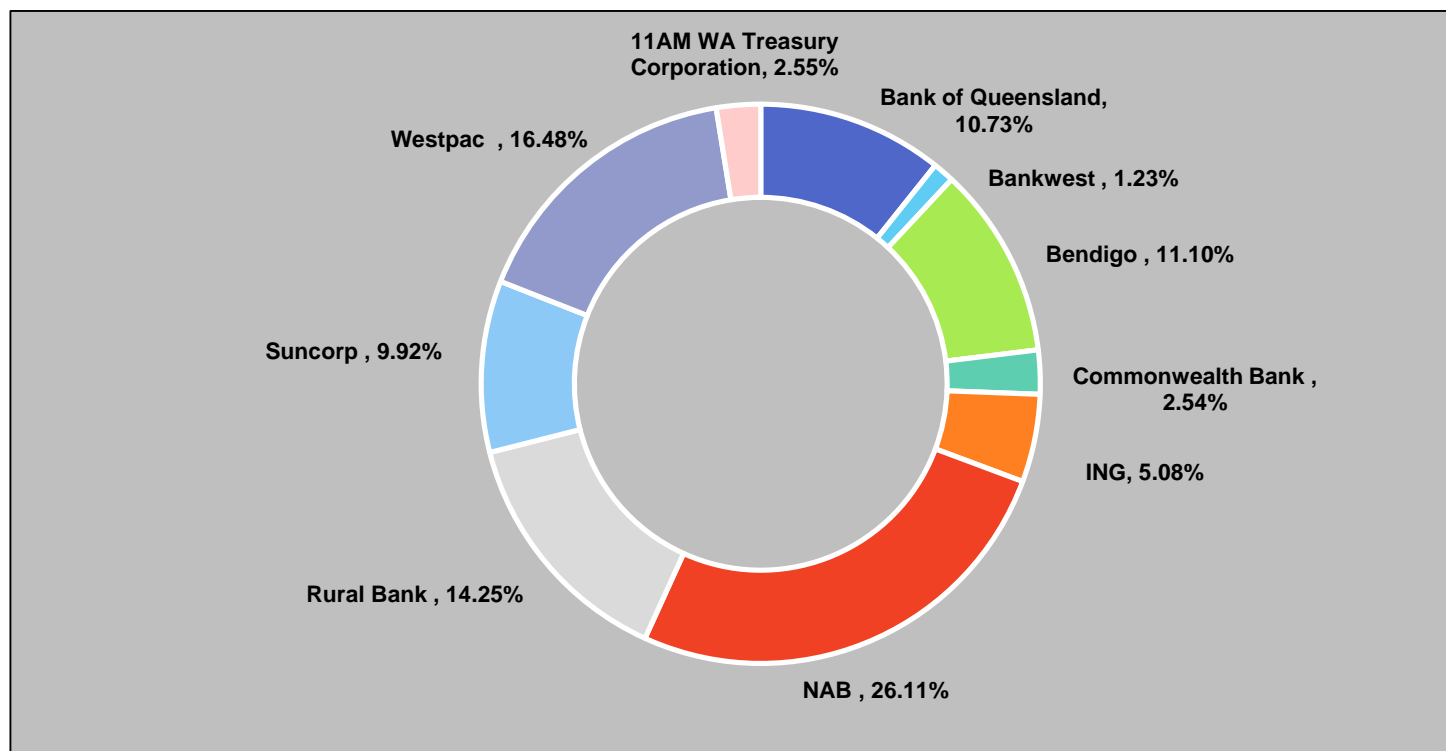


	Notes	Revised Budget	YTD Revised Budget	YTD Actual	YTD Variance \$	YTD Variance %
<b>OPERATING REVENUE</b>						
Rates	1	(100,765,907)	(100,765,907)	(100,895,101)	129,194	0%
Specified Area Rates		(568,048)	(568,048)	(567,080)	(968)	(0)%
Grants and Subsidies		(1,997,909)	(1,978,597)	(2,015,538)	36,941	2%
Contributions Reimbursements and Donations	2	(1,079,459)	(952,838)	(1,043,198)	90,360	9%
Profit on Asset Disposals	3	(274,549)	(265,394)	(560,929)	295,535	100%
Fees and Charges	4	(41,465,320)	(39,890,374)	(40,047,270)	156,896	0%
Interest Earnings	5	(4,404,877)	(4,192,103)	(4,347,828)	155,725	4%
Other Revenue/Income	6	(1,041,989)	(986,989)	(1,046,854)	59,865	6%
<b>Total Operating Revenue</b>		<b>(151,598,060)</b>	<b>(149,600,250)</b>	<b>(150,523,798)</b>	<b>923,548</b>	<b>0%</b>
<b>OPERATING EXPENSES</b>						
Employee Costs	7	64,751,318	60,045,483	58,009,317	2,036,166	3%
Materials and Contracts	8	53,256,430	47,917,314	42,877,255	5,040,059	11%
Utilities (gas, electricity, water etc.)	9	5,650,882	5,023,340	5,247,785	(224,445)	(4)%
Depreciation & Amortisation of Non-Current Assets	10	30,405,036	27,893,140	27,399,063	494,077	2%
Loss on Asset Disposals		4,320,877	4,290,781	4,292,493	(1,712)	(0)%
Interest Expenses		478,506	410,485	410,472	13	0%
Insurance Expenses		1,395,342	1,395,342	1,415,266	(19,924)	(1)%
Other Expenses		1,000	1,000	1,000	-	0%
<b>Total Operating Expenses</b>		<b>160,259,390</b>	<b>146,976,885</b>	<b>139,652,651</b>	<b>7,324,234</b>	<b>5%</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS</b>		<b>8,661,332</b>	<b>(2,623,365)</b>	<b>(10,871,147)</b>	<b>8,247,782</b>	<b>314%</b>
<b>OPERATING NON-CASH ADJUSTMENTS</b>						
Depreciation & Amortisation of Non Current Assets		(30,405,036)	(27,893,140)	(27,399,063)	(494,077)	(2)%
Loss on Asset Disposal		(4,320,877)	(4,290,781)	(4,292,493)	1,712	0%
