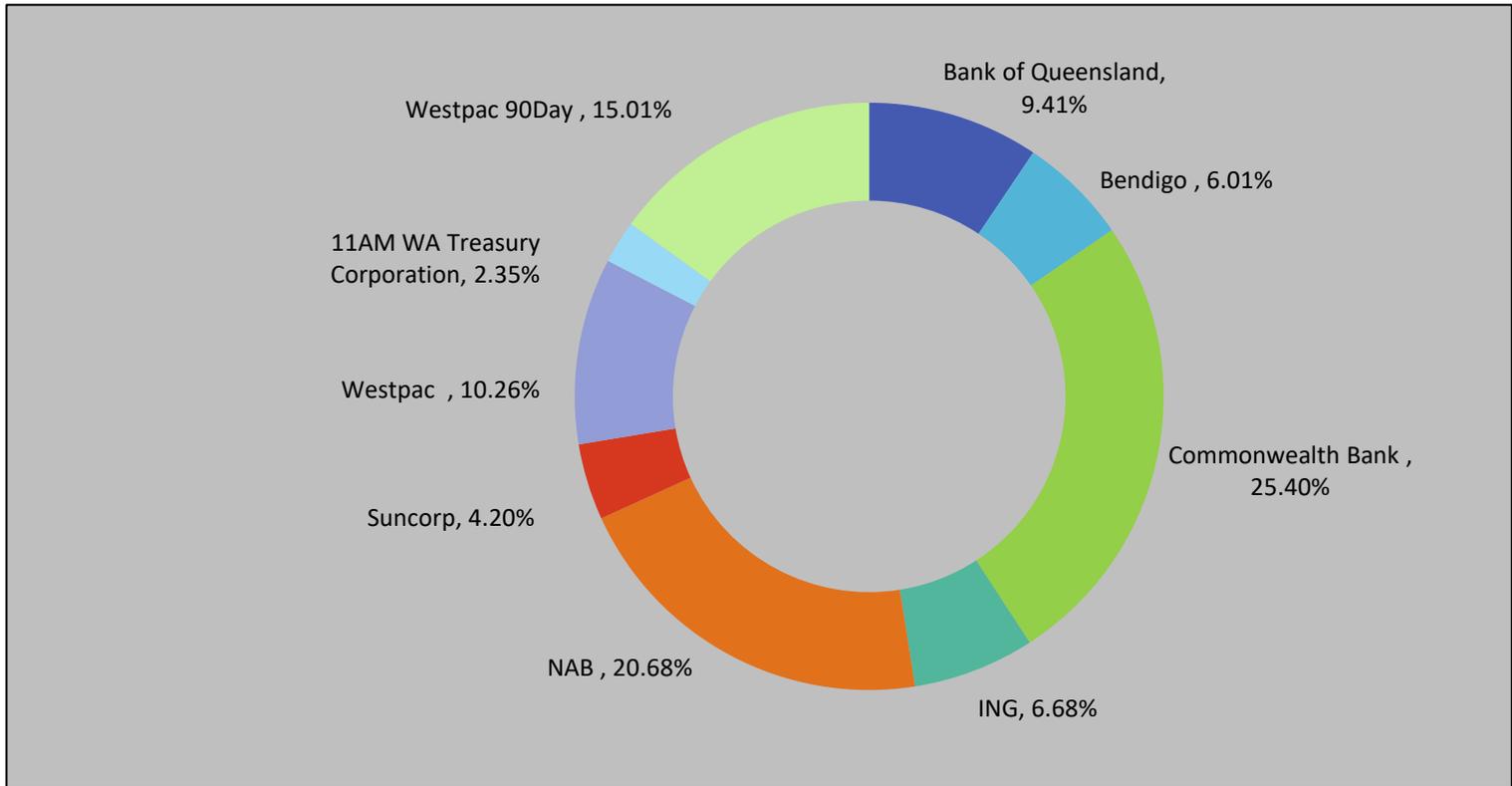


	Notes	Amended Budget	YTD Budget	YTD Actual	YTD Variance \$	YTD Variance %
<b>OPERATING REVENUE</b>						
Rates		(104,599,384)	(104,349,384)	(104,349,895)	511	0%
Specified Area Rates		(727,440)	(727,440)	(727,439)	(1)	(0)%
Grants and Subsidies	1	(1,606,171)	(292,793)	(422,543)	129,750	44%
Contributions Reimbursements and Donations	2	(1,428,862)	(226,192)	(187,419)	(38,773)	(17)%
Profit on Asset Disposals		(1,436,831)	-	-	-	0%
Fees and Charges	3	(42,474,492)	(26,527,524)	(26,379,718)	(147,806)	(1)%
Interest Earnings	4	(1,252,345)	(176,807)	(379,789)	202,982	100%
Other Revenue/Income	5	(362,000)	-	(2,115)	2,115	100%
<b>Total Operating Revenue</b>		<b>(153,887,525)</b>	<b>(132,300,140)</b>	<b>(132,448,918)</b>	<b>148,778</b>	<b>0%</b>
<b>OPERATING EXPENSES</b>						
Employee Costs	6	68,399,625	12,022,523	11,398,637	623,886	5%
Materials and Contracts	7	56,458,392	8,357,073	6,979,213	1,377,860	16%
Utilities (gas, electricity, water etc.)	8	5,949,026	984,596	753,005	231,591	24%
Depreciation & Amortisation of Non-Current Assets	9	32,132,620	5,367,220	4,920,372	446,848	8%
Loss on Asset Disposals		94,759	-	-	-	0%
Interest Expenses	10	327,150	53,782	43,034	10,748	20%
Insurance Expenses	11	1,666,704	825,765	788,743	37,022	4%
<b>Total Operating Expenses</b>		<b>165,028,276</b>	<b>27,610,958</b>	<b>24,883,004</b>	<b>2,727,954</b>	<b>10%</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS</b>		<b>11,140,751</b>	<b>(104,689,182)</b>	<b>(107,565,914)</b>	<b>2,876,732</b>	<b>3%</b>
<b>OPERATING NON-CASH ADJUSTMENTS</b>						
Depreciation & Amortisation of Non Current Assets		(32,132,620)	(5,367,220)	(4,920,372)	(446,848)	(8)%
Loss on Asset Disposal		(94,759)	-	-	-	0%
