



# City of Joondalup

Financial Activity Statement for the  
Period Ended 30 November 2016

# 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 %
<b>OPERATING REVENUE</b>						
Rates	1	(94,774,221)	(94,664,221)	(94,740,763)	76,542	0%
Specified Area Rates		(498,521)	(498,521)	(501,508)	2,987	1%
Grants and Subsidies		(3,982,230)	(1,979,286)	(1,954,153)	(25,133)	(1)%
Contributions Reimbursements and Donations	2	(835,508)	(331,134)	(376,927)	45,793	14%
Profit on Asset Disposals	3	(1,445,737)	(231,000)	(630,684)	399,684	173%
Fees and Charges	4	(39,449,489)	(29,011,631)	(29,360,701)	349,070	1%
Interest Earnings	5	(3,095,742)	(1,677,026)	(2,065,312)	388,286	23%
Other Revenue/Income	6	(162,100)	(67,250)	(81,769)	14,519	22%
<b>Total Operating Revenue</b>		<b>(144,243,548)</b>	<b>(128,460,068)</b>	<b>(129,711,817)</b>	<b>1,251,749</b>	<b>1%</b>
<b>OPERATING EXPENSES</b>						
Employee Costs	7	63,641,713	27,781,966	26,832,672	949,294	3%
Materials and Contracts	8	51,463,531	20,829,118	18,657,341	2,171,777	10%
Utilities (gas, electricity, water etc.)	9	6,026,467	2,485,465	2,247,017	238,448	10%
Depreciation & Amortisation of Non-Current Assets	10	29,488,636	12,362,494	12,698,494	(336,000)	(3)%
Loss on Asset Disposals	11	538,327	356,036	22,767	333,269	94%
Interest Expenses	12	619,754	230,498	219,612	10,886	5%
Insurance Expenses		1,558,487	1,557,287	1,523,559	33,728	2%
<b>Total Operating Expenses</b>		<b>153,336,915</b>	<b>65,602,865</b>	<b>62,201,462</b>	<b>3,401,403</b>	<b>5%</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS</b>		<b>9,093,367</b>	<b>(62,857,203)</b>	<b>(67,510,355)</b>	<b>4,653,152</b>	<b>7%</b>
<b>OPERATING NON-CASH ADJUSTMENTS</b>						
Depreciation & Amortisation of Non Current Assets		(29,488,636)	(12,362,494)	(12,698,494)	336,000	3%
Loss on Asset Disposal		(538,327)	(356,036)	(22,767)	(333,269)	(94)%
Profit on Asset Disposals		1,445,737	231,000	630,684	(399,684)	(173)%
Other Non-Current items						
Movement in Non-current Items	13	100,000	100,000	(101,618)	201,618	(202)%
<b>OPERATING CASH (SURPLUS)/DEFICIT</b>		<b>(19,387,859)</b>	<b>(75,244,733)</b>	<b>(79,702,550)</b>	<b>4,457,817</b>	<b>6%</b>
<b>NON-OPERATING REVENUE</b>						
Capital Grants and Subsidies	14	(13,280,097)	(5,922,591)	(5,381,415)	(541,176)	(9)%
Capital Contributions	15	(862,273)	(217,546)	(371,992)	154,446	71%
Equity Distribution - TPRC		(1,833,333)	-	-	-	-
Acquired Infrastructure Assets		-	-	-	-	-
<b>Total Non-Operating Revenue</b>		<b>(15,975,703)</b>	<b>(6,140,137)</b>	<b>(5,753,407)</b>	<b>(386,730)</b>	<b>(6)%</b>
<b>CAPITAL EXPENDITURE</b>						
Capital Projects	16	15,271,101	7,257,247	1,733,983	5,523,264	76%
Capital Works	17	41,304,158	12,605,029	14,375,245	(1,770,216)	(14)%
Vehicle and Plant Replacements	18	2,440,600	1,429,600	778,600	651,000	46%
Loan Repayment Principal	19	2,262,910	747,869	714,279	33,590	4%
Equity Investments		47,443	-	-	-	-
<b>Total Capital Expenditure</b>		<b>61,326,212</b>	<b>22,039,745</b>	<b>17,602,107</b>	<b>4,437,638</b>	<b>20%</b>
TPRC Development Costs		-	-	-	-	-
<b>CAPITAL (SURPLUS)/DEFICIT</b>		<b>45,350,509</b>	<b>15,899,608</b>	<b>11,848,700</b>	<b>4,050,908</b>	<b>25%</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL</b>		<b>25,962,650</b>	<b>(59,345,125)</b>	<b>(67,853,850)</b>	<b>8,508,725</b>	<b>14%</b>
<b>FUNDING</b>						
Proceeds from Disposal	20	(7,769,454)	(2,636,542)	(182,218)	(2,454,324)	(93)%
Loans - New Borrowings		(4,545,423)	-	-	-	-
Transfer from Trust		(95,000)	-	-	-	-
Transfer from Reserve		(25,881,451)	-	-	-	-
Transfer to Reserve		12,979,610	-	-	-	-
Transfer to Accumulated Surplus		-	-	-	-	-
Transfer from Accumulated Surplus		-	-	-	-	-
Opening Funds	21	(650,932)	(650,932)	(3,083,830)	2,432,898	374%
<b>CLOSING FUNDS</b>	22	<b>-</b>	<b>(62,632,599)</b>	<b>(71,119,898)</b>	<b>8,487,300</b>	<b>14%</b>



