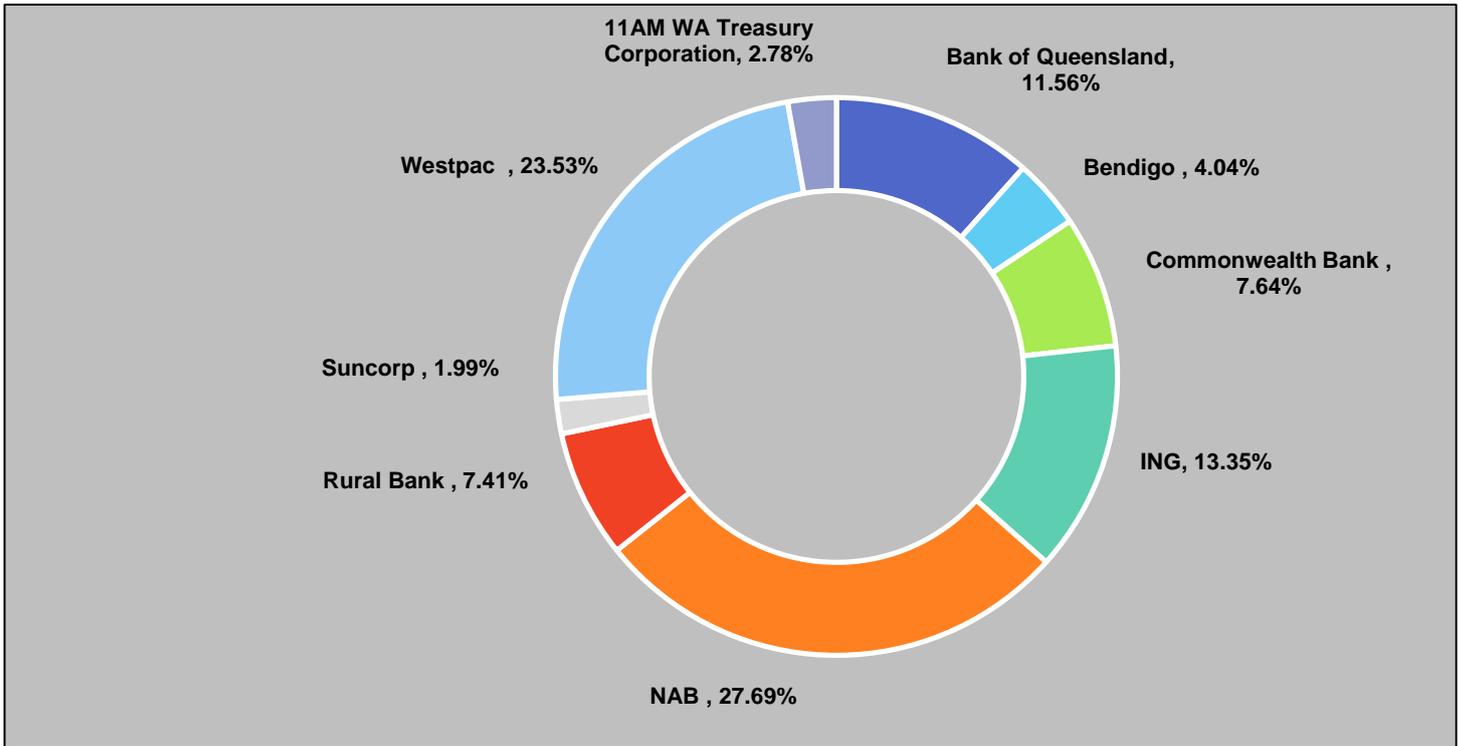


	Notes	Adopted Budget	YTD Adopted Budget	YTD Actual	YTD Variance \$	YTD Variance %
OPERATING REVENUE						
General Rates		(98,078,154)	(97,829,198)	(97,810,922)	(18,276)	(0%)
Specified Area Rates		(705,776)	(705,776)	(705,774)	(2)	(0%)
Grants and Subsidies	1	(5,880,450)	(1,399,938)	(656,437)	(743,501)	(53%)
Contributions Reimbursements and Donations	2	(1,070,156)	(149,644)	(243,242)	93,598	63%
Profit on Asset Disposals	3	(98,529)	(7,558)	(158,130)	150,572	100%
Fees and Charges	4	(40,020,382)	(24,934,494)	(24,864,476)	(70,018)	(0%)
Interest Earnings	5	(1,105,049)	(176,724)	(293,313)	116,589	66%
Other Revenue/Income	6	(551,191)	(96,296)	(108,651)	12,356	13%
Total Operating Revenue		(147,509,687)	(125,299,627)	(124,840,944)	(458,682)	(0%)
OPERATING EXPENSES						
Employee Costs	7	64,094,975	11,253,693	10,851,468	402,226	4%
Materials and Contracts	8	52,096,994	7,990,928	6,688,114	1,302,814	16%
Utilities (gas, electricity, water etc.)	9	6,114,625	1,007,422	920,737	86,685	9%
Depreciation of Non-Current Assets	10	32,308,300	5,326,932	5,405,834	(78,902)	(1%)
Loss on Asset Disposal		282,114	-	-	-	0%
Interest Expenses		384,877	62,331	62,601	(269)	(0%)
Insurance Expenses		1,430,948	831,443	847,386	(15,943)	(2%)
Total Operating Expenses		156,712,832	26,472,749	24,776,138	1,696,611	6%
(SURPLUS)/DEFICIT FROM OPERATIONS		9,203,145	(98,826,877)	(100,064,806)	1,237,929	1%
OPERATING NON-CASH ADJUSTMENTS						
Depreciation on Assets		(32,308,300)	(5,326,932)	(5,405,834)	78,902	1%
Loss on Disposals		(282,114)	-	-	-	0%
