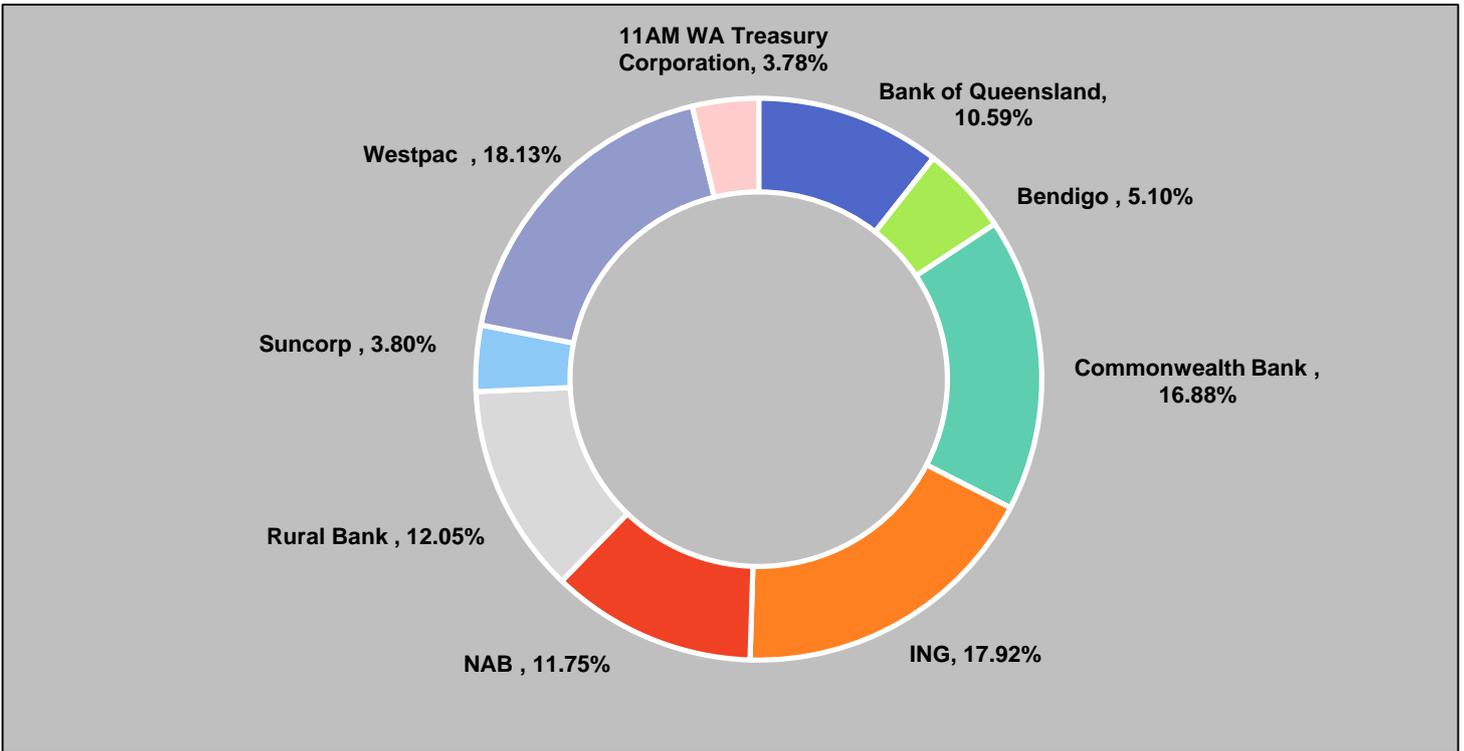


	Notes	Revised Budget	YTD Revised Budget	YTD Actual	YTD Variance \$	YTD Variance %
OPERATING REVENUE						
Rates	1	(103,689,389)	(103,689,389)	(103,997,306)	307,917	0%
Specified Area Rates		(708,239)	(708,239)	(712,107)	3,868	1%
Grants and Subsidies	2	(3,281,243)	(2,350,910)	(2,460,852)	109,942	5%
Contributions Reimbursements and Donations		(1,098,152)	(910,584)	(869,676)	(40,908)	(4)%
Profit on Asset Disposals	3	(330,299)	(305,587)	(367,016)	61,429	20%
Fees and Charges	4	(41,778,996)	(38,598,107)	(37,198,623)	(1,399,484)	(4)%
Interest Earnings	5	(3,448,964)	(3,164,295)	(3,232,748)	68,453	2%
Other Revenue/Income	6	(528,651)	(448,651)	(516,981)	68,330	15%
Total Operating Revenue		(154,863,931)	(150,175,761)	(149,355,309)	(820,452)	1%
OPERATING EXPENSES						
Employee Costs	7	64,393,916	54,028,132	52,568,496	1,459,636	3%
Materials and Contracts	8	53,992,338	41,268,631	36,765,107	4,503,524	11%
Utilities (gas, electricity, water etc.)	9	6,070,714	5,005,394	4,877,735	127,659	3%
Depreciation & Amortisation of Non-Current Assets	10	32,210,956	26,679,951	25,681,323	998,628	4%
Loss on Asset Disposals	11	662,015	337,917	274,852	63,065	19%
Interest Expenses		511,296	415,354	430,231	(14,877)	(4)%
Insurance Expenses		1,403,330	1,401,656	1,418,483	(16,827)	(1)%
Total Operating Expenses		159,244,565	129,137,034	122,016,227	7,120,807	6%
(SURPLUS)/DEFICIT FROM OPERATIONS		4,380,636	(21,038,727)	(27,339,082)	6,300,355	30%
OPERATING NON-CASH ADJUSTMENTS						
Depreciation & Amortisation of Non Current Assets		(32,210,956)	(26,679,951)	(25,681,323)	(998,628)	(4)%
Loss on Asset Disposal		(662,015)	(337,917)	(274,852)	(63,065)	(19)%
