



# City of Joondalup

Financial Activity Statement for the  
Period Ended 31 December 2017

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	Notes	Adopted Budget	YTD Adopted Budget	YTD Actual	YTD Variance \$	YTD Variance %
<b>OPERATING REVENUE</b>						
Rates		(96,952,818)	(96,902,818)	(96,892,651)	(10,167)	(0)%
Specified Area Rates		(589,482)	(589,482)	(598,913)	9,431	2%
Grants and Subsidies	1	(3,983,552)	(1,998,883)	(1,014,429)	(984,454)	(49)%
Contributions Reimbursements and Donations	2	(869,387)	(369,790)	(457,824)	88,034	24%
Profit on Asset Disposals	3	(1,493,563)	(746,781)	(979,267)	232,486	31%
Fees and Charges	4	(40,525,044)	(31,367,502)	(31,537,080)	169,578	1%
Interest Earnings	5	(3,108,951)	(1,811,276)	(2,381,497)	570,222	31%
Other Revenue/Income	6	(146,448)	(143,688)	(230,907)	87,219	61%
<b>Total Operating Revenue</b>		<b>(147,669,244)</b>	<b>(133,930,220)</b>	<b>(134,092,568)</b>	<b>162,348</b>	<b>0%</b>
<b>OPERATING EXPENSES</b>						
Employee Costs		64,934,762	33,358,551	33,408,371	(49,820)	(0)%
Materials and Contracts	7	51,846,987	26,901,948	22,963,122	3,938,826	15%
Utilities (gas, electricity, water etc.)	8	5,706,215	2,854,803	2,640,000	214,803	8%
Depreciation & Amortisation of Non-Current Assets	9	28,989,014	14,505,262	16,838,882	(2,333,620)	(16)%
Loss on Asset Disposals	10	670,524	335,262	45,385	289,877	86%
Interest Expenses	11	662,030	292,850	328,104	(35,254)	(12)%
Insurance Expenses	12	1,542,342	1,538,009	1,369,035	168,974	11%
Other Expenses		-	-	-	-	0%
<b>Total Operating Expenses</b>		<b>154,351,874</b>	<b>79,786,685</b>	<b>77,592,899</b>	<b>2,193,786</b>	<b>3%</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS</b>		<b>6,682,630</b>	<b>(54,143,535)</b>	<b>(56,499,669)</b>	<b>2,356,134</b>	<b>4%</b>
<b>OPERATING NON-CASH ADJUSTMENTS</b>						
Depreciation & Amortisation of Non Current Assets		(28,989,014)	(14,505,262)	(16,838,882)	2,333,620	16%
Loss on Asset Disposal		(670,524)	(335,262)	(45,385)	(289,877)	(86)%
Profit on Asset Disposals		1,493,563	746,781	979,267	(232,486)	(31)%
Other Non-Current items						
Movement in Non-current Items	13	(100,000)	(100,000)	(163,306)	63,306	63%
<b>OPERATING CASH (SURPLUS)/DEFICIT</b>		<b>(21,583,345)</b>	<b>(68,337,277)</b>	<b>(72,567,975)</b>	<b>4,230,697</b>	<b>6%</b>
<b>NON-OPERATING REVENUE</b>						
Capital Grants and Subsidies	14	(9,026,605)	(3,215,159)	(5,292,669)	2,077,510	(65)%
Capital Contributions	15	-	-	(104,209)	104,209	100%
Equity Distribution - TPRC		(666,667)	(333,667)	(333,333)	(334)	(0)%
Other Equity Movements	16	-	-	(52,334)	52,334	100%
<b>Total Non-Operating Revenue</b>		<b>(9,693,272)</b>	<b>(3,548,826)</b>	<b>(5,782,545)</b>	<b>2,233,719</b>	<b>63%</b>
<b>CAPITAL EXPENDITURE</b>						
Capital Projects	17	6,903,691	3,686,480	1,174,474	2,512,006	68%
Capital Works	18	33,684,227	13,976,170	12,983,795	992,375	7%
Vehicle and Plant Replacements	19	3,201,000	1,403,000	941,748	461,252	33%
Loan Repayment Principal	20	3,004,841	1,595,520	1,528,052	67,468	4%
Equity Investments		47,443	-	-	-	0%
<b>Total Capital Expenditure</b>		<b>46,841,202</b>	<b>20,661,170</b>	<b>16,628,069</b>	<b>4,033,101</b>	<b>20%</b>
<b>CAPITAL (SURPLUS)/DEFICIT</b>		<b>37,147,930</b>	<b>17,112,344</b>	<b>10,845,524</b>	<b>6,266,820</b>	<b>37%</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL</b>		<b>15,564,585</b>	<b>(51,224,933)</b>	<b>(61,722,450)</b>	<b>10,497,517</b>	<b>20%</b>
<b>FUNDING</b>						
Proceeds from Disposal	21	(6,150,700)	(3,075,350)	(1,171,692)	(1,903,658)	(62)%
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	22	(440,602)	(440,602)	(84,016)	(356,586)	(81)%
<b>CLOSING FUNDS</b>	23	<b>(1)</b>	<b>(54,740,885)</b>	<b>(62,978,158)</b>	<b>8,237,273</b>	<b>15%</b>