Profit on Disposals		98,529	7,558	158,130	(150,572)	(100%)
Other Non-Current items						
Movement in Non-current Items	11	(100,000)	(100,000)	(133,251)	33,251	33%
OPERATING CASH (SURPLUS)/DEFICIT		(23,388,739)	(104,246,251)	(105,445,760)	1,199,509	1%
NON-OPERATING REVENUE						
Non-operating Capital Grants and Subsidies	12	(9,972,599)	(3,541,682)	(1,052,976)	(2,488,706)	(70%)
Non-operating Capital Contributions	13	(730,000)	-	(2,818)	2,818	100%
Acquired Infrastructure Assets		-	-	-	-	0%
Equity Distribution-TPRC/GST Credits	14	(500,000)	-	(14,303)	14,303	100%
Other Non-Operating Revenue		-	-	-	-	0%
Total Non-Operating Revenue		(11,202,599)	(3,541,682)	(1,070,097)	(2,471,585)	(70%)
CAPITAL EXPENDITURE						
Capital Projects	15	1,752,599	192,961	386,811	(193,850)	(100%)
Capital Works	16	44,091,770	2,372,500	1,688,292	684,208	29%
Motor Vehicle Replacements	17	2,567,500	125,000	6,995	118,005	94%
Total Capital Expenditure		48,411,869	2,690,461	2,082,097	608,364	23%
CAPITAL (SURPLUS)/DEFICIT		37,209,270	(851,221)	1,012,000	(1,863,221)	(219%)
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL		13,820,531	(105,097,472)	(104,433,761)	(663,712)	(1%)
FUNDING						
Proceeds from Disposals	18	(1,851,050)	(22,000)	-	(22,000)	(100%)
Loans - New Borrowings		-	-	-	-	0%
Loans- Repayment of Principal		2,445,662	212,541	212,541	(0)	(0%)
Transfer from Trust		(297,158)	-	-	-	0%
Transfer from Reserves		(26,602,761)	-	-	-	0%
Transfer to Reserves		24,795,823	-	-	-	0%
Opening Funds	19	(17,321,507)	(17,321,507)	-	(17,321,507)	(100%)
CLOSING FUNDS	20	(5,010,460)	(122,228,438)	(104,221,220)	(18,007,219)	(15%)

