

ATTACHMENT TO AGENDA ITEM

Ordinary Meeting

18 November 2014

Agenda Item 8.1 October 2014 Monthly Financial Report

Attachment 1 October 2014 Monthly Financial Report 88

G R E A T E R S H E P P A R T O N
G R E A T E R F U T U R E



MONTHLY FINANCIAL REPORT

**2014/2015 FINANCIAL YEAR TO DATE AS AT
31 October 2014**



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GREATER SHEPPARTON CITY COUNCIL

Summary for Monthly Finance Report – for October 2014

The October 2014 Financial Report provides a summary of the actual financial performance compared to budget for the first four months of the 2014/2015 financial year. At the October special Council meeting the September Quarter Budget Review was adopted which is used as the basis of the Budget in this report. The actual year to date operating surplus of \$40.45m is \$1.75m (4.5%) over the year to date budget.

Income Statement

- The operating surplus is \$1.75m (4.5%) over the budget surplus with operating revenue \$70k (0.1%) more than the budget and operating expenditure \$308k (0.8%) more than the budget.
- Developer contributed assets is \$2.06m over the budget. This includes developer gifted assets for street and drainage work at Boulevard Estate and Archers Field. These are timing issues and often contributions are difficult to predict.

Capital Works

- Year to date capital expenditure of \$6.69m is \$944k (16.4%) over the budget. This is mainly due to timing of expenses relevant to Building Better Regional Cities Mooroopna West Gate Corridor Developer Contribution Plan (BBRC MWGC DCP) works \$491k and road for recovery expenditure \$261k.

Balance Sheet

- Year to date working capital (current assets less current liabilities) is \$67.30m which is \$1.10m less than the end of year budget. This is mainly due to an increase in the current liabilities payable \$1.20m.

Investments

- Total investment of \$26.98m is tracking \$1.88m behind the same time last year with an average interest rate of 3.51%.
- Council has a diverse investment portfolio, which includes local banking institutions and actively manages investments to preserve capital, manage cash flows and generate return.

Rates Debtors

- Declared rates and charges were recorded in August. The second rates instalment is due at the end of November.
- Rates debtors of \$51.73m is tracking \$2.64m more than the same time last year. This is primarily due to the budgeted increase in the total rates and charges and the increasing use of the 10 monthly direct debit payment option.

Sundry Debtors

- Sundry Debtors of \$1.57m is tracking \$85k less than the same time last year. Sundry Debtors are within acceptable limits and are being actively managed.

Greater Shepparton City Council
Income Statement
for period ended October 2014

	2014/2015	2014/2015	YTD	YTD	Note	
	Sept Qtr Budget	YTD Budget	YTD Actual	Variance (Fav)/Unfav		Variance (Fav)/Unfav %
	\$	\$	\$	%		
Revenues from Operating Activities						
Rates and Charges	63,952,257	63,493,118	63,428,279	64,839	0.1%	
Operating Grants and Contributions	24,441,461	6,886,804	6,990,342	(103,538)	(1.5%)	
User Charges	16,241,121	5,577,017	5,661,235	(84,218)	(1.5%)	
Statutory Fees	2,591,210	623,666	626,042	(2,376)	(0.4%)	
Parking Fees and Fines	1,940,000	590,242	615,903	(25,661)	(4.3%)	
Rent	565,982	289,276	289,283	(7)	(0.0%)	
Interest	1,177,801	336,661	336,428	233	0.1%	
Other	777,014	317,521	236,367	81,154	25.6%	
Total Operating Revenue	111,686,846	78,114,305	78,183,879	(69,574)	(0.1%)	
Expenses from Operating Activities						
Employee Costs	43,157,400	14,275,578	14,262,039	(13,539)	(0.1%)	
Materials and Consumables	33,276,456	11,684,169	11,870,709	186,540	1.6%	
External Contracts	15,087,501	5,288,274	5,369,530	81,256	1.5%	
Utilities	3,263,279	974,101	977,775	3,674	0.4%	
Borrowing Costs	1,125,875	25,621	25,620	(1)	(0.0%)	
Depreciation and Amortisation	21,013,353	7,005,015	7,054,855	49,840	0.7%	
Total Operating Expenses	116,923,864	39,252,758	39,560,529	307,771	0.8%	
UNDERLYING OPERATING RESULT	(5,237,018)	38,861,547	38,623,350	238,197	0.6%	
Non-operating Income and Expenditure						
Capital Grants and Contributions	6,111,709	187,673	209,674	(22,001)	(11.7%)	
Contributed Assets	3,000,000	0	2,059,817	(2,059,817)	(100.0%)	1
Proceeds from Sale of Assets	880,000	0	7,850	(7,850)	(100.0%)	
Written Down Value of Asset Disposals	(860,000)	(350,502)	(450,510)	100,008	(28.5%)	2
Total Non Operating Items	9,131,709	(162,829)	1,826,831	(1,989,660)	1,221.9%	
ACCOUNTING SURPLUS/(DEFICIT)	3,894,691	38,698,718	40,450,182	(1,751,464)	(4.5%)	