# Investment Summary

**CITY OF JOONDALUP**  
December-17

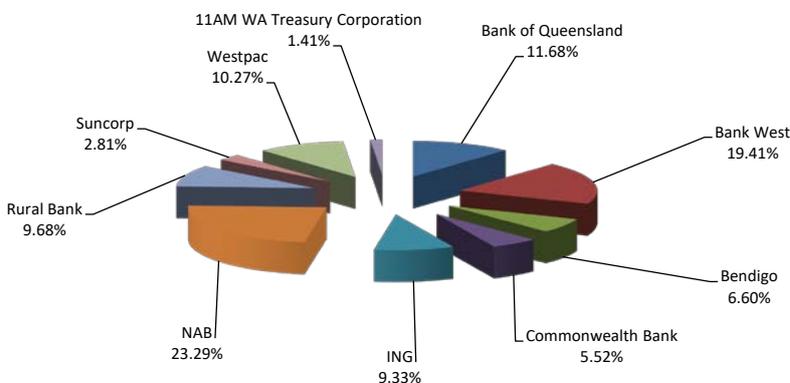
Credit Rating		Investment Account	MTD Return	YTD Return	Value \$	% of Portfolio	Policy Limit
Long Term	Short Term						
A-*	A-2	Bank of Queensland Term Deposit	2.60%	2.62%	\$ 16,640,000	11.68%	10%
AA-	A-1+	Bank West Term Deposit	2.50%	2.50%	\$ 27,670,000	19.41%	25%
A-*	A-2	Bendigo Term Deposit	2.59%	2.60%	\$ 9,400,000	6.60%	10%
AA-	A-1+	Commonwealth Bank Term Deposit	2.54%	2.54%	\$ 7,870,000	5.52%	25%
A+	A-1	ING Term Deposit	2.64%	2.65%	\$ 13,290,000	9.33%	15%
AA-	A-1+	NAB Term Deposit	2.50%	2.50%	\$ 33,200,000	23.29%	25%
A-*	A-2	Rural Bank Term Deposit	2.61%	2.64%	\$ 13,800,000	9.68%	10%
A+	A-1	Suncorp Term Deposit	2.55%	2.60%	\$ 4,000,000	2.81%	15%
AA-	A-1+	Westpac Term Deposit	2.49%	2.61%	\$ 14,640,000	10.27%	25%
AA+	A-1+	11AM WA Treasury Corporation	1.45%	1.45%	\$ 2,010,000	1.41%	25%

<b>Total Investment Portfolio</b>	2.53%	2.55%	<b>142,520,000</b>	100.00%
<b>Municipal Funds</b>			78,320,990	
<b>Reserve Funds</b>			64,199,010	
			<b>142,520,000</b>	

Overall Portfolio Limits		Value\$	% Current	% Limit
Long Term	Short Term			
AA	A-1+	85,390,000	59.9%	100%
A	A-1	17,290,000	12.1%	50%
A	A-2	39,840,000	28.0%	40%