Profit on Asset Disposals		330,299	305,587	367,016	(61,429)	20%
Other Non-Current items						
Movement in Non-current Items	12	(100,000)	(100,000)	225,482	(325,482)	(325)%
OPERATING CASH (SURPLUS)/DEFICIT		(28,262,037)	(47,851,008)	(52,702,759)	4,851,751	10%
NON-OPERATING REVENUE						
Capital Grants and Subsidies	13	(7,062,993)	(4,391,788)	(3,355,982)	(1,035,806)	(24)%
Capital Contributions	14	(1,137,368)	(357,368)	(432,300)	74,932	21%
Equity Distribution - TPRC		(500,000)	-	-	-	0%
Other Non-Operating Revenue	15	(19,274)	(19,274)	(75,576)	56,302	100%
Total Non-Operating Revenue		(8,719,635)	(4,768,430)	(3,863,858)	(904,572)	(19)%
CAPITAL EXPENDITURE						
Capital Projects	16	3,577,896	2,003,501	1,405,069	598,432	30%
Capital Works	17	37,400,464	21,532,075	18,875,258	2,656,817	12%
Vehicle and Plant Replacements	18	2,294,161	1,478,161	1,189,026	289,135	20%
Loan Repayment Principal		3,324,328	2,692,500	2,481,462	211,038	8%
Equity Investment		-	-	-	-	(100)%
Total Capital Expenditure		46,596,849	27,706,237	23,950,815	3,755,422	14%
CAPITAL (SURPLUS)/DEFICIT		37,877,214	22,937,807	20,086,957	2,850,850	12%
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL		9,615,174	(24,913,201)	(32,615,802)	7,702,601	31%
FUNDING						
Proceeds from Disposal	19	(3,222,881)	(1,520,121)	(1,295,530)	(224,591)	(15)%
Loans - New Borrowings		-	-	-	-	0%
Transfer from Trust		(2,189,285)	-	-	-	0%
Transfer from Reserve		(15,292,263)	-	-	-	0%
Transfer to Reserve		4,769,078	-	-	-	0%
Transfer to Accumulated Surplus		-	-	-	-	0%
Transfer from Accumulated Surplus		-	-	-	-	0%
Opening Funds		(5,581,095)	(5,581,095)	(5,581,095)	-	0%
CLOSING FUNDS	20	(11,901,272)	(32,014,417)	(39,492,426)	7,478,009	23%

