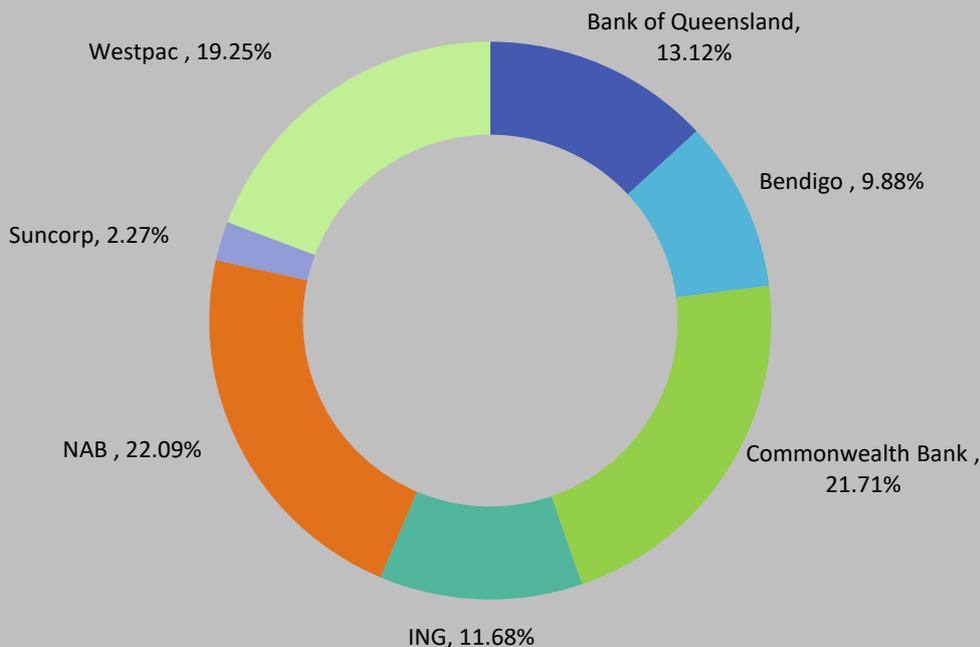


	Notes	YTD Amended Budget	YTD Budget	YTD Actual	YTD Variance \$	YTD Variance %
OPERATING REVENUE						
Rates	1	(99,997,776)	(99,747,776)	(99,676,670)	(71,106)	(0)%
Specified Area Rates		(704,527)	(704,527)	(704,527)	-	0%
Grants and Subsidies	2	(6,094,980)	(1,663,438)	(1,025,706)	(637,732)	(38)%
Contributions Reimbursements and Donations	3	(1,108,156)	(151,260)	(355,997)	204,737	100%
Profit on Asset Disposals		(1,402,946)	-	-	-	0%
Fees and Charges	4	(41,552,470)	(26,070,768)	(25,967,811)	(102,957)	(0)%
Interest Earnings	5	(666,524)	(27,440)	(113,159)	85,719	100%
Other Revenue/Income	6	(363,164)	-	(44,525)	44,525	100%
Total Operating Revenue		(151,890,543)	(128,365,209)	(127,888,395)	(476,814)	(0)%
OPERATING EXPENSES						
Employee Costs	7	66,183,322	11,633,859	11,216,435	417,424	4%
Materials and Contracts	8	69,361,501	8,109,428	6,779,758	1,329,670	16%
Utilities (gas, electricity, water etc.)	9	6,133,858	1,018,466	929,127	89,339	9%
Depreciation & Amortisation of Non-Current Assets	10	31,927,323	5,248,276	5,098,371	149,905	3%
Loss on Asset Disposals		202,273	-	-	-	0%
Interest Expenses		323,391	51,462	53,155	(1,693)	(3)%
Insurance Expenses	11	1,628,738	947,893	893,651	54,242	6%
Total Operating Expenses		175,760,406	27,009,385	24,970,497	2,038,888	8%
(SURPLUS)/DEFICIT FROM OPERATIONS		23,869,863	(101,355,824)	(102,917,898)	1,562,074	2%
OPERATING NON-CASH ADJUSTMENTS						
Depreciation & Amortisation of Non Current Assets		(31,927,323)	(5,248,276)	(5,098,371)	(149,905)	(3)%
Loss on Asset Disposal		(202,273)	-	-	-	0%
Movement in Non-current Items	12	(100,000)	(100,000)	(151,089)	51,089	51%
OPERATING CASH (SURPLUS)/DEFICIT		(6,956,787)	(106,704,100)	(108,167,358)	1,463,258	1%
NON-OPERATING REVENUE						
Capital Grants and Subsidies	13	(11,017,446)	(2,644,825)	(238,119)	(2,406,706)	(91)%
