



# City of Joondalup

Financial Activity Statement for the  
Period Ended 31 August 2017

# Contents

# Appendix

|                                                                  |   |
|------------------------------------------------------------------|---|
| Financial Activity Statement                                     | 1 |
| Investment Summary                                               | 2 |
| Notes to and Forming Part of the<br>Financial Activity Statement | 3 |

|                                                      | Notes | Adopted Budget       | YTD Adopted Budget   | YTD Actual           | YTD Variance \$  | YTD Variance % |
|------------------------------------------------------|-------|----------------------|----------------------|----------------------|------------------|----------------|
| <b>OPERATING REVENUE</b>                             |       |                      |                      |                      |                  |                |
| Rates                                                | 1     | (96,952,818)         | (96,747,818)         | (96,665,540)         | (82,278)         | (0)%           |
| Specified Area Rates                                 |       | (589,482)            | (589,482)            | (589,346)            | (136)            | (0)%           |
| Grants and Subsidies                                 | 2     | (3,983,552)          | (1,057,128)          | (380,256)            | (676,872)        | (64)%          |
| Contributions Reimbursements and Donations           | 3     | (869,387)            | (53,545)             | (63,212)             | 9,667            | 18%            |
| Profit on Asset Disposals                            | 4     | (1,493,563)          | (240,830)            | -                    | (240,830)        | (100)%         |
| Fees and Charges                                     | 5     | (40,525,044)         | (24,507,798)         | (24,776,790)         | 268,992          | 1%             |
| Interest Earnings                                    | 6     | (3,108,951)          | (774,559)            | (828,697)            | 54,139           | 7%             |
| Other Revenue/Income                                 | 7     | (146,448)            | (143,688)            | (118,546)            | (25,142)         | (17)%          |
| <b>Total Operating Revenue</b>                       |       | <b>(147,669,244)</b> | <b>(124,114,846)</b> | <b>(123,422,387)</b> | <b>(692,459)</b> | <b>(1)%</b>    |
| <b>OPERATING EXPENSES</b>                            |       |                      |                      |                      |                  |                |
| Employee Costs                                       | 8     | 64,934,762           | 11,513,021           | 11,895,419           | (382,398)        | (3)%           |
| Materials and Contracts                              | 9     | 51,846,987           | 8,824,245            | 7,577,525            | 1,246,720        | 14%            |
| Utilities (gas, electricity, water etc.)             | 10    | 5,706,215            | 959,787              | 826,030              | 133,757          | 14%            |
| Depreciation & Amortisation of Non-Current Assets    | 11    | 28,989,014           | 4,840,805            | 5,211,936            | (371,131)        | (8)%           |
| Loss on Asset Disposals                              | 12    | 670,524              | 111,754              | -                    | 111,754          | 100%           |
| Interest Expenses                                    | 13    | 662,030              | 113,508              | 94,883               | 18,625           | 16%            |
| Insurance Expenses                                   | 14    | 1,542,342            | 872,189              | 788,498              | 83,691           | 10%            |
| <b>Total Operating Expenses</b>                      |       | <b>154,351,874</b>   | <b>27,235,310</b>    | <b>26,394,291</b>    | <b>841,019</b>   | <b>3%</b>      |
| <b>(SURPLUS)/DEFICIT FROM OPERATIONS</b>             |       | <b>6,682,630</b>     | <b>(96,879,536)</b>  | <b>(97,028,096)</b>  | <b>148,560</b>   | <b>0%</b>      |
| <b>OPERATING NON-CASH ADJUSTMENTS</b>                |       |                      |                      |                      |                  |                |
| Depreciation & Amortisation of Non Current Assets    |       | (28,989,014)         | (4,840,805)          | (5,211,936)          | 371,131          | 8%             |
| Loss on Asset Disposal                               |       | (670,524)            | (111,754)            | -                    | (111,754)        | (100)%         |
| Profit on Asset Disposals                            |       | 1,493,563            | 240,830              | -                    | 240,830          | 100%           |
