

Recommendation:

That Council RECEIVES the Financial Statements and the Financial Activity Statement for the period ended 30 November 2018, as detailed in Attachment 13.17A of this report.

FILE REFERENCE: P1014149-25
REPORTING UNIT: Finance
RESPONSIBLE DIRECTORATE: Corporate Services
DATE: 12 December 2018
ATTACHMENT/S: Attachment 13.17A – Financial Statements and Financial Activity Statement for the period ended 30 November 2018

Council Role:

- Advocacy *When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.*
- Executive *The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.*
- Legislative *Includes adopting local laws, town planning schemes and policies*
- Quasi-Judicial *When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (e.g. under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.*
- Information *For the Council/Committee to note.*

Legislation / Strategic Plan / Policy:

Legislation

Section 6.4(1) and (2) of the *Local Government Act 1995*
Regulation 34(1) of the *Local Government (Financial Management) Regulations 1996*

Integrated Planning and Reporting Framework Implications

Strategic Community Plan
Goal 8 - A city that delivers for its community

Policy

Policy No and Name: N/A

Details:

The Financial Activity Statement is presented together with a commentary on variances from the revised budget.

Financial Implications:

There are no direct financial implications arising from this report.

Comments:

The Financial Activity Statement commentary compares the actual results for the five months to 30 November 2018 with the original budget approved by Council on its Special Council Meeting held on **3 July 2018**, and amended on 28 August 2018 and 27 November 2018.

**FINANCIAL ACTIVITY STATEMENT FOR THE FIVE MONTHS TO
30 NOVEMBER 2018**

REPORT OF VARIANCES TO BUDGET

This report compares the actual performance for the five months to 30 November 2018 to the 2018/19 Budget adopted by Council on 3 July 2018 and amended by Council on 28 August 2018 and 27 November 2018.

The September Budget Review was approved by Council on 27 November 2018. The review takes the actual figures for the three months to September 2018 and forecasts the remaining nine months of the year. In this report, the revised budget for the period July to September 2018 is therefore equal to the actual figures. The variance shown in the November FAS report are effectively the difference between the actual result and the revised budget for October and November 2018 only.

Operating Revenue

- Parking revenue for the year to date November was \$32.4 million, which was \$300,000 above the budget. The variance relates mainly to Undercover Car Parks.
- Fines and costs were \$4.3 million, being \$375,000 or 9.7% above budget for the period. The budget review reflected reduced revenue expectation due to the impact of the IPMS implementation. This work has been delayed and the actual performance for October and November was therefore above expectation.
- Investment Income and Interest was \$392,000 under the budget mainly due to the performance of the Colonial Share index balanced fund in October and November.
- Rubbish collection fees were \$35,000 (0.4%) over budget for the period.

Operating Expenditure

- Employee costs for the year to date were \$32.6 million being 1.6% or \$509,000 above the budget. This was due to a lower vacancy rate than forecast, higher workers compensation costs and lower than forecast capitalisation of salaries and wages to Capital projects.
- Materials and Contracts were \$543,000 above the budget. This variance is predominantly due to the Christmas decoration installation costs which were incurred in November while being budgeted for in December. This variance is therefore a timing variance only.
- Utilities were lower than the budget by \$66,000 due to lower than budgeted power consumption.

**FINANCIAL ACTIVITY STATEMENT FOR THE FIVE MONTHS TO
30 NOVEMBER 2018**

REPORT OF VARIANCES TO BUDGET

- Depreciation and Amortisation was under the budget by \$368,000.

Investing Activities

- Capital expenditure was \$1.2 million under budget for the year to date as detailed below.

Capital expenditure Variance for the period to November 2018				
Details	Revised Budget 2018/19	Year to Date		
		Actual	Budget	Variance
Integrated Parking Management and Enforcement System	6,587,470	110,860	32,103	78,757
Pedestrian Walkways	6,000,000	-	-	-
Lighting - Council House Upgrades	2,799,513	48,083	43,793	4,290
Smart Cities Federal & Enhancements	2,409,042	504,299	717,964	(213,665)
Fleet and Plant Replacement -Transport - Parking Facilities	1,487,734	270,386	411,474	(141,088)
Concert Hall Structural Repairs	1,300,001	742,714	934,151	(191,437)
East End Revitalisation	1,200,000	88,620	179,320	(90,700)
2-way street projects	1,015,000	95,095	211,680	(116,585)
Riverbank - Claisebrook Cove Boat Section	586,000	6,472	163,199	(156,727)
Provision of Public toilets - Various locations	500,000	86,821	163,124	(76,303)
Façade Refurbishment - Council House	400,000	20,010	200,000	(179,990)
East Perth Walkability Enhancement Plan	373,428	291,353	373,428	(82,074)
Spring Street Pedestrian Crossing	300,000	19,468	103,226	(83,758)
Meeting Room Projectors & Workstations & Smartboards	247,487	182,873	246,523	(63,650)
Automated Door Replacement Car Parks	231,000	2,175	154,000	(151,825)
First Planting Season	207,719	6,791	91,719	(84,928)
Website Development	185,798	127,838	185,798	(57,960)
Office Accommodation Refurbishment - Various locations	150,000	20,006	100,006	(80,000)
Tenanted Buildings, Landlord Works - Various locations	99,999	16,189	72,755	(56,566)

