



City of Joondalup

Financial Activity Statement for the
Period Ended 31 January 2018

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	Notes	Adopted Budget	YTD Adopted Budget	YTD Actual	YTD Variance \$	YTD Variance %
OPERATING REVENUE						
Rates		(96,952,818)	(96,922,818)	(96,924,303)	1,485	0%
Specified Area Rates		(589,482)	(589,482)	(599,272)	9,790	2%
Grants and Subsidies	1	(3,983,552)	(2,018,883)	(1,039,924)	(978,959)	(48)%
Contributions Reimbursements and Donations	2	(869,387)	(441,237)	(564,201)	122,964	28%
Profit on Asset Disposals	3	(1,493,563)	(867,196)	(1,023,257)	156,061	18%
Fees and Charges		(40,525,044)	(32,826,847)	(32,868,017)	41,170	0%
Interest Earnings	4	(3,108,951)	(2,036,055)	(2,714,534)	678,479	33%
Other Revenue/Income	5	(146,448)	(143,688)	(262,325)	118,637	83%
Total Operating Revenue		(147,669,244)	(135,846,207)	(135,995,833)	149,626	0%
OPERATING EXPENSES						
Employee Costs	6	64,934,762	38,848,978	38,504,299	344,679	1%
Materials and Contracts	7	51,846,987	30,764,700	26,796,874	3,967,826	13%
Utilities (gas, electricity, water etc.)	8	5,706,215	3,317,734	3,108,605	209,129	6%
Depreciation & Amortisation of Non-Current Assets	9	28,989,014	16,923,490	19,415,051	(2,491,561)	(15)%
Loss on Asset Disposals	10	670,524	391,139	230,376	160,763	41%
Interest Expenses	11	662,030	410,428	370,892	39,536	10%
Insurance Expenses	12	1,542,342	1,538,009	1,386,274	151,735	10%
Other Expenses		-	-	-	-	0%
Total Operating Expenses		154,351,874	92,194,477	89,812,371	2,382,106	3%
(SURPLUS)/DEFICIT FROM OPERATIONS		6,682,630	(43,651,729)	(46,183,462)	2,531,733	6%
OPERATING NON-CASH ADJUSTMENTS						
Depreciation & Amortisation of Non Current Assets		(28,989,014)	(16,923,490)	(19,415,051)	2,491,561	15%
Loss on Asset Disposal		(670,524)	(391,139)	(230,376)	(160,763)	(41)%
Profit on Asset Disposals		1,493,563	867,196	1,023,257	(156,061)	(18)%
Other Non-Current items						
Movement in Non-current Items	13	(100,000)	(100,000)	(77,847)	(22,153)	(22)%
OPERATING CASH (SURPLUS)/DEFICIT		(21,583,345)	(60,199,162)	(64,883,479)	4,684,317	8%
NON-OPERATING REVENUE						
Capital Grants and Subsidies	14	(9,026,605)	(3,215,159)	(5,148,843)	1,933,684	(60)%
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%
Total Non-Operating Revenue		(9,693,272)	(3,548,826)	(5,638,719)	2,089,893	59%
CAPITAL EXPENDITURE						
Capital Projects	17	6,903,691	3,842,042	1,615,962	2,226,080	58%
Capital Works	18	33,684,227	16,918,339	14,314,569	2,603,770	15%
Vehicle and Plant Replacements	19	3,201,000	1,886,000	1,023,466	862,534	46%
Loan Repayment Principal	20	3,004,841	1,595,520	1,726,027	(130,507)	(8)%
Equity Investments		47,443	-	12,304	(12,304)	0%
Total Capital Expenditure		46,841,202	24,241,901	18,692,329	5,549,572	23%
CAPITAL (SURPLUS)/DEFICIT		37,147,930	20,693,075	13,053,610	7,639,465	37%
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL		15,564,585	(39,506,087)	(51,829,869)	12,323,782	31%
FUNDING						
Proceeds from Disposal	21	(6,150,700)	(3,527,867)	(2,161,596)	(1,366,271)	(39)%
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)%
CLOSING FUNDS	23	(1)	(43,474,556)	(54,075,480)	10,600,925	24%