| Other Non-Current items                              |       |                      |                      |                      |                  |                |
| Movement in Non-current Items                        | 15    | (100,000)            | (100,000)            | (64,660)             | (35,340)         | (35)%          |
| <b>OPERATING CASH (SURPLUS)/DEFICIT</b>              |       | <b>(21,583,345)</b>  | <b>(101,691,266)</b> | <b>(102,304,692)</b> | <b>613,426</b>   | <b>1%</b>      |
| <b>NON-OPERATING REVENUE</b>                         |       |                      |                      |                      |                  |                |
| Capital Grants and Subsidies                         | 16    | (9,026,605)          | (1,406,536)          | (1,716,178)          | 309,642          | (22)%          |
| Capital Contributions                                | 17    | -                    | -                    | (90,909)             | 90,909           | 0%             |
| Equity Distribution - TPRC                           |       | (666,667)            | -                    | -                    | -                | 0%             |
| Other Equity Movements                               | 18    | -                    | -                    | (52,334)             | 52,334           | 0%             |
| <b>Total Non-Operating Revenue</b>                   |       | <b>(9,693,272)</b>   | <b>(1,406,536)</b>   | <b>(1,859,421)</b>   | <b>452,885</b>   | <b>32%</b>     |
| <b>CAPITAL EXPENDITURE</b>                           |       |                      |                      |                      |                  |                |
| Capital Projects                                     | 19    | 6,903,691            | 1,449,202            | 304,720              | 1,144,482        | 79%            |
| Capital Works                                        | 20    | 33,684,227           | 2,644,288            | 2,491,052            | 153,236          | 6%             |
| Vehicle and Plant Replacements                       | 21    | 3,201,000            | 940,000              | 9,854                | 930,146          | 99%            |
| Loan Repayment Principal                             | 22    | 3,004,841            | 231,142              | 195,183              | 35,959           | 16%            |
| Equity Investments                                   |       | 47,443               | -                    | -                    | -                | 0%             |
| <b>Total Capital Expenditure</b>                     |       | <b>46,841,202</b>    | <b>5,264,632</b>     | <b>3,000,809</b>     | <b>2,263,823</b> | <b>43%</b>     |
| <b>CAPITAL (SURPLUS)/DEFICIT</b>                     |       | <b>37,147,930</b>    | <b>3,858,096</b>     | <b>1,141,388</b>     | <b>2,716,708</b> | <b>70%</b>     |
| <b>(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL</b> |       | <b>15,564,585</b>    | <b>(97,833,170)</b>  | <b>(101,163,304)</b> | <b>3,330,134</b> | <b>3%</b>      |
| <b>FUNDING</b>                                       |       |                      |                      |                      |                  |                |
| Proceeds from Disposal                               | 23    | (6,150,700)          | (905,033)            | -                    | (905,033)        | (100)%         |
| Loans - New Borrowings                               |       | -                    | -                    | -                    | -                | -              |
| Transfer from Trust                                  |       | (95,000)             | -                    | -                    | -                | -              |
| Transfer from Reserve                                |       | (18,709,313)         | -                    | -                    | -                | -              |
| Transfer to Reserve                                  |       | 9,831,030            | -                    | -                    | -                | -              |
| Transfer to Accumulated Surplus                      |       | -                    | -                    | -                    | -                | -              |
| Transfer from Accumulated Surplus                    |       | -                    | -                    | -                    | -                | -              |
| Opening Funds                                        | 24    | (440,602)            | (440,602)            | (94,155)             | (346,447)        | (79)%          |
| <b>CLOSING FUNDS</b>                                 | 25    | <b>(1)</b>           | <b>(99,178,805)</b>  | <b>(101,257,459)</b> | <b>2,078,654</b> | <b>2%</b>      |



