

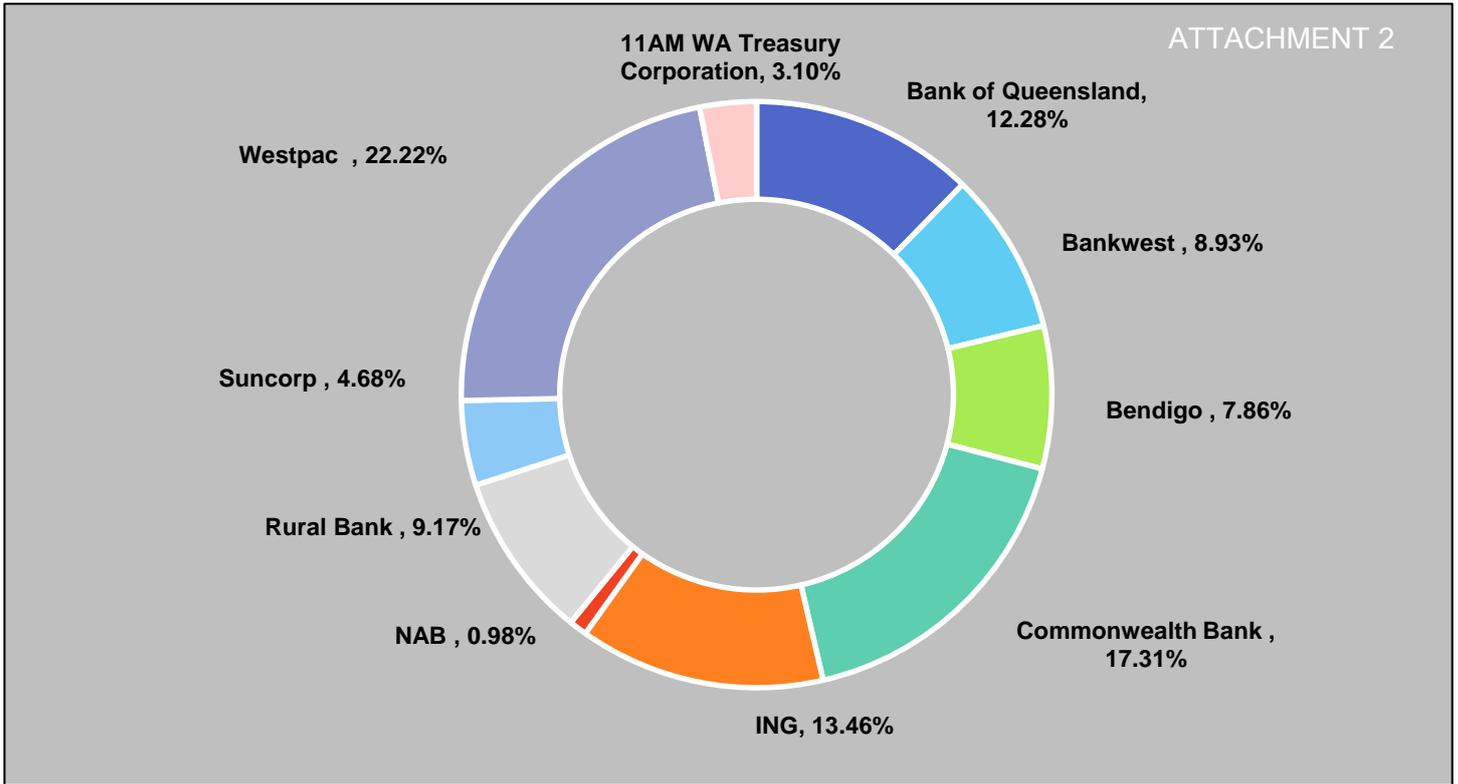
	Notes	Revised Budget	YTD Revised Budget	YTD Actual	YTD Variance \$	YTD Variance %
<b>OPERATING REVENUE</b>						
Rates	1	(96,884,799)	(96,884,799)	(97,019,105)	134,306	0%
Specified Area Rates		(597,621)	(597,621)	(600,248)	2,627	0%
Grants and Subsidies	2	(2,083,259)	(2,058,426)	(1,886,954)	(171,472)	(8)%
Contributions Reimbursements and Donations	3	(1,085,632)	(817,958)	(897,749)	79,791	10%
Profit on Asset Disposals	4	(691,995)	(643,862)	(1,588,917)	945,055	147%
Fees and Charges	5	(40,262,063)	(38,811,591)	(38,902,223)	90,632	0%
Interest Earnings	6	(3,856,764)	(3,678,598)	(3,830,774)	152,176	4%
Other Revenue/Income	7	(278,439)	(278,439)	(321,806)	43,367	16%
<b>Total Operating Revenue</b>		<b>(145,740,570)</b>	<b>(143,771,294)</b>	<b>(145,047,776)</b>	<b>1,276,482</b>	<b>0%</b>
<b>OPERATING EXPENSES</b>						
Employee Costs	8	64,598,024	59,533,373	58,432,259	1,101,114	2%
Materials and Contracts	9	52,073,657	46,450,830	42,534,547	3,916,283	8%
Utilities (gas, electricity, water etc.)	10	5,503,840	4,887,680	5,025,106	(137,426)	(3)%
Depreciation & Amortisation of Non-Current Assets	11	28,989,018	26,576,318	29,407,856	(2,831,538)	(11)%
Loss on Asset Disposals	12	588,418	518,247	250,701	267,546	52%
Interest Expenses		616,864	529,400	529,261	139	0%
Insurance Expenses		1,367,754	1,367,754	1,395,853	(28,099)	(2)%
Other Expenses	13	242	242	26,930	(26,688)	100%
<b>Total Operating Expenses</b>		<b>153,737,818</b>	<b>139,863,843</b>	<b>137,602,513</b>	<b>2,261,330</b>	<b>2%</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS</b>		<b>7,997,248</b>	<b>(3,907,450)</b>	<b>(7,445,263)</b>	<b>3,537,813</b>	<b>91%</b>
<b>OPERATING NON-CASH ADJUSTMENTS</b>						
Depreciation & Amortisation of Non Current Assets		(28,989,018)	(26,576,318)	(29,407,856)	2,831,538	11%
Loss on Asset Disposal		(588,418)	(518,247)	(250,701)	(267,546)	(52)%
Profit on Asset Disposals		691,995	643,862	1,588,917	(945,055)	(147)%