Profit on Asset Disposals		1,436,831	-	-	-	0%
Movement in Non-current Items	12	(100,000)	(100,000)	(114,137)	14,137	14%
<b>OPERATING CASH (SURPLUS)/DEFICIT</b>		<b>(19,749,797)</b>	<b>(110,156,401)</b>	<b>(112,600,423)</b>	<b>2,444,021</b>	<b>2%</b>
<b>NON-OPERATING REVENUE</b>						
Capital Grants and Subsidies	13	(9,400,320)	(1,134,862)	(5,913,167)	4,778,305	100%
Capital Contributions		(1,800,000)	-	-	-	0%
Equity Distribution - TPRC		(1,333,333)	-	-	-	0%
Other Non-Operating (GST Reimb TPRC Land Sales)	14	-	-	(136,792)	136,792	100%
<b>Total Non-Operating Revenue</b>		<b>(12,533,653)</b>	<b>(1,134,862)</b>	<b>(6,049,959)</b>	<b>4,915,097</b>	<b>100%</b>
<b>CAPITAL EXPENDITURE</b>						
Capital Projects	15	2,327,883	170,938	89,171	81,767	48%
Capital Works	16	48,507,162	2,438,698	4,554,908	(2,116,210)	(87)%
Vehicle and Plant Replacements	17	3,305,165	221,501	25,960	195,541	88%
<b>Total Capital Expenditure</b>		<b>54,140,210</b>	<b>2,831,137</b>	<b>4,670,039</b>	<b>(1,838,902)</b>	<b>(65)%</b>
<b>CAPITAL (SURPLUS)/DEFICIT</b>		<b>41,606,557</b>	<b>1,696,275</b>	<b>(1,379,919)</b>	<b>3,076,195</b>	<b>100%</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL</b>		<b>21,856,760</b>	<b>(108,460,126)</b>	<b>(113,980,342)</b>	<b>5,520,216</b>	<b>5%</b>
<b>FUNDING</b>						
Proceeds from Disposal	18	(1,916,500)	(3,000)	-	(3,000)	(100)%
Loans - Repayment of Principal		909,513	224,962	224,962	-	0%
Payments of Principal Portion of Lease Liability		388,066	-	-	-	0%
Transfer from Trust		(115,172)	-	-	-	0%
Transfer from Reserve		(37,660,158)	-	-	-	0%
Transfer to Reserve		16,587,120	-	-	-	0%
Opening Funds	19	(53,549)	(53,549)	-	(53,549)	(100)%
<b>CLOSING FUNDS</b>	20	<b>(3,921)</b>	<b>(108,291,713)</b>	<b>(113,755,380)</b>	<b>5,463,667</b>	<b>5%</b>

