460), however these were offset by a



favourable variance of \$125,428 for the Learn to Swim Program, with enrolments continuing to exceed budget.

- e) Favourable variances for Parking Infringements \$105,788 and Local Government Act – Costs & Fines \$34,899 were the main contributors and these were offset partly by unfavourable variances across a number of areas including Poundage Fees (\$10,651) and Suburban Parking (\$7,358).
- f) The Multi Storey Car Park is due to open later than budget estimates generating an unfavourable variance of (\$55,434). In addition On street Parking Fees are (\$25,983) lower than budget, and these were partly offset by a favourable variance of \$19,078 for Off Street Parking Fees.

6. Interest Earnings

Interest earned on investments exceeded budget by \$318,271 mainly due to the volume of investment funds being higher than budgeted. This is offset by an unfavourable variance for rates instalment options (\$70,246).

7. Other Revenue

The City received an unbudgeted insurance rebate of \$204,862 from the Local Government Insurance Scheme (LGIS). There were also favourable variances of \$56,042 arising from Capital Works accruals that were overstated in the prior financial year and \$9,297 for Discounts Received, which will be adjusted in the budget review. These were partly offset by the City's share of Adshell advertising revenue being (\$11,182) lower than budget which will also be reviewed during the mid-year budget review.

8. Employee Costs

	YTD Adopted Budget	YTD Actual	Variance
a) Salaries and Wages	\$23,859,807	\$24,058,337	(\$198,530)
b) Other Employment Costs	\$2,039,605	\$2,459,139	(\$419,534)
	<u>\$25,899,412</u>	<u>\$26,517,476</u>	<u>(\$618,064)</u>

- a) The Provision for Employee Entitlements is (\$457,425) higher than budget and arises from the timing of annual and long service leave taken. This is partly offset by a favourable variance of \$258,895 mainly due to vacant positions across various areas.
- b) A favourable variance arose for Capital Labour Recoveries \$132,155. 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 \$89,576 and Staff Recruitment Costs \$12,512. These are offset by an unfavourable variance for Agency Employees (\$621,253) to cover staff vacancies across a number of areas, including Parks (\$227,080), Engineering (\$154,068), Civil Projects Management Services (\$94,142) and Waste Management (\$78,949).

9. Materials and Contracts

	YTD Adopted Budget	YTD Actual	Variance
a) External Service Expenses	\$9,899,370	\$9,089,117	\$810,253
b) Professional Fees and Costs	\$957,905	\$751,199	\$206,706
c) Contributions and Donations	\$672,120	\$578,569	\$93,551
d) Other Materials	\$858,349	\$731,064	\$127,285
e) Waste Management	\$3,279,759	\$3,017,780	\$261,978
f) Furniture, Equipment and Artworks	\$936,591	\$692,951	\$243,640
g) Public Relations, Advertising and Promotions	\$360,811	\$301,648	\$59,164
h) Administration	\$487,119	\$394,519	\$92,600
i) Finance Related Costs	\$261,995	\$225,825	\$36,171
j) Computing	\$945,140	\$889,954	\$55,187
Other Materials and Contracts	\$2,383,151	\$2,377,281	\$5,868
	<u>\$21,042,310</u>	<u>\$19,049,907</u>	<u>\$1,992,403</u>

- a) External Contractors and Services is \$531,731 below budget predominantly due to timing variances across a number of areas including Building Maintenance \$187,954, Landscaping & Conservation Services \$157,956, Engineering Maintenance \$78,841, Parks and Natural Areas \$69,058 and Waste Management \$50,287. In addition, favourable variances arose for Bulk and Domestic Tipping Fees \$254,608 due to lower tonnages collected. The balance is spread across a number of areas.
- b) Favourable variances arose for Consultancy \$190,733 and Legal Expenses \$64,223 partly offset by unfavourable variances for Recoverable Legal Expenses (\$32,845), Auctions Fees (\$7,674) and Valuation Fees (\$8,375).
- c) Unfavourable variances arose for Grants and Contributions (\$56,134), mainly due to timing of contributions, and Literacy Programs (\$8,704). These are offset by favourable timing variances of \$80,685 for Sponsorship payments, \$34,490 for Community Funding Programs and a savings to budget of \$37,823 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 \$64,465 and Parks \$38,065 predominantly for irrigation maintenance. An additional favourable timing variance of \$11,088 arose for the purchase of Trading Stock for the Leisure Centre shop.
- e) This favourable variance includes Bulk Collection \$149,116 due to tonnage variations compared to budget estimates, collection and processing of Recyclables \$49,987 and Domestic Refuse Collection \$46,946.
- f) Favourable timing variances arose for Computer Purchases \$97,690, Computer Maintenance \$51,141 and Equipment Maintenance and Repairs \$65,482 predominantly for parking ticket machines. The balance of the variance is spread across a number of areas.
- g) The timing of various events generated favourable variances for Promotions \$32,407, Signage /Decals \$17,461 and Catering \$7,196.