Other Non-Current items						
Movement in Non-current Items	14	(100,000)	(100,000)	(73,053)	(26,947)	27%
<b>OPERATING CASH (SURPLUS)/DEFICIT</b>		<b>(20,988,193)</b>	<b>(30,458,153)</b>	<b>(35,587,956)</b>	<b>5,129,803</b>	<b>17%</b>
<b>NON-OPERATING REVENUE</b>						
Capital Grants and Subsidies	15	(10,086,036)	(9,081,494)	(8,196,234)	(885,261)	(10)%
Capital Contributions	16	(104,209)	(104,209)	(139,197)	34,988	34%
Equity Distribution - TPRC		(500,000)	(333,667)	(333,333)	(334)	(0)%
Other Equity Movements		(52,334)	(52,334)	(52,334)	-	0%
<b>Total Non-Operating Revenue</b>		<b>(10,742,579)</b>	<b>(9,571,704)</b>	<b>(8,721,098)</b>	<b>(850,607)</b>	<b>(9)%</b>
<b>CAPITAL EXPENDITURE</b>						
Capital Projects	17	3,540,556	2,912,963	2,153,281	759,682	26%
Capital Works	18	35,456,474	30,733,584	23,356,001	7,377,583	24%
Vehicle and Plant Replacements	19	3,338,641	2,322,641	2,162,572	160,069	7%
Loan Repayment Principal		3,084,740	2,502,163	2,502,163	-	0%
Equity Investments		47,443	12,304	12,304	-	0%
<b>Total Capital Expenditure</b>		<b>45,467,854</b>	<b>38,483,654</b>	<b>30,186,321</b>	<b>8,297,333</b>	<b>22%</b>
<b>CAPITAL (SURPLUS)/DEFICIT</b>		<b>34,725,274</b>	<b>28,911,950</b>	<b>21,465,223</b>	<b>7,446,727</b>	<b>26%</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL</b>		<b>13,737,082</b>	<b>(1,546,203)</b>	<b>(14,122,733)</b>	<b>12,576,530</b>	<b>813%</b>
<b>FUNDING</b>						
Proceeds from Disposal	20	(6,069,624)	(5,929,284)	(2,695,240)	(3,234,044)	(55)%
Loans - New Borrowings		-	-	-	-	0%
Transfer from Trust		(201,498)	-	-	-	0%
Transfer from Reserve		(17,449,871)	-	-	-	0%
Transfer to Reserve		10,000,240	-	-	-	0%
Transfer to Accumulated Surplus		-	-	-	-	0%
Transfer from Accumulated Surplus		-	-	-	-	0%
Opening Funds		(84,016)	(84,016)	(84,016)	-	0%
<b>CLOSING FUNDS</b>	21	<b>(67,689)</b>	<b>(7,559,503)</b>	<b>(16,901,989)</b>	<b>9,342,486</b>	<b>124%</b>