Profit on Asset Disposals		274,549	265,394	560,929	(295,535)	100%
Other Non-Current items						
Movement in Non-current Items	11	(100,000)	(100,000)	351,465	(451,465)	(100)%
<b>OPERATING CASH (SURPLUS)/DEFICIT</b>		<b>(25,890,032)</b>	<b>(34,641,891)</b>	<b>(41,650,309)</b>	<b>7,008,418</b>	<b>20%</b>
<b>NON-OPERATING REVENUE</b>						
Capital Grants and Subsidies	12	(7,091,018)	(5,089,985)	(5,706,473)	616,488	12%
Capital Contributions	13	(547,439)	(64,139)	(324,008)	259,869	100%
Equity Distribution - TPRC		(666,667)	(333,333)	(333,333)	-	0%
Equity Investments	14	(6,300)	(6,300)	(52,069)	45,769	100%
<b>Total Non-Operating Revenue</b>		<b>(8,311,424)</b>	<b>(5,493,757)</b>	<b>(6,415,883)</b>	<b>922,126</b>	<b>17%</b>
<b>CAPITAL EXPENDITURE</b>						
Capital Projects	15	7,727,679	6,857,459	5,621,339	1,236,120	18%
Capital Works	16	33,822,205	26,084,333	19,792,228	6,292,105	24%
Vehicle and Plant Replacements	17	2,685,299	2,244,298	1,466,557	777,741	35%
Loan Repayment Principal		3,201,862	2,595,258	2,595,258	-	0%
<b>Total Capital Expenditure</b>		<b>47,437,046</b>	<b>37,781,349</b>	<b>29,475,382</b>	<b>8,305,967</b>	<b>22%</b>
<b>CAPITAL (SURPLUS)/DEFICIT</b>		<b>39,125,622</b>	<b>32,287,592</b>	<b>23,059,499</b>	<b>9,228,093</b>	<b>29%</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL</b>		<b>13,235,590</b>	<b>(2,354,299)</b>	<b>(18,590,810)</b>	<b>16,236,511</b>	<b>690%</b>
<b>FUNDING</b>						
Proceeds from Disposal	18	(2,359,559)	(577,283)	(544,029)	(33,255)	(6)%
Loans - New Borrowings		-	-	-	-	0%
Transfer from Trust		(1,930,000)	-	-	-	0%
Transfer from Reserve		(19,670,579)	-	-	-	0%
Transfer to Reserve		9,113,389	-	-	-	0%
Transfer to Accumulated Surplus		-	-	-	-	0%
Transfer from Accumulated Surplus		-	-	-	-	0%
Opening Funds		(4,428,425)	(4,428,425)	(4,428,425)	-	0%
<b>CLOSING FUNDS</b>	19	<b>(6,039,584)</b>	<b>(7,360,007)</b>	<b>(23,563,264)</b>	<b>16,203,257</b>	<b>220%</b>