**FINANCIAL ACTIVITY STATEMENT FOR THE FIVE MONTHS TO
30 NOVEMBER 2018**

REPORT OF VARIANCES TO BUDGET

CCTV Trailer	75,000	1,618	74,800	(73,182)
Projects with actual expenditure and no planned spend in the period	1,234,652	191,356	-	191,356
Projects with no planned and actual spend in the period	11,782,405	-	-	-
All other projects	16,535,226	6,247,418	5,863,446	383,972
TOTAL	55,707,472	9,080,446	10,322,507	(1,242,061)

Financing Activities

- Transfers to Reserves were under the budget by \$16.5 million mainly due to timing differences.
- Transfers from Reserves were above budget by \$4.2 million due to timing differences.

Amounts sourced from Rates

- Rates revenue raised was \$299,000 or 0.3% above the budget due to higher than budgeted interim rates.

CITY OF PERTH

FINANCIAL ACTIVITY STATEMENT for the period ended 30 NOVEMBER 2018

	Revised Budget 2018/19 \$	Actual YTD 30-Nov-18 \$	Revised Budget YTD 30-Nov-18 \$	Variance YTD 30-Nov-18 \$
Proceeds from Operating Activities				
Operating Revenue				
Parking Fees	74,059,544	32,395,708	32,096,023	299,685
Fines and Costs	8,972,512	4,250,344	3,875,110	375,233
Investment Income and Interest	5,165,102	2,399,178	2,791,267	(392,088)
Community Service Fees	1,680,548	709,512	691,698	17,814
Rubbish Collection	9,448,533	9,200,112	9,165,176	34,936
Rentals and Hire Charges	5,254,528	2,140,150	2,185,353	(45,203)
Recurrent Grants	1,495,402	583,785	371,686	212,099
Contributions, Donations and Reimbursements	958,634	402,262	441,106	(38,844)
Other Income	4,404,000	2,752,566	2,526,298	226,268
Distribution from TPRC	580,000	0	0	0
	112,018,803	54,833,617	54,143,718	689,898
Less: Operating Expenditure				
Employee Costs	77,372,754	32,642,822	32,133,626	(509,196)
Materials and Contracts	53,233,376	18,144,571	17,601,711	(542,861)
Utilities	3,180,652	1,203,474	1,269,952	66,478
Insurance Expenditure	969,765	412,718	402,574	(10,144)
Depreciation and Amortisation	35,165,700	14,260,040	14,628,471	368,430
Interest Expenses	961,438	451,415	450,786	(629)
Loss on Disposal of Assets	1,538,312	35,270	83,152	47,882
Expense Provisions	622,947	270,157	254,936	(15,222)
Other Expenditure	24,877,956	9,780,009	10,395,846	615,836
	197,922,901	77,200,476	77,221,052	20,576
Add back Depreciation	(35,165,700)	(14,260,040)	(14,628,471)	(368,430)
(Loss) / Profit on Disposals	(1,538,312)	(35,270)	(83,152)	(47,882)
	161,218,889	62,905,166	62,509,430	(395,736)
Net Surplus/(Deficit) from Operations	(49,200,087)	(8,071,550)	(8,365,711)	294,162
Capital Grants	2,041,933	483,826	558,566	(74,740)
Capital Expenditure	55,707,472	(9,080,446)	(10,322,507)	1,242,061
Proceeds from Disposal of Assets/Investments	1,516,025	295,070	635,484	(340,414)
Sub-total Investing Activities	59,265,430	(8,301,550)	(9,128,456)	826,907
Financing Activities				
Repayment of Borrowings	(7,448,608)	(3,677,425)	(3,677,425)	0
Transfers to Reserves	(40,649,178)	(584,052)	(17,039,244)	16,455,192
Transfer from Reserves	37,997,955	20,149,971	15,927,910	4,222,061
Sub-total Financing Activities	(10,099,831)	15,888,493	(4,788,760)	20,677,253
Add: Opening Funds	30,455,893	27,544,410	30,455,893	(2,911,483)
Net Surplus/(Deficit) before Rates	30,421,406	27,059,803	8,172,966	18,886,838
Amount Sourced from Rates	90,708,789	91,158,232	90,858,789	299,443
Closing Funds	121,130,195	118,218,035	99,031,755	19,186,280