# Investment Summary

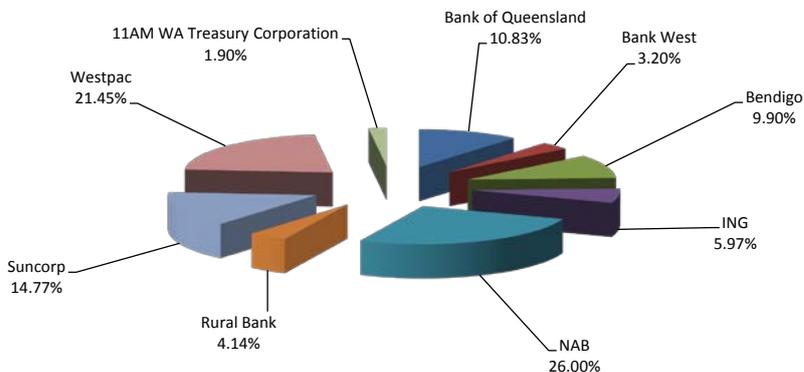
**CITY OF JOONDALUP**  
November-16

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	2.77%	2.89%	\$ 15,250,000	10.83%	10%
AA-	A-1+	Bank West Term Deposit	2.55%	2.66%	\$ 4,500,000	3.20%	25%
A-	A-2	Bendigo Term Deposit	2.66%	2.70%	\$ 13,940,000	9.90%	10%
A-	A-2	ING Term Deposit	2.82%	2.88%	\$ 8,400,000	5.97%	10%
AA-	A-1+	NAB Term Deposit	2.75%	2.83%	\$ 36,610,000	26.00%	25%
A-	A-2	Rural Bank Term Deposit	2.70%	2.98%	\$ 5,830,000	4.14%	10%
A+	A-1	Suncorp Term Deposit	2.66%	2.78%	\$ 20,800,000	14.77%	15%
AA-	A-1+	Westpac Term Deposit	2.90%	2.92%	\$ 30,210,000	21.45%	25%
AA+	A-1+	11AM WA Treasury Corporation	1.45%	1.50%	\$ 2,681,000	1.90%	25%
<b>Total Investment Portfolio</b>			<b>2.74%</b>	<b>2.82%</b>	<b>140,821,000</b>	<b>100.00%</b>	
Municipal Funds					79,772,392		
Reserve Funds					61,048,608		
					<b>140,821,000</b>		