INVESTMENT SUMMARY

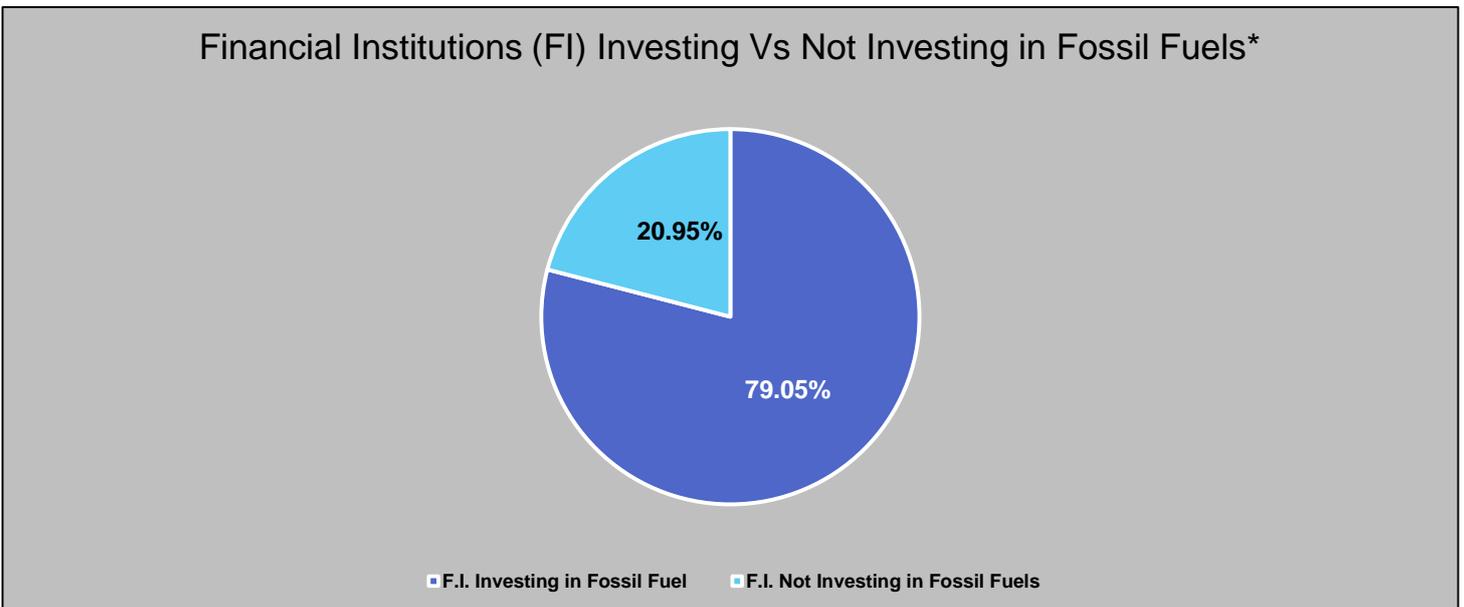
April-20



Municipal Funds	\$59,597,627	YTD Return	1.57%
Reserve Funds	\$79,932,373	Benchmark	1.25%
	\$139,530,000	RBA Rate	0.25%

<u>Investment Policy Limits</u>					
	<u>LT Rating</u>	<u>Limit</u>		<u>LT Rating</u>	<u>Limit</u>
Bank of Queensland	A-*	10%	NAB	AA-	25%
Bankwest	AA-	25%	Rural Bank	A-*	10%
Bendigo	A-*	10%	Suncorp	A+	15%
Commonwealth Bank	AA-	25%	Westpac	AA-	25%
ING	A+	15%	11AM WATC	AA+	25%

*S&P Long Term Rating BBB, Based on the investment policy the Long Term Rating Used is (A-) Based on Moody's and Fitch Rating



*Based on Market Forces ratings (<http://marketforces.org.au/>)

NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT FOR THE PERIOD ENDED 30 APRIL 2020

1. Rates \$307,917

This favourable variance arose mainly from Interim Rates \$316,280.

2. Grants and Subsidies \$109,942

This favourable variance arose from the City being successful in grant applications from the Department of the Environment and Energy. Four projects of \$20,000 each was received for Projects Coastal Fencing, Littorina Park Natural Area rehabilitation, Warwick Open Space bushland and Trigonometric park natural area.

3. Profit on Asset Disposal \$61,429

This favourable timing variance arose due to the timing of the disposal of surplus land holdings and profit on sale of land at Tamala Park \$149,558, partially offset by an unfavourable timing variance for the disposal of replaced Vehicles, Plant and Equipment (\$88,129).