Capital Contributions	14	(200,422)	-	5,236	(5,236)	(100)%
Equity Distribution - TPRC		(1,666,667)	-	-	-	0%
Other Non-Operating (GST Reimb TPRC Land Sales)		-	-	(6,009)	6,009	100%
Total Non-Operating Revenue		(12,884,535)	(2,644,825)	(238,892)	(2,405,933)	(91)%
CAPITAL EXPENDITURE						
Capital Projects	15	2,979,943	466,594	138,922	327,672	70%
Capital Works	16	47,134,295	2,622,665	1,988,434	634,231	24%
Vehicle and Plant Replacements	17	2,819,841	120,000	-	120,000	100%
Total Capital Expenditure		52,934,079	3,209,259	2,127,356	1,081,903	34%
CAPITAL (SURPLUS)/DEFICIT		40,049,544	564,434	1,888,464	(1,324,030)	(235)%
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL		33,092,757	(106,139,666)	(106,278,894)	139,228	0%
FUNDING						
Proceeds from Disposal	18	(1,937,600)	(30,000)	-	(30,000)	100%
Loans - Repayment of Principal		1,836,595	218,664	218,664	-	0%
Transfer from Trust		(120,529)	-	-	-	0%
Transfer from Reserve		(44,825,128)	-	-	-	0%
Transfer to Reserve		13,232,784	-	-	-	0%
Opening Funds	19	(1,228,879)	(1,228,879)	-	(1,228,879)	(100)%
CLOSING FUNDS	20	50,000	(107,179,881)	(106,060,231)	(1,119,651)	(1)%

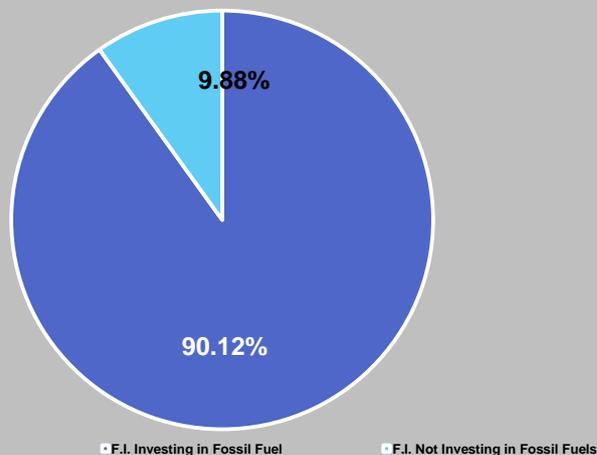


Municipal Funds	\$105,704,938	YTD Return	0.43%
Reserve Funds	\$86,050,062	Benchmark	0.60%
	<u>\$191,755,000</u>	RBA Rate	0.10%

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-*	10%	Rural Bank	A-*	10%
Commonwealth Bank	AA-	25%	Suncorp	A+	15%
ING	A+	15%	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

Financial Institutions (FI) Investing Vs Not Investing in Fossil Fuels*



*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 2021 (Subject to end of year finalisation)

1. Rates (\$71,106)

Rates income is below budget as a result of adjustment to Gross Rental Values (GRV) of certain properties, budget will be adjusted in the Mid Year Budget Review.