- h) This favourable timing variance includes Printing \$73,819, mainly in the areas of Rating Services, Marketing, Urban Design and Policy, Leisure Centres and Community Development and Libraries. In addition there were favourable timing variances for Interstate and Overseas Conferences \$17,125, Stationery \$7,253 and Photography and Video Production \$12,412. These were offset by an unfavourable variance of (\$26,594) for Council Election Costs.
- i) Favourable variances arose from Credit Card Merchant Fees \$24,625 and Cash Collection Fees \$13,415 mainly in Rating Services and Parking Services.
- j) Computing shows a favourable variance largely due to timing differences in the areas of Data Communication Links \$24,755 and Computer Software Licences \$94,097. However these were offset by an unfavourable timing variance of (\$69,282) for Computer Software Maintenance.

10. Utilities

Electricity costs are \$161,769 below budget. This includes a favourable variance of \$43,888 for Street Lighting due to a lower than budgeted increase in the unit rate, as well as favourable timing variances of \$63,105 for Parks and \$35,247 for the City's facilities, in addition to \$20,400 for the Multi Storey Car Park not yet in operation

11. Depreciation and Amortisation of Non-Current Assets

This unfavourable variance includes higher than estimated depreciation for Infrastructure Assets (\$853,749) mainly for Open Reserves and Other Infrastructure Assets following revaluation at 30 June 2015. In addition depreciation for Property, Plant and Equipment assets is (\$129,925) 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 \$45,401. 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 (\$23,476) 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 \$226,371 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 Adopted Budget	YTD Actual	Variance
a) Road Preservation / Resurfacing Program	\$2,594,647	\$3,338,550	\$743,903
b) Blackspot Program	\$346,400	\$422,800	\$76,400
c) Other Grants	\$573,467	\$418,682	(\$154,785)
	<u>\$3,514,514</u>	<u>\$4,180,032</u>	<u>\$665,518</u>

- a) An unfavourable variance arose for the Federal Local Road Grant (\$530,705) 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 offset by a favourable variance for the Roads to Recovery Program \$1,140,596 where the program has been completed ahead of phasing. In addition the Metropolitan Regional Road Grants for 2014-15 resurfacing projects Eddystone Avenue \$40,774, Flinders Avenue \$13,325 and West Coast Drive \$120,112 have been received now, though 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, now being awarded 100% Federal funding instead.
- c) An unfavourable variance arose for the Better Bins Project (\$117,000) which will now not be received due to grant conditions proving to be more onerous than previously understood. 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 both Marmion Angling and Aquatic Club (MAAC) for their contribution of \$234,000 towards the construction of a new car park north of the MAAC and St Marks Anglican Community School for their contribution of \$66,569 towards St Marks Drive parking improvements earlier than estimated in the budget.