# INVESTMENT SUMMARY

May-18



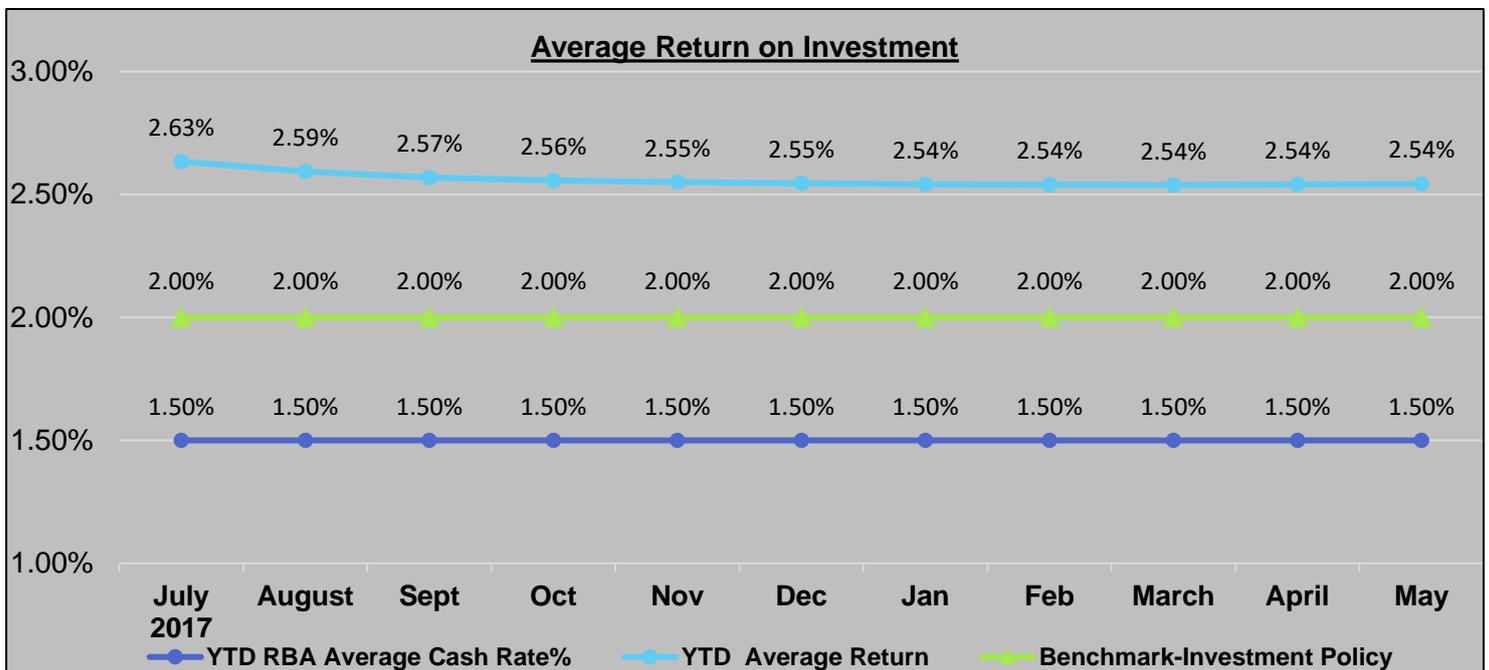
ATTACHMENT 2



Municipal Funds	\$44,017,721
Reserve Funds	\$62,822,279
	\$106,840,000

<u>Investment Policy Limits</u>					
	<u>LT Rating</u>	<u>Limit</u>		<u>LT Rating</u>	<u>Limit</u>
Bank of Queensland	A-*	10%	NAB	AA-	25%
Bankwest	AA-	25%	Rural Bank	A-*	10%
Bendigo	A-*	10%	Suncorp	A+	15%
Commonwealth Bank	AA-	25%	Westpac	AA-	25%
ING	A+	15%	11AM WATC	AA+	25%

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



**NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT FOR THE PERIOD ENDED 31 MAY 2018**

**1. General Rates \$134,306**

This favourable timing variance mainly arose from higher than anticipated Interim Rates.

**2. Grants and Subsidies (\$171,472)**

This unfavourable timing variance arose mainly from the recently announced delay in Federal Government funding for Yellagonga Wetlands – Smart Monitoring and Management Program (\$186,242) now expected to be received in June 2018. This is partially offset by unbudgeted funding received from the State Government for the Joondalup Festival \$15,000.

**3. Contributions, Reimbursements and Donations \$79,791**

This includes favourable variances for Other Miscellaneous Reimbursements \$137,849, unbudgeted Insurance Reimbursements \$22,280 and an unbudgeted contribution for Urban Couture \$12,000. This is partially offset by an unfavourable timing variance for Yellagonga Wetlands – Smart Monitoring and Management Program (\$109,000). The balances of variances are spread across other areas.

**4. Profit on Asset Disposals \$945,055**

This favourable timing variance arose due to the timing of the disposal of surplus land holdings and profit on sale of land at Tamala Park \$890,717 and Vehicle and Plant disposals \$54,338.