# Investment Summary

**CITY OF JOONDALUP**  
August-17

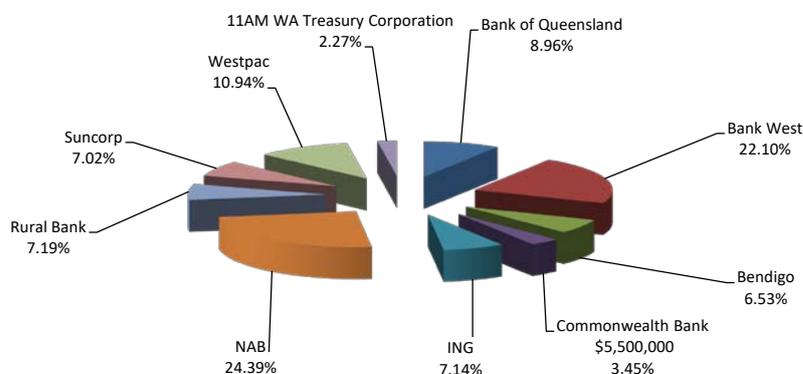
| Credit Rating |            | Investment Account              | MTD Return | YTD Return | Value \$      | % of Portfolio | Policy Limit |
|---------------|------------|---------------------------------|------------|------------|---------------|----------------|--------------|
| Long Term     | Short Term |                                 |            |            |               |                |              |
| A-*           | A-2        | Bank of Queensland Term Deposit | 2.63%      | 2.64%      | \$ 14,260,000 | 8.96%          | 10%          |
| AA-           | A-1+       | Bank West Term Deposit          | 2.50%      | 2.51%      | \$ 35,190,000 | 22.10%         | 25%          |
| A-*           | A-2        | Bendigo Term Deposit            | 2.60%      | 2.61%      | \$ 10,400,000 | 6.53%          | 10%          |
| AA-           | A-1+       | Commonwealth Bank Term Deposit  | 2.53%      | 2.53%      | \$ 5,500,000  | 3.45%          | 25%          |
| A+*           | A-1        | ING Term Deposit                | 2.66%      | 2.66%      | \$ 11,370,000 | 7.14%          | 10%          |
| AA-           | A-1+       | NAB Term Deposit                | 2.49%      | 2.53%      | \$ 38,830,000 | 24.39%         | 25%          |
| A-*           | A-2        | Rural Bank Term Deposit         | 2.67%      | 2.68%      | \$ 11,450,000 | 7.19%          | 10%          |
| A+            | A-1        | Suncorp Term Deposit            | 2.60%      | 2.61%      | \$ 11,185,000 | 7.02%          | 15%          |
| AA-           | A-1+       | Westpac Term Deposit            | 2.69%      | 2.76%      | \$ 17,420,000 | 10.94%         | 25%          |
| AA+           | A-1+       | 11AM WA Treasury Corporation    | 1.45%      | 1.45%      | \$ 3,615,000  | 2.27%          | 25%          |

|                                                                    |       |       |                    |         |
|--------------------------------------------------------------------|-------|-------|--------------------|---------|
| <b>Total Investment Portfolio</b>                                  | 2.63% | 2.63% | <b>159,220,000</b> | 100.00% |
| <b>Municipal Funds</b>                                             |       |       | 92,170,871         |         |
| <b>Reserve Funds (Subject to 2016-17 end of year finalisation)</b> |       |       | 67,049,129         |         |
|                                                                    |       |       | <b>159,220,000</b> |         |

| Overall Portfolio Limits |            | Value\$     | % Current | % Limit |
|--------------------------|------------|-------------|-----------|---------|
| Long Term                | Short Term |             |           |         |
| AA                       | A-1+       | 100,555,000 | 63.2%     | 100%    |
| A                        | A-1        | 11,185,000  | 7.0%      | 50%     |
| A                        | A-2        | 47,480,000  | 29.8%     | 40%     |