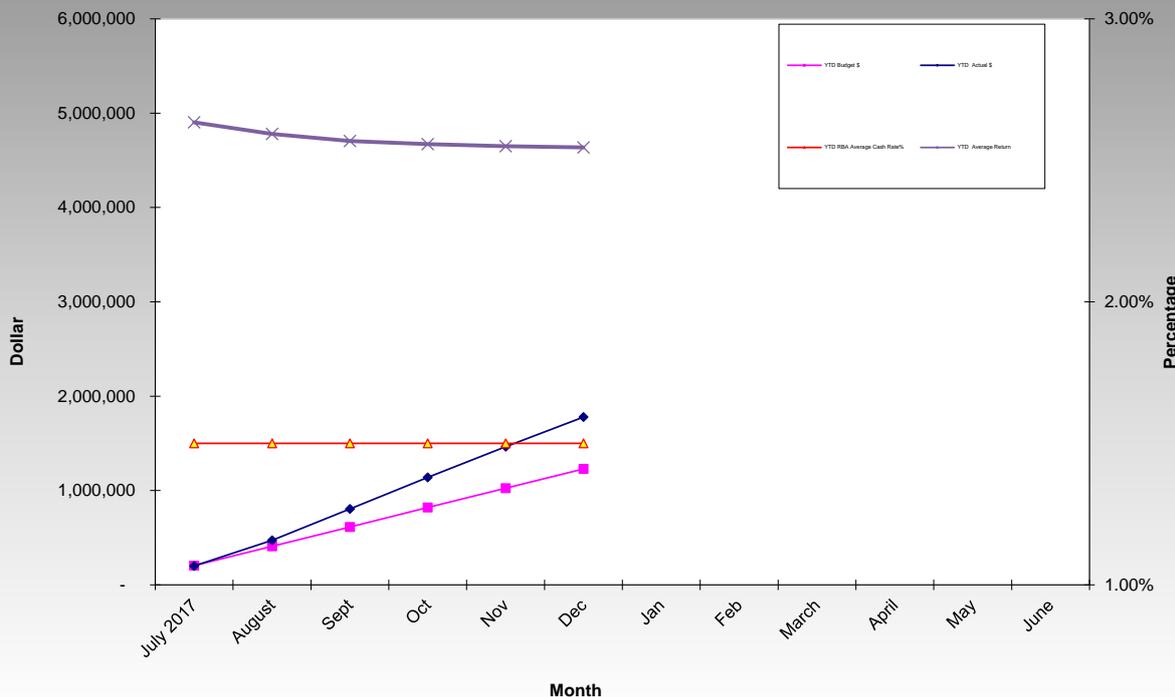
\* S&P Long Term Rating BBB, Based on the investment policy the Long Term Rating Used is (A-) Based on Moody's and Fitch Rating

## 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%	2.59%
Sept	204,779	330,511	614,338	804,045	1.50%	2.57%
Oct	204,779	334,875	819,117	1,138,920	1.50%	2.56%
Nov	204,779	324,722	1,023,896	1,463,642	1.50%	2.55%
Dec	204,779	314,958	1,228,675	1,778,600	1.50%	2.55%

## Return on Investments



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

**1. Grants and Subsidies**

This unfavourable timing variance arose mainly from Commonwealth General Purpose Grants (\$923,017) which were partly received in advance in the previous financial year. The budget will be adjusted accordingly in the Mid Year Budget Review. Other unfavourable timing variances included SES 2017/18 Operating Grant (\$84,128) which was also partly received in the previous financial period.

**2. Contributions, Reimbursements and Donations**

This includes a favourable timing variance for Utility Charges \$62,011, Other Miscellaneous Reimbursements \$34,200 and a favourable variance from unbudgeted Insurance Reimbursements \$16,668. This partially offset by unfavourable timing variances for Sponsorships (\$14,000) and Legal Fees Recovery (\$11,069).

**3. Profit on Asset Disposals**

This favourable timing variance mainly arose due to the timing of the disposal of surplus land holdings and profit on sale of land at Tamala Park.