**INVESTMENT SUMMARY**

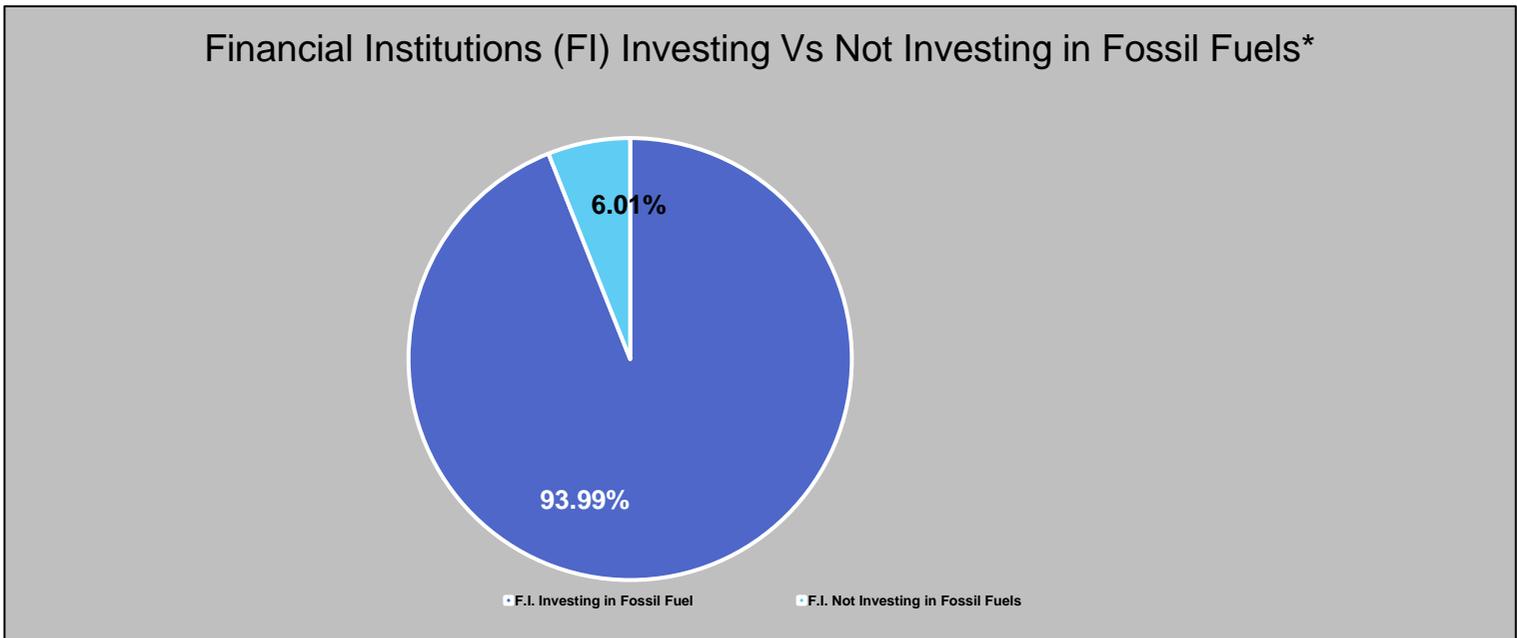
August-22



Municipal Funds	\$100,049,282	YTD Return	1.76%
Reserve Funds	\$107,146,301	Benchmark	2.35%
	<u>\$207,195,583</u>	RBA Rate	1.85%

<b>Investment Policy Limits</b>					
	<b>LT Rating</b>	<b>Limit</b>		<b>LT Rating</b>	<b>Limit</b>
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



\*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 2022 (Subject to end of year finalisation)**

**1. Grants and Subsidies \$129,750**

This favourable variance arose from additional grant funds in relation to General Purpose Grant \$97,466 and Federal Road (FLRG) Grant \$31,304.

**2. Contributions Reimbursements and Donations (\$38,773)**

This unfavourable variance occurred due to the timing of revenue arising from the Container Deposit Scheme (\$54,275).