INVESTMENT SUMMARY

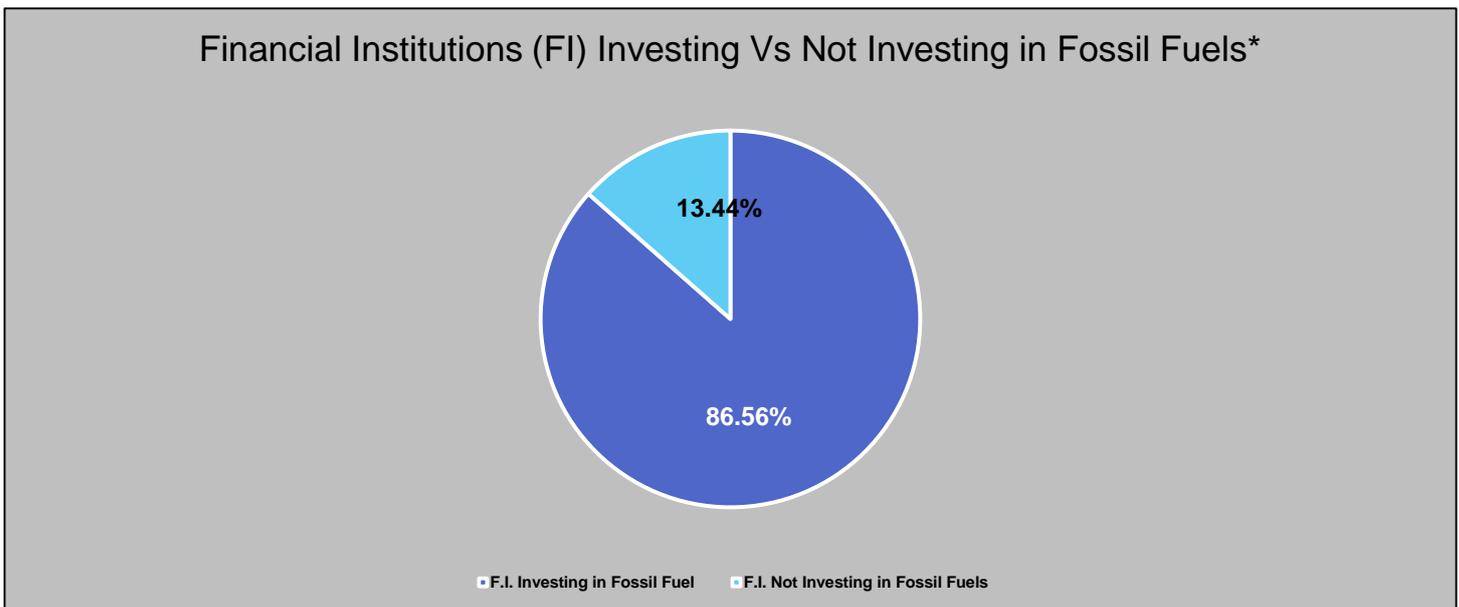
August-20



Municipal Funds	\$94,762,687	YTD Return	1.23%
Reserve Funds	\$81,382,313	Benchmark	0.75%
	<u>\$176,145,000</u>	RBA Rate	0.25%

Investment Policy Limits					
	<u>LT Rating</u>	<u>Limit</u>		<u>LT Rating</u>	<u>Limit</u>
Bank of Queensland	A-*	10%	NAB	AA-	25%
Bendigo	A-*	25%	Rural Bank	A-*	10%
Commonwealth Bank	AA-	10%	Suncorp	A+	15%
ING	A+	25%	Westpac	AA-	25%
			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 31 AUGUST 2020 (Subject to finalisation of 2019/20 End of Year)

1. Grants and Subsidies (\$743,501)

This unfavourable timing variance arose due to advance payments of Federal General Purpose (WALGGC) Grant (\$436,679) and Federal Road (FLRG) Grant (\$311,822) received in the previous financial year.