2. Grants and Subsidies (\$637,732)

This unfavourable timing variance arose due to advance payments of Federal General Purpose (WALGGC) Grant (\$387,887) and Federal Road (FLRG) Grant (\$274,702) received in the previous financial year.

3. Contributions Reimbursements and Donations \$204,737

A favourable variance arose mainly due to Insurance Reimbursement received for Belrose Park Toilets/Changerooms \$148,258 and Container Deposit Scheme Rebate \$56,770.

4. Fees and Charges (\$102,957)

	YTD Budget	YTD Actual	Variance
a) Fines and Penalties	\$183,862	\$44,303	(\$139,559)
b) Sports and Recreation Fees	\$1,346,251	\$1,273,068	(\$74,183)
c) Refuse Charges	\$21,800,089	\$21,729,325	(\$70,764)
d) Building and Development Fees	\$295,667	\$412,926	\$117,259
e) Inspection and Control Fees	\$903,750	\$992,269	\$88,519
Other Fees & Charges	\$1,541,149	\$1,516,920	(\$24,229)
	<u>\$26,070,768</u>	<u>\$25,967,811</u>	<u>(\$102,957)</u>

- a) Unfavourable variance mainly arose from Parking Infringements (\$112,760).
- b) An unfavourable variance arose from Craigie Leisure Centre Admission Fees (\$41,742) partly reflecting the lockdown that occurred at the start of the financial year as well as the refurbishment project currently underway.
- c) Unfavourable variance mainly arose due to Waste Refuse Service Charges (\$72,932) which will be updated during the Mid Year Budget Review.
- d) A favourable variance arose mainly due to Development Application Fees \$55,509 and Building Permits \$46,639.
- e) Favourable variance arose mainly from Swimming Pool Inspection Fees \$74,028.

5. Interest Earnings \$85,719

This favourable variance mainly arose in relation to Interest from Other Financial Institutions \$90,718 from higher average volumes invested compared to budget estimates.

6. Other Revenue/Income \$44,525

This favourable variance arose due to unbudgeted insurance premium rebates received \$44,412.

7. Employee Costs \$417,424

	YTD Budget	YTD Actual	Variance
a) Salaries and Wages	\$10,782,209	\$10,425,851	\$356,358
b) Other Employment Costs	\$851,650	\$790,585	\$61,066
	<u>\$11,633,859</u>	<u>\$11,216,435</u>	<u>\$417,424</u>

a) Favourable timing variances for Salaries and Wages arose from the impact of vacancies in various areas at various times year to date, with recruitment in progress including Parks \$174,679 and Rangers, Parking & Community Safety \$162,466 recruiting for various positions following a restructure.

b) Favourable timing variances arose from Employee Support Services \$38,991, Staff Training \$30,579 and Other Employee Costs \$25,545, partially offset by an unfavourable variance from Agency Employees (\$54,515).

8. Materials and Contracts \$1,329,670

	YTD Budget	YTD Actual	Variance
a) External Service Expenses	\$1,773,063	\$1,060,532	\$712,531
b) Other Materials	\$348,669	\$223,497	\$125,172
c) Professional Fees & Costs	\$540,127	\$448,435	\$91,692
d) Public Relations, Advertising & Promotions	\$153,244	\$73,088	\$80,156
e) Travel, Vehicles & Plant	\$346,771	\$280,927	\$65,844
f) Telephones & Communication	\$146,994	\$83,772	\$63,222
g) Administration	\$171,728	\$111,306	\$60,422
h) Waste Management Services	\$3,125,223	\$3,071,035	\$54,188
Other Materials & Contracts	\$1,503,609	\$1,427,166	\$76,443
	<u>\$8,109,428</u>	<u>\$6,779,758</u>	<u>\$1,329,670</u>

a) Favourable timing variances arose mainly from External Contractors and Services \$655,102, including Parks \$203,678, Roads \$111,916, Natural Areas \$91,369, Buildings \$77,900, City Projects \$67,665 and Application Services \$54,255. The balances of variances are spread across a number of areas.