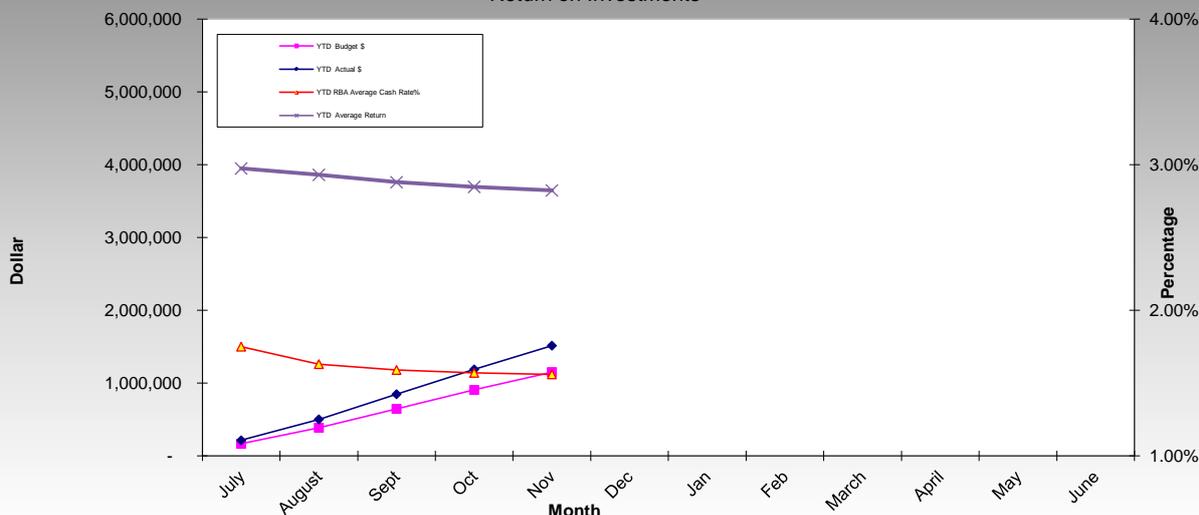
Overall Portfolio Limits		Value\$	% Current	% Limit
Long Term	Short Term			
AA	A-1+	76,601,000	54.4%	100%
A	A-1	20,800,000	14.8%	50%
A	A-2	43,420,000	30.8%	40%

## City of Joondalup - Investment Return Balances



Month	Budget \$	MTD Actual \$	YTD Budget \$	YTD Actual \$	YTD RBA Average Cash Rate%	YTD Average Return
July	165,089	213,767	165,089	213,767	1.75%	2.97%
August	221,606	288,260	386,694	502,027	1.63%	2.93%
Sept	259,833	344,942	646,528	846,969	1.59%	2.88%
Oct	259,726	340,943	906,254	1,187,912	1.57%	2.85%
Nov	244,822	326,210	1,151,076	1,514,122	1.56%	2.82%

## Return on Investments





**NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT FOR  
THE PERIOD ENDED 30 NOVEMBER 2016**

**1. Rates**

Interim Rate revenue issued to date is higher than budget estimates due mainly to additional income from commercial properties.

**2. Contributions Reimbursements and Donations**

Favourable variances arose for Sponsorship with funds being received earlier than budget phasing \$30,100 and unbudgeted Insurance Reimbursements \$22,144. Unfavourable timing variances arose for Contributions (\$8,710).

**3. Profit on Asset Disposals**

This favourable variance includes gains of \$624,743 on the disposal of Tamala Park Regional Council (TPRC) land parcels, which were not included in the budget, and \$5,941 for Fleet and Plant disposals. These are partly offset by an unfavourable variance of (\$231,000) due to the timing of the disposal of surplus land holdings.