**4. Fees and Charges**

	YTD Budget	YTD Actual	Variance
a) Refuse Charges	\$20,328,754	\$20,460,876	\$132,122
b) Sports and Recreation Fees	\$4,251,040	\$4,406,647	\$155,607
c) Other Fees and Charges	\$1,445,964	\$1,514,818	\$68,854
d) Licenses and Registrations	\$612,800	\$511,665	(\$101,135)
e) Hire and Rentals	\$578,879	\$491,674	(\$87,205)
Other Fees and Charges	\$4,150,065	\$4,151,400	\$1,335
	<u>\$31,367,502</u>	<u>\$31,537,080</u>	<u>169,578</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 \$198,361, Hire of Facilities \$27,992, Admission Fees \$24,369, and Other Sports and Recreation Fees \$23,705. This was partially offset by unfavourable variances for the Learn to Swim Program (\$102,629) due to the temporary pool closure and Term Programme Activities (\$17,358).
- c) This favourable timing variance arose predominantly from Immunisation Fees \$60,786. The balances of variances are spread across several areas.



- d) This unfavourable variance predominantly arose from Dog Registration Fees (\$102,318).
- e) This unfavourable timing variance mainly arose from Property Rental and Outgoings (\$80,768).

## 5. Interest Earnings

A favourable timing variance arose for Interest from Investments \$550,523 due to a higher volume of funds under investment, Rates Penalty Interest \$18,150 and Interest on Pensioners Deferred Rate \$10,575, partially offset by an unfavourable timing variance for Interest on Instalments (\$9,026).

## 6. Other Revenue / Income

This favourable variance arose from Corrections and Adjustments \$38,289 mainly from GST adjustments pertaining to the previous financial year, Insurance Rebates \$35,935, Street Side Advertising \$10,677 and Discounts Received \$2,319.

## 7. Materials and Contracts

	YTD Budget	YTD Actual	Variance
a) External Service Expenses	\$11,885,960	\$9,561,226	\$2,324,734
b) Computing	\$1,263,334	\$1,037,264	\$226,070
c) Travel, Vehicles & Plant	\$996,561	\$823,139	\$173,422
d) Furniture, Equipment and Artworks	\$1,201,746	\$1,004,286	\$197,460
e) Waste Management Services	\$4,067,000	\$3,700,833	\$366,167
f) Contributions and Donations	\$1,434,114	\$1,138,515	\$295,599
g) Administration	\$817,255	\$630,290	\$186,965
h) Professional Fees and Costs	\$1,399,742	\$1,007,165	\$392,577
i) Other Materials	\$1,035,136	\$1,178,677	(\$143,541)
j) Accommodation & Property	\$923,258	\$1,043,118	(\$119,860)
k) Public Relations, Advertising & Promotions	\$563,085	\$497,193	\$65,892
l) Charges & Recoveries	\$164,829	\$219,906	\$55,077
m) Other Materials and Contracts	\$1,479,587	\$1,561,321	(\$81,734)
	<u>\$26,901,948</u>	<u>\$22,963,122</u>	<u>\$3,938,826</u>

- a) External Contractors and Services expenditure is \$1,581,139 below budget. This includes favourable timing variances for Parks \$685,308, Landscaping and Conservation Services \$235,411, Building Maintenance Works \$197,539, CEO Administration \$171,855, Civil Projects Management Services \$115,168, Engineering Maintenance \$58,411 and Waste Management Services \$55,548. In addition favourable variances arose for Tipping Fees – Domestic \$588,829 and Programme Activities \$76,469. The balances of variances are spread across a number of areas.