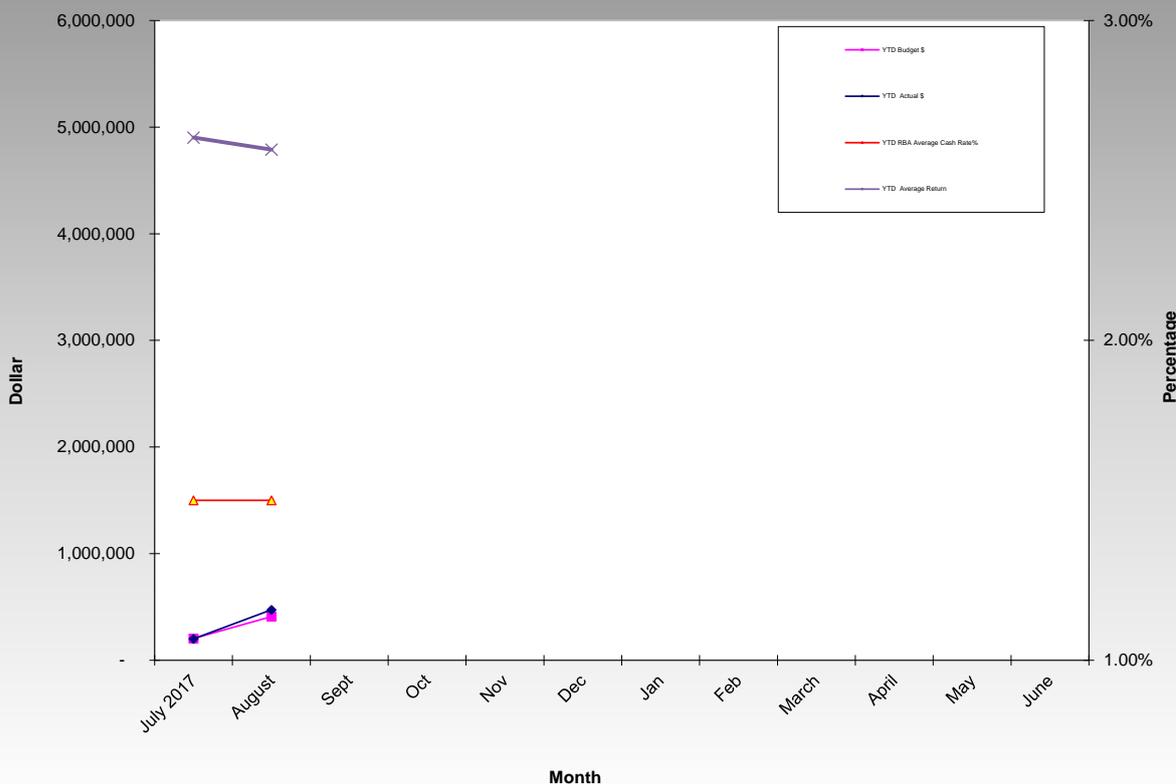
\* S&P Long Term Rating BBB, Based on the investment policy the Long Term Rating Used is (A-) Based on Moody's and Fitch Rating

## City of Joondalup - Investment Balances



| Month     | Budget \$ | MTD Actual \$ | YTD Budget \$ | YTD Actual \$ | YTD RBA Average Cash Rate% | YTD Average Return |
|-----------|-----------|---------------|---------------|---------------|----------------------------|--------------------|
| July 2017 | 204,779   | 200,783       | 204,779       | 200,783       | 1.50%                      | 2.63%              |
| August    | 204,779   | 272,751       | 409,559       | 473,533       | 1.50%                      | 2.60%              |

## Return on Investments



**NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT FOR THE PERIOD ENDED 31 AUGUST 2017**

**1. General Rates**

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**

This unfavourable timing variance (\$461,508) arose mainly from Commonwealth General Purpose Grants which was partly received in the previous financial year. The budget will be adjusted accordingly in the Mid Year Budget Review. Other unfavourable timing variances included KidSport (\$150,000), Clubs in Focus (\$50,000) and SES 2017/18 Operating Grant (\$20,000).

**3. Contributions, Reimbursements and Donations**

This favourable variance predominantly arose from unbudgeted Insurance Reimbursements \$14,455 and higher than anticipated reimbursements for Utility Charges \$6,267 and Legal Fees \$3,863, partially offset by timing of reimbursement from LGIS for the cost of the Strategic Safety Consultant (\$16,500).

**4. Profit on Asset Disposals**

This unfavourable timing variance arose due to the timing of the disposal of surplus land holdings.

**5. Fees and Charges**

|                               | YTD Budget          | YTD Actual          | Variance         |
|-------------------------------|---------------------|---------------------|------------------|
| a) Refuse Charges             | \$20,262,283        | \$20,339,828        | \$77,545         |
| b) Sports and Recreation Fees | \$1,321,425         | \$1,454,830         | \$133,405        |
| Other Fees and Charges        | \$2,924,090         | \$2,982,132         | \$58,042         |
|                               | <u>\$24,507,798</u> | <u>\$24,776,790</u> | <u>\$268,992</u> |

a) This favourable variance mainly arose from the actual volume of Domestic Refuse Removal Charges collected compared to budget estimates.

b) This includes favourable variances for Membership Fees \$50,720, Admission Fees \$33,288 and the Hire of Facilities \$28,277. The balances of variances are spread across other areas.