CITY OF PERTH

CURRENT POSITION AS AT THE END OF THE PERIOD 30 NOVEMBER 2018

Description	Revised Budget 2018/19	Actual YTD 30-Nov-18	Revised Budget YTD 30-Nov-18	Variance YTD 30-Nov-18
Current Assets	\$	\$	\$	\$
Cash and Cash Equivalents	12,286,390	5,119,329	6,307,608	(1,188,279)
Deposits and Prepayments	32,582,842	13,576,184	8,931,461	4,644,723
Money Market Investments - Municipal Funds	92,091,777	103,135,725	93,572,153	9,563,573
Money Market Investments - Restricted Funds	103,602,530	78,389,016	75,950,114	2,438,902
Trade and Other Receivables	12,211,455	26,330,621	16,203,874	10,126,747
Inventories	822,095	1,069,868	236,088	833,780
Total Current Assets	253,597,089	227,620,743	201,201,298	26,419,445
Current Liabilities				
Trade and Other Payables	18,947,077	30,401,648	25,554,810	4,846,838
Employee Entitlements	9,417,195	10,865,738	12,570,791	(1,705,053)
Provisions	500,092	612,044	664,619	(52,575)
Borrowings	7,448,608	7,078,083	7,078,083	0
Total Current Liabilities	36,312,972	48,957,513	45,868,303	3,089,210
Working Capital Position Brought Forward	217,284,117	178,663,230	155,332,995	23,330,235
Deduct Restricted Cash Holdings	(103,602,530)	(78,389,016)	(75,950,114)	(2,438,902)
Add Current Liabilities not expected to clear	0	10,865,738	12,570,791	(1,705,053)
Add Current Borrowings	7,448,608	7,078,083	7,078,083	0
Current Funds Position Brought Forward	121,130,195	118,218,035	99,031,755	19,186,280

Net Cash on Hand	\$	\$	\$	\$
Cash On Hand	12,286,390	5,119,329	6,307,608	(1,188,279)
Money Market Investments	195,694,307	181,524,741	169,522,267	12,002,474
Overdraft	0	0	0	0
Funds on Hand	207,980,697	186,644,070	175,829,875	10,814,195
Analysis of Funds on Hand				
Reserves	103,602,530	78,389,016	75,950,114	2,438,902
Provisions	9,917,287	11,477,782	13,235,410	(1,757,628)
General Funds	94,460,880	96,777,272	86,644,352	10,132,921
Funds on Hand	207,980,697	186,644,070	175,829,875	10,814,195

EXPLANATORY NOTES – FINANCIAL ACTIVITY STATEMENT

BACKGROUND

- Regulation 34 of the Local Government (Financial Management) Regulations 1996 was amended effective from 1 July 2005.
- The amendment prescribes a monthly Financial Activity Statement (FAS) reporting the sources and application of funds, as set out in the Rate Setting Statement which is included in the Annual Budget.

PURPOSE

- The FAS reports the actual financial performance of the City in relation to its adopted budget, which has been structured on financial viability and sustainability principles.
- The FAS is intended to act as a guide to Council of the impact of financial activities and the reasons for major variances to the annual budget estimates.

PRESENTATION

- Regulation 34 prescribes the minimum detail to be included in the FAS. These are listed below.
 - Annual Budget estimates, and approved revisions to these, are to be included for comparison purposes.
 - Actual amounts of income and expenditure to the end of the month of the FAS.
 - Material variances between the comparable amounts and commentary on reasons for these.
 - The net current assets at the end of the month to which the FAS relates.
- An explanation of the composition of the net current assets at the end of the month to which the FAS relates; less committed and restricted assets.
- Councils are given the option of adopting a format which is considered most appropriate to their needs. These options are listed below.
 - According to nature and type classification,
 - by program, or
 - by business unit.
- It is recommended that while the information presented by cost objects (programs and activities) or by cost centres (business units) are useful for expense allocation and cost centre accountability purposes, they are less informative and difficult to comprehend in matters of disclosure and less effective in cost management and control.
- The FAS has therefore been presented in the format using nature and type classification as the most meaningful disclosure to the Council and public.

FORMAT

- The FAS is formatted to align with the Rate Setting Statement.
- The first part deals with operating income and expenditure, excluding rate revenue.
- The next classification is the amount spent on capital expenditure and debt repayments.
- The classification 'Financing Activities' provides a statement of sources of funds other than from operating or rates revenue, which are usually associated with capital expenditure.
- Attached to the FAS is a statement of 'Net Current Assets' for the budget and actual expenditure to the end of the month to which the FAS relates.
- Opening and closing funds represent the balance of 'Net Current Assets', not including any funds which are committed or restricted.
- "Committed assets" means revenue unspent but set aside under the annual budget for a specific purpose.
- "Restricted assets" means those assets the uses of which are restricted, wholly or partially, by regulations or other externally imposed requirements", e.g. reserves set aside for specific purposes.
- To avoid duplication in calculating 'Closing Funds on hand', certain balances, such as provisions and borrowings, are also deducted.
- The total Closing Funds on hand are to be taken into account when calculating the amount to be raised by rates each year.
- The classification "Net Cash on Hand" represents the balances of funds held in cash or invested and the analysis into those funds reserved, carried forward or remaining unspent at the end of the month to which the FAS relates.