2. Contributions and Donations \$93,598

This favourable variance arose mainly from Other Miscellaneous Reimbursements – Waste Management Services \$145,573 following reimbursement from Cleanaway due to additional costs following the large fire at Cleanaway Materials Recovery Facility in Guildford in 2019/20, partially offset by Utility Charge (\$23,855) and Sponsorships (\$20,000).

3. Profit on Asset Disposal \$150,572

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 \$158,130, partially offset by an unfavourable timing variance for the disposal of replaced Vehicles, Plant and Equipment (\$7,558).

4. Fees and Charges (\$70,018)

	YTD Budget	YTD Actual	Variance
a) Fines & Penalties	\$261,238	\$76,479	(\$184,759)
b) Parking Fees	\$659,107	\$524,643	(\$134,465)
c) Refuse Charges	\$20,603,349	\$20,724,201	\$120,852
d) Sports and Recreation	\$1,210,588	\$1,403,358	\$192,770
e) Building and Development	\$279,000	\$358,229	\$79,229
Other Fees & Charges	\$1,921,212	\$1,777,566	(\$143,645)
	<u>\$24,934,494</u>	<u>\$24,864,476</u>	<u>(\$70,018)</u>

a) Unfavourable variances arose mainly from Parking Infringements (\$169,898).

b) Unfavourable variances arose from Multi Storey Car Park Parking Fees (\$61,088) and On-Street Parking Fees (\$44,948).

c) Favourable variances arose from Waste Refuse Service Charges of \$68,758 and Additional Service Charge for 240L General Waste Bin of \$49,504.

Favourable Variance
Unfavourable Variance

- d) Favourable variances arose from Learn to Swim Program of \$76,751, Admission Fees – Craigie Leisure Centre of \$34,946 and Park Hire of \$24,679.
- e) Favourable variance arose from Development Application Fees \$55,124 and Building Permits \$23,586.

5. Interest Earnings \$116,589

A favourable timing variance arose from Interest on Investments \$121,792, partially offset by Penalty Interest (\$5,203).

6. Other Revenue / Income \$12,356

This favourable variance arose predominately from higher than anticipated insurance Contribution \$12,137 from the Local Government Insurance Scheme.

7. Employee Costs \$402,226

	YTD Budget	YTD Actual	Variance
a) Salaries and Wages	\$10,475,504	\$10,134,753	\$340,750
b) Other Employment Costs	\$778,189	\$716,715	\$61,476
	<u>\$11,253,693</u>	<u>\$10,851,468</u>	<u>\$402,226</u>

- a) Favourable timing variances for Salaries and Wages arose from vacancies in various areas.
- b) Favourable timing variances arose from Staff Training \$35,819 and Conferences and Seminars \$25,978.

8. Materials and Contracts \$1,302,814

	YTD Budget	YTD Actual	Variance
a) External Service Expenses	\$2,918,995	\$2,261,728	\$657,267
b) Travel, Vehicles & Plant	\$345,904	\$252,243	\$93,662
c) Books and Publications	\$215,585	\$123,678	\$91,907
d) Waste Management Services	\$1,758,625	\$1,694,317	\$64,308
e) Administration	\$200,987	\$128,701	\$72,286
f) Other Materials	\$359,879	\$289,402	\$70,477
g) Public Relations, Advertising & Promotions	\$116,381	\$61,163	\$55,219
Other Materials & Contracts	\$2,074,572	\$1,876,882	\$197,688
	<u>\$7,990,928</u>	<u>\$6,688,114</u>	<u>\$1,302,814</u>

- a) Favourable timing variances arose mainly from External Contractors and Services \$600,181, including, Parks \$216,806, Administration \$186,509 and Roads \$166,194. The balances of variances are spread across a number of areas.