**6. Interest Earnings**

A favourable timing variance arose for Interest from Investments \$64,483 partially offset by an unfavourable timing variance for Interest on Instalments (\$9,468).

## 7. Other Revenue / Income

This unfavourable variance arose from Insurance Rebates (\$58,346), as rebates expected from LGIS in July will be received in two stages, with the remainder in October. This is partially offset by a favourable variance for Corrections and Adjustments \$32,580 arising from GST adjustments pertaining to the previous financial year.

## 8. Employee Costs

|                           | YTD Budget          | YTD Actual          | Variance           |
|---------------------------|---------------------|---------------------|--------------------|
| a) Salaries and Wages     | \$10,476,262        | \$10,687,880        | (\$211,618)        |
| b) Other Employment Costs | \$1,036,759         | \$1,207,539         | (\$170,780)        |
|                           | <u>\$11,513,021</u> | <u>\$11,895,419</u> | <u>(\$382,398)</u> |

a) This unfavourable timing variance predominantly arose due to movements in Employee Leave Entitlements (\$413,014) as well as additional casual costs for Parking Services (\$45,964) covering permanent positions yet to be filled and Leisure Centres (\$44,283) due to back pay for casual staff from 01 July 2017 following a new casual employment agreement being reached in August 2017. The balances of variances are spread across other areas, mainly as cover for vacant positions and backfilling leave.

b) Unfavourable timing variances arose for Agency Employees (\$88,659) covering vacant positions, Employee Cost Allocations and Recoveries (\$49,697) as well as Conferences and Seminars (\$22,052) and Staff Training (\$17,005). The balances of variances are spread across a number of other areas.

## 9. Materials and Contracts

|                                      | YTD Budget         | YTD Actual         | Variance           |
|--------------------------------------|--------------------|--------------------|--------------------|
| a) External Service Expenses         | \$3,482,831        | \$2,719,923        | \$762,908          |
| b) Computing                         | \$388,423          | \$603,048          | (\$214,625)        |
| c) Travel, Vehicles & Plant          | \$421,941          | \$287,744          | \$134,197          |
| d) Furniture, Equipment and Artworks | \$393,354          | \$303,674          | \$89,680           |
| e) Waste Management Services         | \$1,423,000        | \$1,224,416        | \$198,584          |
| f) Contributions and Donations       | \$445,540          | \$316,758          | \$128,782          |
| g) Administration                    | \$265,426          | \$147,136          | \$118,290          |
| h) Professional Fees and Costs       | \$558,330          | \$497,335          | \$60,995           |
| Other Materials and Contracts        | \$1,445,400        | \$1,477,491        | (\$32,091)         |
|                                      | <u>\$8,824,245</u> | <u>\$7,577,525</u> | <u>\$1,246,720</u> |

a) External Contractors and Services expenditure is \$601,962 below budget. This includes favourable timing variances for Parks \$242,959, Building Maintenance \$181,119, Engineering Maintenance \$55,868, Civil Projects Management Services \$49,506, Landscaping and Conservation Services \$48,443 and Waste Management Services \$23,824, partially offset by an unfavourable variance for Environmental Health Services (\$29,733). In addition, favourable variances arose for Tipping Fees – Domestic \$112,352 and Programme Activities \$35,821. The balances of variances are spread across a number of areas.