**5. Fees and Charges \$90,632**

	YTD Revised Budget	YTD Actual	Variance
a) Refuse Charges	\$20,421,744	\$20,490,582	\$68,838
b) Sports and Recreation Fees	\$8,055,135	\$8,136,931	\$81,796
c) Hire and Rentals	\$868,277	\$791,950	(\$76,327)
d) Building and Development Fees	\$1,741,374	\$1,682,431	(\$58,943)
e) Parking Fees	\$2,565,684	\$2,616,793	\$51,109
Other Fees	\$5,159,377	\$5,183,536	\$24,159
	<u>\$38,811,591</u>	<u>\$38,902,223</u>	<u>\$90,632</u>

Favourable Variance  
Unfavourable Variance

- a) A favourable variance arose for Domestic Refuse Removal Charges \$60,265 and New / Additional Bin Establishments \$8,573.
- b) This favourable variance mainly arose from Membership Fees \$129,722 and Hire of Facilities \$66,848 partially offset by an unfavourable variance for Court Sport Revenue (\$65,549) and Learn to Swim Program (\$44,007). The balances of variances are spread across other areas.
- c) An unfavourable variance predominantly due to lower than estimated Property Rental and Outgoings (\$77,508).
- d) Unfavourable variances arose for Building Permits (\$46,145) and Other Building and Development Charges (\$44,039) due to lower than estimated activity partially offset by a favourable variance for Development Application Fees \$24,931.
- e) This favourable variance is mainly attributed to higher than estimated Off Street Parking Fees \$48,514. The balances of variances are spread across other areas.

**6. Interest Earnings****\$152,176**

Interest earned on investments exceeded budget by \$136,986 with the volume of investment funds being higher than budgeted, in addition to greater than budgeted Rates Penalty Interest \$15,179.

**7. Other Revenue / Income****\$43,367**

This favourable variance arose mainly from unbudgeted Rebates Received from LGIS \$29,253 in relation to Scheme Dividend and Motor Vehicle Rebates and a favourable variance for Streetside Advertising \$14,127 due to increased revenue.

**8. Employee Costs****\$1,101,114**

	YTD Revised Budget	YTD Actual	Variance
a) Salaries and Wages	\$57,087,803	\$56,286,161	\$801,642
b) Other Employment Costs	\$2,445,570	\$2,146,098	\$299,472
	<u>\$59,533,373</u>	<u>\$58,432,259</u>	<u>\$1,101,114</u>

- a) A favourable variance arose for Salaries and Wages for Parks \$565,744, Library Operations \$102,026, Building Services \$74,660 and Organisational Development Administration \$71,133 mainly due to vacant positions. The balances of variances are spread across a number of areas.

**Favourable Variance****Unfavourable Variance**

- b) This favourable timing variance mainly arose for Labour Recovery – Capital Works \$153,951, Other Employee Costs \$115,555, Staff Training \$83,119, Staff Recruitment Costs \$38,391, Conferences and Seminars \$37,392 and Fringe Benefits \$21,413 partially offset by an unfavourable variance for Agency Employees (\$175,549) covering vacant positions. The balances of variances are spread across a number of areas.

## 9. Materials and Contracts

**\$3,916,283**

	YTD Revised Budget	YTD Actual	Variance
a) Public Relations, Advertising & Promotions	\$1,243,343	\$1,070,214	\$173,129
b) Computing	\$1,766,608	\$1,520,331	\$246,277
c) Travel, Vehicles & Plant	\$1,631,003	\$1,560,739	\$70,264
d) Furniture, Equipment and Artworks	\$2,551,533	\$2,327,164	\$224,369
e) Waste Management Services	\$7,059,668	\$6,783,704	\$275,964
f) Other Materials	\$1,953,819	\$2,017,207	(\$63,388)
g) Administration	\$1,380,509	\$1,013,291	\$367,218
h) Professional Fees and Costs	\$2,537,803	\$1,754,045	\$783,758
i) Charges & Recoveries	(\$160,677)	(\$452,548)	\$291,871
j) Members Costs	\$697,867	\$626,974	\$70,893
k) Contributions & Donations	\$1,573,327	\$1,631,161	(\$57,834)
l) External Service Expenses	\$20,823,781	\$19,322,271	\$1,501,510
Other Materials & Contracts	\$3,392,246	\$3,359,994	\$32,252
	<u>\$46,450,830</u>	<u>\$42,534,547</u>	<u>\$3,916,283</u>