# INVESTMENT SUMMARY

May-19

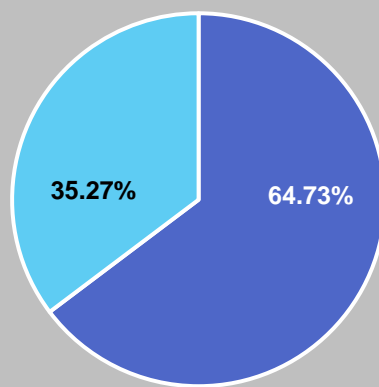


Municipal Funds	\$49,914,738	YTD Return	2.70%
Reserve Funds	\$68,160,262	Benchmark	2.00%
	<u>\$118,075,000</u>	RBA Rate	1.50%

Investment Policy Limits					
	LT Rating	Limit		LT Rating	Limit
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

## Fossil Fuel Vs Non Fossil Fuel Investment \*



■ Fossil Fuel ■ Non Fossil Fuel

\*Based on Market Forces ratings (<http://marketforces.org.au/>)

**NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT FOR THE PERIOD ENDED 31 MAY 2019**

**1. Rates** **\$129,194**

Rates income is slightly higher than budget predominantly arising from higher interim rates levied than anticipated year to date.

**2. Contributions, Reimbursements and Donations** **\$90,360**

This favourable variance arose mainly from Contributions \$48,936, Insurance \$18,022, Recoverable Legal Fees \$16,413 and Other Miscellaneous Reimbursements \$15,196, partially offset by an unfavourable variance for Reinstatement of Works (\$10,467).

**3. Profit on Asset Disposals** **\$295,535**

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 \$305,564, partially offset by an unfavourable timing variance for the disposal of replaced Vehicles, Plant and Equipment (\$10,029).

**4. Fees and Charges** **\$156,896**

	YTD Budget	YTD Actual	Variance
a) Licenses & Registrations	\$661,917	\$772,503	\$110,586
b) Sports & Recreation Fees	\$8,685,260	\$8,776,136	\$90,876
c) Parking Fees	\$2,964,798	\$2,864,951	(\$99,847)
d) Other Fees & Charges	\$27,578,399	\$27,633,680	\$55,281
	<u>\$39,890,374</u>	<u>\$40,047,270</u>	<u>\$156,896</u>

a) This favourable variance arose predominantly from Dog Registrations \$96,861 and Cat Registrations \$17,970.

b) Favourable variances arose from Membership Fees \$125,455, Park Hire \$26,690 and Learn to Swim Program \$18,063, partially offset by unfavourable variances for Court Sport Revenue (\$45,794) and Hire of Facilities (\$36,329). The balances of variances are spread across a number of areas.

c) Unfavourable variances arose mainly from Multi Storey Car Park Fees (\$55,711) and Off Street Parking Fees (\$48,703).

<b>Favourable Variance</b>
<b>Unfavourable Variance</b>

- d) Favourable variances arose from Building and Development Fees \$32,901, Fines and Penalties \$32,514, Other Fees and Charges \$18,188 and Hire and Rentals \$7,282, partially offset by unfavourable variances for Refuse Charges (\$21,338) and Inspection and Control Fees (\$14,267).

## 5. Interest Earnings

**\$155,725**

Interest earned on investments exceeded budget by \$140,106 due to higher volumes invested and better than expected returns year to date and Rates Penalty Interest \$14,949.

## 6. Other Revenue

**\$59,865**

This favourable variance arose mainly from a credit adjustment of \$45,648 due to stale cheques issued in previous years being written off as a result of non-presentation. In addition, a favourable variance arose from Rebates Received \$37,389 for rebates received from LGIS Scheme dividends during the year. This is partially offset by an unfavourable variance for Bus Shelter Illuminated Advertising (\$26,000).