- b) This unfavourable timing variance was predominantly due to Computer Software Maintenance (\$264,292) comprising annual software maintenance fees, partially offset by a favourable timing variance for Computer Software Subscriptions \$40,758. The balances of variances are spread across other areas.
- c) A favourable variance arose for Vehicle Licensing \$71,226 as a result of the recent decision by State Government to exempt Local Governments from the registration fee component of annual vehicle licensing fees. The budget will be adjusted accordingly in the Mid Year Budget Review. In addition favourable timing variances arose for Parts and Repairs \$22,067, Fuel \$26,960 and Vehicle Servicing Costs \$10,142.
- d) Favourable timing variances arose for Plant and Equipment Maintenance and Repair \$53,726, Plant and Equipment Purchases - Minor \$39,504 and Furniture and Office Equipment Purchases – Minor \$20,535, partially offset by an unfavourable timing variance for Computer and Communications Equipment Maintenance (\$21,868).
- e) This favourable timing variance arose predominantly from Greens Waste Collection and Processing \$119,798, Bulk Hard Waste Collection and Processing \$58,858 and Weekend Greens \$20,551.
- f) This favourable timing variance arose predominantly from Sponsorship \$192,708 and Grant Disbursements \$23,476 partially offset by Grants and Contributions Made (\$88,660).
- g) Favourable timing variances arose for Other Sundry Administration Expenses \$75,471 and Printing \$29,998. The balances of variances are spread across a number of areas.
- h) This favourable timing variance arose predominantly from Consultancy \$87,058 partially offset by unfavourable timing variances for Licence Fees (\$24,755) and Legal Expenses (\$20,650).

## **10. Utilities**

Electricity costs are \$137,846 below budget including favourable variances for Buildings \$83,171, Parks \$31,693 and Roads \$22,387. This was partially offset by unfavourable timing variances for Water Costs (\$7,113) and Gas (\$3,025).

## **11. Depreciation & Amortisation of Non-Current Assets**

Unfavourable variances arose due to revaluation and asset capitalisation at 30 June 2017 for Depreciation – Buildings (\$365,024), Depreciation – Open Reserves (\$134,114), Depreciation – Drainage Infrastructure (\$54,430), Depreciation – Computer and Communications Hardware (35,784), Depreciation – Bridges, Overpass and Underpass Infrastructure (\$32,648) and Depreciation – Furniture and Office Equipment (\$20,289), partially offset by a favourable variance for Depreciation – Roads Infrastructure \$321,215 owing to downward valuations at 30 June 2017. These are subject to audit before finalisation. The balances of the variances are spread across a number of areas.

## 12. Loss on Asset Disposals

This favourable timing variance arose in respect of the disposal of Fleet and Plant \$73,421 and Land Parcels \$38,333.

## 13. Interest Expense

This favourable variance arose mainly due to the budget loan to fund the extension of the SES Winton Road Facility which is now no longer required. This will be revised in the Mid Year Budget Review.

## 14. Insurance Expense

This favourable variance arose mainly in respect of savings on insurance premiums for Industrial Special Risk \$51,672 and Public Liability \$32,578, compared to budget estimates.

## 15. Movement in Non-current Items

This timing variance arose in respect of Non-current Long Service Leave Liability movements of \$35,340.

## 16. Capital Grants and Subsidies

|                                               | YTD Budget         | YTD Actual         | Variance         |
|-----------------------------------------------|--------------------|--------------------|------------------|
| a) Capital Projects                           | -                  | \$303,911          | \$303,911        |
| b) Street Lighting Program                    | -                  | \$91,945           | \$91,945         |
| c) Road Preservation /<br>Resurfacing Program | \$1,076,936        | \$985,811          | (\$91,125)       |
| d) Major Road Construction Program            | \$153,600          | -                  | (\$153,600)      |
| e) Parks Equipment Program                    | -                  | \$101,491          | \$101,491        |
| Other Programs                                | \$176,000          | \$233,020          | \$57,020         |
|                                               | <u>\$1,406,536</u> | <u>\$1,716,178</u> | <u>\$309,642</u> |

a) Favourable variances arose from Ocean Reef Marina \$187,826 being reimbursement from LandCorp for project expenditure incurred in 2016/17 and grant funding received for CCTV installation at Collier Pass \$116,085 which was completed in 2016/17.

b) A favourable timing variance arose from grant funding received for Admiral Park Floodlight Upgrade \$91,945 which was anticipated to be received in 2016/17.

c) This unfavourable variance includes the Main Roads WA Road Rehabilitation Program (\$318,709) due to Ministerial approval only received on 31/08/17. In addition, an unfavourable variance arose for the Direct Grants Program (\$515,216) which has been submitted awaiting payment from the State Government. The unfavourable variance on the Direct Grant Program will be funded by Federal Local Roads Grant and adjusted at Mid Year review. This is offset by a favourable timing variance of \$742,744 for the Roads to Recovery Program \$232,744 of which is final



grant payment for completed 2016/17 projects Eddystone Avenue - Eagle Street to Whitfords Avenue \$46,166 and Drakeswood Road \$186,578.