4. Fees and Charges (\$1,399,484)

	YTD Budget	YTD Actual	Variance
a) Sports & Recreation Fees	\$7,991,529	\$6,879,644	(\$1,111,885)
b) Fines & Penalties	\$1,325,626	\$1,182,864	(\$142,762)
c) Parking Fees	\$2,998,932	\$2,914,980	(\$83,952)
Other Fees & Charges	\$26,282,021	\$26,221,136	(\$60,885)
	<u>\$38,598,107</u>	<u>\$37,198,623</u>	<u>(\$1,399,484)</u>

a) Unfavourable variances arose due to the closure of the Leisure Centres and Facilities due to the COVID-19 Pandemic. Variances included Learn to Swim Program (\$340,973), Admission Fees (\$228,802), Membership Fee (\$188,548), Other Hire of Facilities (\$166,943), Court Sport Revenue (\$97,337) and Term Programme Activities (\$67,893).

b) Unfavourable variances arose mainly from Parking Infringements (\$105,516) and Poundage Fees (\$14,227).

c) Unfavourable variances arose from On Street Parking Fees (\$22,958) and Off Street Parking Fees (\$76,062).

5. Interest Earnings \$68,453

Interest earned on investments exceeded budget by \$91,424 due to higher volumes invested and better than expected returns year to date this was partially offset lower Rates Penalty Interest year to date.

6. Other Revenue**\$68,330**

This favourable variance arose mainly from Correction & Adjustments-Credit (prior year) \$47,282 that will be adjusted to retained earnings in the end of financial year and additional discounts received \$9,888.

7. Employee Costs**\$1,459,636**

	YTD Budget	YTD Actual	Variance
a) Salaries and Wages	\$51,709,280	\$50,688,310	\$1,020,971
b) Other Employment Costs	\$2,318,851	\$1,880,186	\$438,665
	<u>\$54,028,132</u>	<u>\$52,568,496</u>	<u>\$1,459,636</u>

- a) Favourable timing variances for Salaries and Wages arose from vacancies in various areas.
- b) Favourable variances arose mainly from Other Employee Costs \$224,609 and Standard Labour Recoveries Capital \$145,342, offset by agency costs (\$174,396) to cover some vacant positions.

8. Materials and Contracts**\$4,503,524**

	YTD Budget	YTD Actual	Variance
a) Administration	\$1,143,344	\$931,563	\$211,781
b) Accommodation & Property	\$872,419	\$739,040	\$133,379
c) Members Costs	\$630,805	\$549,952	\$80,852
d) Furniture, Equipment & Artworks	\$1,953,089	\$1,583,885	\$369,203
e) External Service Expenses	\$16,921,726	\$14,955,600	\$1,966,126
f) Contributions & Donations	\$1,327,876	\$1,036,565	\$291,312
g) Waste Management Services	\$8,564,960	\$8,300,274	\$264,686
h) Computing	\$1,893,864	\$1,807,077	\$86,787
i) Public Relations, Advertising & Promotions	\$1,011,511	\$685,619	\$325,892
j) Professional Fees & Costs	\$2,121,932	\$1,379,257	\$742,675
k) Finance Related Costs	\$678,555	\$593,588	\$84,967
Other Materials & Contracts	\$4,148,550	\$4,202,687	(\$54,137)
	<u>\$41,268,631</u>	<u>\$36,765,107</u>	<u>\$4,503,524</u>

- a) This favourable timing variance arose mainly from Printing \$74,353, Council Election Costs \$32,967 and Photography and Video Production \$48,397. The balances of variances are spread across a number of areas.
- b) This favourable variance arose mainly from Refuse Removal Charges \$53,748 and Security predominantly from the cancellation of the Joondalup Festival \$60,857. The balances of variances are spread across a number of areas.
- c) This favourable variance arose mainly from Elected Members Conferences and Training \$65,790.