**3. Fees and Charges (\$147,806)**

	YTD Budget	YTD Actual	Variance
a) Sports and Recreation Fees	\$1,346,702	\$1,497,679	\$150,977
b) Inspection and Control Fees	\$987,792	\$1,070,437	\$82,645
c) Refuse Charges	\$22,241,637	\$21,957,005	(\$284,632)
d) Parking Fees	\$649,283	\$553,433	(\$95,850)
Other Fees & Charges	\$1,302,110	\$1,301,164	(\$946)
	<u>\$26,527,524</u>	<u>\$26,379,718</u>	<u>(\$147,806)</u>

a) Favourable variance arose from Membership Fees \$93,628.

b) A favourable variance arose on Inspection Fees, in relation to the phasing of Environmental Health Services \$85,036.

c) An unfavourable timing arose due to Waste Refuse Service Charges (\$277,314), which will be reviewed for the mid-year budget review.

d) This unfavourable variance was due to Off Street Parking Fees (\$77,237).

**4. Interest Earnings \$202,982**

This favourable variance arose due to higher than estimated Interest from Other Financial Institutions \$191,354, as a result of higher returns than estimated, following recent interest rate movements.

**5. Other Revenue/Income \$2,115**

This favourable variance arose due to Illuminated Bus Shelter Revenue \$1,015.

**6. Employee Costs** **\$623,886**

	YTD Budget	YTD Actual	Variance
a) Salaries and Wages	\$11,183,035	\$10,574,195	\$608,840
Other Employment Costs	\$839,488	\$824,442	\$15,046
	<u>\$12,022,523</u>	<u>\$11,398,637</u>	<u>\$623,886</u>

a) Favourable timing variances for Salaries and Wages arose from vacancies in various areas.

**7. Materials and Contracts** **\$1,377,860**

	YTD Budget	YTD Actual	Variance
a) External Service Expenses	\$1,858,578	\$1,184,458	\$674,120
b) Waste Management Services	\$2,936,322	\$2,602,389	\$333,933
c) Computing	\$886,770	\$650,083	\$236,687
d) Public Relations, Advertising and Promotions	\$161,125	\$43,460	\$117,665
e) Administration	\$201,872	\$114,216	\$87,656
f) Other Materials	\$368,762	\$432,218	(\$63,456)
Other Materials & Contracts	\$1,943,644	\$1,952,389	(\$8,745)
	<u>\$8,357,073</u>	<u>\$6,979,213</u>	<u>\$1,377,860</u>

a) Favourable variances arose from External Contractors and Services \$668,499, including Buildings \$176,573, Parks \$98,315, and Natural Areas \$98,170. In addition, City Projects \$61,733 for projects such as Heathridge Park Master Plan. The balance is spread across a number of areas.

b) A favourable variance arose from Recycling and Govt Levy Processing \$229,492, General Waste Tipping Fees \$115,168 which was offset by Collection of Bulk Hard Waste (\$98,811). The balances of variances are spread across a number of areas.

c) This favourable variance arose from Computer Software Subscriptions \$141,872 and Computer Software Maintenance \$99,207.

d) Favourable variance arose due to Advertising General \$50,936. The balances of variances are spread across a number of areas.

e) This favourable variance arose from the phasing of Council Election Costs \$37,783, which is spread over two financial years when incurred every alternate year. The balances of variances are spread across a number of areas.

f) An unfavourable timing variance arose due to Material-building minor works (\$48,225). The balances of variances are spread across a number of areas.

**8. Utilities** **\$231,591**

Favourable variance arose due to the timing of electricity invoices on Buildings \$189,857 due to the change to a new contract with Synergy for the contestable sites.

**9. Depreciation & Amortisation of Non-Current Assets \$446,848**

Favourable variance due to Depreciation for Drainage Infrastructure \$251,155, following revaluation in the previous financial year, and Impairment of Assets \$204,724. The balances of variances are spread across a number of areas.

**10. Interest Expenses \$10,748**

Favourable variance arose due to Interest of Lease Liability \$10,748.

**11. Insurance Expenses \$37,022**

Favourable variance arose due to Public Liability Insurance \$26,553.

**12. Movement in Non-current items \$14,137**

This timing variance arose in respect to Non-current Long Service Leave Liability.