- b) This favourable timing variance was predominantly due to Computer Software Maintenance \$85,830, Computer Software Licenses \$51,657, Computer Software Subscriptions \$38,681 and Data Communication Links \$30,039. The balances of variances are spread across other areas.
- c) A favourable variance arose for Vehicle Licensing \$81,327 as a result of the recent decision by State Government to exempt Local Governments from the registration fee component of annual vehicle licensing fees reversing an earlier decision. The budget will be adjusted accordingly in the Mid Year Budget Review. In addition favourable timing variances arose for Parts and Repairs \$44,986 and Fuel \$37,980.
- d) Favourable timing variances arose for Plant and Equipment Maintenance and Repair \$106,925, Computer and Communications Equipment Purchases \$50,050 and Hire of Equipment \$32,168. The balances of variances are spread across other areas.
- e) This favourable timing variance arose from Bulk Hard Waste Collection and Processing \$245,213, Greens Waste Collection and Processing \$145,513 and Weekend Greens \$3,307 partially offset by unfavourable timing variances for Domestic Waste Collection (\$22,846) and Recycling Waste Collection and Processing (\$5,020).
- f) This favourable timing variance arose predominantly from Sponsorship \$160,360 and the Community Funding Program \$139,241, partially offset by an unfavourable timing variance for Donations (\$11,210).
- g) Favourable timing variances arose for Other Sundry Administration Expenses \$75,899, Printing \$64,113 and Photography and Video Production \$21,958. The balances of variances are spread across a number of areas.
- h) This favourable timing variance arose predominantly from Consultancy \$361,761, Lodgement Fees \$27,056 and Research \$24,750, partially offset by an unfavourable timing variance for Legal Expenses (\$38,864).
- i) An unfavourable timing variance arose for External Material Purchases – Contract (\$211,313), partially offset by a favourable timing variance for Materials – Minor Building Works \$79,455. The balances of variances are spread across other areas.
- j) This unfavourable timing variance arose from a number of areas including Rental and Outgoings (\$49,971), Refuse Removal Charges (\$39,527), Water Rates (\$12,570), FESA Emergency Services Levy Payment (\$12,000) and Rates paid on the City's share of land at Tamala Park (\$10,996).
- k) Favourable timing variances arose for Promotions \$33,549 and Catering \$28,256. The balances of variances are spread across several areas.
- l) A favourable timing variance arose for Vehicle Running Expenses \$32,183. The balances of variances are spread across several areas.

m) Unfavourable timing variances arose for Finance Related Costs (\$44,738), Telephones and Communications (\$41,839) and Books and Publications (\$14,905), partially offset by a favourable timing variance for Members Costs \$19,748.

#### **8. Utilities**

Electricity costs are \$205,722 below budget including favourable variances for Buildings \$103,262, Roads \$57,227 and Parks \$41,966. In addition favourable timing variances arose for Water \$6,277 and Gas \$2,803.

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

Unfavourable variances arose due to revaluation and asset capitalisation at 30 June 2017 for Depreciation – Buildings (\$862,296), Depreciation – Open Reserves (\$379,084), Depreciation – Drainage Infrastructure (\$200,590), Depreciation – Bridges, Overpass and Underpass Infrastructure (\$102,467) and Depreciation – Computer and Communications Hardware (\$87,468). This was partially offset by a favourable variance for Depreciation – Roads Infrastructure \$861,071 owing to downward valuations at 30 June 2017. In addition, Impairment costs arose due to revaluation and capitalisation of infrastructure assets at 22 December 2017 including Lighting (\$556,175), Parks (\$156,347), Pathways (\$101,414), Drainage (\$7,227) and in respect of costs of (\$579,375) for the demolition of existing structures in Lot 900 Marri Road (Duncraig Pre-school) prior to disposal of the land asset. The balances of the variances are spread across a number of areas. Movements in depreciation are currently being reviewed.

#### **10. Loss on Asset Disposals**

This favourable timing variance arose in respect of the disposal of Fleet and Plant assets \$188,503 and Land Parcels \$101,374.

#### **11. Interest Expense**

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

#### **12. Insurance Expense**

Favourable variances arose for premium costs across various insurance categories compared to budget. Budgets will be updated in the Mid Year Budget Review.

### 13. Movement in Non-current Items

This timing variance arose in respect of Non-current Long Service Leave Liability movements of (\$63,306).