- a) Favourable variances arose for General Advertising \$97,884, Catering \$41,696, Bar Stocks \$31,182, Signage \$28,569 and Entertainment and Hospitality Expenses \$15,048 partially offset by an unfavourable timing variance for Promotions (\$39,477).
- b) This favourable timing variance was predominantly due to Computer Software Licences \$61,043, Computer Software Maintenance \$56,922, Computer Software Subscriptions \$35,497, Internet Provider Costs \$32,601, Data Communication Links \$30,626 and Computer Software Subscriptions \$22,578.
- c) This includes favourable variances for Fuel \$35,550 and Parts and Repairs \$22,107. The balances of variances are spread across other areas.
- d) Favourable variances arose for Computer and Communications Equipment Purchases - Minor \$106,430, Plant and Equipment Purchases - Minor \$75,121, Plant and Equipment Maintenance and Repair \$53,975 and Furniture and Office Equipment Purchases – Minor \$13,711 partially offset by an unfavourable variance for Hire of Equipment (\$34,859).
- e) This favourable variance arose from Bulk Hard Waste Collection and Processing \$266,616 due to lower than estimated volume, Domestic Waste Collection \$16,868 and Greens Waste Collection and Processing \$8,113 partially offset by an unfavourable variance for Recycling Waste Collection and Processing (\$15,604).

**Favourable Variance**
**Unfavourable Variance**

- f) This unfavourable timing variance was predominantly due to External Material Purchases – Contract (\$41,028) and External Material Purchases – Day Labour (\$19,863) as a result of a number of programs progressing ahead of schedule.
- g) Favourable variances arose for Other Sundry Administration Expenses \$190,659, Printing \$75,218, Photography and Video Production \$34,271 and Interstate and Overseas Conferences \$26,250. The balances of variances are spread across a number of areas.
- h) This favourable variance arose predominantly from Consultancy \$735,943, Research \$43,750, Lodgement Fees \$23,054, Audit Fees \$15,667 and Licence Searches \$11,544 partially offset by an unfavourable variance for Legal Expenses (\$49,378).
- i) This favourable variance was mainly due to Capital Overhead Recoveries \$246,573 and Vehicle Running Expenses \$47,553.
- j) Favourable variances arose for Elected Members Conferences and Training Expenses \$53,623 and Mayoral Conference and Training Expenses \$10,204. The balances of variances are spread across other areas.
- k) This unfavourable timing variance arose predominantly from Grants and Contributions Made (\$112,561) and Sponsorship (\$54,637) partially offset by favourable variances for Community Funding Program \$89,531, Prizes and Trophies \$13,498, and Grant Disbursements \$10,471.
- l) Favourable variances arose for External Contractors and Services \$955,581, General Waste Tipping Fees \$439,751 and Programme Activities \$66,254. The balances of variances are spread across a number of areas.

## 10. Utilities

**(\$137,426)**

This unfavourable variance arose mainly in respect of Electricity costs for Parks (\$126,101) due to higher than estimated consumption arising from increased usage of water reticulation pumps during lower than usual periods of rainfall.

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

**(\$2,831,538)**

Unfavourable variances arose due to revaluation and asset capitalisation at 30 June 2017 for Depreciation – Buildings (\$1,316,505), Depreciation – Open Reserves (\$664,248), Depreciation – Drainage Infrastructure (\$352,947), Depreciation – Mobile and other Plant (\$194,355), Depreciation – Bridges, Overpass and Underpass Infrastructure (\$185,659) and Depreciation – Computer and Communications Hardware (\$158,144). This was partially offset by a favourable variance for Depreciation – Roads Infrastructure \$1,590,338 owing to downward valuations at 30 June 2017. In addition, write-off costs arose due to capitalisation of infrastructure assets during the year including Lighting (\$556,175), Parks (\$156,347), Pathways (\$101,414), Drainage (\$7,227) and in respect of demolition of existing structures on Lot 900 Marri Road (Duncraig Pre-school) (\$579,375) prior to disposal of the land asset. The balances of the variances are spread across a number of areas.

Favourable Variance
Unfavourable Variance

**12. Loss on Asset Disposals****\$267,546**

This favourable timing variance arose in respect of the disposal of Fleet and Plant assets \$293,635 partially offset by an unfavourable timing variance for the disposal of Land Parcels (\$26,089).

**13. Other Expenses****(\$26,688)**

This unfavourable variance arose for Corrections and Adjustments mainly in respect of rates refunds pertaining to prior years (\$24,851).

**14. Movement in Non-Current Items****(\$26,947)**

This timing variance arose in respect of Non-current Long Service Leave Liability movements of \$26,947.