Greater Shepparton City Council
Notes to the Income Statement
for the period ended 31 October 2014

Notes

- 1 Developer contributed assets are \$2.06m over the budget. This includes developer gifted assets for street and drainage work at Boulevard Estate and Archers Field. Contributions from developers are difficult to predict.
- 2 Written Down Value of Asset Disposals is \$98k behind budget primarily due to timing of disposals of assets.

Greater Shepparton City Council
Balance Sheet
as at October 2014

	June 2014 Actual	Sept Qtr Budget June 2015	Budget October 2014	Actual October 2014	YTD Variance (Fav)/Unfav	YTD Variance (Fav)/Unfav	Note
	\$	\$	\$	\$	\$	%	
Current Assets							
Cash	5,163,078	1,880,000	3,097,522	3,196,947	(99,425)	(3.2%)	
Receivables	6,258,295	6,410,000	60,386,724	60,386,724	0	0.0%	
Investments	38,772,408	25,283,408	26,982,321	26,982,321	0	0.0%	
Other	106,323	649,000	156,646	156,646	(0)	(0.0%)	
Total Current Assets	50,300,104	34,222,408	90,623,213	90,722,638	(99,425)	(0.1%)	
Current Liabilities							
Payables	10,924,298	10,273,892	10,807,427	12,009,678	1,202,251	11.1%	1
Interest Bearing Liabilities	457,675	460,000	457,675	457,675	0	0.0%	
Trust Funds	2,095,126	2,051,000	2,319,197	2,319,195	(2)	(0.0%)	
Employee Benefits	8,648,527	8,711,000	8,636,239	8,636,239	(0)	(0.0%)	
Total Current Liabilities	22,125,626	21,495,892	22,220,538	23,422,787	1,202,249	5.4%	
Net Current Assets	28,174,478	12,726,516	68,402,675	67,299,851	1,102,824	1.6%	
Non Current Assets							
Investment in Associates	1,382,400	1,382,400	1,382,400	1,382,400	0	0.0%	
Infrastructure	826,866,943	847,680,193	825,258,025	828,112,314	(2,854,289)	(0.3%)	2
Other	1,046,469	1,183,299	1,046,469	1,046,468	1	0.0%	
Total Non Current Assets	829,295,812	850,245,892	827,686,894	830,541,182	(2,354,288)	(0.3%)	
Total Assets	879,595,916	884,468,300	912,310,107	921,263,820	(2,953,713)	(0.3%)	
Non Current Liabilities							
Employee Benefits	926,896	992,000	926,896	926,896	0	0.0%	
Interest Bearing Liabilities	14,354,475	15,896,799	14,275,036	14,275,036	0	0.0%	
Total Non Current Liabilities	15,281,371	16,888,799	15,201,932	15,201,932	0	0.0%	
Total Liabilities	37,406,997	38,384,691	37,422,470	38,624,719	1,202,249	3.2%	
Net Assets	842,188,919	846,083,609	870,887,637	882,639,100	1,751,463	0.2%	
Represented By							
Accumulated Surplus	316,300,143	320,194,833	354,998,861	356,750,325	(1,751,464)	(0.5%)	
Reserves	525,888,776	525,888,776	525,888,776	525,888,776	0	0.0%	
Total Equity	842,188,919	846,083,609	880,887,637	882,639,100	(1,751,463)	(0.2%)	

Greater Shepparton City Council
Notes to the Balance Sheet
for the period ended 31 October 2014

Balance Sheet

- 1 Current Liabilities - Payables is \$1.2 million over year to date budget. This is largely due to capital expenditure of \$944k and operating expenses of \$307k.
- 2 Non Current Assets - Infrastructure is \$2.9 million over year to date budget. This is largely due to receipts of contributed assets \$2.1 million and capital expenditure of \$944k.