- d) Favourable variance arose from Hire of Equipment predominately from the cancellation of the Joondalup Festival \$164,494. In addition, a favourable timing variance arose mainly from Computer & Communications Equipment Purchase-Minor \$154,208. The balance of variances are spread across a number of areas.
- e) Favourable variances arose mainly from General Waste Tipping Fees \$209,808 and External Contractors and Services \$1,415,467 spread across various areas due to timing of costs including Natural Areas \$278,682, CEO Administration \$327,485, City Rangers \$124,927 and Parks \$56,871. In addition, favourable arose in Programme activities \$257,699 predominately from the cancellation of the Joondalup Festival. The balances of variances are spread across a number of areas.
- f) This favourable variance arose mainly from Grants & Contributions Made \$204,222, including the timing of the Beach Lifeguard Tower contribution \$95,000, and Community Funding Program \$51,299. The balances of variances are spread across a number of areas.
- g) Favourable variances arose from Domestic Green Collection and Processing \$80,039 and Recycling Waste Collection and Processing \$196,813. The balances of variances are spread across a number of areas.
- h) This favourable variance arose mainly from Computer Software Subscriptions \$63,676. The balances of variances are spread across a number of areas.
- i) Favourable variances arose across a number of areas including Advertising-General \$139,201 and Promotions \$92,087.
- j) Favourable timing variances arose mainly from Consultancy \$516,079 and Legal Expenses Recoverable \$79,866.
- k) Unfavourable variances arose from Bad debts written off \$89,183.

9. Utilities

\$127,659

Favourable timing variances arose mainly from Electricity costs for Roads \$170,143, Buildings \$57,234 partially offset by a favourable timing variance for Parks (\$99,846). The balances of variances are spread across a number of areas.

10. Depreciation

\$998,628

Favourable variances arose for Impairment/Write off assets \$909,137, Depreciation – Buildings \$66,306 and Depreciation – Open Reserves \$30,713. The balances of the variances are spread across a number of areas.

11. Loss on Asset Disposals

\$63,065

This favourable timing variance arose predominately from the sale of Vehicle, Plant and Equipment which is expected to be disposed in coming months.

12. Movement in Non-Current Items**(\$325,482)**

This timing variance arose in respect of a decrease to Non-current Long Service Leave Liability, which is long service leave accrued in respect of service less than 7 years and not yet eligible to be paid out or accessed.

13. Capital Grants and Subsidies**(\$1,035,806)**

	YTD Budget	YTD Actual	Variance
a) State Government Grants – Capital Other	\$1,295,696	\$964,526	(\$331,170)
b) State Government – MRRG Roads Grant	\$1,268,521	\$731,868	(\$536,653)
c) Commonwealth Grant-Road to Recovery	\$749,128	\$651,645	(\$97,483)
Other Programs	\$1,078,443	\$1,007,943	(\$70,500)
	<u>\$4,391,788</u>	<u>\$3,355,982</u>	<u>(\$1,035,806)</u>

- a) This unfavourable variance arose predominantly in relation to the final instalment of the Better Bins Project grant (\$354,000) which is now only expected to be received in the next financial year.
- b) This unfavourable variance arose predominantly from RDC2019 Burns Beach Rd (\$384,000) with the project being delivered by Main Roads and has been delayed beyond previous estimates, with funding now expected only in July 2020. Unfavourable timing variance arose for RPR3034 Eddystone Ave Craigie (\$30,320), RPR3032 Warwick Rd (\$82,360), RPR2890 Forrest Rd (EB) (\$22,693), RPR2888 Forrest & Alexandra (\$16,160), RPR2501 Glengarry Dr (\$15,120) and RPR2891 W3842 Glengarry Dr (\$17,653) with funding expected in the coming months. This was partially offset by RPR3632 Arnisdale Rd-Glengarry to Merrick Way \$31,653.
- c) Roads to Recovery is progressing ahead of schedule with funding received earlier than expected for RPR2004 W1108 Road Preservation & Resurfacing Program \$75,000. The balance is spread across a number of projects.

14. Capital Contributions**\$74,932**

This favourable variance arose from a contribution received for the Northshore Avenue Sump Renewal Works \$39,304 and an earlier than anticipated contribution in relation to Parks Asset Replacement/Renewal \$37,432.

15. Other non-operating revenue**\$56,302**

This favourable timing variance predominately arose from GST refunds in respect of TPRC land sales undertaken.