Favourable Variance
Unfavourable Variance

- b) Favourable timing variance arose from Fleet Management \$88,274. The balances of variances are spread across a number of areas.
- c) This favourable timing variance arose mainly from Subscriptions \$47,058, Lost/Damaged Books – Library Board Stock \$20,117 and Book Purchases \$15,868. The balances of variances are spread across a number of areas.
- d) This favourable timing variance arose mainly from Recycling Processing \$169,724, partially offset by Bulk Hard Waste Processing and Collection (\$85,204). The balances of variances are spread across a number of areas.
- e) This favourable timing variance arose mainly from Printing \$28,253, Other Sundry Admin Expenses \$16,278 and Photography and Video Production \$12,046. The balances of variances are spread across a number of areas.
- f) This favourable variance arose mainly from Purchase of Trading Stock – Craigie Leisure Centre \$25,229. The balances of variances are spread across a number of areas.
- g) This favourable variance arose mainly from Promotions \$16,838, Catering \$13,060 and Signage/Decals \$11,900. The balances of variances are spread across a number of areas.

9. Utilities**\$86,685**

Favourable timing variances arose from Electricity costs for Parks \$46,718, Buildings \$25,212 and Roads \$14,582.

10. Depreciation & Amortisation of Non-Current Assets**(\$78,902)**

- a) 2019/20 asset values are being finalised as part of the end of year audit. The effect of this has not yet impacted upon the 2020/21 depreciation figures. An unfavourable variance mainly arose from Depreciation – Mobile and Other Plant (\$164,781) and Depreciation – Computer & Communications Hardware (\$61,841), partially offset by a favourable variance from Impairment/Write off of assets \$167,683 and Depreciation – Buildings \$71,154. The balances of variances are spread across a number of areas.

11. Movement in Non-Current Items**\$33,251**

This timing variance arose in respect of an increase in Non-current Long Service Leave Liability.

Favourable Variance
Unfavourable Variance


12. Capital Grants and Subsidies
(\$2,488,706)

	YTD Budget	YTD Actual	Variance
a) Commonwealth Grants Capital Other	– \$713,250	-	(\$713,250)
b) State Government Grants Capital MRRG Roads Grant	– \$1,017,699	\$414,987	(\$602,712)
c) State Government Grants Capital Direct Roads Grant	– \$531,000	-	(\$531,000)
d) Commonwealth Grants & Subsidies – Capital Blackspot	\$494,400	-	(\$494,400)
e) Commonwealth Grants Capital Roads to Recovery	– \$726,000	\$635,196	(\$90,804)
f) State Government Grants Capital Blackspot	– \$59,334	-	(\$59,334)
Other Programs	-	\$2,793	\$2,793
	<u>\$3,541,682</u>	<u>\$1,052,976</u>	<u>(\$2,488,706)</u>

- a) Local Roads and Communities Grant (LRCI) projects have been submitted and awaiting first 50% payment to be received.
- b) This unfavourable variance relates to 2020/21 MRRG Rehabilitation and Improvement Projects. The 1st 40% claims have been submitted with payment expected in September 2020. This is offset by \$30,987 received for Project Code RPR2957 Joondalup Dr City Boundary Westbound which was originally expected to be received in 2019/20.
- c) Direct Grant claim has been submitted and payment is expected in September 2020.
- d) Unfavourable variance arose due to 1st 40% claims for SBS2090 Marmion Ave and Cambria Street \$199,200 and SBS2037 Marmion McWhae \$295,200 awaiting payment which is expected in September 2020.
- e) Unfavourable variance relates to Project Code RPR3131 Ballantine Rd \$90,804 which is expected to be received next quarter.
- f) Unfavourable variance arose on SBS2089 Hepburn Ave - Mitchell Fwy SB on South Bound Ramp \$53,334 as the project was not supported for grant funding. Unfavourable variances also related to final claim for SBS2086 Ocean Reef Rd & Eddystone Ave stage 1 \$6,000 which will be claimed in September 2020.

Favourable Variance
Unfavourable Variance

13. Capital Contributions \$2,818

This favourable variance arose from an unbudgeted contribution from the Western Australian Cricket Association for Cricket Infrastructure Renewal which relates to the 2019/2020 project.