- d) Major Road construction unfavourable variance of (\$153,600) is due to the grant claim being on hold whilst the City seeks agreement from the Metropolitan Road Improvement Alliance to deliver the project in full with the City providing a \$500,000 contribution in place of the current arrangement.
- e) Favourable variance predominantly due to the City receiving grant funds of \$110,000 from the Local Jobs grant program in relation to the Thornton Park Playspace Renewal.

### 17. Capital Contributions

This favourable timing variance is due to receipt of final contribution for the Warwick Hockey Centre.

### 18. Other Equity Movements

This favourable variance arose from reimbursement of rates paid to the City of Wanneroo for the City's share of land at Tamala Park.

### 19. Capital Projects

|                                                    | YTD Budget         | YTD Actual       | Variance           |
|----------------------------------------------------|--------------------|------------------|--------------------|
| a) Joondalup Performing Arts and Cultural Facility | \$823,148          | \$17,951         | \$805,197          |
| b) Pool Tiles Replacement Craigie Leisure Centre   | \$200,000          | -                | \$200,000          |
| c) MPC Parking Terminals Upgrade                   | \$118,920          | -                | \$118,920          |
| d) WOC Main Office Reconfiguration                 | -                  | \$55,664         | (\$55,664)         |
| Other Projects                                     | \$307,134          | \$231,106        | \$76,028           |
|                                                    | <u>\$1,449,202</u> | <u>\$304,720</u> | <u>\$1,144,482</u> |

- a) This favourable variance is due to the Council decision not to initiate the design development phase of this project at this time.
- b) Timing of this project has been deferred to later in the year. Budget will be adjusted during the Mid Year Review.
- c) A favourable timing variance arose for this project, product orders for which have been placed and awaiting delivery.
- d) This unfavourable timing variance arose from earlier than anticipated commencement of this project due to contractor availability.

**20. Capital Works**

|                                    | YTD Budget         | YTD Actual         | Variance         |
|------------------------------------|--------------------|--------------------|------------------|
| a) Road Preservation/Resurfacing   | \$697,602          | \$478,850          | \$218,752        |
| b) Major Projects Program          | \$645,000          | \$805,318          | (\$160,318)      |
| c) Streetscape Enhancement Program | \$500,000          | \$256,959          | \$243,041        |
| d) Major Road Construction Program | \$219,333          | \$54,355           | \$164,978        |
| e) Parking Facilities Program      | -                  | \$203,037          | (\$203,037)      |
| f) Parks Development Program       | \$40,000           | \$113,277          | (\$73,277)       |
| g) Street Lighting Program         | \$3,200            | \$82,525           | (\$79,325)       |
| Other Programs                     | \$539,153          | \$496,731          | \$42,422         |
|                                    | <u>\$2,644,288</u> | <u>\$2,491,052</u> | <u>\$153,236</u> |