**15. Capital Grants and Subsidies****(\$885,261)**

	YTD Revised Budget	YTD Actual	Variance
a) Major Road Construction Program	\$1,384,667	\$1,270,667	(\$114,000)
b) Blackspot Projects	\$1,125,985	\$712,609	(\$413,376)
c) Capital Projects	\$1,008,746	\$716,085	(\$292,662)
d) Road Preservation / Resurfacing Program	\$3,694,997	\$3,978,232	\$283,235
e) Major Building Capital Works Program	\$920,143	\$1,016,185	\$96,042
f) Major Projects Program	\$412,500	\$15,000	(\$397,500)
g) New Paths	\$100,000	\$48,000	(\$52,000)
Other Programs	\$434,456	\$439,456	\$5,000
	<u>\$9,081,494</u>	<u>\$8,196,234</u>	<u>(\$885,261)</u>

a) An unfavourable timing variance arose for final grant instalment for Whitfords Avenue Upgrades \$114,000 which is now awaiting payment of final supplier invoices to progress the acquittal.

b) Unfavourable timing variances exist across the program due to progress of works including Whitfords Avenue and John Wilkie Tarn Roundabout (\$78,667) and Warwick Train Station (\$82,000). In addition progress payments for Marmion Avenue and Ocean Reef Road (\$60,000) and Ocean Reef Road and Trappers Drive (\$60,000) have been delayed due to project progress. Whitfords Avenue and Trappers Drive (\$48,000) requires additional works and will delay progress payments until contractors are engaged. Grand Boulevard and Shenton Avenue (\$36,000) and Marmion Avenue and Burns Beach Road (\$48,000) are experiencing delays due to changes to the scope of works requested by Main Roads WA.

**Favourable Variance****Unfavourable Variance**

- c) An unfavourable timing variance arose for Yellagonga Wetlands – Smart Monitoring and Management Program (\$342,662) due to the delay in Federal Government funding now expected to be received in June 2018. This is partially offset by unbudgeted Federal Government funding received for Public Areas CCTV \$50,000.
- d) This favourable timing variance is mainly due to the Roads to Recovery Program \$471,702 which include Herreshoff Ramble – Venturi Drive to Milne Court \$171,145, Gnohar Way \$141,840, Northwood Way \$124,833, Kanangra Crescent – Eastern Section \$77,366 and Karalundie Way \$104,000 which qualified for funding savings made within the program. In addition, a favourable timing variance arose for Addison Way \$94,100. This is offset by unfavourable variances due to the progress of Whitfords Avenue EB – Alexander Road to Gibson Avenue (\$295,216) and Kensal Green (\$113,000).
- e) Favourable timing variances arose for earlier than anticipated contributions received for SES Training Tower \$62,468 and SES Winton Road \$23,574 from a building extension grant. In addition, an unbudgeted grant of \$10,000 was received from the Stronger Communities Program for Otago Park Toilets / Changeroom Refurbishment.
- f) The Major Projects Program shows an unfavourable variance mainly due to Penistone Park – Facility Redevelopment (\$412,500) which is complete awaiting final contractors' invoices to progress the acquittal. This is offset by a favourable variance for Percy Doyle – Soccer Clubrooms Refurbishment \$15,000 for an unbudgeted contribution received from the Department of Infrastructure.
- g) This unfavourable variance arose for Whitfords Avenue Shared Path (\$52,000) following a change in scope by the Department of Transport for this project, which is now complete and awaiting payment of final supplier invoices to progress the acquittal.

**16. Capital Contributions**

**\$34,988**

This favourable variance arose mainly in respect of an unbudgeted contribution from the Department of Education for on-street parking on Herreshoff Ramble \$30,000.

Favourable Variance
Unfavourable Variance

**17. Capital Projects****\$759,682**

	YTD Revised Budget	YTD Actual	Variance
a) Joondalup City Centre Commercial Office Development	\$472,998	\$172,891	\$300,107
b) Workshop Outside Shelter and Truck Hoist	\$131,750	\$35,260	\$96,490
c) Public Area CCTV	-	\$126,080	(\$126,080)
d) WOC Undercover Area Enclosure	\$76,000	\$700	\$75,300
e) Yellagonga Wetlands Smart Monitoring & Management Program	\$256,997	-	\$256,997
f) Acquisition of Land 12 Blackwattle Parade, Padbury	\$76,370	(\$720)	\$77,090
g) Infrastructure Asset Management System Implementation	\$241,812	\$154,968	\$86,844
Other Projects	\$1,657,036	\$1,664,102	(\$7,066)
	<u>\$2,912,963</u>	<u>\$2,153,281</u>	<u>\$759,682</u>

- a) This favourable timing variance arises from delays due to ongoing review of the development and continuing negotiations with the developer.
- b) This project is expected to be completed in June 2018 following delays in obtaining approval from the Water Corporation and contractor availability.
- c) This project was completed ahead of budget phasing resulting in an unfavourable timing variance.
- d) This project is expected to be completed in June 2018 following delays in obtaining approval from the Water Corporation and contractor availability.
- e) Delay in Federal Government funding for this project, now expected to be received in June 2018, has resulted in the delayed commencement of this program.
- f) This favourable variance arose due to delays in finalisation of the contract of sale for this property which is currently being considered by the Department of Planning, Lands and Heritage.
- g) This favourable timing variance arose due to delays in the collation of data for building and drainage assets with quotation requests currently in development to undertake condition assessments for both asset classes.