### 14. Capital Grants and Subsidies

	YTD Budget	YTD Actual	Variance
a) Capital Projects	\$150,000	\$353,911	\$203,911
b) Street Lighting Program	-	\$291,945	\$291,945
c) Road Preservation / Resurfacing Program	\$1,641,226	\$2,307,293	\$666,067
d) Major Road Construction Program	\$646,933	\$1,042,667	\$395,734
e) Parks Equipment Program	-	\$101,491	\$101,491
f) Major Projects Program	\$275,000	-	(\$275,000)
g) Major Building Capital Works Program	-	\$953,717	\$953,717
h) Blackspot Projects	\$502,000	\$176,625	(\$325,375)
Other Programs	-	\$65,020	\$65,020
	<u>\$3,215,159</u>	<u>\$5,292,669</u>	<u>\$2,077,510</u>

- a) This favourable variance arose mainly from Ocean Reef Marina \$187,826 being reimbursement sought from LandCorp for project expenditure incurred in 2016/17. The budget will be adjusted accordingly in the Mid Year Budget Review.
- 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. In addition unbudgeted funding was received for Lighting and CCTV installation at Shenton Avenue and Lakeside Drive \$200,000.
- c) This favourable timing variance arose for the Roads to Recovery Program \$884,453 which includes final grant payment for completed 2016/17 projects Eddystone Avenue - Eagle Street to Whitfords Avenue \$46,166 and Drakeswood Road \$186,578. This was partially offset by an unfavourable variance for the Direct Grants Program (\$218,498) due to the State Government reducing allocated funds below original forecasts. The unfavourable variance on the Direct Grant Program will be funded by Federal Local Roads Grant and adjusted at Mid Year review.
- d) A favourable timing variance arose for Burns Beach Road – Joondalup Drive Roundabout \$230,400 due to the first grant claim being received 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. In addition, a favourable timing variance arose for Ocean Reef Road – Marmion Avenue to Swanson Road \$393,334, with final grant claim now received. This is offset by an unfavourable timing variance for Whitfords Avenue Upgrades \$228,000 which is progressing with 84% construction completed.
- 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.

- f) An unfavourable variance arose for Penistone Park Facility Redevelopment (\$275,000) which is 84% complete with grant claims to be made in coming months.
- g) Favourable variance due to the City receiving grant funds of \$60,000 for Windermere Park Clubroom Refurbishment. In addition an unbudgeted contribution was received for Winton Road SES \$873,717 as the Department of Fire and Emergency Services had previously intended to contribute funding to the project in instalments under a borrowing arrangement (Refer Note 20). The budget will be adjusted accordingly in the Mid Year Budget Review.
- h) Unfavourable timing variances arose across the whole program but significantly for Whitfords Avenue and John Wilkie Tarn Roundabout (\$157,333) which is being delivered in conjunction with Whitfords Avenue Upgrades. Warwick Train Station (\$56,667) has been delayed due to awaiting Main Roads approvals. In addition unfavourable timing variances arose for upgrades to Marmion Avenue and Ocean Reef Road (\$40,000), Marmion Avenue and Burns Beach Road (\$32,000) with works commenced and Ocean Reef Road and Trappers Drive (\$40,000) which will commence in following months.

#### 15. Capital Contributions

A favourable timing variance arose from receipt of final contribution for the Warwick Hockey Centre \$90,909. In addition a favourable variance arose from Artwork Donations \$13,300.

#### 16. 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.

#### 17. Capital Projects

	YTD Budget	YTD Actual	Variance
a) Joondalup Performing Arts and Cultural Facility	\$2,067,278	\$25,890	\$2,041,388
b) Pool Tiles Replacement Craigie Leisure Centre	\$200,000	\$86,796	\$113,204
c) Workshop Outside Shelter and Truck Hoist	\$131,750	\$34,027	\$97,723
d) Information Technology Projects	\$313,000	\$200,026	\$112,974
e) WOC Undercover Area Enclosure	\$76,000	-	\$76,000
Other Projects	\$898,452	\$827,735	\$70,717
	<u>\$3,686,480</u>	<u>\$1,174,474</u>	<u>\$2,512,006</u>

- a) This favourable variance is due to the Council decision not to initiate the design development phase of this project at this time. Costs incurred are partly due to



invoices relating to project activities prior to the Council decision and partly due to activities undertaken to place the project on hold.