**4. Fees and Charges**

	YTD Budget	YTD Actual	Variance
a) Refuse Charges	\$20,220,484	\$20,299,920	\$79,436
b) Inspection and Control Fees	\$908,781	\$927,075	\$18,294
c) Sports and Recreation Fees	\$3,178,338	\$3,285,260	\$106,922
d) Licenses and Registrations	\$502,855	\$548,846	\$45,991
e) Hire and Rentals	\$295,202	\$361,540	\$66,338
f) Miscellaneous Fees and Charges	\$1,274,746	\$1,310,615	\$35,869
Other Fees and Charges Variances	\$2,631,225	\$2,627,445	(\$3,780)
	<u>\$29,011,631</u>	<u>\$29,360,701</u>	<u>\$349,070</u>

- a) The number of Refuse Charges levied is slightly higher than estimated in the budget giving rise to this favourable variance.
- b) A favourable timing variance of \$8,554 arose due to Food Business Inspection Fees being raised earlier than anticipated in the budget. In addition, Swimming Pool Inspection Fees exceeded budget by \$14,873.
- c) Revenue is higher than budget for Membership Fees \$58,714, Learn to Swim program \$16,331, Hire of Facilities \$54,900, Park Hire \$30,619 and Personal Training \$14,346. These are partly offset by lower than budgeted Admission Fees of (\$60,702), predominantly for the pool and group fitness classes (\$47,374).
- d) Favourable timing variances arose for Dog registration \$3,864, Cat registration fees \$22,254 and Stall Fees and Licenses \$11,807.
- e) Favourable income variances arose for Property Rental \$61,768, predominantly due to leases which had not been finalised when the budget was prepared, and Other Hire and Rental Charges \$4,340.



- f) Favourable variances arose for Fines Enforcements Registry charges \$29,840 and Miscellaneous Sales \$9,703. The balance of the variance is spread across a number of areas.

## 5. Interest Earnings

Interest earned on investments exceeded budget by \$388,286 mainly due to the volume of funds under investment being higher than estimates. In addition, Instalment and Penalty Interest on Rates and Pensioners deferred account balances exceeded budget by \$25,432.

## 6. Other Revenue

This includes favourable variances for Discounts Received \$6,633 and the City's share of Adshel advertising revenue \$3,266 partly offset by an unfavourable variance for Streetside advertising of (\$653).

## 7. Employee Costs

	YTD Budget	YTD Actual	Variance
a) Salaries and Wages	\$25,434,351	\$24,450,824	\$983,527
b) Other Employment Costs	\$2,347,615	\$2,381,848	(\$34,232)
	<u>\$27,781,966</u>	<u>\$26,832,672</u>	<u>\$949,294</u>

- a) The variance in Salaries and Wages is predominantly due to budgeted salary increases from 1 July which are yet to occur, as well as vacant positions across the City.
- b) This includes favourable timing variances for Staff Training \$113,574, Employee Support Services \$32,642, Internal Labour Recovery on Capital Works \$135,075 and Conference and Seminar \$32,323. These are partly offset by unfavourable variances for Agency Employees (\$342,534) predominantly used to cover vacant positions.

## 8. Materials and Contracts

	YTD Budget	YTD Actual	Variance
a) External Service Expenses	\$9,239,094	\$8,039,481	\$1,199,613
b) Computing	\$1,010,743	\$881,478	\$129,265
c) Waste Management	\$2,887,541	\$2,740,531	\$147,010
d) Travel, Vehicles & Plant	\$754,926	\$676,972	\$77,954
e) Furniture, Equipment and Artworks	\$939,023	\$705,493	\$233,530
f) Public Relations, Advertising and Promotions	\$445,303	\$311,016	\$134,287
g) Contributions and Donations	\$1,027,625	\$1,000,686	\$26,939
h) Administration	\$676,094	\$540,028	\$136,066
i) Other Materials and Contracts	\$3,848,769	\$3,761,656	\$87,113
	<u>\$20,829,118</u>	<u>\$18,657,341</u>	<u>\$2,171,777</u>

- a) External Contractors and Services expenditure is \$719,584 below budget. This includes favourable timing variances for Parks \$230,117, Engineering Maintenance \$133,424 and Building Maintenance \$104,336. In addition, a favourable variance arose for Bulk Tipping Fees \$519,697 due to the cessation of the bulk waste collection service in May 2016, prior to the new bulk hard waste on demand service approved in September (CJ145-09/16 refers), which commenced in October 2016.