Favourable Variance

Unfavourable Variance

**18. Capital Works****\$7,377,583**

	YTD Revised Budget	YTD Actual	Variance
a) Parks Equipment Program	\$1,721,572	\$1,557,483	\$164,089
b) Major Projects Program	\$5,786,497	\$4,956,720	\$829,776
c) Streetscape Enhancement Program	\$1,414,129	\$1,129,425	\$284,704
d) Major Road Construction Program	\$915,535	\$842,844	\$72,692
e) Road Preservation/Resurfacing Program	\$7,017,025	\$6,627,392	\$389,633
f) Street Lighting Program	\$4,404,871	\$1,033,902	\$3,370,969
g) Blackspot Projects Program	\$1,832,210	\$968,558	\$863,652
h) Local Traffic Management Program	\$1,265,792	\$562,236	\$703,556
i) Stormwater Drainage Program	\$1,353,563	\$963,009	\$390,555
j) Major Building Capital Works	\$1,638,623	\$1,412,899	\$225,724
k) Parks Development Program	\$1,581,115	\$1,459,837	\$121,279
Other Programs	\$1,802,650	\$1,841,696	(\$39,046)
	<u>\$30,733,584</u>	<u>\$23,356,001</u>	<u>\$7,377,583</u>

- a) This favourable timing variance is mainly due to Tom Simpson Park Playspace Renewal \$250,985 and Dampier Park Playspace Renewal \$47,174 which are partly complete and MacDonald Park Playspace Renewal \$64,548 which is complete awaiting final invoices. This is offset by unfavourable timing variances for Prince Regent Park Playspace Renewal (\$56,143), Timberlane Park Playspace Renewal (\$46,140) and Braden Park BBQ Shelter & Seating (\$36,480) which are all completed ahead of schedule. A number of minor variances exist across the remainder of the program.
- b) Favourable timing variance mainly due to Penistone Park – Facility Redevelopment \$310,165 which is completed awaiting final invoices and Craigie Leisure Centre Upgrades \$195,284 which is progressing behind budget estimates. Electrical upgrades for Percy Doyle – Utilities Upgrade \$68,045 are completed, however the detailed design for the sewer upgrade is on hold pending further clarity regarding the future plans for the Percy Doyle site. Joondalup Mens' Shed \$146,852 and Percy Doyle – Tennis Clubrooms Refurbishment \$61,870 are currently in progress. The balances of variances are spread across a number of areas.
- c) Streetscape Enhancement favourable variance is mainly due to City Centre Streetscape Renewal Program \$217,072 which is in progress with a tree survey shortly expected to be underway. In addition, a favourable timing variance arose for Streetscape Renewal Program \$59,204 and the Leafy City Program \$38,288 which are progressing. This is partially offset by an unfavourable timing variance for Arterial Roads Landscape Upgrade Program (\$29,860) which is mostly complete.
- d) This favourable variance is mainly due to Burns Beach Road / Joondalup Drive Roundabout \$52,603 which is being delivered by the Alliance with Main Roads WA and Whitfords Avenue Upgrade \$19,809 which is complete.