- b) Favourable timing variance arose mainly from External Material Purchases Contract \$113,178. The balances of variances are spread across a number of areas.
- c) Favourable variance mainly due to Consultancy \$32,820 and Lodgement Fees \$32,442. The balances of variances are spread across a number of areas.
- d) A favourable variance arose mainly from General Advertising \$25,877 and Promotions \$24,807. The balances of variances are spread across a number of areas.
- e) This favourable variance mainly arose from Fuel \$38,209. The balances of variances are spread across a number of areas.
- f) A favourable timing variance arose mainly due to Mobile Phones, Pagers and Radios \$37,982.
- g) Favourable variance mainly arose due to Printing \$27,808. The balances of variances are spread across a number of areas.
- h) This favourable variance arose mainly from Processing Domestic Green Waste \$54,940. The balances of variances are spread across a number of areas.

9. Utilities

\$89,339

Favourable timing variances arose mainly from Electricity costs for Parks \$67,289 and Buildings \$30,845.

10. Depreciation & Amortisation of Non-Current Assets

\$149,905

Favourable variances arose for Depreciation Roads Infrastructure \$139,915 and Impairment \$87,404. This was partially offset by an unfavourable variance for Depreciation Footpaths (\$47,407). The balances of variances are spread across a number of areas.

11. Insurance Expenses

\$54,242

Favourable variances arose mainly due to Industrial Special Risk Insurance \$30,608 and Public Liability Insurance \$20,599 premiums that are lower than budget estimates.

12. Movement in Non-Current Items

\$51,089

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

13. Capital Grants and Subsidies

(\$2,406,706)

	YTD Budget	YTD Actual	Variance
a) State Government Grants – MRRG Grant Roads	\$2,120,799	-	(\$2,120,799)

b) State Government Grants – Direct Grant Roads	\$216,906	-	(\$216,906)
c) Commonwealth Grants & Subsidies – Blackspot	\$194,480	-	(\$194,480)
d) Other Grants and Subsidies – Other	-	\$159,120	\$159,120
Other Grants and Subsidies	\$112,640	\$78,999	(\$33,641)
	<u>\$2,644,825</u>	<u>\$238,119</u>	<u>(\$2,406,706)</u>

- a) This unfavourable variance arose due to the 1st 40% claims outstanding payment which have been received in early September.
- b) An unfavourable variance arose due to the 1st 40% claims outstanding payment which have been received in early September.
- c) This unfavourable variance arose due to the 1st 40% claims outstanding payment which have been received in early September.
- d) This favourable variance arose from a grant in respect of the Heritage Precinct Development \$159,120 which was expected in 2020-21.

14. Capital Contributions

(\$5,236)

This unfavourable variance arose due to the repayment of contribution from Department of Education for Beldon Primary School on Street Parking as the project was completed under budget.

15. Capital Projects

\$327,672

This favourable timing variance arose mainly due to Cafes/Restaurants/Kiosks \$85,865, Yellagonga Wetlands Smart Monitoring and Management \$73,579, Customer Service Centralisation Project \$70,455 and CCTV Libraries \$50,000. The balances of variances are spread across a number of areas.