16. Capital Projects**\$598,432**

	YTD Budget	YTD Actual	Variance
a) Automation Accounts Payable	\$267,060	\$126,030	\$141,030
b) Cafes/Restaurants/Kiosks	\$230,983	\$120,908	\$110,075
c) IT Disaster Recovery Facilities	\$59,810	\$144,105	(\$84,295)
d) Network Infrastructure Upgrade Program	\$369,000	\$155,218	\$213,782
e) Joondalup Performing Arts & Cultural Facility	\$65,838	\$11,810	\$54,028
Other Projects	\$1,010,811	\$846,998	\$163,812
	<u>\$2,003,501</u>	<u>\$1,405,069</u>	<u>\$598,432</u>

- a) This favourable timing variance arose due to the project progressing behind earlier estimates with expenditure to increase over the coming months.
- b) Expenditure of this project is anticipated to increase over the coming months, as this project progresses.
- c) An unfavourable timing variance arose due to this project progressing ahead of budget phasing.
- d) Expenditure of this project is anticipated to increase over the coming months, as this project progresses.
- e) Following Council's decision not to commence detailed design at this time, this favourable timing variance has arisen due to further project investigation/research progressing behind estimates.

17. Capital Works

\$2,656,817

	No. Budgeted Projects	YTD Budget	YTD Actual	Variance	Key Variance
a) Foreshore and Natural Areas Management Program (FNM)	6	\$776,677	\$515,575	\$261,102	FNM2054 - \$203,702
b) Major Building Capital Works Program (BCW)	12	\$1,637,805	\$1,517,074	\$120,731	BCW2025 - \$56,680
c) Paths Program (FPN)	12	\$2,523,694	\$2,402,835	\$120,859	FPN2245 - \$48,574
d) Major Projects Program (MPP)	11	\$2,076,603	\$1,788,518	\$288,085	MPP2006 - \$306,500
e) Road Preservation/Resurfacing Program (RPR)	86	\$4,925,213	\$4,529,223	\$395,990	RPR3033 - \$59,496
f) Street Lighting Program (STL)	14	\$2,350,436	\$1,470,557	\$879,879	STL2003 - \$482,348 STL2073 - \$211,433
g) Stormwater Drainage Program (SWD)	11	\$832,027	\$906,127	(\$74,100)	SWD2181 - (\$53,852)
h) Parks Equipment Program (PEP)	23	\$2,553,815	\$2,415,273	\$138,542	PEP2707 - \$197,442
i) State Blackspot Projects (SBS)	7	\$461,569	\$592,459	(\$130,890)	SES2078 - (\$121,374)
j) Parks Development Program (PDP)	23	\$1,045,055	\$994,903	\$50,152	PDP2282 - \$36,182
k) Local Traffic Management (LTM)	8	\$696,347	\$267,323	\$429,024	LTM2128 - \$349,815
Other Programs	41	\$1,652,834	\$1,475,391	\$177,443	
	254	\$21,532,075	\$18,875,258	\$2,656,817	

a) A favourable variance arose FNM2054 Whitfords Nodes Hillarys is currently in progress \$203,702. Further favourable variance arose on FNM2070 Bushland Reserve Paths Renewal \$39,759 which is to commence in May and FNM2059 Bushland Reserve Fencing \$17,281 which is completed.