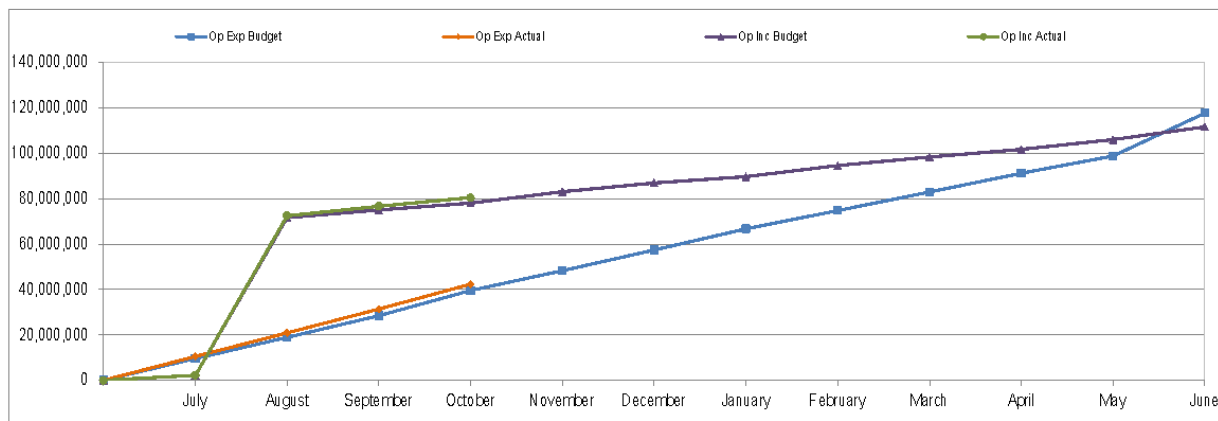
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Greater Shepparton City Council

Cash Flow Statement
as at October 2014

	2014/2015 Sept Qtr Budget	2014/2015 YTD Budget	2014/2015 YTD Actual	Variance (Fav)/Unfav
	\$	\$	\$	\$
<i>Cash flows from operating activities</i>				
Receipts from customers	86,525,325	16,712,088	16,678,357	33,731
Payments to suppliers	(97,036,298)	(32,152,831)	(31,208,513)	(944,318)
Net cash inflow(outflow) from customers(suppliers)	(10,510,973)	(15,440,743)	(14,530,156)	(910,587)
Interest received	1,177,801	336,661	336,428	233
Government receipts	28,963,047	7,064,477	7,190,016	(125,539)
Net cash inflow(outflow) from operating activities	19,629,875	(8,039,605)	(7,003,712)	(1,035,893)
<i>Cash flows from investing activities</i>				
Infrastructure, property, plant & equipment - proceeds	880,000	10,000	17,850	(7,850)
Infrastructure, property, plant & equipment - payments	(38,826,603)	(5,746,599)	(6,690,919)	944,320
Net cash inflow(outflow) from investing activities	(37,946,603)	(5,736,599)	(6,673,069)	936,470
<i>Cash flows from financing activities</i>				
Proceeds from interest bearing loans and borrowings	2,000,000	-	0	(0)
Repayment of interest-bearing loans and borrowings	(455,351)	(79,439)	(79,438)	(1)
Net cash inflow(outflow) from financing activities	1,544,649	(79,439)	(79,438)	(1)
Net increase(decrease) in cash and equivalents	(16,772,079)	(13,855,643)	(13,756,219)	(99,424)
Cash and equivalents at the beginning of the year	43,935,486	43,935,486	43,935,486	0
Cash and equivalents at the end of the year	27,163,407	30,079,843	30,179,267	(99,424)

Greater Shepparton City Council
Operating Budget vs Actual
 For the period ending October 2014