- a) Favourable timing variances arose for Aberdare Way \$50,762 and Kanangra Crescent \$48,611 which are complete awaiting payment of invoices and Eddington Road \$70,011 which is 80% constructed awaiting invoices. Favourable timing variances also arose for Main Roads WA Road Rehabilitation (FLRG) Projects \$58,602 to be re-phased in line with the Metropolitan Rehabilitation Program which is forecast for construction October 2017 to December 2017, and for the Inventory and Condition Data Collection project \$75,000 which is awaiting invoices. This is partially offset by unfavourable variances for Bagley Way (\$83,407) and Glenmere Road (\$51,297) which are both complete ahead of schedule.
- b) This unfavourable timing variance is mainly due to Penistone Park – Facility Redevelopment (\$166,230) which is progressing ahead of schedule.
- c) Favourable timing variance arose in the Arterial Roads Landscape Upgrade Program \$208,489, which is 31% constructed, and Leafy City Program \$35,433 with \$255,204 and \$83,753 commitments raised respectively.
- d) This favourable variance is predominantly due to the Ocean Reef Road – Marmion Avenue to Swanson Way Roundabout \$181,615 which is completed and awaiting final invoices to be paid. This is offset by an unfavourable timing variance for Whitfords Avenue Upgrades (\$20,638) which has been programmed to commence in September 2017 after the award of the tender.
- e) This unfavourable variance is a result of projects being funded from funds brought forward from the previous financial year including Chesapeake Way on-street Parking (\$183,752) and Forest Park Additional Parking (\$16,414).
- f) Unfavourable timing variance due predominately to MacDonald Park (\$85,646) offset by favourable timing variances for Tree Planting Program \$7,718 and Parin Pioneer Park Development \$4,652.
- g) Street Lighting unfavourable timing variance due to Joondalup City Centre Lighting (\$72,319) progressing ahead of phasing. A number of smaller timing variances exist across the program.

**21. Vehicle and Plant Replacements**

This favourable variance for Fleet and Plant purchases includes a number of items which are progressing behind budget phasing, including a compactor truck, two tractors, six vans and four utilities at a combined value of \$758,000. Orders totalling \$496,349 are currently awaiting delivery.

**22. Loan Repayment Principal**

This favourable variance arose mainly due to the budget loan to fund the extension of the SES Winton Road Facility which is now no longer required. This will be revised in the Mid Year Budget Review.

**23. Proceeds from Disposal**

The timing of the disposal of surplus land holdings generated this unfavourable variance.

**24. Opening Funds**

The variation in the closing funds for the period ended 30 June 2017 is prior to end of year adjustments being processed. The final balance will be available after the Financial Statements for 2016-17 have been audited.

**25. Closing Funds**

|                                                                                 | <b>June 2017</b>    | <b>August 2017</b>   |
|---------------------------------------------------------------------------------|---------------------|----------------------|
| <b>Current Assets</b>                                                           |                     |                      |
| Cash and Investments                                                            | \$91,237,574        | \$159,358,856        |
| Rates Outstanding, Sundry Debtors and Other Receivables                         | \$2,956,710         | \$53,266,798         |
| Accrued Income                                                                  | \$967,074           | \$762,010            |
| Prepayments                                                                     | \$10,653            | \$493,789            |
| Inventories                                                                     | \$144,976           | \$169,702            |
| <b>Total Current Assets</b>                                                     | <b>\$95,316,987</b> | <b>\$214,051,154</b> |
| <b>Current Liabilities</b>                                                      |                     |                      |
| Trade Creditors                                                                 | \$3,786,997         | \$8,107,794          |
| Sundry Payables                                                                 | \$523,645           | \$16,736,889         |
| Accrued Expenses                                                                | \$4,796,208         | \$2,819,206          |
| Other Payables                                                                  | \$2,107,983         | -                    |
| Borrowings                                                                      | \$3,084,740         | \$2,889,557          |
| Provision for Annual Leave                                                      | \$4,366,612         | \$4,536,241          |
| Provision for Long Service Leave                                                | \$5,579,310         | \$5,716,400          |
| Provision for Workers Compensation Insurance                                    | \$3,550,341         | \$4,336,406          |
| Provision for Sick Leave                                                        | \$964,736           | \$992,987            |
| Other Provisions                                                                | \$59,321            | \$60,090             |
| <b>Total Current Liabilities</b>                                                | <b>\$28,819,891</b> | <b>\$46,195,571</b>  |
| <b>Net Current Assets</b>                                                       | <b>\$66,497,096</b> | <b>\$167,855,583</b> |
| <b>Add back: Borrowings</b>                                                     | \$3,084,740         | \$2,889,557          |
| <b>Less: Cash Backed Reserves (subject to 2016-17 end of year finalisation)</b> | \$67,893,064        | \$67,893,064         |
| <b>Less: Non Current Long Service Leave</b>                                     | \$1,594,617         | \$1,594,617          |
| <b>Closing Funds – Surplus/(Deficit)</b>                                        | <b>\$94,155</b>     | <b>\$101,257,459</b> |