18. Capital Projects

	YTD Adopted Budget	YTD Actual	Variance
a) Joondalup Performing Arts & Cultural Facility (JPACF) and Jinan Garden	\$720,395	\$38,396	\$681,999
b) Public Art	\$100,000	\$57,564	\$42,436
c) Infrastructure Asset Management System Implementation	\$85,000	\$15,227	\$69,773
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	\$269,041	\$100,959
h) Ocean Reef Marina	\$440,000	\$413,193	\$26,807
i) Network Infrastructure Upgrade Program	\$173,000	\$63,362	\$109,638
j) Replacement of CCTV Equipment – Boas Ave	\$50,000	-	\$50,000
k) Corporate PC & Printer Replacement Program	\$61,500	\$15,734	\$45,766
l) City Centre Commercial Office Development	\$137,709	\$93,251	\$44,458
m) Cafes, Restaurants and Kiosks	\$76,500	\$32,062	\$44,438
n) Land Purchases – Grand Boulevard and Davidson Terrace	-	\$61,430	(\$61,430)
Other Projects	\$1,039,591	\$940,200	\$99,391
	<u>\$3,931,456</u>	<u>\$1,999,460</u>	<u>\$1,931,996</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, due to discussions regarding grant conditions.
- e) Vehicle and fit out requirements have been finalised and quotes for the truck have been requested. Phasing will be adjusted in the budget review.
- 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 occurred 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 is expected to 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 been lower than estimated in the budget.
- i) This favourable variance has arisen mainly due to the timing of orders still being processed.
- j) The favourable timing variance of \$50,000 was brought about by a delay with the project pending consideration of results from similar projects at lower costs, and will be addressed in the mid-year budget review.
- k) A temporary delay in the Corporate PC and Printer Replacement program has been responsible for the favourable timing variance of \$45,766.
- l) Expenditure on this project is behind budget estimates as a result of the re-negotiation of the Joondalup City Centre Heads of Agreement which will be submitted to Council for endorsement in December 2015..
- m) Progression of tasks associated with the approvals process and design options, is ongoing.
- n) The purchase of Western Power lots adjacent to existing parking facilities generated this unfavourable variance. The budget is currently included within the Multi Storey Car Park project and will be moved as part of the Mid Year Review.

19. Capital Works

	YTD Adopted Budget	YTD Actual	Variance
a) Road Preservation / Resurfacing Program	\$3,035,865	\$2,786,069	\$249,796
b) Major Projects Program	\$5,322,530	\$7,507,667	(\$2,185,137)
c) Stormwater Drainage Program	\$148,000	\$230,909	(\$82,909)
d) Slab Path Replacement Program	\$173,000	\$347,255	(\$174,255)
e) Major Building Capital Works Program	\$1,102,000	\$1,424,385	(\$322,385)
f) Local Traffic Management	\$275,000	\$120,486	\$154,514
g) Parks Development Program	\$451,000	\$173,614	\$277,386
h) Major Road Construction Program	\$1,400,000	\$867,867	\$532,133
i) Street Lighting Program	\$80,500	\$346,238	(\$265,738)
j) New Paths	\$150,865	\$331,329	(\$180,464)
k) Blackspot Projects	\$135,000	\$36,007	\$98,993
Other Works variances – not material	\$1,307,550	\$1,326,615	(\$19,065)
	<u>\$13,581,310</u>	<u>\$15,498,441</u>	<u>(\$1,917,131)</u>

- a) A number of Road Preservation projects are complete ahead of schedule and under budget including Venus Way \$30,629, Parkinson Place \$28,139, Bearing Parade \$31,817, Althea Way \$38,369 and Merivale Way (Allenswood Road to Carew Place) \$94,576.