**13. Capital Grants and Subsidies \$4,478,305**

	YTD Budget	YTD Actual	Variance
a) State Government Grants-Capital - MRRG Grant Roads	\$322,362	\$2,014,305	\$1,691,943
b) State Government Grants - Capital - Other	-	\$1,675,151	\$1,675,151
c) Commonwealth Grants - Capital - Other	-	\$1,309,594	\$1,309,594
d) Other Grants and Subsidies-Capital - Other	-	\$171,886	\$171,886
e) Commonwealth Grants & Subsidies-Capital - Black Spot	\$26,000	\$171,835	\$145,835
f) Commonwealth Grants - Capital - Roads to Recovery	\$197,500	\$270,396	\$72,896
g) State Government Grants-Capital - Direct Grant Roads	\$589,000	-	(\$589,000)
	<u>\$1,134,862</u>	<u>\$5,613,167</u>	<u>\$4,478,305</u>

a) This favourable variance arose from recognition in the current year of unspent grant receipts from the previous financial year in relation to road improvements projects RDC2027 Joondalup Dr/Hodges Dr Int. Upgrade \$1,130,170, RDC2024 Shenton Avenue Upgrade Design \$233,850, RDC2025 \$218,802 Whitfords Ave/Gibsons Ave Int Upgrade, RDC2026 \$101,762 Whiffords Ave/Kingsley Dr Int Upgrade.

b) This favourable variance arose in relation to the timing of progress payment for BCW2650 Sorrento Football Upgrade \$800,000 and FPN2299 Hillarys Cycle Network Expansion \$200,000 (expected in 2021-22). Favourable variance also relates to grant income recognised in the current year that was unspent in the previous year on various projects \$675,151.

- c) This favourable variance arose from the recognition, in the current year, of grant receipts unspent from the previous financial year in relation to 18 LRCI projects \$1,309,594.
- d) This favourable variance arose in the recognition of unspent grants received from the previous financial year in relation to PDP2272 Heritage Precinct Development \$159,120 and STL2092 MacDonal Park Floodlighting \$12,766.
- e) This favourable variance arose from the recognition, in the current year, of unspent grants received in the previous financial year in relation to SBS2091 Marmion and Coral \$167,951.
- f) This favourable variance arose from higher than planned fourth quarterly payment in relation to the previous financial year \$54,609.
- g) This unfavourable variance arose in relation to the timing of the direct grant now expected to be received in the following month.

**14. Other Non-Operating Revenue****\$136,792**

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

**15. Capital Projects****\$81,767**

This favourable variance arose due to Cafes/Restaurants/Kiosks \$22,215. The balances of variances are spread across a number of projects.


**16. Capital Works**
**(\$2,116,210)**

	No. Budgeted Projects	YTD Budget	YTD Actual	Variance	Key Variance
a) Streetscape Enhancement Program (SSE)	5	\$8,250	\$910,777	(\$902,527)	SSE2056 – (\$466,325)
b) Street lighting Program (STL)	9	\$43,332	\$365,697	(\$322,365)	STL2092 – (\$281,614)
c) Major Building Capital Works (BCW)	18	\$232,874	\$526,461	(\$293,587)	BCW2651-(\$105,882)
d) Major Projects Program (MPP)	8	\$1,102,292	\$1,325,025	(\$222,733)	MPP2050-(\$277,216)
e) Blackspot Program (SBS)	6	\$22,000	\$169,538	(\$147,538)	SBS2037-(\$170,991)
f) Major Road Construction Program (RDC)	8	\$70,000	\$201,003	(\$131,003)	RDC2024-(\$130,960)
g) Parks Equipment Program (PEP)	38	\$24,250	\$144,745	(\$120,495)	PEP2635-(65,142)
h) Parks Development Program (PDP)	15	\$78,000	\$157,873	(\$79,873)	PDP2252-(\$41,968)
i) Local Traffic Management Program (LTM)	12	\$65,000	\$123,916	(\$58,916)	LTM2126-(\$51,895)
j) Road Preservation/Resurfacing Program (RPR)	75	\$710,700	\$527,309	\$183,391	RPR3247-\$136,013
Other Programs	40	\$82,000	\$102,564	(\$20,564)	
	<b>234</b>	<b>\$2,438,698</b>	<b>\$4,554,908</b>	<b>(\$2,116,210)</b>	