CITY of PERTH

CITY of PERTH

Financial Report

For the 5 months ended 30 November 2018

**CITY OF PERTH
MUNICIPAL**

Statement of Comprehensive Income for the 5 months ended 30 November 2018

(By Program)

	<i>Note</i>	Budget 2018/2019	Revised Budget YTD	Actual YTD 30/11/2018	YTD Variance	
		\$	\$	\$	\$	%
OPERATING REVENUE						
General Purpose Funding Rates		91,205,599	91,792,549	92,149,195	356,646	0.4%
General Purpose Funding Other		4,763,533	2,449,064	2,149,706	(299,358)	-12.2%
Law, Order, Public Safety		97,871	37,323	40,324	3,001	8.0%
Health		886,434	828,851	988,821	159,970	19.3%
Education and Welfare		1,987,870	818,783	836,533	17,750	2.2%
Housing		1,086,624	457,851	513,172	55,321	12.1%
Community Amenities		12,820,109	10,121,864	10,090,438	(31,426)	-0.3%
Recreation and Culture		1,736,788	790,866	856,584	65,718	8.3%
Transport		84,690,064	36,908,606	37,594,846	686,240	1.9%
Economic Services		1,067,654	639,110	574,421	(64,689)	-10.1%
Other Property and Services		675,094	157,640	197,810	40,170	25.5%
Total Operating Income		201,017,640	145,002,507	145,991,850	989,343	0.7%
OPERATING EXPENDITURE						
Governance		(8,388,979)	(3,154,559)	(3,294,675)	140,116	-4.4%
General Purpose Funding		(2,177,904)	(720,459)	(730,999)	10,540	-1.5%
Law, Order, Public Safety		(5,857,753)	(2,416,605)	(2,509,115)	92,510	-3.8%
Health		(1,800,788)	(703,057)	(647,302)	(55,755)	7.9%
Education and Welfare		(3,859,097)	(1,638,577)	(1,725,631)	87,054	-5.3%
Housing		(656,634)	(325,997)	(318,271)	(7,726)	2.4%
Community Amenities		(31,520,532)	(10,314,926)	(10,431,172)	116,246	-1.1%
Recreation and Culture		(32,865,760)	(13,847,775)	(14,291,046)	443,271	-3.2%
Transport		(84,244,158)	(32,314,117)	(31,902,849)	(411,268)	1.3%
Economic Services		(16,965,145)	(7,822,657)	(7,392,793)	(429,864)	5.5%
Other Property and Services		(9,888,529)	(3,879,173)	(3,921,352)	42,179	-1.1%
Total Operating Expenditure		(198,225,279)	(77,137,900)	(77,165,205)	27,305	0.0%
NET FROM OPERATIONS		2,792,361	67,864,607	68,826,645	962,038	1.4%
GRANTS/CONTRIBUTIONS						
For the Development of Assets						
- General Purpose Funding		60,000	-	-	-	0.0%
- Recreation and Culture		375,000	455,268	-	-	0.0%
- Transport		377,165	-	483,826	483,826	0.0%
- Economic Services		657,247	-	-	-	0.0%
Total Grants/Contributions		1,469,412	455,268	483,826	28,558	6.3%
DISPOSAL/WRITE OFF OF ASSETS						
Gain/(Loss) on Disposal of Assets	2	(1,663,015)	(83,152)	(35,269)	47,883	-57.6%
Change in net assets resulting from operations before significant items		2,598,758	68,236,723	69,275,202	1,038,479	1.5%
SIGNIFICANT ITEMS						
Distribution from TPRC		580,000	-	-	-	0.0%
Change in net assets resulting from operations after significant items		3,178,758	68,236,723	69,275,202	1,038,479	1.5%

**CITY OF PERTH
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Statement of Comprehensive Income for the 5 months ended 30 November 2018

(By Nature or Type)