## 7. Employee Costs

**\$2,036,166**

	YTD Revised Budget	YTD Actual	Variance
a) Salaries and Wages	\$57,181,100	\$55,504,670	\$1,676,430
b) Other Employment Costs	\$2,864,383	\$2,504,647	\$359,736
	<u>\$60,045,483</u>	<u>\$58,009,317</u>	<u>\$2,036,166</u>

- a) A favourable variance arose for Salaries and Wages in various areas including Parks \$256,795, Engineering Maintenance \$148,560, Planning Approvals \$135,593, Organisational Development Administration \$133,590, Environmental Development \$121,434, Library Operations \$93,002, Governance and Strategy \$74,134, Landscaping and Conservation Services \$72,005, Building Services \$69,034, CEO Administration \$61,135, Human Resources Administration \$57,076, Executive and Risk Services \$56,086, Planning and Community Development \$55,659, Building Maintenance Works \$53,102, Parking Services \$51,377 and Marketing and Communications \$50,067 mainly due to vacant positions. The balances of variances are spread across a number of areas.
- b) Favourable variances arose for Labour Recovery - Capital Works \$277,706, Other Employment Costs \$118,120, Staff Training \$30,128 and Conferences and Seminars \$24,236, partially offset by an unfavourable variance for Agency Employees (\$96,662) covering vacant positions.

**Favourable Variance**

**Unfavourable Variance**

**8. Materials and Contracts**
**\$5,040,059**

	YTD Revised Budget	YTD Actual	Variance
a) Professional Fees and Costs	\$2,918,276	\$2,467,683	\$450,593
b) Public Relations, Advertising & Promotions	\$1,356,213	\$983,120	\$373,093
c) Computing	\$1,847,211	\$1,664,787	\$182,424
d) Administration	\$1,560,498	\$1,011,065	\$549,433
e) Furniture, Equipment & Artworks	\$2,547,635	\$2,271,101	\$276,534
f) Contributions & Donations	\$1,889,491	\$1,626,452	\$263,039
g) External Service Expenses	\$21,728,906	\$19,073,126	\$2,655,780
h) Telephones & Communication	\$845,454	\$766,125	\$79,329
i) Charges and Recoveries	(\$285,227)	(\$442,686)	\$157,459
j) Members Costs	\$691,003	\$620,354	\$70,649
k) Accommodation & Property	\$1,430,818	\$1,362,672	\$68,146
l) Other Building Materials	\$2,205,951	\$2,103,052	\$102,899
m) Waste Management Services	\$6,529,696	\$6,740,589	(\$210,893)
Other Expenses	\$2,651,389	\$2,629,815	\$21,574
	<u>\$47,917,314</u>	<u>\$42,877,255</u>	<u>\$5,040,059</u>

- a) Favourable variances arose mainly for Consultancy \$440,188, Licence Searches \$23,075, Recoverable Legal Expenses \$19,807, Lodgement Fees \$14,931 and Auction Fees \$9,683, partially offset by unfavourable timing variances for Valuation Fees (\$28,782) and Legal Expenses (\$27,386).
- b) This favourable variance was predominantly due to Promotions \$184,507 of which \$74,708 relates to the Waste Management Better Bins Project, General Advertising \$115,630, Signage \$33,750 and Catering \$24,368.
- c) This includes favourable timing variances for Computer Software Maintenance \$101,508, Data Communication Links \$49,778, Computer Software Licences \$33,117 and Internet Provider Costs \$24,297, partially offset by an unfavourable timing variance for Computer Software Subscriptions (\$29,890).
- d) This favourable timing variance arose predominantly from Sundry Administration Expenses \$402,240, Printing \$61,050, Photography and Video Production \$39,438, Stationery \$23,818 and Interstate Conferences \$21,810. The balances of variances are spread across a number of areas.
- e) Favourable timing variances arose mainly from Plant and Equipment Purchases – Minor \$89,278, Plant and Equipment Maintenance and Repair \$72,342, Computer and Communications Equipment Purchases – Minor \$46,105, Furniture and Office Equipment Purchases – Minor \$25,983, Hire of Equipment \$18,355 and Computer and Communications Equipment Maintenance \$17,200.
- f) Favourable timing variances arose mainly from Grants and Contributions Made \$156,171, Community Funding Program \$31,633, Prizes and Trophies \$29,040, Donations \$26,939 and Sponsorship \$19,877.