- b) A favourable timing variance arose for Computer Software Maintenance \$48,327 and Data Communication Links \$24,188. The balances of the variances are spread across a number of areas.
- c) A favourable timing variance arose across Recycling processing and collection \$27,953, Domestic collection \$15,993 and Weekend Greens \$141,626 offset by an unfavourable variance for bulk collection (\$38,562) due to timing variances. -
- d) This includes favourable variances for Fuel \$55,455, Parts and Repairs \$45,933 and Tyres & Tubes \$6,484 partly offset by an unfavourable variance for Vehicle Licensing (\$21,773).
- e) Favourable timing variances arose for Computer Equipment purchases \$155,809 which predominantly relates to the renewal program, and Parking Ticket Machine maintenance \$57,131. The balances of the variances are spread across a number of areas.
- f) The timing of various events compared to budget phasing generated this favourable variance which includes Promotions \$39,985, Advertising \$35,863 and Signage \$19,622.
- g) Favourable timing variances arose for Sponsorship \$59,753 and Grants & Contributions \$34,447 partly offset by unfavourable timing variances for Grant Disbursements (\$45,075) and Donations (\$27,430).
- h) Expenditure to date is lower than budget for External Printing \$75,844 and Photography and Video Production \$28,796; these are offset by an unfavourable timing variance for Other Sundry Expenses (\$10,942).
- i) This favourable variance is spread across a number of areas including Finance Related Costs \$49,270, Telephones and Communication \$25,585 and Members Costs \$24,734.

## **9. Utilities**

Electricity costs are \$268,025 below budget. This includes favourable variances of \$135,147 for Street Lighting and \$103,271 for Parks arising from reduced consumption and favourable timing variances respectively, partly offset by an unfavourable variance of (\$19,792) for the Craigie Leisure Centre mainly due to increased usage to maintain the pool temperatures over the cooler months.

## **10. Depreciation & Amortisation of Non-Current Assets**

An unfavourable variance of \$337,592 arose for Impairment/Write off. The write off arose from the demolition of the Craigie Child Health Care centre due to the pending land sale. The impairment budget will be adjusted in the mid-year budget review.

## **11. Loss on Asset Disposals**

Favourable timing variances arose in respect of the disposal of surplus land holdings \$230,000 and Fleet and Plant \$103,269.



## 12. Interest Expenses

The loan to fund the extension of the SES Winton Road Facility has not yet been drawn down generating a favourable variance to budget of \$8,019. The balance is due to the timing of interest on the Bramston Park loan which will be updated in the budget review.

## 13. Non-Current Items

The movement in the year to date non-current long service leave liability is \$201,618 more than estimated for the full year. Phasing of the budget movement will be considered during the Mid Year Review.

## 14. Capital Grants and Subsidies

	YTD Budget	YTD Actual	Variance
a) Road Preservation Program	\$3,952,900	\$4,065,045	\$112,145
b) Black Spot Program	\$577,533	\$412,000	(\$165,533)
c) Street Lighting Program	\$281,966	\$118,725	(\$163,241)
d) Major Road Construction Program	\$270,192	\$144,020	(\$126,172)
e) Path Replacement Program	\$600,000	\$124,000	(\$476,000)
f) New Paths Program	-	\$141,577	\$141,577
g) Building Capital Works Program	-	\$108,348	\$108,348
Other	\$240,000	\$267,700	27,700
	<u>\$5,922,591</u>	<u>\$5,381,415</u>	<u>(\$541,176)</u>

- a) Favourable variance due to additional Direct grant Program funding \$197,605 and additional Roads to Recovery Program funds \$107,265 due to the advanced progress of the program. These are offset by unfavourable variance for the Metropolitan Regional Road Grants program due to the progress of the construction.
- b) Unfavourable timing variances have arisen for carry forward projects Oceanside Promenade (\$234,000) and Joondalup Drive / Shenton Avenue Lighting Upgrade (\$48,600) which are complete and awaiting final supplier invoices before final grant claims can be made. This is partly offset by a favourable timing variance of \$117,067 for State Black Spot funding which was received earlier than estimated in the budget.
- c) Grants received are lower than budgeted for floodlighting upgrades at Chichester Park (\$47,815) and Ocean Reef Park (\$115,426) due to both projects being completed below budget estimates.
- d) The road improvement grant received for Whitfords Avenue - Northshore Drive to Belrose Entrance Dualling is (\$126,172) lower than estimated due to the project being completed under budget.
- e) This unfavourable variance is due to the final claim for stages one and two of Robertson Rd Cycleway. The project completion has been delayed and an extension to February 2017 has been approved by the Perth Bicycle Network grant funding body. Necessary adjustments will be made to phasing in the budget review.
- f) This favourable timing variance relates to grants received in 2016-17 for Hepburn Avenue Perth Bike Network shared Path project \$123,442 and Walkability Project – Sunset Coast Trail Signage \$18,135 which were budgeted to be received in the previous financial year.