- b) Timing of this project has been deferred to later in the year. Budget will be adjusted during the Mid Year Review.
- c) Commencement of this project has been delayed due to contractor availability with works now expected to commence in January 2018.
- d) This favourable timing variance arose from the Network Infrastructure Upgrade Program \$82,129 and the Information Technology Disaster Recovery Facilities Program \$30,845.
- e) Commencement of this project has been delayed due to contractor availability with works now expected to commence in January 2018.

## 18. Capital Works

	YTD Budget	YTD Actual	Variance
a) Parks Equipment Program	\$1,015,500	\$762,391	\$253,109
b) Major Projects Program	\$2,155,000	\$3,441,388	(\$1,286,388)
c) Streetscape Enhancement Program	\$961,000	\$722,978	\$238,022
d) Major Road Construction Program	\$1,069,129	\$432,622	\$636,507
e) Parking Facilities Program	\$95,000	\$336,276	(\$241,276)
f) Parks Development Program	\$953,000	\$1,110,613	(\$157,613)
g) Street Lighting Program	\$885,800	\$600,945	\$284,855
h) Foreshore & Natural Areas Management Program	\$180,000	\$445,204	(\$265,204)
i) Blackspot Projects Program	\$1,370,000	\$616,694	\$753,306
j) Local Traffic Management Program	\$681,990	\$62,684	\$619,306
k) New Paths Program	\$112,000	\$204,752	(\$92,752)
l) Stormwater Drainage Program	\$234,653	\$296,478	(\$61,825)
m) Major Building Capital Works	522,500	688,622	(\$162,122)
n) Road Preservation/Resurfacing Program	3,419,098	2,947,986	471,112
Other Programs	\$321,500	\$318,162	\$3,338
	<u>\$13,976,170</u>	<u>\$12,983,795</u>	<u>\$992,375</u>

- a) This favourable timing variance arose mainly due to Tom Simpson Park Playspace Renewal \$256,728 which is on track for completion in March 2018. In addition, a favourable variance occurred for Thornton Park Playspace \$71,867. This is offset by an unfavourable variance for Bollard and Fencing Renewal Program (\$51,624) which is complete and Park Signage Renewal City Wide (\$52,635) which is ahead of schedule.
- b) This unfavourable timing variance is mainly due to Penistone Park – Facility Redevelopment (\$859,321) which is progressing ahead of schedule. Joondalup



Administration Building Major Refurbishment (\$340,810) and Percy Doyle – Soccer Clubrooms (\$299,994) which is progressing ahead of schedule. These are partially offset by favourable timing variances for Percy Doyle – Utilities Upgrade \$106,411 and Percy Doyle – Tennis Clubrooms \$49,135 with construction progressing in the following months.

- c) Favourable timing variance arose across the program mainly due to the Arterial Roads Landscape Upgrade Program \$92,618 and Leafy City Program \$94,747 with both projects progressing as scheduled.
- d) This favourable variance is predominantly due to Whitfords Avenue Upgrades \$397,900 which is 80% constructed. In addition, Ocean Reef Road – Marmion Avenue to Oceanside Promenade Dualling \$215,613 was completed below budget.
- 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 (\$188,853) which is complete and Forest Park Additional Parking (\$141,724) which is also completed. These are partially offset by a favourable timing variance for Barridale Drive Parking Embayments \$85,018.
- f) Unfavourable timing variance is due predominantly to MacDonald Park (\$178,024) which is complete and is partially offset by favourable variances for several projects across the program.
- g) Street Lighting favourable timing variance due to Joondalup City Centre Lighting \$289,842 and Pinnaroo Point Car Park Lighting \$40,000 which has been delayed pending planning decisions for the development. This is offset by unfavourable variances for Arterial and Urban Road Street Lighting (\$55,778) with construction 30% completed.
- h) Unfavourable timing variance mainly due to Bushland Reserve Paths Renewal (\$117,063) and Bushland Reserve Fencing Renewal Program (\$37,903) which are complete ahead of schedule. In addition, timing variances occurred for Iluka F/shore Lookout Platform \$65,910 which is 90% complete. This is offset by a favourable variance for Conservation Reserves Interpretive Signage \$17,041 which is complete under budget.
- i) Black Spot Projects favourable timing variance is due to Marmion Avenue and Gilbert Road \$216,000 and Warwick Road and Allenswood Drive \$144,000 with the projects now due for completion in June 2018. In addition, favourable timing variances occur for Marmion Avenue and Ocean Reef Road \$145,397, Warwick Train Station \$128,951 and Whitfords Avenue and Trappers Drive \$75,537. Construction of Ocean Reef Road and Trappers Drive \$146,625 has been delayed until March 2018.
- j) Traffic Management Programs has a favourable timing variance due mainly to Whitfords Avenue Median Treatment \$537,742 which is now being delivered in conjunction with the Major Roads Project - Whitfords Avenue Upgrades. In addition, a favourable timing variance arose for Barridale Drive \$65,684 which is complete awaiting final invoices.