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

- g) This favourable timing variance mainly arose from External Contractors and Services \$1,787,929 of which \$451,150 relates to Yellagonga Wetlands – Smart Monitoring and Management Program, General Tipping Fees \$770,589, CEO Administration \$668,056 and Parks \$346,540. The balances of variances are spread across a number of areas.
- h) This favourable timing variance predominantly arose from Postage, Courier and Freight Services \$65,260 and Office Telephone and Faxes \$42,958, partially offset by an unfavourable timing variance for Mobile Phones, Pagers and Radios (\$32,718).
- i) This favourable timing variance arose mainly from Operational Overhead Recoveries \$126,713 and Vehicle Running Expenses \$45,435.
- j) Favourable timing variances arose mainly from Elected Members Training and Conference Expenses \$58,895 and Expenses Reimbursements for Elected Members \$10,831.
- k) This favourable variance arose mainly from Refuse Removal Charges \$105,096, partially offset by an unfavourable variance for Rental and Outgoings (\$34,534).
- l) This favourable variance arose predominantly from Materials – Building Minor Works \$203,685, partially offset by an unfavourable variance for External Material Purchases – Contract (\$106,978).
- m) Unfavourable timing variances arose from Domestic Green Waste Collection and Processing (\$84,259), Bulk Green Waste Collection and Processing (\$57,866), Recycling Waste Collection and Processing (\$32,522), Bulk Hard Waste Collection and Processing (\$24,766) and General Waste Collection (\$11,470).

## 9. Utilities

**(\$224,445)**

Unfavourable timing variances arose mainly from Electricity costs for Parks (\$101,724), Lighting (\$80,972) and Asset Management Administration (\$40,474). The balances of the variances are spread across a number of areas.

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

**\$494,077**

Favourable variances arose for Depreciation – Open Reserves \$334,590, Depreciation – Buildings \$156,649, Depreciation - Roads Infrastructure \$49,392, Depreciation – Lighting \$40,012 and Depreciation – Computer and Communications Hardware \$35,348, partially offset by an unfavourable variance for Impairment / Write Off of Assets (\$62,081) arising from the demolition of the Jack Kikeros Community Hall, Depreciation – Mobile and Other Plant (\$37,237) and Depreciation – Computer Software (\$35,348). The balances of the variances are spread across a number of areas.

**Favourable Variance**

**Unfavourable Variance**



## 11. Movement in Non-Current Items

**(\$451,465)**

This timing variance arose in respect of a decrease in Non-current Long Service Leave Liability, reflecting movements for the year to date.

## 12. Capital Grants and Subsidies

**\$616,488**

	YTD Revised Budget	YTD Actual	Variance
a) State Government – Main Roads Grant	\$1,474,415	\$1,328,948	(\$145,467)
b) State Government – Black Spot Program	\$601,647	\$537,647	(\$64,000)
c) Other Grants & Subsidies – Non-Government	\$923,524	\$1,693,343	\$769,819
d) Commonwealth Grants - Other	-	\$56,136	\$56,136
Other Grants	\$2,090,399	\$2,090,399	-
	<u>\$5,089,985</u>	<u>\$5,706,473</u>	<u>\$616,488</u>

- a) Unfavourable timing variances arose across the program due to projects progress. This program includes 9 projects which are complete awaiting invoices from Main Roads WA for line-marking. These projects include Davalia Road – Grandilla Street to Beach Road (\$32,000), Gibson Avenue - Rudall Way (North) to Hepburn Avenue (\$21,533), Blackall Drive – Allenswood Road to Hartly Court (\$11,680), Gibson Avenue – Livingstone Way to Livingstone Way (\$7,107), Gibson Avenue - Livingstone Way to Whitfords Avenue (\$4,013) and Delamere Road / Providence Drive Roundabout (\$3,840). In addition, an unfavourable timing variance arose for Joondalup Drive – City Boundary Westbound (\$46,480) which is being delivered by Main Roads contractor in conjunction with road improvement works at Joondalup Drive – Burns Beach Road and Wanneroo Road Intersection Upgrades.
- b) Unfavourable timing variances arose for Warwick Road and Allenswood Drive (\$24,000) which is complete awaiting final invoices and Marmion Avenue and Gilbert Road (\$72,000) which has been delayed due to an increase in scope and costs for necessary relocation of two Western Power poles. The City has re-submitted the grant application for additional funds to Main Roads and is awaiting the outcome before commencing construction. This is partially offset by a favourable timing variance that arose from a progress payment received for Whitfords Avenue and Trappers Drive \$32,000.
- c) A favourable variance arose from an unbudgeted Community Sport & Infrastructure Grant of \$500,000 for Whitfords Nodes Lookout Stairway \$274,451 and Playspace Renewal \$225,549 as part of the Whitfords Nodes Health and Wellbeing Hub Upgrades. In addition, unbudgeted grants were received from Community Sport and Infrastructure Grant for Kingsley Park Floodlighting Upgrade \$200,000 and the West Australian Cricket Association for wicket upgrades at Juniper Park \$13,500 and Marri Park \$12,682. Favourable timing variances arose from the Stronger Communities Grant of \$20,000 received for Percy Doyle – Sorrento Bowling Clubrooms upgrades