Investment Summary

CITY OF JOONDALUP
January-18

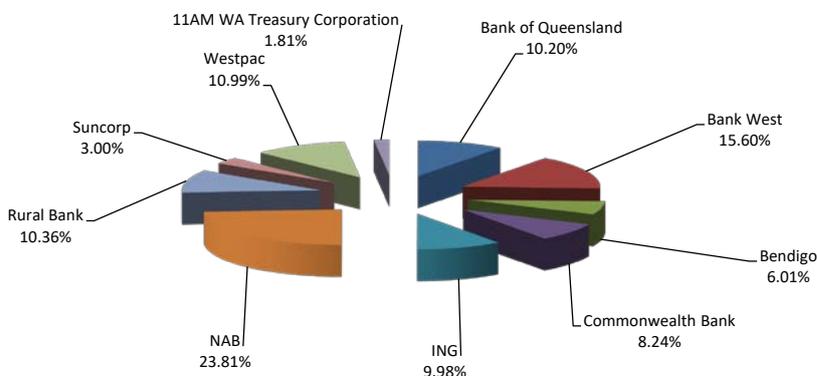
Credit Rating		Investment Account	MTD Return	YTD Return	Value \$	% of Portfolio	Policy Limit
Long Term	Short Term						
A-*	A-2	Bank of Queensland Term Deposit	2.60%	2.61%	\$ 13,580,000	10.20%	10%
AA-	A-1+	Bank West Term Deposit	2.51%	2.50%	\$ 20,770,000	15.60%	25%
A-*	A-2	Bendigo Term Deposit	2.60%	2.60%	\$ 8,000,000	6.01%	10%
AA-	A-1+	Commonwealth Bank Term Deposit	2.54%	2.54%	\$ 10,970,000	8.24%	25%
A+	A-1	ING Term Deposit	2.64%	2.65%	\$ 13,290,000	9.98%	15%
AA-	A-1+	NAB Term Deposit	2.50%	2.50%	\$ 31,700,000	23.81%	25%
A-*	A-2	Rural Bank Term Deposit	2.60%	2.64%	\$ 13,800,000	10.36%	10%
A+	A-1	Suncorp Term Deposit	2.55%	2.59%	\$ 4,000,000	3.00%	15%
AA-	A-1+	Westpac Term Deposit	2.51%	2.60%	\$ 14,640,000	10.99%	25%
AA+	A-1+	11AM WA Treasury Corporation	1.48%	1.46%	\$ 2,410,000	1.81%	25%

Total Investment Portfolio	2.52%	2.54%	133,160,000	100.00%
Municipal Funds			69,107,777	
Reserve Funds			64,052,223	
			133,160,000	

Overall Portfolio Limits		Value\$	% Current	% Limit
Long Term	Short Term			
AA	A-1+	80,490,000	60.4%	100%
A	A-1	17,290,000	13.0%	50%
A	A-2	35,380,000	26.6%	40%

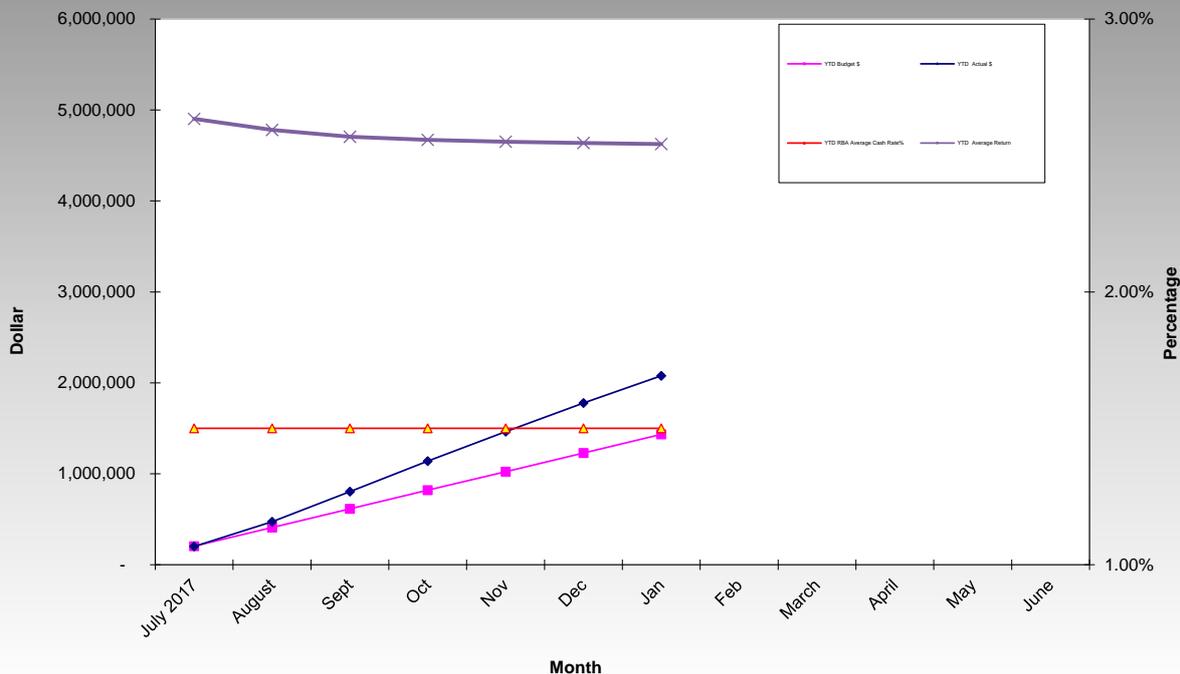
* S&P Long Term Rating BBB, Based on the investment policy the Long Term Rating Used is (A-) Based on Moody's and Fitch Rating