- b) An unfavourable timing variance arose for the Multi Storey Car Park (\$961,875) which is funded from reserves held over from the previous financial year. In addition, unfavourable timing variances arose for Marmion Foreshore Parking (\$672,829), which is predominantly reserve funded, and Bramston Park (\$821,959). These are partly offset by a favourable variance for Ocean Reef Boat Harbour Floating Jetties \$294,584 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 (\$20,891), Juniper Way (\$17,339), Cade Place (\$17,373), Barlee Place (\$10,397) and Stormwater Drainage Upgrades (\$16,046), which includes works at Sycamore Drive, Warbrow Way and Mair Place. These are partly offset by projects completed under budget including Gosse Road \$7,216 and Hughes Court \$2,783.
- d) This program is progressing ahead of budget phasing being 89% complete. Variances include Camberwarra/Marmion Underpass (\$28,088), Barradine Way (\$14,335) and Hilton Park (\$80,936) which are all complete. The Shared Path renewal & resurfacing Program shows an unfavourable variance of (\$27,230) for path works at Edna Way and the drainage upgrades undertaken. With Grant funding having been approved by the Department of Transport to upgrade Robertson Road Cycleway, the design and site preparation works have commenced, resulting in an unfavourable variance of (\$30,882), to be addressed in the mid year review.
- e) An unfavourable variance of (\$253,756) arose for the Deep Sewer connection project and Environmental Initiatives (\$75,122) which are funded from 2014-15 carry forwards. These are partly offset by a favourable variance of \$79,762 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 prior to installation. The balance of the variance is due to timing differences.
- f) The Local Traffic Management Program's favourable variance is spread across a number of projects completed under budget including Doveridge Drive \$24,556, Roche Road \$49,972, Marybrook Road \$23,698 and Wandoo Road \$24,736. In addition, a favourable variance of \$25,000 arose for the 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.
- g) This Program shows a favourable timing variance of \$326,424 across a number of irrigation projects which are progressing behind schedule including Gradient Park \$64,610, awaiting Western Power installation along with Whitfords Nodes \$60,066, Whitfords Park East \$59,610 and Water Tower Park Irrigation Upgrade \$55,110 all due to timing of invoices. This is partly offset by James Cook Park landscape upgrade (\$52,257) which is progressing ahead of schedule.
- h) Major Road Construction shows a favourable variance of \$532,133, mainly due to Whitfords Avenue \$583,026 which is on schedule however the timing of contractor payments is behind budget phasing. This is partly offset by the two Ocean Reef Road projects totalling (\$50,893). The designs for these projects were completed earlier than budget phasing and construction is due to commence early in 2016.

- i) This unfavourable variance of is mainly due to Joondalup City Centre Lighting (\$190,086) which is funded from reserves carried over from the previous financial year. A consultant has been engaged to undertake lighting designs and tender documentation has been prepared for the project. An additional unfavourable variance arose for Windermere Park (\$22,388) which is funded from carry forward funds from 2014-15. The balance of the variance is due to projects progressing ahead of budget schedule.
- j) The New Path Program unfavourable variance is mainly due to the Hepburn Avenue PBN Shared Path (\$133,714) which is progressing ahead of schedule and Burns Beach/Iluka Foreshore widening (\$32,562) which is complete ahead of schedule.
- k) A favourable timing variance arose for Marmion Avenue/Shenton Avenue Roundabout \$120,480 due to a delay in construction commencement. This is partly offset by unfavourable variances for Oceanside Promenade (\$11,657) and Joondalup Drive/Shenton Avenue Lighting Upgrade (\$4,685) due to design progressing in house.

20. Vehicle and Plant Replacements

This unfavourable variance of (\$738,604) is largely due to the purchase of a Truck Road Sweeper (\$334,959) that is funded by carried forwards from 2014-15. Seven other vehicle purchases totalling (\$404,509) also contributed to the variance, as a result of timing, which will be addressed in the budget review.

21. Loan Repayment Principal

The loan to partly fund the Bramston Park Facility has not yet been drawn down generating a favourable variance to budget.

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 \$170,323 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	November 2015
Current Assets		
Cash Assets	\$88,083,406	\$137,825,686
Rates and Sundry Debtors	\$3,199,209	\$24,858,072
GST Receivable	\$1,280,332	\$803,701
Accrued Income	\$1,123,565	\$1,195,408
Advances and Prepayments	\$507,864	\$298,166
	\$94,194,376	\$164,981,033
Less: Current Liabilities		
Creditors	(\$3,310,018)	(\$7,138,655)
Sundry Payables	(\$456,510)	(\$8,781,843)
Provisions - Annual Leave	(\$4,095,880)	(\$4,303,501)
Provisions - Other	(\$8,241,075)	(\$9,489,098)
Accrued Expenses	(\$7,155,658)	(\$3,235,053)
Income in Advance	(\$1,920,608)	(\$5,000)
Borrowings	(\$1,823,565)	(\$1,161,163)
GST Payable	(\$194,830)	(\$189,606)
	(\$27,198,144)	(\$34,303,919)
Net Current Assets	\$66,996,232	\$130,677,114
Add: Borrowings	\$1,823,565	\$1,161,163
Less: Cash Backed Reserves	(\$65,680,795)	(\$65,680,795)
Closing Funds – Surplus/(Deficit)	\$3,139,002	\$66,157,482