- g) The City received unbudgeted grants of \$70,000 from the Disability Services Commission to support the building of Changing Places in the Community \$19,709 from the Department of Infrastructure for upgrades to Emerald Park Community Facility and \$18,639 for the upgrade of Greenwood Scout Hall.

## 15. Capital Contributions

The floodlighting upgrade project at Ocean Reef Park was completed below budget estimate generating an unfavourable variance of (\$69,796) in contribution revenue. This is offset by a favourable timing variance of \$181,818 for the Synthetic Hockey project and \$84,848 for the Percy Doyle Undercroft Extension project, scheduled payments for which were received earlier than estimated.

## 16. Capital Projects

	YTD Budget	YTD Actual	Variance
a) Joondalup Performing Arts & Cultural Facility (JPACF) and Jinan Garden	\$4,708,335	\$229,887	\$4,478,448
b) Ocean Reef Marina	\$649,120	\$301,106	\$348,014
c) Joondalup City Centre Commercial Office Development	\$437,795	\$183,765	\$254,030
d) Better Bins Project	\$190,000	-	\$190,000
e) Information Technology Projects	\$460,750	\$33,107	\$427,643
f) Pool Refurbishment Craigie Leisure Centre	\$50,000	-	\$50,000
g) Acquisition of Land, Lot 12223, Padbury	\$88,000	-	\$88,000
Other Projects	\$673,247	\$986,118	(\$312,871)
	<u>\$7,257,247</u>	<u>\$1,733,983</u>	<u>\$5,523,264</u>

- a) The City is currently reviewing the Schematic Design report and Business Case for this project. The timing of expenditure will be determined by future decisions concerning this project.
- b) Expenditure of this project is anticipated to increase over the coming months.
- c) The timing of the engagement of external consultants has generated this favourable timing variance.
- d) This project was originally budgeted as a carry forward from the previous financial year however it was actually completed in the 2015-16 financial year. This will be adjusted in the budget review.
- e) This favourable variance is due to the Disaster Recovery Facilities and Network Infrastructure equipment replacement programs progressing behind budget estimates.
- f) This project was originally budgeted as a carry forward from the previous financial year however it was actually completed in the 2015-16 financial year. This will be updated in the budget review.
- g) It is anticipated that the acquisition process will be finalised shortly.

**17. Capital Works**

	YTD Adopted Budget	YTD Actual	Variance
a) Road Preservation/Resurfacing	\$3,715,363	\$3,216,740	\$498,623
b) Major Projects Program	\$1,300,710	\$2,590,894	(\$1,290,184)
c) Major Building Capital Works Program	\$1,452,597	\$1,806,588	(\$353,991)
d) Major Road Construction Program	\$2,120,928	\$1,449,575	\$671,353
e) Slab Path Replacement	\$750,000	\$860,017	(\$110,017)
f) Black Spot Projects	\$60,000	\$646,336	(\$586,336)
g) Parks Equipment Program	\$445,500	\$755,020	(\$309,520)
h) Parks Development Program	\$186,500	\$119,934	\$66,566
i) Street Lighting Program	\$1,015,903	\$1,153,631	(\$137,728)
j) Local Traffic Management	\$654,241	\$706,697	(\$52,456)
k) New Paths	\$78,000	\$142,874	(\$64,874)
l) Park Facilities Program	\$37,000	\$98,855	(\$61,855)
Other Works variances – not material	\$788,287	\$828,084	(\$39,797)
	<u>\$12,605,029</u>	<u>\$14,375,245</u>	<u>(\$1,770,216)</u>