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%
Jan	204,779	299,326	1,433,454	2,077,926	1.50%	2.54%

Return on Investments



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

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 Other Miscellaneous Reimbursements \$75,924, Utility Charges \$53,927 and a favourable variance from unbudgeted Insurance Reimbursements \$16,600. This partially offset by unfavourable timing variances for Sponsorships (\$14,000) and Contributions (\$6,522).

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. Interest Earnings

A favourable timing variance arose for Interest from Investments \$645,085 due to a higher volume of funds under investment, Rates Penalty Interest \$31,845 and Interest on Pensioners Deferred Rate \$10,575, partially offset by an unfavourable timing variance for Interest on Instalments (\$9,026).

5. 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, Adshel Advertising Revenue \$31,381, Street Side Advertising \$10,677 and Discounts Received \$2,355.

6. Employee Costs

	YTD Budget	YTD Actual	Variance
a) Salaries and Wages	\$36,563,026	\$35,849,436	\$713,590
b) Other Employment Costs	\$2,285,952	\$2,654,863	(\$368,911)
	<u>\$38,848,978</u>	<u>\$38,504,299</u>	<u>\$344,679</u>

- a) This favourable variance predominantly arose for Salaries and Wages for Parks \$595,017 mainly due to vacant positions. The balances of variances are spread across a number of areas.
- b) This unfavourable timing variance mainly arose for Agency Employees (\$384,170) covering vacant positions. The balances of variances are spread across a number of other areas.

7. Materials and Contracts

	YTD Budget	YTD Actual	Variance
a) External Service Expenses	\$13,877,522	\$11,866,218	\$2,011,304
b) Computing	\$1,368,638	\$1,119,083	\$249,553
c) Travel, Vehicles & Plant	\$1,137,576	\$962,171	\$175,405
d) Furniture, Equipment and Artworks	\$1,392,578	\$1,152,134	\$240,446
e) Waste Management Services	\$4,624,000	\$4,168,016	\$455,984
f) Contributions and Donations	\$1,529,651	\$1,232,807	\$296,844
g) Administration	\$898,695	\$693,003	\$205,692
h) Professional Fees and Costs	\$1,541,201	\$1,147,683	\$393,518
i) Other Materials	\$1,196,113	\$1,314,385	(\$118,272)
j) Accommodation & Property	\$1,031,752	\$1,151,920	(\$120,168)
k) Public Relations, Advertising & Promotions	\$659,884	\$562,149	\$97,735
l) Charges & Recoveries	(\$150,256)	(\$259,291)	\$109,035
m) Other Materials and Contracts	\$1,657,346	\$1,686,596	(\$29,250)
	<u>\$30,764,700</u>	<u>\$26,796,874</u>	<u>\$3,967,826</u>

- a) External Contractors and Services expenditure is \$1,497,744 below budget. This includes favourable timing variances for Parks \$565,123, Building Maintenance Works \$204,163, Landscaping and Conservation Services \$197,444, CEO Administration \$156,123, Lighting \$138,911, Engineering Maintenance \$74,716 and Waste Management Services \$58,615. In addition favourable variances arose for Tipping Fees – Domestic \$346,266 and Programme Activities \$73,981. The balances of variances are spread across a number of areas.
- b) This favourable timing variance was predominantly due to Computer Software Maintenance \$82,426, Computer Software Licenses \$59,194, Computer Software Subscriptions \$47,708 and Data Communication Links \$35,140. The balances of variances are spread across other areas.
- c) A favourable variance arose for Vehicle Licensing \$81,149 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 \$44,043 and Fuel \$39,381.
- d) Favourable timing variances arose for Plant and Equipment Maintenance and Repair \$102,552, Hire of Equipment \$54,795, Computer and Communications Equipment Purchases \$41,805, Plant and Equipment Purchases - Minor \$22,744 and Furniture and Office Equipment Purchases – Minor \$22,711. The balances of variances are spread across other areas.