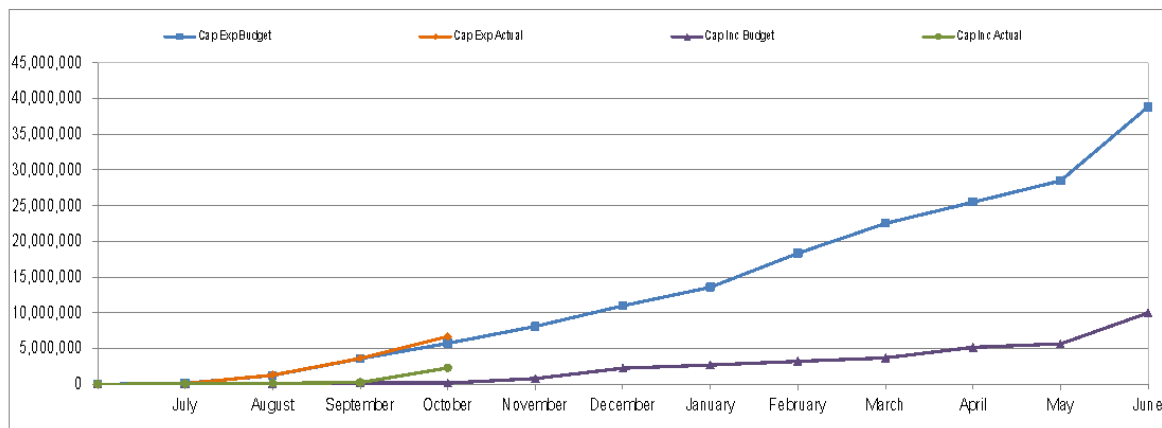
Directorate Responsible Department Account Type	Current Budget	2014-2015 YTD Budgets	2014-2015 YTD Actuals	2014-2015 YTD \$ Variance (Fav)/Unfav	2014-2015 YTD % Variance (Fav)/Unfav	Note
Business	(37,622,538)	(48,818,916)	(48,899,411)	(80,495)	(0%)	
Business Director	267,325	91,116	91,116	1	0.0%	
Operating Expense	267,325	91,115	91,116	1	0.0%	
Citizen Experience	436,038	272,833	256,818	(17,016)	(6%)	
Operating Expense	3,197,029	971,325	980,806	9,481	1.0%	
Operating Income	(2,761,991)	(688,492)	(724,988)	(26,496)	(4%)	
Finance and Rates	(63,386,741)	(67,949,632)	(68,104,592)	(154,960)	(0%)	
Operating Expense	8,228,935	2,243,799	1,923,652	(320,147)	(14%)	1
Operating Income	(71,615,676)	(60,193,431)	(60,028,243)	165,188	0.3%	
Information Services	3,268,034	1,594,959	1,608,547	13,588	0.9%	
Operating Expense	3,268,034	1,594,959	1,608,547	13,588	0.9%	
Non Cash Items	21,873,363	7,355,517	7,505,365	149,848	2.0%	
Operating Expense	21,873,363	7,355,517	7,505,365	149,848	2.0%	
Strategic Assets	(79,547)	(183,708)	(255,665)	(71,957)	(39%)	
Operating Expense	2,425,171	833,963	836,684	2,721	0.3%	
Operating Income	(2,504,718)	(1,017,671)	(1,092,349)	(74,678)	(7%)	
Community	9,632,789	2,730,146	2,909,862	179,716	6.6%	
Active Living	1,372,400	310,253	326,017	15,764	5.1%	
Operating Expense	5,286,126	1,608,088	1,623,832	15,764	1.0%	
Operating Income	(3,913,726)	(1,297,815)	(1,297,815)	(0)	(0%)	
Children & Youth Services	1,862,322	481,908	502,218	20,310	4.2%	
Operating Expense	9,547,285	3,203,902	3,203,463	(439)	(0%)	
Operating Income	(7,684,963)	(2,721,994)	(2,701,245)	20,749	0.8%	
Community Director	1,974,548	822,020	821,822	(198)	(0%)	
Operating Expense	2,122,754	987,726	987,928	202	0.0%	
Operating Income	(148,206)	(145,706)	(146,106)	(400)	(0%)	
Neighbourhoods	2,582,859	405,686	470,705	65,019	16.0%	
Operating Expense	6,885,039	1,884,712	1,951,827	67,115	3.6%	
Operating Income	(4,302,180)	(1,479,026)	(1,481,122)	(2,096)	(0%)	
Performing Arts & Conventions	955,978	300,251	300,250	(1)	(0%)	
Operating Expense	1,830,178	587,105	587,105	0	0.0%	
Operating Income	(874,200)	(286,854)	(286,855)	(1)	(0%)	
Shepparton Art Museum	884,682	410,028	488,851	78,823	19.2%	
Operating Expense	1,353,399	445,623	524,882	79,259	17.8%	
Operating Income	(468,717)	(35,595)	(36,031)	(436)	(1%)	
Infrastructure	19,904,518	6,929,425	7,185,030	255,605	3.7%	
Infrastructure Director	306,741	106,212	114,735	8,523	8.0%	