	Note	Budget 2018/2019	Revised Budget YTD	Actual YTD 30/11/2018	YTD Variance	
		\$	\$	\$	\$	%
OPERATING REVENUE						
Rates		90,190,099	90,858,789	91,158,232	299,443	0.3%
Grants and Contributions for Non Capital Purposes		2,104,830	812,792	986,046	173,254	21.3%
Fees and Charges		102,135,208	49,929,927	50,765,074	835,147	1.7%
Interest and Investment Income		4,767,575	2,791,267	2,399,178	(392,089)	-14.0%
Other Revenue		1,819,928	609,732	683,320	73,588	12.1%
Total Revenue from Operating Activities		201,017,640	145,002,507	145,991,850	989,343	0.7%
OPERATING EXPENDITURE						
Employee Costs		(78,297,999)	(32,133,626)	(32,642,822)	509,196	-1.6%
Materials and Contracts		(52,144,397)	(17,601,711)	(18,144,571)	542,860	-3.1%
Utilities		(3,242,445)	(1,269,952)	(1,203,474)	(66,478)	5.2%
Depreciation and Amortisation		(36,371,570)	(14,628,471)	(14,260,049)	(368,422)	2.5%
Interest		(961,020)	(450,786)	(451,415)	629	-0.1%
Insurance		(861,507)	(402,574)	(412,718)	10,144	-2.5%
Expenses Provision		(622,947)	(254,936)	(270,157)	15,222	-6.0%
Other Expenses from Ordinary Activities		(25,723,394)	(10,395,846)	(9,779,999)	(615,847)	5.9%
Total Expenses from Ordinary Activities		(198,225,279)	(77,137,900)	(77,165,205)	27,305	0.0%
Change in Net Assets from Ordinary Activities before Capital Amounts		2,792,361	67,864,607	68,826,645	962,038	1.4%
GRANTS/CONTRIBUTIONS						
Grants and Contributions- Capital		1,469,412	455,268	483,826	28,558	6.3%
NET OPERATING SURPLUS		4,261,773	68,319,875	69,310,471	990,596	1.4%
DISPOSAL/WRITE OFF OF ASSETS	2	(1,663,015)	(83,152)	(35,269)	47,883	-57.6%
SIGNIFICANT ITEMS						
Distribution from TPRC		580,000	-	-	-	0.0%
<i>Change in net assets resulting from operations after capital amounts and significant items</i>		3,178,758	68,236,723	69,275,202	1,038,479	1.5%

**CITY OF PERTH
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Statement of Financial Position as at 30 November 2018

	Note	30/11/2018	30/06/2018
CURRENT ASSETS			
		\$	\$
Cash and Cash Equivalents	11	5,119,329	20,842,973
Deposits/Prepayments	4	13,576,184	1,737,175
Investments	3, 11	181,524,741	112,708,017
Trade and Other Receivables	5	13,572,347	10,118,755
Rates Receivable	1	12,758,274	606,839
Inventories		1,069,868	1,072,442
TOTAL CURRENT ASSETS		227,620,743	147,086,201
NON CURRENT ASSETS			
Investments	3	6,737,128	6,601,314
Trade and Other Receivables	5	62,451	62,649
Property, Plant and Equipment	8	723,334,738	730,211,561
Infrastructure	8	370,353,705	377,221,243
Capital Work in Progress	8	57,277,314	49,042,894
TOTAL NON CURRENT ASSETS		1,157,765,336	1,163,139,661
TOTAL ASSETS		1,385,386,079	1,310,225,862
CURRENT LIABILITIES			
Trade and Other Payables	6	30,401,648	21,199,331
Employee Benefits	7	10,865,738	10,505,607
Provisions	7	612,044	612,044
Loan Liability	9	7,078,083	7,448,608
TOTAL CURRENT LIABILITIES		48,957,513	39,765,590
NON CURRENT LIABILITIES			
Employee Benefits	7	1,480,878	1,480,878
Loan Liability	9	12,376,234	15,683,134
TOTAL NON CURRENT LIABILITIES		13,857,112	17,164,012
TOTAL LIABILITIES		62,814,625	56,929,602
NET ASSETS		\$1,322,571,454	\$1,253,296,260
EQUITY			
Accumulated Surplus		764,553,101	675,673,431
Asset Revaluation Reserve	10	477,165,833	477,204,390
Reserves	10	80,852,520	100,418,439
TOTAL EQUITY		\$1,322,571,454	\$1,253,296,260

**CITY OF PERTH
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Statement of Changes in Equity for the 5 months ended 30 November 2018

	Accumulated Surplus	Asset Revaluation Reserve	Cash/investment Backed Reserves	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2017	659,485,259	612,865,897	93,205,998	1,365,557,154
Change in net assets resulting from operations	(112,260,894)	-	-	(112,260,894)
Transfer to Cash Backed Reserves	(33,413,115)	-	33,413,115	-
Transfer from Cash Backed Reserves	26,200,674	-	(26,200,674)	-
Transfers to Asset Revaluation Reserve	(4,365,967)	4,365,967	-	-
Transfers from Asset Revaluation Reserve	140,027,474	(140,027,474)	-	-
Balance at 30 June 2018	\$675,673,431	\$477,204,390	\$100,418,439	\$1,253,296,260
Balance at 1 July 2018	\$ 675,673,431	\$ 477,204,390	\$ 100,418,439	\$ 1,253,296,260
Change in net assets resulting from operations	69,275,202	-	-	69,275,202
Transfer to Cash Backed Reserves	(584,052)	-	584,052	-
Transfers to Asset Revaluation Reserve	-	-	-	-
Transfers from Asset Revaluation Reserve	38,558	(38,558)	-	-
Transfer from Cash Backed Reserves	20,149,971	-	(20,149,971)	-
Balance at the end of the reporting period	\$764,553,106	\$477,165,833	\$80,852,520	\$1,322,571,460

**CITY OF PERTH
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Statement of Cash Flows for the 5 months ended 30 November 2018