- e) This favourable timing variance arose from Bulk Hard Waste Collection and Processing \$238,227, Greens Waste Collection and Processing \$233,731 and Weekend Greens \$3,858 partially offset by unfavourable timing variances for Domestic Waste Collection (\$18,727) and Recycling Waste Collection and Processing (\$1,105).
- f) This favourable timing variance arose predominantly from Sponsorship \$226,314 and the Community Funding Program \$102,686, partially offset by an unfavourable timing variance for Donations (\$28,393).
- g) Favourable timing variances arose for Other Sundry Administration Expenses \$75,012, Printing \$74,101 and Photography and Video Production \$32,127. The balances of variances are spread across a number of areas.
- h) This favourable timing variance arose predominantly from Consultancy \$393,770, Research \$24,750 and Legal Expenses Recoverable \$18,220, partially offset by an unfavourable timing variance for Legal Expenses (\$47,304).
- i) An unfavourable timing variance arose for External Material Purchases – Contract (\$182,078), partially offset by a favourable timing variance for Materials – Minor Building Works \$83,121. The balances of variances are spread across other areas.
- j) This unfavourable timing variance arose from a number of areas including Refuse Removal Charges (\$50,370), Rental and Outgoings (\$39,701), Water Rates (\$12,120), 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 \$37,617, Signage \$29,664 and Catering \$21,838. The balances of variances are spread across several areas.
- l) This favourable timing variance predominantly arose for Overhead Recoveries \$66,822 and Vehicle Running Expenses \$41,225. The balances of variances are spread across several areas.

8. Utilities

Electricity costs are \$202,589 below budget including favourable timing variances for Buildings \$102,705, Roads \$78,612 and Parks \$17,328. In addition favourable timing variances arose for Gas \$3,557 and Water \$2,983.

9. Depreciation & Amortisation of Non-Current Assets

Unfavourable variances arose due to revaluation and asset capitalisation at 30 June 2017 for Depreciation – Buildings (\$965,310), Depreciation – Open Reserves (\$445,510), Depreciation – Drainage Infrastructure (\$241,104), Depreciation – Bridges, Overpass and Underpass Infrastructure (\$120,312), Depreciation – Computer and Communications Hardware (\$101,977) and Depreciation – Mobile and other Plant (\$101,967). This was partially offset by a favourable variance for Depreciation – Roads Infrastructure \$985,108 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 impairment of existing structures in 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. 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 \$192,955 partially offset by an unfavourable timing variance for and Land Parcels (\$32,192).

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 insurance 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 \$22,153.

14. Capital Grants and Subsidies

	YTD Budget	YTD Actual	Variance
a) Street Lighting Program	-	\$291,945	\$291,945
b) Road Preservation / Resurfacing Program	\$1,641,226	\$2,307,293	\$666,067
c) Major Road Construction Program	\$646,933	\$1,042,667	\$395,734
d) Parks Equipment Program	\$0	\$106,491	\$106,491
e) Major Projects Program	\$275,000	\$15,000	(\$260,000)
f) Major Building Capital Works Program	-	\$953,717	\$953,717
g) Blackspot Projects	\$502,000	\$176,625	(\$325,375)
Other Programs	\$150,000	\$255,105	\$105,105
	<u>\$3,215,159</u>	<u>\$5,148,843</u>	<u>\$1,933,684</u>