14. Other non-operating revenue \$14,303

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

15. Capital Projects (\$193,850)

This unfavourable timing variance arose due to progress of Network Infrastructure Upgrade Program (\$283,406) with funds being carried forward from 2019/20 financial year. partially offset by Survey Total Station \$55,000 and Cafes/Restaurants/Kiosks \$26,478.


16. Capital Works
\$684,208

	No. Budgeted Projects	YTD Budget	YTD Actual	Variance	Key Variance
a) Major Building Capital Works Program (BCW)	16	\$230,000	\$59,337	\$170,663	BCW2586 - \$96,581 BCW2638 - \$37,895
b) New Path Program (FPN)	16	\$59,000	\$194,637	(\$135,637)	FPN2240 - (\$176,571) FPN2130 - \$48,867
c) Path Replacement Program (FPR)	34	\$100,000	\$8,579	\$91,421	FPR2286 - \$96,946
d) Major Projects Program (MPP)	9	\$201,000	\$99,761	\$101,239	MPP2034 - \$87,137 MPP2026 - \$42,413
e) Parks Development Program (PDP)	42	\$25,500	\$170,930	(\$145,430)	PDP2335 - (\$51,195) PDP2252 - (\$45,473) PDP2291 - (\$12,387)
f) Parks Equipment Program (PEP)	42	\$150,000	\$89,325	\$60,675	PEP2707 - \$70,661 PEP2819 - (\$19,559)
g) Road Preservation/Resurfacing Program (RPR)	100	\$627,000	\$339,632	\$287,368	RPR3147 - \$55,900 RPR3093 - \$42,439 RPR2491 - \$40,000 RPR3131 - \$35,922
h) Streetscape Enhancement Program (SSE)	4	\$482,000	\$37,993	\$444,007	SSE2056 - \$445,723
i) Street Lighting Program (STL)	19	\$326,000	\$385,689	(\$59,689)	STL2003 - (\$30,881) STL2084 - (\$35,689)
Other Programs	57	\$172,000	\$302,408	(\$130,408)	
	339				
		\$2,372,500	\$1,688,292	\$684,208	

a) Major favourable variance relates to BCW2586 Whitfords Library & SCC Minor Works \$96,581, BCW2611 Shepherds Bush Park Toilet \$36,030, BCW2638 Joondalup Library Refurbishment \$37,895 and BCW2020 Building Component Renewal Program \$20,000 which are all currently in progress. These positive variances are offset by BCW2573 Short Life Services Replacement Program (\$15,958) which is progressing ahead of schedule.