	Note	Budget 2018/2019 \$	YTD Actual 30/11/2018 \$	YTD Variation \$	%
Cash Flows from Operating Activities					
Receipts					
Rates		89,209,455	92,639,826	3,430,371	3.8%
Fees and Charges		102,068,853	50,474,352	(51,594,501)	-50.5%
Interest		4,767,575	2,167,682	(2,599,893)	-54.5%
Other		1,819,928	933,933	(885,995)	-48.7%
		197,865,811	146,215,793	(51,650,018)	-26.1%
Payments					
Employee Costs		(78,378,106)	(33,502,323)	44,875,783	57.3%
Materials and Contracts		(56,252,703)	(26,245,939)	30,006,764	53.3%
Interest		(961,020)	(507,634)	453,386	47.2%
Other		(29,966,325)	(21,899,238)	8,067,087	26.9%
		(165,558,154)	(82,155,134)	83,403,020	50.4%
Net Cash Flows from Operating Activities	12	32,307,657	64,060,659	31,753,003	-98.3%
Cash Flows from Investing Activities					
Distribution from TPRC		-	-	-	0.0%
Proceeds from Disposal of Assets		1,516,025	295,070	(1,220,955)	-80.5%
Proceeds from Disposal of Investments		-	120,508,763	120,508,763	0.0%
Purchase Land and Buildings		(11,459,765)	-	11,459,765	-100.0%
Purchase Infrastructure Assets		(20,265,755)	(134,519)	20,131,236	-99.3%
Purchase Plant and Mobile Equipment		(14,378,763)	(657,592)	13,721,171	95.4%
Purchase Office Furniture and Equipment		(10,184,778)	(53,916)	10,130,862	-99.5%
Work in Progress		-	(7,822,634)	(7,822,634)	0.0%
Purchase of Investments		-	(189,461,302)	(189,461,302)	
		(56,289,061)	(198,129,963)	(141,840,902)	-252.0%
Net Cash Flows from Investing Activities		(54,773,036)	(77,326,130)	(22,553,094)	-41.2%
Cash Flows from Financing Activities					
Repayment of Borrowings		(7,448,608)	(3,677,425)	3,771,183	50.6%
		(7,448,608)	(3,677,425)	3,771,183	50.6%
Cash Flows from Government and Other Parties					
Receipts from Appropriations/Grants					
Recurrent		3,262,399	735,433	(2,526,966)	-77.5%
Capital		1,469,412	483,826	(985,586)	-67.1%
		4,731,811	1,219,259	(3,512,552)	-74.2%
Net Increase (Decrease) in Cash Held		(25,182,176)	(15,723,637)	9,458,539	-37.6%
Cash at 1 July 2018		151,411,889	20,842,973	(130,568,916)	-86.2%
Cash at 30 November 2018	11	126,229,713	5,119,329	(121,110,384)	-95.9%

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Notes to the Balance Sheet for the 5 months ended 30 November 2018

1 Rates Receivable

	Actual YTD 30/11/2018	2017/18 YTD 30/11/2017
	\$	\$
Outstanding Amount at 30 June 2018	606,839	323,913
Rates Levied for the Year	90,547,026	89,483,636
Late Payment Penalties	-	84,656
Ex Gratia Rates	7,436	7,377
Rates Administration Fee	21,054	344,263
Rates Instalment Interest	355,362	352,218
Back Rates	73,573	(96,896)
Bins Levy	252,641	209,039
	91,863,931	90,708,206
Amount Received during the Period	79,105,657	78,838,210
Outstanding Amount at 30 November 2018	\$12,758,274	\$11,869,996

2 Gain/(Loss) on Disposal/Write off of Assets

	Annual Budget	Actual YTD 30/11/2018
Infrastructure		
Proceeds on Disposal	-	-
Less: Carrying amount of assets written off	1,917,040	44,917
(Loss) on Write Off	(1,917,040)	(44,917)
Plant and Mobile Equipment		
Proceeds on Disposal	1,516,025	295,070
Less: Carrying amount of assets sold/written off	1,262,000	285,422
Profit on Disposal /Write Off	254,025	9,648
Gain/(Loss) on Disposal/Write off of Assets	(\$1,663,015)	(35,269)

3 Investments

Current	30/11/2018	30/06/2018
Short Term Cash Investments *	\$	\$
Call Funds	8,560,233	19,384,434
Bank/Term Deposits	168,000,000	88,000,000
Managed Funds	4,964,508	5,323,583
Total Current Investments	\$181,524,741	\$112,708,017

* Short Term Cash Investments as stated in Note 11.