- a) 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.
- b) 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.
- c) 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 85% construction completed.
- d) Favourable variance predominantly due to the City receiving grant funds from the Local Jobs grant program in relation to the Thornton Park Playspace Renewal.
- e) An unfavourable variance arose for Penistone Park Facility Redevelopment (\$275,000) which is 95% complete with grant claims to be made soon. This is offset by a \$15,000 grant for Percy Doyle – Soccer Clubrooms Refurbishment for storage facility upgrade.
- f) 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. The budget will be adjusted accordingly in the Mid Year Budget Review.
- g) 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	\$2,131,026	\$27,185	\$2,103,841
b) Pool Tiles Replacement Craigie Leisure Centre	\$200,000	\$270,090	(\$70,090)
c) Workshop Outside Shelter and Truck Hoist	\$131,750	\$34,027	\$97,723
d) WOC Undercover Area Enclosure	\$76,000	\$700	\$75,300
e) Ocean Reef Marina	\$95,540	\$149,235	(\$53,695)
Other Projects	\$1,413,266	\$1,512,495	(\$99,229)
	<u>\$3,842,042</u>	<u>\$1,615,962</u>	<u>\$2,226,080</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) Scope of this project has been increased from replacing only loose tiles to replacing all pool tiles to minimise future pool closures and maintenance costs. Budget will be adjusted during the Mid Year Review.
- c) Commencement of this project is now expected in March 2018 following delays in obtaining approval from the Water Corporation and contractor availability.
- d) Commencement of this project is now expected in March 2018 following delays in obtaining approval from the Water Corporation and contractor availability.
- e) LandCorp has now assumed responsibility for all consultant engagement for this project earlier than expected resulting in this unfavourable timing variance due to the requirement to complete and finalise existing purchase orders and contracts.

18. Capital Works

	YTD Budget	YTD Actual	Variance
a) Parks Equipment Program	\$1,070,500	\$910,249	\$160,251
b) Major Projects Program	\$2,723,000	\$3,552,531	(\$829,531)
c) Streetscape Enhancement Program	\$996,000	\$822,360	\$173,640
d) Major Road Construction Program	\$1,116,129	\$438,446	\$677,683
e) Parking Facilities Program	\$110,000	\$348,050	(\$238,050)
f) Parks Development Program	\$975,000	\$1,179,750	(\$204,750)
g) Street Lighting Program	\$1,491,300	\$629,675	\$861,625
h) Foreshore & Natural Areas Management Program	\$285,000	\$445,469	(\$160,469)
i) Blackspot Projects Program	\$1,495,000	\$619,369	\$875,631
j) Local Traffic Management Program	\$816,990	\$72,870	\$744,120
k) New Paths Program	\$117,000	\$208,700	(\$91,700)
l) Stormwater Drainage Program	\$409,653	\$492,286	(\$82,633)
m) Major Building Capital Works	\$650,000	\$794,587	(\$144,587)
n) Road Preservation/Resurfacing Program	\$4,316,267	\$3,480,933	\$835,334
Other Programs	\$346,500	\$319,293	\$27,207
	<u>\$16,918,339</u>	<u>\$14,314,569</u>	<u>\$2,603,770</u>

- a) This favourable timing variance arose mainly due to Tom Simpson Park Playspace Renewal \$277,228 which is on track for completion in March 2018. This is offset by an unfavourable variance for Park Signage Renewal City Wide (\$52,635) which is ahead of schedule and Wallangarra Park Playspace Renewal (\$45,086). The balances of variances occur across the program.
- b) This unfavourable timing variance is mainly due to Penistone Park – Facility Redevelopment (\$704,705) and Percy Doyle – Soccer Clubrooms (\$211,322) which are progressing ahead of schedule as well as Joondalup Administration Building Major Refurbishment (\$245,126). These are partially offset by favourable timing variances for Percy Doyle – Utilities Upgrade \$157,916, Percy Doyle – Duncraig Leisure Centre Refurbishment \$60,000 and Percy Doyle – Tennis Clubrooms \$49,135 with construction progressing in the following months.
- c) Favourable timing variances arose across the program mainly due to the Arterial Roads Landscape Upgrade Program \$88,052 and Leafy City Program \$36,031 with both projects progressing as scheduled.
- d) This favourable variance is predominantly due to Whitfords Avenue Upgrades \$434,354 which is 85% 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 (\$150,286) which is also completed. These are partially offset by a favourable timing variance for Barridale Drive Parking Embayments \$84,744.