**Favourable Variance****Unfavourable Variance**

- e) Favourable timing variances arose across the program including Main Roads WA Roads Rehabilitation Projects \$300,000, Parking Services Renewal Program \$93,413, Whitfords Avenue EB – Alexander Road to Gibson Avenue \$75,551 and Harvest Loop \$51,471. This is partially offset by unfavourable timing variances for Herreshoff Ramble – Venturi Drive to Milne Court (\$97,603) and Gnober Way (\$82,567) both of which are complete. The Asphalt Overlay Programs (\$142,003) are mostly completed except for a number of minor resurfacing projects Mueller Court Padbury, The Haven Woodvale, Sirula Way Heathridge and Alness Court Duncraig. The balances of variances are spread across a number of other projects.
- f) This favourable timing variance is mainly due to the current progress of Stage Two of Joondalup City Centre Street Lighting \$2,599,614. In addition favourable timing variances arose for Warrantdyte Park Floodlighting Upgrade \$473,032 which is experiencing delays in delivery of poles and Pinnaroo Point Car Park Lighting \$77,670 which is on hold whilst awaiting a decision on future café developments within the existing Car Park. Sir James McCusker Park Path Lighting \$61,267 is a multiyear project with a trial to be conducted in the current year and construction in the next financial year. Whitfords East Park New Pathway Lighting \$72,486 and Whitfords Nodes Car Park Lighting \$61,891 are progressing with \$115,750 commitments raised against them.
- g) A number of favourable timing variances arose across the Blackspot program including Warwick Train Station Entrance \$321,882 which has experienced design delays but works are now programmed with orders issued for \$340,411. Marmion Avenue and Gilbert Road \$162,000 and Warwick Road and Allenswood Drive \$108,000 were on hold pending funding approval which has now been awarded. These projects were initially one-year projects but funding has been awarded over two years with design to now occur in the current year and construction in the next financial year. A favourable timing variance also arose for Marmion Avenue and Ocean Reef Road \$138,283 with works now programmed. Whitfords Avenue and Trappers Drive requires traffic signal adjustments and intersection skid treatments to be completed to fulfil Black Spot submission scope of works. Grand Boulevard and Shenton Avenue \$89,762 is delayed awaiting approval from Main Roads for the scope of the project. This is partially offset by an unfavourable variance for Ocean Reef Road and Trappers Drive (\$52,650) due to pricing exceeding budget estimates.
- h) Favourable timing variances arose for Whitfords Avenue Median Treatment \$310,757 which is complete being constructed in conjunction with the Black Spot and Road Improvement Projects and Venturi Drive Median Treatment \$179,556 which is being re-quoted due to initial quotations received exceeding budget estimates. Marmion Avenue – Edinburgh Avenue Pedestrian Crossing Improvements \$200,253 is delayed awaiting approval from Main Roads for the scope of the project. A number of minor variances exist across the remaining projects within the Program.
- i) Favourable timing variances include Parin Pioneer Park Development \$169,176 with works partly completed. Northshore Avenue Sump Renewal works \$229,545 is experiencing delays due to progress on the memorandum of understanding. These are partially offset by an unfavourable variance for Oleaster Way Sump (\$80,072) which was completed over budget. A number of other minor variances are spread across the remainder of the Program.

Favourable Variance
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Unfavourable Variance
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- j) Favourable timing variances arose for Mawson Park Toilets / Changeroom Refurbishment \$109,974 which is delayed due to the need to demolish the existing building and Windermere Park Clubroom Refurbishment \$51,650 which is a multiyear project. Construction works for both of these projects is expected to commence in 2018-19. In addition, Hazardous Materials Management \$41,547 is partly complete and awaiting invoices. The balances of variances are spread across the program.
- k) Favourable variances arose for Geddes Park Irrigation Upgrades \$46,368, and Castlecrag Park Irrigation Upgrade \$22,081 with works completed under budget. A favourable timing variance arose for the Tree Planting Program \$16,517 which is progressing. The balances of variances are spread across the program.

**19. Vehicle and Plant Replacements**

**\$160,069**

This favourable variance for Fleet and Plant purchases includes a number of items which are progressing behind budget estimates, including a truck, four vans, two trailers, one utility and one mower at a combined value of \$381,958. This is partially offset by an unfavourable variance for a number of items progressing ahead of budget estimates, including five vans and a utility at a combined value of (\$230,759). Orders totalling \$555,552 are awaiting delivery.

**20. Proceeds from Disposal**

**(\$3,234,044)**

The timing of the disposal of surplus land holdings generated an unfavourable variance of (\$3,422,777) partially offset by a favourable timing variance for Fleet and Plant assets disposals \$188,733.

Favourable Variance
Unfavourable Variance

**20. Closing Funds****\$9,342,486**

	<b>June 2017</b>	<b>May 2018</b>
<b>Current Assets</b>		
Cash and Investments	\$91,237,574	\$106,811,835
Rates Outstanding, Sundry Debtors and Other Receivables	\$2,956,710	\$3,674,530
Accrued Income	\$967,074	\$1,259,232
Prepayments	\$10,653	\$662,894
Inventories	\$144,976	\$195,569
<b>Total Current Assets</b>	<b>\$95,316,987</b>	<b>\$112,604,060</b>
<b>Current Liabilities</b>		
Trade Creditors	\$3,786,997	\$2,896,846
Sundry Payables	\$523,645	\$2,941,695
Accrued Expenses	\$4,796,208	\$4,473,408
Other Payables	\$2,107,983	-
Borrowings	\$3,084,740	\$582,578
Provision for Annual Leave	\$4,366,612	\$4,484,066
Provision for Long Service Leave	\$5,579,310	\$5,913,586
Provision for Workers Compensation Insurance	\$3,550,341	\$4,418,588
Provision for Sick Leave	\$964,736	\$1,013,049
Other Provisions	\$59,321	\$63,013
<b>Total Current Liabilities</b>	<b>\$28,819,891</b>	<b>\$26,786,829</b>
<b>Net Current Assets</b>	<b>\$66,497,096</b>	<b>\$85,817,231</b>
<b>Add back: Borrowings</b>	\$3,084,740	\$582,578
<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>\$16,901,989</b>

**Favourable Variance****Unfavourable Variance**