Non Current Investments	30/11/2018	30/06/2018
	\$	\$
Mortgage Backed Securities (MBS)	2,463,504	2,481,033
	2,463,504	2,481,033
Equity in Local Government House	10,000	10,000
Equity in Mindarie Regional Council	450,285	450,285
Equity in Tamala Park Regional Council	3,813,339	3,659,996
	\$6,737,128	\$6,601,314

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Notes to the Balance Sheet for the 5 months ended 30 November 2018

4 Deposits/Prepayments

	30/11/2018	30/06/2018
	\$	\$
Prepaid Insurance	1,361,361	-
Prepaid Parking Bay Licence Fees	10,346,454	113,564
Other	1,868,369	1,623,611
	\$13,576,184	\$1,737,175

5 Trade And Other Receivables

	30/11/2018	30/06/2018
	\$	\$
Current		
Emergency Services Levy (ESL)	3,293,827	114,563
Accrued Interest and Investment Income	1,323,698	1,092,202
Accrued Income	1,197,245	1,767,763
Modified Penalties/Fines and Costs	8,447,586	7,886,627
Debtors - General		
Australian Taxation Office - GST Refundable	287,864	1,024,489
Other Debtors	3,092,305	2,216,562
	17,642,525	14,102,206
Less: Provision for Doubtful Debts	(4,070,178)	(3,983,451)
	\$13,572,347	\$10,118,755
Non Current		
Pensioners' Rates Deferred	62,451	62,649
	\$62,451	\$62,649

6 Trade And Other Payables

	30/11/2018	30/06/2018
	\$	\$
Current		
Trade Creditors	4,404,913	15,035,282
Emergency Services Levy	16,650,932	-
Interest Payable on Loans	175,648	231,867
Accrued Expenses - Operating	4,605,570	2,471,480
Accrued Expenses - Capital	808,411	396,625
Advances Received for Recoverable Works	93,924	96,738
Income Received / Raised in Advance	1,167,171	1,083,716
Other Creditors	2,495,079	1,883,623
	\$30,401,648	\$21,199,331

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Notes to the Balance Sheet for the 5 months ended 30 November 2018

7 Employee Benefits

	30/11/2018	30/06/2018
Current	\$	\$
Leave Entitlements		
Annual Leave	4,924,914	4,792,212
Self Funded Leave	170,884	163,543
Long Service Leave	5,666,530	5,435,598
Recognition of Employees- Presentations	103,410	114,254
	\$10,865,738	\$10,505,607
Non Current		
Annual Leave	379,099	379,099
Long Service Leave	1,101,779	1,101,779
	\$1,480,878	\$1,480,878

Provisions

	30/11/2018	30/06/2018
Current	\$	\$
Workers Compensation	612,044	612,044
	\$612,044	\$612,044

8 Property, Plant and Equipment and Work in Progress

	30/11/2018	30/06/2018
	\$	\$
Land - fair value	418,170,435	418,170,435
Less: Accumulated Depreciation	(8,502,640)	(8,224,622)
	409,667,795	409,945,813
Buildings - at fair value	461,389,947	461,389,947
Less: Accumulated Depreciation	(194,720,479)	(190,281,745)
	266,669,468	271,108,202
Leasehold Improvements - at fair value	654,500	654,500
Less: Accumulated Depreciation	(102,430)	(94,569)
	552,070	559,931
Infrastructure Assets - at cost/fair value	602,020,147	601,956,717
Less: Accumulated Depreciation	(231,666,442)	(224,735,474)
	370,353,705	377,221,243
Plant and Mobile Equipment - at cost/fair value	48,361,024	48,244,193
Less: Accumulated Depreciation	(33,444,382)	(32,299,078)
	14,916,642	15,945,115
Office Furniture and Equipment - at cost/fair value	47,191,057	47,137,141
Less: Accumulated Depreciation	(15,662,294)	(14,484,641)
	31,528,763	32,652,500
Property, Plant and Equipment	1,093,688,443	1,107,432,804
Work in Progress - at cost	57,277,314	49,042,894
	57,277,314	49,042,894
Total Property, Plant and Equipment and Work in Progress	\$1,150,965,757	\$1,156,475,698

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Notes to the Balance Sheet for the 5 months ended 30 November 2018

8 Property, Plant and Equipment and Work in Progress - Movement at Cost

	Balance 30/06/2018	Acquisitions Actual YTD 30/11/2018	Transfers Actual YTD 30/11/2018	Initial Recognition of Assets Actual YTD 30/11/2018	Disposals/ Write off/ Actual YTD 30/11/2018	Revaluation Actual YTD 30/11/2018	Balance 30/11/2018
	\$	\$	\$	\$	\$		\$
Land	418,170,435	-	-	-	-	-	418,170,435
Buildings	461,389,947	-	-	-	-	-	461,389,947
Leasehold Improvements	654,500	-	-	-	-	-	654,500
Infrastructure Assets	601,956,717	134,519	-	-	(71,089)	-	602,020,147
Plant and Mobile Equipment	48,244,193	657,592	-	-	(540,761)	-	48,361,024
Office Furniture and Equipment	47,137,141	53,916	-	-	-	-	47,191,057
Work in Progress	49,042,894	8,234,420	-	-	-	-	57,277,314
	\$1,626,595,827	\$9,080,447	-	-	(611,850)	-	\$1,635,064,424

9 Loan Liability

	30/11/2018	30/06/2018
Current	\$	\$
Loans - Western Australian Treasury Corporation	7,078,083	7,448,608
Non Current		
Loans - Western Australian Treasury Corporation	12,376,234	15,683,134