- k) This unfavourable timing variance is mainly due to Whitfords Avenue Shared Path (\$110,551) which is complete. This is offset by a number of favourable variances for completed projects across the Program completed under budget.
- l) Storm Drainage Program has many unfavourable variances across the program but predominately due to projects carried forward from 2016/17 Coolibah Park Sump Beautification (\$30,939) and Creaney Drive (\$42,460) which are both complete.
- m) Unfavourable timing variance is mainly due to Warrandyte Park Clubroom Refurbishment (\$92,988) which is 80% complete ahead of schedule. Several favourable and unfavourable variances occur across the remaining program with 42% of the Program complete.
- n) Timing variances occur across the program but mainly due to Main Roads requirements to undertake night works on Whitfords Avenue East Bound – Alexander Road to Gibson Avenue \$225,080. Joondalup Drive South Bound – Grand Boulevard to Gibson Avenue \$74,827 is running behind schedule with works issued to contractors. Road Rehabilitation Program (FLRG Funds) \$162,780 and Main Roads WA Road Rehabilitation (FLRG) Projects \$175,806 are progressing as demand requires.

## **19. 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, a low bed trailer and two vans at a combined value of \$485,000. Orders totalling \$1,096,134 are awaiting delivery.

## **20. 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.

## **21. Proceeds from Disposal**

The timing of the disposal of surplus land holdings generated an unfavourable variance of (\$1,751,726) and an unfavourable timing variance arose for Fleet and Plant assets disposals (\$151,932).

## **22. Opening Funds**

Variations in the actual results for 2016-17 compared to the budget estimate gave rise to an unfavourable variance of (\$356,586) in opening funds. Adjustment to opening funds will be reflected in the Mid Year Budget Review.



### 23. Closing Funds

	June 2017	December 2017
<b>Current Assets</b>		
Cash and Investments	\$91,237,574	\$143,250,115
Rates Outstanding, Sundry Debtors and Other Receivables	\$2,956,710	\$19,927,365
Accrued Income	\$967,074	\$1,125,514
Prepayments	\$10,653	\$666,109
Inventories	\$144,976	\$204,020
<b>Total Current Assets</b>	<b>\$95,316,987</b>	<b>\$165,173,123</b>
<b>Current Liabilities</b>		
Trade Creditors	\$3,786,997	\$1,674,989
Sundry Payables	\$523,645	\$10,056,083
Accrued Expenses	\$4,796,208	\$4,548,111
Other Payables	\$2,107,983	-
Borrowings	\$3,084,740	\$1,556,687
Provision for Annual Leave	\$4,366,612	\$4,486,012
Provision for Long Service Leave	\$5,579,310	\$5,726,550
Provision for Workers Compensation Insurance	\$3,550,341	\$5,127,346
Provision for Sick Leave	\$964,736	\$986,733
Other Provisions	\$59,321	\$61,321
<b>Total Current Liabilities</b>	<b>\$28,819,891</b>	<b>\$34,253,832</b>
<b>Net Current Assets</b>	<b>\$66,497,096</b>	<b>\$130,919,291</b>
<b>Add back: Borrowings</b>	\$3,084,740	\$1,556,687
<b>Less: Cash Backed Reserves</b>	\$67,903,096	\$67,903,096
<b>Less: Non Current Long Service Leave</b>	\$1,594,724	\$1,594,724
<b>Closing Funds – Surplus/(Deficit)</b>	<b>\$84,016</b>	<b>\$62,978,158</b>