**Favourable Variance**

**Unfavourable Variance**

and Perth Bike Network grants for Hillary's Animal Beach \$30,000. This is partially offset by an unfavourable variance for Beach Road Shared Path Design (\$10,000) which was completed under budget.

- d) A favourable variance arose for Tennis Court Resurfacing Program from an unbudgeted grant of \$42,000 received from an Australian Sports Grant for Warwick Tennis Court Upgrades. In addition, a favourable timing variance arose from Yellagonga Wetlands - Smart Monitoring and Management \$14,136.

### 13. Capital Contributions

**\$259,869**

This favourable variance arose from unbudgeted grant funding received for Duffy House Restoration \$272,727 and Renewable Energy Certificates receipts \$14,597, partially offset by an unfavourable variance (\$20,000) that arose as the result of a misallocation made in the 2018-19 Mid-Year Budget Review where a capital contribution reflected was actually a capital grant for the Sorrento Bowling Club Refurbishment project.

### 14. Equity Investments

**\$45,769**

This favourable variance arose from GST contributions from TPRC in respect of land sales undertaken. This has arisen as a result of the new GST rules on property sales that commenced on 01 July 2018.

### 15. Capital Projects

**\$1,236,120**

	YTD Revised Budget	YTD Actual	Variance
a) Cafes/Restaurants/Kiosks	\$233,559	\$175,974	\$57,585
b) Joondalup Performing Arts & Cultural Facility	\$208,030	\$72,073	\$135,957
c) Better Bins Project – 3 Bin System	\$5,465,556	\$4,637,557	\$827,999
d) Information Technology Projects	\$323,000	\$151,184	\$171,816
Other Programs	\$627,314	\$584,551	\$42,763
	<u>\$6,857,459</u>	<u>\$5,621,339</u>	<u>\$1,236,120</u>

- a) A favourable timing variance arose for this delayed project, expenditure for which is anticipated to increase in the coming months from the finalisation of the various lease agreements.
- b) Following Council's decision not to commence detailed design at this time, this favourable timing variance has arisen due to further project investigation/research progressing behind estimates.

**Favourable Variance**

**Unfavourable Variance**



- c) A favourable timing variance arose for this project which is completed and awaiting payment of final invoices.
- d) A favourable timing variance arose for this program due to projects progress.

## 16. Capital Works

**\$6,292,105**

	YTD Revised Budget	YTD Actual	Variance
a) Parks Equipment Program	\$2,280,548	\$1,555,088	\$725,460
b) Street Lighting Program	\$4,176,146	\$4,879,060	(\$702,914)
c) Paths Program	\$3,490,279	\$851,394	\$2,638,885
d) Foreshore & Natural Areas Management Program	\$706,005	\$330,898	\$375,107
e) Major Projects Program	\$1,773,270	\$756,889	\$1,016,381
f) Parking Facilities Program	\$199,427	\$146,981	\$52,446
g) Major Road Construction Program	\$646,080	\$233,545	\$412,535
h) Road Preservation Program	\$6,087,859	\$5,355,487	\$732,372
i) Streetscape Enhancement Program	\$1,408,392	\$882,302	\$526,090
j) Traffic Management Program	\$1,576,534	\$1,424,827	\$151,707
k) Parks Development Program	\$1,375,712	\$1,088,881	\$286,831
l) Other Programs	\$2,364,081	\$2,286,876	\$77,205
	<u>\$26,084,333</u>	<u>\$19,792,228</u>	<u>\$6,292,105</u>