10 Reserve Funds

Purpose of Reserve Fund	Balance 30/06/2018	Transfer from Accumulated Surplus	Transfer to Accumulated Surplus	Balance 30/11/2018
	\$	\$	\$	\$
Refuse Disposal and Treatment	3,758,149	26,981	(9,621)	3,775,509
Concert Hall - Refurbishment and Maint.	5,502,176	31,929	(789,437)	4,744,668
Asset Enhancement	30,621,651	220,273	(449,022)	30,392,902
Street Furniture Replacement	358,479	2,242	(264,886)	95,835
Parking Levy	21,222,806	24,459	(17,825,290)	3,421,975
Art Acquisition	399,275	2,919	(11,673)	390,521
Heritage Incentive	608,930	4,528	-	613,458
Parking Facilities Development	23,919,144	168,511	(800,042)	23,287,613
Employee Entitlements	1,924,579	13,703	-	1,938,282
David Jones Bridge	341,959	2,401	-	344,360
Bonus Plot Ratio	655,680	4,719	-	660,399
PCEC Fixed Plant Replacement	5,007,286	36,148	-	5,043,434
Enterprise and Initiative	5,477,133	40,765	-	5,517,898
Public Art	621,192	4,474	-	625,666
	100,418,439	584,052	(20,149,971)	80,852,520
* Asset Revaluation	477,204,390	-	(38,558)	477,165,833
	\$577,622,829	\$584,052	(\$20,188,529)	\$558,018,353

* The Asset Revaluation Reserve is a non cash backed reserve and cannot be used, except for adjustments to fixed assets on their revaluation, disposal or write off

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Notes to the Balance Sheet for the 5 months ended 30 November 2018

11 Cash Reconciliation

	30/11/2018	30/06/2018
	\$	\$
Cash and Cash Equivalents	5,119,329	20,842,973
Short Term Cash Investments	181,524,741	112,708,017
	\$186,644,070	\$133,550,990

12 Reconciliation of Net Cash Provided By Operating Activities to Operating Surplus

	30/11/2018	30/06/2018
	\$	\$
Change in Net Assets Resulting from Operations	69,275,202	11,846,488
Adjustment for items not involving the movement of Funds:		
Depreciation	14,260,049	34,706,879
Doubtful Debts	86,727	312,664
(Gain)/Loss on Disposal/Write off/Contribution of Assets	35,269	1,717,911
	83,657,247	48,583,942
Revenues Provided By :		
Government Grants	(1,219,259)	(5,028,039)
	(1,219,259)	(5,028,039)
Change in Operating Assets and Liabilities		
Add Back		
Decrease in Inventories	2,574	-
Decrease in Deposits and Prepayments	-	98,131
Decrease in Deferred Debtors	198	-
Decrease in Accrued Income	570,518	1,405,487
Increase in Income Received /Raised in Advance	80,641	373,519
Increase in Accrued Interest Payable	-	75,420
Increase in Accrued Expenses	2,134,090	-
Increase in Provisions	360,131	530,691
Increase in Trade and Other Payables	6,632,019	3,367,298
Deduct		
Decrease in Accrued Interest Payable	(56,219)	-
Increases in Deferred Debtors	-	(16,293)
Decrease in Accrued Expenses	-	(1,293,063)
Increase in Inventories	-	(153,803)
Increase in Trade and Other Receivables	(16,030,776)	(1,457,099)
Increase in Prepayments	(11,839,009)	-
Increase in Accrued Income	-	-
Increase in Accrued Interest and Investment Income	(231,496)	(386,685)
	(18,377,329)	2,543,603
Net Cash Provided by Operating Activities	\$64,060,660	\$46,099,506

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Notes to the Balance Sheet for the 5 months ended 30 November 2018

13 Ratios

	30/11/2018	30/06/2018
1 Current Ratio		
<u>Current Assets minus Restricted Assets</u>		
Current Liabilities minus Liabilities associated with Restricted Assets	3.05	1.24
2 Debt Ratio		
<u>Total Liabilities</u>		
Total Assets	4.53%	4.35%
3 Debt Service Ratio		
<u>Debt Service Cost</u>		
Available Operating Revenue	20.24%	7.33%
4 Rate Coverage Ratio		
<u>Net Rate Revenue</u>		
Operating Revenue	63.12%	44.79%
5 Outstanding Rates Ratio		
<u>Rates Outstanding</u>		
Rates Collectable	13.89%	0.67%
6 Untied Cash to Unpaid Creditors Ratio		
<u>Untied Cash</u>		
Unpaid Trade Creditors	24.58	2.37
7 Gross Debt to Revenue Ratio		
<u>Gross Debt</u>		
Total Revenue	13.33%	11.45%
8 Gross Debt to Economically Realisable Assets Ratio		
<u>Gross Debt</u>		
Economically Realisable Assets	1.92%	2.48%

Restricted Assets includes reserve funds and tied contributions not utilised at 30.11.2018