Directorate Responsible Department Account Type	Current Budget	2014-2015 YTD Budgets	2014-2015 YTD Actuals	2014-2015 YTD \$ Variance (Fav)/Unfav	2014-2015 YTD % Variance (Fav)/Unfav	Note
Operating Expense	306,741	106,212	114,735	8,523	8.0%	
Projects	7,931,687	2,888,376	3,132,109	243,733	8.4%	
Operating Expense	8,405,322	3,022,641	3,285,416	262,775	8.7%	
Operating Income	(473,635)	(134,265)	(153,308)	(19,043)	(14%)	
Recreation and Parks	7,304,893	2,254,076	2,243,043	(11,033)	(0%)	
Operating Expense	8,295,475	2,383,308	2,383,274	(34)	(0%)	
Operating Income	(990,582)	(129,232)	(140,232)	(11,000)	(8%)	
Works	4,361,197	1,680,761	1,695,144	14,383	0.9%	
Operating Expense	12,284,137	4,202,467	4,218,236	15,769	0.4%	
Operating Income	(7,922,940)	(2,521,706)	(2,523,093)	(1,387)	(0%)	
Office of the CEO	8,894,656	3,713,258	3,781,710	68,452	1.8%	
Corporate Performance	3,575,115	1,740,968	1,769,218	28,250	1.6%	
Operating Expense	3,899,750	1,785,837	1,816,743	30,906	1.7%	
Operating Income	(124,635)	(44,869)	(47,525)	(2,656)	(6%)	
Marketing and Communications	1,677,898	542,095	542,688	593	0.1%	
Operating Expense	1,877,898	542,095	542,688	593	0.1%	
People Performance	3,641,643	1,430,195	1,469,805	39,610	2.8%	
Operating Expense	3,648,143	1,436,895	1,480,213	43,518	3.0%	
Operating Income	(6,500)	(6,500)	(10,408)	(3,908)	(60%)	
Sustainable Development	5,287,593	(3,064,958)	(3,150,032)	(85,074)	(3%)	
Building	90,990	(1,913)	(1,874)	39	2.1%	
Operating Expense	759,990	236,387	236,425	38	0.0%	
Operating Income	(669,000)	(238,300)	(238,299)	1	0.0%	
Environment	(254,569)	(4,690,515)	(4,726,639)	(36,124)	(1%)	
Operating Expense	15,005,378	5,481,090	5,488,375	7,285	0.1%	
Operating Income	(15,259,948)	(10,171,605)	(10,215,015)	(43,410)	(0%)	
Investment Attraction	3,295,699	1,023,922	974,652	(49,270)	(5%)	
Operating Expense	4,159,202	1,246,669	1,267,399	20,730	1.7%	
Operating Income	(863,503)	(222,747)	(292,747)	(70,000)	(31%)	
Planning	1,827,173	507,349	507,631	282	0.1%	
Operating Expense	2,238,173	661,653	661,937	284	0.0%	
Operating Income	(411,000)	(154,304)	(154,306)	(2)	(0%)	
Sustainable Development Director	328,300	96,199	96,198	(1)	(0%)	
Operating Expense	328,300	96,199	96,198	(1)	(0%)	
Grand Total	6,097,018	(38,511,045)	(38,172,840)	338,205	0.9%	

Notes to Operating Budget v Actual

1. Finance and Rates operating expense is \$320k less than budget. This is largely due to accrual adjustments of \$312k. This includes expenses recorded in 2013/2014 but not spent and reversal of expenses due to purchase orders raised in previous financial years that were no longer required or were greater than the actual invoice received.