- a) A number of projects are complete under budget generating favourable variances including Aberfeldy Cres \$28,167, McKirdy Way \$29,678, and Grenville Ave – Padbury Circ to Hawkins Ave \$27,784. Additional favourable timing variances arose for the Road Preservation - Asphalt Overlay (FLRG Funds) Program \$262,820, Cracksealing & Patching Works City Wide \$51,688 and Peppermint Drive \$75,929 which is 80% complete.
- b) This unfavourable variance is mainly due to the Synthetic Hockey Project (\$2,028,264) which is progressing ahead of schedule. This is offset by work for a number of projects which are progressing behind budget phasing including Penistone Park - Facility Redevelopment \$109,598 Percy Doyle - Soccer Clubrooms \$30,472, Warwick Activity Centre – Community City Facilities \$60,000 and Sorrento Beach Enclosure \$530,735 which is 60% constructed.
- c) Unfavourable variances arose for the Kingsley Clubrooms Refurbishment (\$173,694) and SES Winton Road (\$232,328) funded by carried forward funds from the previous financial year and the Craigie Leisure Centre – Indoor Aquatic Centre Refurbishment (\$238,391) which is complete ahead of schedule. These are partly offset by favourable timing variances for Timberlane Park Hall Upgrade \$177,578 which is 100% complete awaiting final invoices from suppliers, and Coastal Toilet Sewer Upgrades \$42,177 which is complete.
- d) Favourable timing variances arose for Ocean Reef Road, Marmion Avenue - Swanson Avenue \$428,802 and Ocean Reef Road / Joondalup Drive intersection upgrade \$164,534 which are both progressing and Whitfords Avenue Upgrades \$78,017 which is currently in the design phase.
- e) This unfavourable variance is due to a number of other projects within the program which are complete ahead of schedule including Calectasia St to Sandalwood (\$18,226), Forest Rd to Oxley Ave (\$14,584), Hughes Court to Macgregor Dr (\$12,890), Macleay Drive to Philip Court (\$11,045) and Giles Ave to Mitchell Place (\$12,524). Robertson Road (\$45,851) shows an unfavourable variance which is part funded from carried forward funds from the previous financial year.



- f) This includes unfavourable variances of (\$479,935) for Oceanside Promenade and (\$150,799) for Joondalup Drive / Shenton Avenue Lighting Upgrade, which have been carried forward from the previous financial year.
- g) Unfavourable variances arose of (\$120,455) for Windermere Park, (\$79,609) for the Tennis Court Resurfacing Program and Ocean Reef Boat Harbour Fish Cleaning Station (\$45,760) which are 2015-16 projects and are funded from carried forward funds from the previous financial year. In addition, unfavourable timing variances arose for Cunningham Park Play space (\$76,466) and Coastal Foreshore Showers (\$13,747) which are progressing ahead of schedule to complete prior to the summer season. The Cricket Infrastructure Renewal City Wide Project \$16,434 is complete under budget. The balance of the variance is spread across a number of projects.
- h) This favourable variance is mainly across Percy Doyle #3 Oval Irrigation Installation \$108,752 which in progress offset by unfavourable variances for Irrigation upgrades at Chelsea Park (\$7,586), Gradient Park (\$12,081) and Gibson Park (\$4,677) which have been carried forward from the previous financial year.
- i) Streetlighting unfavourable variance due mainly to Joondalup City Centre Lighting Stage 1 (\$608,075) offsets include favourable timing variances for Chichester Park \$100,682 and Ocean Reef Park \$247,198 and Floodlighting Upgrades which were initially anticipated as carry forwards from 2015-16 but were completed within the 2015-16 Financial year. Juniper Park PAW \$72,685 and Batavia Park PAW \$21,255 are running behind scheduled work.
- j) Unfavourable variance mainly due to Oceanside Prom Stage 2 (\$152,546) which is 95% constructed offset by a number of projects across the program running behind schedule, including Albion St / Marmion Ave \$36,960 and Marlock Dr Median Treatment \$34,625 which was completed under budget.
- k) Unfavourable variance due to Walkability – Collier Pass Ped Improvement (\$30,237), Walkability – City Centre Signage (\$7,705) and Walkability – Sunset Coast Trail signage (\$4,764), Ocean Reef Boat Harbour Access Pathway (\$34,039) which have been carried forward from the previous financial year. Bus Shelter Program (\$18,104) is progressing ahead and Ocean Reef Boat Harbour Access Pathway (\$34,039).
- l) Sorrento Foreshore Parking Improvements (\$86,854) is progressing ahead of schedule to coincide with the Sorrento Beach Enclosure opening in December. This is offset by Chesapeake Way On-Street Parking \$25,000 which is behind schedule.