- f) Unfavourable timing variance due predominantly to MacDonald Park (\$156,024) which is complete. In addition unfavourable timing variances occurred for Tom Walker Park Irrigation Upgrade (\$41,520) and Callander Park Irrigation Upgrade (\$41,694) which are progressing ahead of schedule. The balances of variances are spread across the program.
- g) Street Lighting favourable timing variance is mainly due to Joondalup City Centre Lighting \$633,547, Warrandyte Park Floodlighting Upgrade \$146,893 arising from delays in final design approval by external consultants and Pinnaroo Point Car Park Lighting \$60,000 which has been delayed pending planning decisions for the development. This is offset by an unfavourable variance for Arterial and Urban Road Street Lighting (\$52,637) with construction 35% completed.
- h) Unfavourable timing variance mainly due to Bushland Reserve Paths Renewal (\$117,063) and Coastal and Foreshore Fencing Renewal Program (\$34,068) which are complete ahead of schedule. In addition an unfavourable timing variance occurred for Iluka Foreshore Lookout Platform (\$65,910) which is complete. This is offset by a favourable variance for Whitfords Nodes Lookout Stairway Design \$77,725 currently undergoing community consultation and 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 \$145,226, Warwick Train Station \$153,205 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 favourable timing variances arose for Barridale Drive \$65,382 which is complete awaiting final invoices and Marmion Avenue – Edinburgh Avenue Pedestrian Crossing \$57,614 which has been delayed awaiting Main Roads WA approval for a change in scope following effects on traffic flows from the extension of the Mitchell Freeway.
- k) This unfavourable timing variance is mainly due to Whitfords Avenue Shared Path (\$105,832) which is complete. This is offset by a number of favourable variances for completed projects across the Program completed under budget.
- l) This unfavourable timing variance is predominantly due to projects carried forward from previous financial year Coolibah Park Sump Beautification (\$162,399) and Creaney Drive (\$42,460) which are both complete. These are partially offset by favourable timing variances for Parin Pioneer Park Development \$33,504, Warwick Road Drainage Improvements \$32,600 and Sandpiper Street Sump Beautification \$21,079 with works progressing in coming months. The balances of variances are spread across the program.
- m) Unfavourable timing variance is mainly due to Warrandyte Park Clubroom Refurbishment (\$119,964) which is 100% complete ahead of schedule. Several favourable and unfavourable variances occur across the remaining program with 56% of the Program complete.

- n) Timing variances occur across the program but mainly due to Whitfords Avenue East Bound – Alexander Road to Gibson Avenue \$406,676. Joondalup Drive South Bound
- Grand Boulevard to Gibson Avenue \$97,268 is running behind schedule with works issued to contractors. Road Rehabilitation Program (FLRG Funds) \$205,107 and Main Roads WA Road Rehabilitation (FLRG) Projects \$143,175 are progressing as demand requires. These are offset by a number of unfavourable variances across the program the largest being Westerly Crescent (\$52,041) which is complete ahead of schedule.

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, two plant trailers and thirteen vans at a combined value of \$968,000. Orders totalling \$638,132 are awaiting delivery.

20. Loan Repayment Principal

This unfavourable variance arose mainly due to earlier than estimated draw down of the loan for Warwick Hockey Project which resulted in a different repayment schedule compared to budget estimates. 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 (\$1,267,975) and an unfavourable timing variance arose for Fleet and Plant assets disposals (\$98,295).

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	January 2018
Current Assets		
Cash and Investments	\$91,237,574	\$133,145,407
Rates Outstanding, Sundry Debtors and Other Receivables	\$2,956,710	\$18,089,335
Accrued Income	\$967,074	\$1,278,000
Prepayments	\$10,653	\$689,703
Inventories	\$144,976	\$175,321
Total Current Assets	\$95,316,987	\$153,377,766
Current Liabilities		
Trade Creditors	\$3,786,997	\$744,439
Sundry Payables	\$523,645	\$10,402,440
Accrued Expenses	\$4,796,208	\$2,502,975
Other Payables	\$2,107,983	-
Borrowings	\$3,084,740	\$1,358,713
Provision for Annual Leave	\$4,366,612	\$4,202,486
Provision for Long Service Leave	\$5,579,310	\$5,771,672
Provision for Workers Compensation Insurance	\$3,550,341	\$5,127,346
Provision for Sick Leave	\$964,736	\$991,325
Other Provisions	\$59,321	\$61,782
Total Current Liabilities	\$28,819,891	\$31,163,178
Net Current Assets	\$66,497,096	\$122,214,588
Add back: Borrowings	\$3,084,740	\$1,358,712
Less: Cash Backed Reserves	\$67,903,096	\$67,903,096
Less: Non Current Long Service Leave	\$1,594,724	\$1,594,724
Closing Funds – Surplus/(Deficit)	\$84,016	\$54,075,480