Favourable Variance
Unfavourable Variance

- b) An unfavourable variance arose mainly due to FPN2240 Burns Beach to Mindarie Dual Use Path (\$176,571) with funds carried forward from 2019/20, partially offset by a favourable variance on FPN2130 Wahroonga Way \$48,867 which is completed and awaiting outstanding invoices.
- c) A favourable variance arose mainly due to FPR2286 Ellendale Drive \$96,946 with the project completed.
- d) A favourable variance arose on the MPP2034 Joondalup Admin Building Major Refurb \$87,137 and MPP2026 Works Operation Centre Extension \$42,413 that are both currently in progress with 45% and 70% completion respectively. These are slightly offset by MPP2050 Craigie Leisure Centre (\$30,139) which is programmed to commence works.
- e) The unfavourable variance from August relates to a number of projects progressing ahead of schedule including; PDP2335 Irrigation Smart Controller Renewals (\$51,195), PDP2252 Tree Planting Program (\$45,473), PDP2118 Moolanda Pk LMP (\$14,274) and PDP2291 Craigie Open Space Cabinet Renewal (\$12,387). Further unfavourable variance has occurred on PDP2280 Bridgewater Pk Cabinet Renewal (\$13,115) which is carried forward from 2019/20 and is completed.
- f) A favourable variance mainly relates to PEP2707 Whitfords Nodes Pk Health & Wellbeing Hub \$70,661 which is 53% completed. This is offset by an unfavourable variance on PEP2819 Ellersdale Park Cricket Renewal (\$19,559) which is currently in progress and due to be completed at the end of September.
- g) A favourable variance has occurred for August 2020 totalling \$287,368 and relates to two completed projects RPR3095 Lakeside/Boas Roundabout \$16,314 and RPR3094 Lakeside /Shoveler Roundabout \$14,912 which are both awaiting final commitments. Other favourable variances have occurred on projects which are currently in progress; RPR3147 Mason Way \$55,900, RPR3131 Ballantine Rd \$35,922, RPR3048 McRae Court \$19,832, RPR3142 Treetop Ave \$18,273, RPR3096 Davidson Tce \$13,184, RPR3047 Durack Way \$10,729, RPR3098 Treetop/ Outlook Roundabout \$10,724 and RPR3119 Tietkins Way \$4,540. Other projects with favourable variances relate to RPR3093 Shenton/McLarty \$42,439, RPR2491 Joondalup Dr NorthBound \$40,000, RPR3097 Lawley Court \$18,813, RPR3126 Joondalup Drive/Lakeside Drive Intersection \$15,000 which are currently programmed to commence works. RPR3085 Channel Dr - Admiral Dr has a favourable variance \$12,063 with the project currently in design phase. These are offset by unfavourable variances on RPR3078 Ridge Close (\$15,259), RPR3079 View Court (\$6,742) which are completed and RPR3148 Baxter Way (\$10,794) which is currently 60% complete.
- h) Favourable variance on the Streetscape Enhancement Program relates to SSE2056 City Centre Streetscape Renewal Program \$445,723 which is 50% complete and on track for completion at the end of September.
- i) The total unfavourable variance (\$59,689) relates to STL2003 Joondalup City Centre Lighting (\$30,881) with stage four 45% completed and STL2084 Iluka Beach Pk (\$35,689) which was carried forward from 2019/20.

Favourable Variance
Unfavourable Variance

17. Vehicle and Plant Replacements \$118,005

A favourable variance arose in relation to capital acquisition of an Isuzu Truck \$125,000, partially offset by a Triton Ute (\$6,995) following a vehicle being written off. The vehicle replacement is part of an insurance claim.

18. Proceeds from Disposal (\$22,000)

This unfavourable timing variance arose from Fleet and Plant disposals with items due to be replaced later in the coming months.

19. Opening Funds (\$17,321,507)

The variation in the closing funds for the period ended 30 June 2020 is prior to the end of year position being finalised. The final balance will be available after the Financial Statements for 2019/20 have been audited.

20. Closing Funds (\$18,007,219)

	June 2020 *	August 2020
Current Assets		
Cash and Investments		\$183,859,158
Rates Outstanding, Sundry Debtors and Other Receivables		\$64,663,260
Accrued Income		\$1,246,818
Prepayments		\$821,987
Inventories		\$157,255
Total Current Assets		\$250,748,478
Current Liabilities		
Trade Creditors		\$7,998,806
Sundry Payables		\$16,235,703
Accrued Expenses		\$3,527,265
Other Payables		-
Borrowings		\$2,233,118
Provision for Annual Leave		\$5,028,076
Provision for Long Service Leave		\$6,602,870
Provision for Purchased Leave		\$99,091
Provision for Workers Compensation Insurance		\$2,515,935
Provision for Sick Leave		\$1,128,135
Other Provisions		\$66,705
Total Current Liabilities		\$45,435,704
Net Current Assets		\$205,312,774
Add back: Borrowings		\$2,233,118

Favourable Variance
Unfavourable Variance



Less: Cash Backed Reserves		\$82,402,047
Less: Other Items (subject to finalisation of 2019/20 end of year)		\$20,922,625
Closing Funds – Surplus/(Deficit)		\$104,221,220

* Subject to finalisation of 2019/20 end of year

Favourable Variance
Unfavourable Variance