- b) Favourable variance arose for BCW2025 Building Capital Works Various Location \$56,680, BCW2450 Environmental Initiatives \$29,307 and BCW2573 Short Life Services Replacement Program \$16,097, which are all due to be completed by June 2020. Further variances have occurred on BCW2560 Septic System Upgrades \$24,634 which is completed and BCW2562 Ellersdale Park Clubroom Refurbishment (\$17,757) which is a multi-year project.
- c) Favourable timing variance arose for FPN2245 Beach Road WABN Shared Path \$48,574 with the project completed and awaiting final commitments. FPN2208 Tallow Ramble \$38,953, FPN2211 Talling Heights \$17,506 and FPN2230 Huxley Trail \$13,953 are all expected to be completed by the end of May.
- d) Major Projects favourable variance totalled \$288,086 relating mainly to MPP2006 Cafes and Kiosks – Pinnaroo Point which is expected to be carried forward into 2020/21. MPP2072 Percy Doyle – Utilities Upgrade \$154,421 and MPP2067 Percy Doyle -Mildenhall Refurbishment \$29,418 are due to be completed by the end of June 2020. MPP2053 Jinan Gardens Construction \$29,995, MPP2069 Percy Doyle Floodlighting Upgrades \$24,966 and MPP2013 Warwick Sports Centre \$39,127 variances are due to timing variance with all three projects multiyear. These favourable variances are offset by MPP20206 Works Operations Centre (\$186,151) and MPP2034 Joondalup Admin Building Major Refurbishment (\$121,192) which are currently in progressing and due to be completed by the end of the financial year.
- e) The road preservation program variance relates to 78 completed projects totalling \$417,797, including RPR3033 Lilburne Rd – Warwick to Lennoxton \$59,496. These are offset by a timing variance on RPR2004 Road Preservation & Resurfacing Program (\$94,003) which is currently in progress.
- f) Favourable variances have occurred on STL2003 Joondalup City Centre Lighting \$482,348, STL2073 Ellersdale Park Floodlighting \$211,433, STL2083 Thornton Park Pathway Lighting \$46,009, STL2088 Tom Simpson Park LED \$36,680, STL2090 Sorrento Foreshore LED Upgrade \$31,222 and STL2052 Lighting Infrastructure Renewal Program which are all progressing and expected to be completed as programmed.
- g) Stormwater Drainage program had an unfavourable variance in April (\$74,100) due to timing of invoices, all projects are completed except STL2001 Stormwater Drainage Upgrades (\$30,898) which is due to be completed by June 2020. Other variance related to SWD2181 Princeville Tor (\$53,852), and SWD2199 Simpson Park Sump (\$15,130) and SWD2201 Beachside Drive Drainage \$15,424 and SWD2216 Road Work Aligned Drainage Upgrades \$8,321.
- h) PEP2707 Whitfords Nodes Pk Health & Wellbeing Hub is experiencing a favourable variance \$197,442 with the project due to be completed by June 2020. This favourable variance is offset by PEP2718 Forrest Pk Playspace Renewal (\$51,166) and PEP2756 Lexcen Park Playspace (\$16,720) with both expected to be completed by the end of May 2020. Project completed with an unfavourable variance include; PEP2619 Bollards and Fencing Renewal (\$15,560) and PEP2642 Park Signage Renewal (\$12,017).
- i) Black Spot program variance relates to SBS2078 Marmion Ave & Gilbert Rd (\$121,374) and SBS2075 Hepburn Ave Road Shoulders (\$18,195) which are both now completed.

- j) Favourable variances have occurred on PDP2252 Tree Planting Program \$33,966, PDP2282 Dog Exercise Park \$36,182, PDP2287 Braden Pk Irrigation \$32,233 and PDP2280 Bridgewater Park Cabinet \$24,141. These are offset by PDP2293 Hawker Park Irrigation (\$56,160) and PDP2294 Huntingdale Park (\$37,612).
- k) Local Traffic Management variances mainly relates to LTM2128 Marmion/Edinburgh Ped Crossing \$349,315 and LTM2163 Chessell Drive \$99,241 due to the timing of invoices. These are offset by LTM2003 Bus Shelter Program (\$18,572) which is progressing ahead of schedule.

18. Vehicle and Plant Replacements**\$289,135**

This favourable timing variance predominately arose for a Truck \$253,730 with the order having been placed and awaiting delivery in the coming months.

19. Proceeds from Disposal**(\$224,591)**

The timing of the disposal of Fleet and Plant assets generated an unfavourable variance of (\$224,591).

20. Closing Funds**\$7,478,009**

	June 2019	April 2020
Current Assets		
Cash and Investments	\$111,629,542	\$138,990,889
Rates Outstanding, Sundry Debtors and Other Receivables	\$4,014,542	\$4,186,113
Accrued Income	\$1,437,933	\$1,080,053
Prepayments	\$475,123	\$337,281
Inventories	\$245,434	\$184,592
Total Current Assets	\$117,802,574	\$144,778,928
Current Liabilities		
Trade Creditors	\$4,911,992	\$316,517
Sundry Payables	\$563,195	\$3,406,864
Accrued Expenses	\$5,512,097	\$4,010,023
Other Payables	\$4,150,599	-
Borrowings	\$3,324,328	\$631,828
Provision for Annual Leave	\$4,644,369	\$4,687,807
Provision for Long Service Leave	\$6,285,252	\$6,304,510
Provision for Workers Compensation Insurance	\$2,562,776	\$2,879,457
Provision for Sick Leave	\$994,195	\$1,119,054
Other Provisions	\$194,957	\$160,223
Total Current Liabilities	\$33,143,760	\$23,516,283
Net Current Assets	\$84,658,814	\$121,262,646
Add back: Borrowings	\$3,324,328	\$631,828
Less: Cash Backed Reserves	\$82,402,047	\$82,402,047
Closing Funds – Surplus/(Deficit)	\$5,581,095	\$39,492,426

Favourable Variance
Unfavourable Variance