- a) Favourable timing variances arose for Whitfords Nodes Health and Wellbeing Hub \$757,913 which is currently awaiting quotations and Outdoor Gym Equipment Installation \$35,870 which is to be carried forward to 2019/20, to be delivered as part of the Whitfords Nodes Health and Wellbeing Hub project, and Faversham Park Playspace Renewal \$22,740 which is complete awaiting final invoices. In addition, favourable variances arose for Negresco Park Playspace Renewal \$15,510, Shade Structure Program \$11,299 and Bollard and Fencing Renewal Program \$8,159 which were completed under budget. This is partially offset by unfavourable timing variances for Juniper Park Playspace Renewal (\$29,616), Cockman Park Play Space Renewal (\$23,430), Cricket Infrastructure Renewal Citywide (\$22,877) and Park Signage Renewal (\$14,477) which are completed ahead of schedule. The balances of variances are spread across a number of areas.
- b) This unfavourable timing variance is mainly due to Stage 3 Joondalup City Centre Lighting (\$590,012) and Lighting and Pole Renewal Program, (\$50,272) which are progressing ahead of schedule and Kingsley Park Floodlighting Upgrade (\$109,208) which is complete ahead of schedule. Ocean Reef Road LED Conversion (\$16,134) is complete with all invoices paid ahead of schedule. This is partially offset by a favourable timing variance for Sir James McCusker Park Path Lighting \$54,239 which has commenced and is scheduled for completion in June 2019.
- c) This favourable timing variance is mainly due to Burns Beach to Mindarie Dual Use Path \$2,599,976 which has been delayed.

**Favourable Variance**

**Unfavourable Variance**

The tender for its construction was awarded by Council in May 2019 and is scheduled to commence in July 2019. In addition, a favourable timing variance arose for Hillarys Animal Beach Shared Path \$45,000 which commenced slightly behind forecast in May 2019. The balances of variances are spread across a number of projects within the program.

- d) Favourable timing variances arose for Whitfords Nodes Hillarys Lookout Stairway \$224,731 and Bushland Reserve Paths Renewal Program \$104,895 both of which are being delivered as part of the Whitfords Nodes Health and Wellbeing Hub project. Conservation Reserves Interpretive Signage \$41,092 is progressing with forecast completion in June 2019. The balances of variances are spread across the program.
- e) Favourable timing variances arose across the program due to projects progress including Percy Doyle - Utilities Upgrade \$437,176, Joondalup Administration Building Major Refurbishment \$326,894 and Craigie Leisure Centre Upgrades \$131,145. In addition, a favourable variance arose for Percy Doyle – Duncraig Leisure Centre Refurbishments \$51,697 which was completed under budget.
- f) A favourable timing variance arose for Hillarys Animal Beach Parking Upgrades \$43,767 which has commenced behind schedule and a favourable variance arose for City Centre Car Park P4 Renewal \$8,679 which is complete under budget.
- g) The favourable timing variance for Major Road Construction Program is predominantly due to Burns Beach Road / Joondalup Drive Roundabout \$384,724 which is being delivered by Main Roads WA contractor in conjunction with the Joondalup Drive / Wanneroo Road Intersection project. Works were originally scheduled to commence January 2019 but have now been rescheduled for January 2020. A favourable timing variance also occurred for design of Warwick Road / Erindale Road Intersection Upgrades \$27,811 with construction scheduled in 2019/20.
- h) Favourable variances arose for Braden Way \$111,146, Windward Loop \$87,944, Parnell Avenue - Seacrest Drive to Martin Road \$79,023, Denmark Way \$46,701 and Oliver Street \$40,196 which were completed under budget. Favourable timing variances arose for Arnisdale Road – Glengarry Drive to Merrick Way \$98,141, Road Preservation – Asphalt Overlay Program \$106,412 and Pennant Place \$40,113 due to projects progress. In addition, a favourable timing variance arose for Joondalup Drive – City Boundary (Westbound) \$106,343 which is being delivered by Main Roads WA contractor in conjunction with the Joondalup Drive / Wanneroo Road Intersection project. This is partially offset by unfavourable timing variances for projects progressing ahead of schedule including Amadeus Gardens (\$37,692), Transom Way (\$28,467) and Arbery Avenue (\$19,179). Unfavourable variances arose for Forest Hill Drive (\$38,728), Stilt Way (\$35,265) and Gibson Avenue – Livingstone Way to Livingstone Way (\$22,979) which were completed over budget. The balances of variances are spread across a number of areas.
- i) Streetscape Enhancement Program favourable timing variance is mainly due to the City Centre Streetscape Renewal Program \$265,845, Leafy City Program \$120,353 and Streetscape Enhancement Program \$131,056 due to projects progress.
- j) Favourable timing variances arose from Marmion Avenue and Gilbert Road \$192,924, which is delayed due to the grant application having to be re-submitted to Main Roads for an increase in scope and costs necessary for relocation of two Western Power poles, and Grand Boulevard & Shenton Avenue \$87,233 which is complete awaiting