16. Capital Works

\$634,231

	No. Budgeted Projects	YTD Budget	YTD Actual	Variance	Key Variance
a) Major Projects Program (MPP)	11	\$1,118,515	\$541,340	\$577,175	MPP2050 - \$523,992 MPP2058 - \$180,822 MPP2013 - (\$111,995)
b) Streetscape Enhancement Program (SSE)	5	\$334,000	\$19,453	\$314,547	SSE2057 - \$310,974
c) Stormwater Drainage Program (SWD)	9	\$86,000	\$22,372	\$63,628	SWD2230 - \$83,498
d) Major Road Construction Program (RDC)	9	\$60,000	\$212,702	(\$152,702)	RDC2021 - (\$197,891)
e) Street Lighting Program (STL)	16	\$211,500	\$301,296	(\$89,796)	STL2057 - (\$166,203) STL2003 - \$66,071
f) Major Building Capital Works Program (BCW)	17	\$39,500	\$108,022	(\$68,522)	BCW2647 - (\$20,815)
Other Programs	194	\$773,150	\$783,249	(\$10,099)	
	261	\$2,622,665	\$1,988,434	\$634,231	

- a) A favourable timing variance arose mainly due to MPP2050 Craigie Leisure Centre \$523,992 and MPP2058 Chichester Park Clubs Redevelopment \$180,822, partially offset by an unfavourable variance on MPP2013 Warwick Sport Centre (\$111,995).
- b) Favourable timing variance mainly arose due to SSE2057 Leafy City Program \$310,974.
- c) A favourable variance mainly relates to SWD2230 Newcombe Park Sump Beautification \$83,498 which was completed in July.
- d) Unfavourable variance mainly arose due to RDC2021 Whitfords Avenue/Northshore Drive Roundabout (\$197,891) carried forward from 2020-21 and awaiting final invoices.
- e) This unfavourable variance mainly relates to STL2057 Timberlane Park Floodlighting (\$166,203) carried forward from 2020-21, which was partially offset by STL2003 Joondalup City Centre Lighting \$66,071.
- f) An unfavourable variance mainly arose due to BCW2647 Iluka Sports Club (\$21,390) as the project was carried forward from 2020-21. Other unfavourable timing variances arose on BCW2450 Environmental Initiative (\$19,491) and BCW2629 Emerald Park (\$12,961) which are both progressing ahead of schedule.

17. Vehicle and Plant Replacements

\$120,000

A favourable variance arose in relation to acquisition of an Isuzu Truck \$120,000.

18. Proceeds from Disposal

(\$30,000)

An unfavourable timing variance arose mainly due proceeds expected from the disposal of fleet items (\$30,000).

19. Opening Funds

(\$1,228,879)

The variation in the closing funds for the period ended 30 June 2021 is prior to end of year adjustments being processed. The final balance will be available after the Financial Statements for 2020-21 have been audited.

20. Closing Funds
(\$1,119,651)

	June 2021*	August 2021
Current Assets		
Cash and Investments		\$194,088,520
Rates Outstanding, Sundry Debtors and Other Receivables		\$65,206,093
Accrued Income		\$175,687
Prepayments		\$434,821
Inventories		\$154,465
Land Held for Resale		-
Total Current Assets		\$260,059,586
Current Liabilities		
Trade Creditors		\$1,271,500
Sundry Payables		\$25,891,908
Accrued Expenses		\$4,338,658
Other Payables		\$1,221,867
Borrowings		\$1,617,931
Lease Liability		\$368,319
Provision for Annual Leave		\$5,650,802
Provision for Long Service Leave		\$6,718,396
Provision for Purchased Leave		\$157,817
Provision for Workers Compensation Insurance		\$2,759,624
Provision for Sick Leave		\$1,062,603
Other Provisions		\$9,415
Total Current Liabilities		\$51,068,840
Net Current Assets		\$208,990,746
Add back: Borrowings		\$1,617,931
Add back: Lease Liabilities		\$368,319
Add back: Contract Liabilities for developer contributions		-
Less: Cash Backed Reserves		\$85,235,975
Less: Other Items (subject to finalisation of 2020-21 end of year)		\$18,321,154
Less: Non Current Long Service Leave		\$1,359,636
Closing Funds – Surplus/(Deficit)		\$106,060,231

* Subject to finalisation of 2020-21 end of year