## **18. Vehicle and Plant Replacements**

This favourable variance for Fleet and Plant purchases includes a number of items which are progressing behind budget phasing, including \$252,000 Compactor Truck servicing public bins, \$190,000 for a Water Truck and \$120,000 for a Beach Cleaner, partly offset by unfavourable variances of (\$191,089) for purchases which are funded from carried forward funds from the previous financial year. Orders totalling \$217,407 have been placed and are scheduled for delivery in the coming months. Phasing will be updated in the budget review.

## **19. Loan Repayment Principal**

The loan to fund the extension of the SES Winton Road Facility has not yet been drawn down generating a favourable variance to budget of \$33,590.



## 20. Proceeds from Disposal

The timing of the disposal of surplus land holdings and Fleet and Plant assets generated unfavourable variances of (\$2,451,000) and (\$3,323) respectively.

## 21. Opening Funds

Variations in the actual results for 2015-16 compared to the budget estimate gave rise to a favourable variance of \$2,432,898 in opening funds. This includes higher operating revenue of \$603,033 mainly from Other Revenue \$467,619, which includes a workers compensation insurance rebate of \$369,285 for 2011-12 and 2012-13, Interest Earnings \$68,409 and Grants \$32,588. In addition, operating expenditure was \$1,854,052 lower than estimate mainly due to Employee Costs \$1,255,898, which includes a \$1,384,848 chargeback of the workers compensation provision pertaining to 2011-12 and 2012-13, Materials and Contracts \$496,275 and Utilities \$125,518. These are partly offset by an unfavourable Capital Deficit variance of (\$90,057).

## 22. Closing Funds

	June 2016	November 2016
<b>Current Assets</b>		
Cash and Investments	\$86,595,746	\$140,791,215
Rates Outstanding, Sundry Debtors and Other Receivables	\$2,889,704	\$27,951,431
Accrued Income	\$1,340,149	\$1,192,135
Prepayments	\$391,900	\$57,164
Inventories	\$70,380	\$99,032
<b>Total Current Assets</b>	<b>\$91,287,879</b>	<b>\$170,090,977</b>
<b>Current Liabilities</b>		
Trade Creditors	\$3,264,140	\$6,952,459
Sundry Payables	\$540,402	\$9,366,582
Accrued Expenses	\$5,061,026	\$4,000,817
Other Payables	\$1,946,216	-
Borrowings	\$2,126,295	\$1,412,017
Provision for Annual Leave	\$4,172,735	\$4,328,294
Provision for Long Service Leave	\$5,061,135	\$5,173,115
Provision for Workers Compensation Insurance	\$2,700,766	\$3,681,887
Provision for Sick Leave	\$259,569	\$268,172
Other Provisions	\$55,321	\$57,013
<b>Total Current Liabilities</b>	<b>\$25,187,605</b>	<b>\$35,240,356</b>
<b>Net Current Assets</b>	<b>\$66,100,274</b>	<b>\$134,850,621</b>
<b>Add back:</b> Borrowings	\$2,126,295	\$1,412,017
<b>Less:</b> Cash Backed Reserves	\$65,142,739	\$65,142,740
<b>Closing Funds – Surplus/(Deficit)</b>	<b>\$3,083,830</b>	<b>\$71,119,898</b>