- a) Unfavourable variance occurred due to SSE2056 City Centre Streetscape Renewal (\$466,325), SSE2059 Joondalup Drive Streetscape (\$295,065) and SSE2055 Streetscape Renewal (\$100,208) all continuing from the previous financial year. In addition, SSE2057 Leafy City Program shows an unfavourable variance (\$40,929) with the project ahead of schedule.
- b) Unfavourable variance occurred on STL2092 MacDonald Park Floodlighting (\$281,614) and STL2112 W4300 Blue Mountain Drive (\$65,214) both projects continuing from the previous financial year with works scheduled to be completed by October 2022.
- c) An unfavourable variance relates to BCW2651 Kingsley Football Club Awning (\$105,882) carried forward from the previous financial year. This was offset by projects ahead of schedule LRCI Phase 3 Projects: BCW2540 Auto Door Access Control Upgrades (57,130) and BCW2641 Changeroom Shower Modifications (\$54,281). In addition, for BCW2666 Craigie LC Geothermal Bore (\$53,604).
- d) Favourable variance relates to MPP2050 Craigie Leisure Centre Upgrade (\$277,216) with progress ahead of estimates and is partially offset by MPP2077 Burns Beach Cafes/Kiosks/Restaurants \$60,000.
- e) Unfavourable variance relates to the timing of costs in respect of SBS2037 Marmion/McWhae (\$170,991) with the bulk of works completed in the previous financial year.
- f) Unfavourable variance arose with the expenditure being ahead of estimates for RDC2024 Shenton Ave Upgrade Design (\$130,960).
- g) Variance relates to recently completed project PEP2635 Wentworth Park Play space (\$65,142) and PEP2860 Barridale Park Cricket Nets (\$31,680) both projects continued from the previous financial year with works scheduled to be completed by October 2022.
- h) Variance relates to PDP2252 Tree Planting Program (\$41,968) and PDP2350 Sorrento Bowling Synthetic Turf (\$40,846) continued from the previous financial year, partially offset by PDP2355 Padbury N/E Cluster \$40,121 with works now in progress.
- i) Variance relates to project LTM2126 Electra Street Intersection (\$51,895) continuing from the previous financial year with construction due by October 2022.
- j) Favourable variance is due to minor delays in completion for RPR3247 Country Club Boulevard \$136,013 and RPR3373 Readshaw Rd \$73,057 with works scheduled to be completed by October 2022. In addition, RPR3240 Fantome Rd \$44,661 with works in progress.

**17. Vehicle and Plant Replacements****\$195,541**

A favourable variance arose in relation to capital acquisition of two Isuzu Trucks \$183,713.

**18. Proceeds from Disposal (\$3,000)**

An unfavourable variance arose due to timing of proceeds received from the disposal of fleet \$3,000.

**19. Opening Funds (\$53,549)**

The variation in the closing funds for the period ended 30 June 2022 is prior to end of year adjustments being processed. The final balance will be available after the Financial Statements for 2021-22 have been audited.

**20. Closing Funds \$5,463,667**

	June 2022*	August 2022
<b>Current Assets</b>		
Cash and Investments		\$206,955,507
Rates Outstanding, Sundry Debtors and Other Receivables		\$62,939,468
Accrued Income		\$689,785
Prepayments		\$269,126
Inventories		\$159,384
<b>Total Current Assets</b>		<b>\$271,013,270</b>
<b>Current Liabilities</b>		
Trade Creditors		\$2,931,705
Sundry Payables		\$28,302,227
Accrued Expenses		\$3,928,169
Other Payables		-
Borrowings		\$684,550
Lease Liability		\$405,544
Provision for Annual Leave		\$4,724,131
Provision for Long Service Leave		\$6,592,084
Provision for Purchased Leave		\$214,561
Provision for Workers Compensation Insurance		\$3,641,813
Provision for Sick Leave		\$989,351
Other Provisions		\$9,415
<b>Total Current Liabilities</b>		<b>\$52,423,550</b>
<b>Net Current Assets</b>		<b>\$218,589,720</b>
<b>Add back: Borrowings</b>		\$684,550
<b>Add back: Lease Liabilities</b>		\$405,544
<b>Add back: Contract Liabilities for developer contributions</b>		\$1,221,867
<b>Less: Cash Backed Reserves</b>		\$107,146,301
<b>Closing Funds – Surplus/(Deficit)</b>		<b>\$113,755,380</b>

\* Subject to finalisation of 2021-22 end of year