**Favourable Variance**

**Unfavourable Variance**

final invoices. This is offset by unfavourable timing variances for State Black Spot Program projects Warwick Road and Allenswood Drive (\$136,764) and Marmion Avenue and Ocean Reef Road (\$52,401) which are complete ahead of schedule and Gilbert Road Traffic Management (\$41,346) which is progressing ahead of schedule. The balances of variances are spread across a number of areas.

- k) A favourable timing variance arose for Juniper Park Landscape Master Plan \$174,532 which commenced later than forecast. In addition, favourable timing variances arose for the Heritage Precinct Development \$145,443, Park Amenity Renewal \$35,612 and Tree Planting Program \$25,059 due to projects progress. This is partially offset by an unfavourable variance for Manapouri / Windermere Irrigation Upgrades (\$108,870) which is complete ahead of schedule. The balances of variances are spread across a number of areas.
- l) Favourable timing variances arose for Stormwater Drainage Program \$41,041, Major Building Capital Works Program \$31,672 and Bridges Program \$4,132.

#### 17. Vehicle and Plant Replacements

**\$777,741**

This favourable variance for Fleet and Plant purchases includes timing variances for six utilities, three vans and a truck \$670,117 which are progressing. Orders totalling \$433,342 have been placed and are scheduled for delivery in the coming months. Funds will be carried forward into 2019-20 for undelivered goods.

#### 18. Proceeds from Disposal

**(\$33,255)**

This unfavourable timing variance arose from Fleet and Plant disposals due to progress of the vehicle and plant replacement program.

**Favourable Variance**

**Unfavourable Variance**

**19. Closing Funds**
**\$16,203,257**

	June 2018	May 2019
<b>Current Assets</b>		
Cash and Investments	\$100,085,669	\$118,082,310
Rates Outstanding, Sundry Debtors and Other Receivables	\$3,026,090	\$2,351,063
Accrued Income	\$1,208,522	\$1,665,589
Prepayments	\$687,023	\$256,245
Inventories	\$188,284	\$167,754
<b>Total Current Assets</b>	<b>\$105,195,588</b>	<b>\$122,522,961</b>
<b>Current Liabilities</b>		
Trade Creditors	\$4,522,569	\$3,622,656
Sundry Payables	\$610,874	\$1,536,685
Accrued Expenses	\$5,116,012	\$4,349,738
Other Payables	\$2,305,685	-
Borrowings	\$3,201,862	\$606,605
Provision for Annual Leave	\$4,497,672	\$4,487,659
Provision for Long Service Leave	\$5,855,900	\$6,126,952
Provision for Workers Compensation Insurance	\$2,503,467	\$3,458,025
Provision for Sick Leave	\$1,006,450	\$1,031,506
Other Provisions	\$196,914	\$194,855
<b>Total Current Liabilities</b>	<b>\$29,817,405</b>	<b>\$25,414,681</b>
<b>Net Current Assets</b>	<b>\$75,378,183</b>	<b>\$97,108,283</b>
<b>Add back: Borrowings</b>	<b>\$3,201,862</b>	<b>\$606,605</b>
<b>Less: Cash Backed Reserves</b>	<b>\$74,151,621</b>	<b>\$74,151,621</b>
<b>Closing Funds – Surplus/(Deficit)</b>	<b>\$4,428,425</b>	<b>\$23,563,264</b>

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