Greater Shepparton City Council
Capital Budget vs Actual
 period ended October 2014



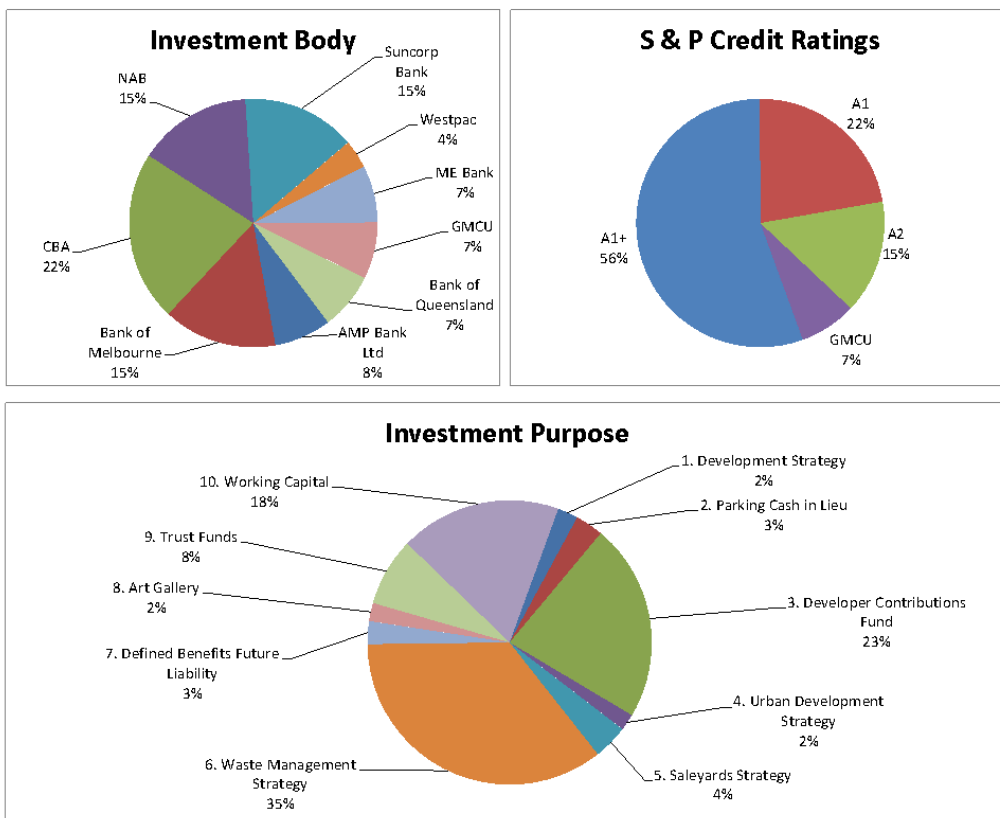
Capital Works Area	2014/2015 Sept Qtr Budget	2014/2015 YTD Budget	2014/2015 YTD Actual	2014/2015 YTD Variance (Fav./Unfav.)		
				Variance \$	Variance %	Note
Buildings	6,358,037	662,579	723,519	60,940	9%	
Drains	2,172,246	467,937	718,256	250,319	53%	1
Open Space	8,611,060	1,185,039	1,107,119	(77,920)	(7%)	
Other	765,612	75,383	70,978	(4,405)	(6%)	
Plant & Equipment	5,941,933	657,691	596,420	(61,271)	(9%)	
Roads	13,236,715	2,638,215	3,367,992	729,777	28%	2
Waste Management	1,741,000	59,755	106,635	46,880	78%	
Total Capital Works	38,826,603	5,746,599	6,690,919	944,320	16%	

Capital Works Type	2014/2015 Sept Qtr Budget	2014/2015 YTD Budget	2014/2015 YTD Actual	2014/2015 YTD Variance (Fav./Unfav.)		
				Variance \$	Variance %	Note
Renewal	20,836,592	3,808,123	4,188,658	380,535	9%	
Upgrade	4,511,126	351,158	484,515	133,357	28%	
New	13,478,885	1,587,318	2,017,745	430,427	21%	
Total Capital Works	38,826,603	5,746,599	6,690,919	944,320	16%	

Notes to Capital Budget v Actual

- 1 Drains year to date variance of \$250k is due to timing of contracts payments for BBRC MMGC DCP Flood Mitigation \$176k and Murchison Rail Trail \$55k. Murchison Rail Trail work is scheduled for completion by end November 2014.
- 2 Road year to date variance of \$730k is mainly due to Road for Recovery \$261k and BBRC MMGC DCP Midland highway Intersection \$241k. These are timing issues and are expected to be spent in 2014/2015.

Greater Shepparton City Council
Investments Summary
 as at 31 October 2014



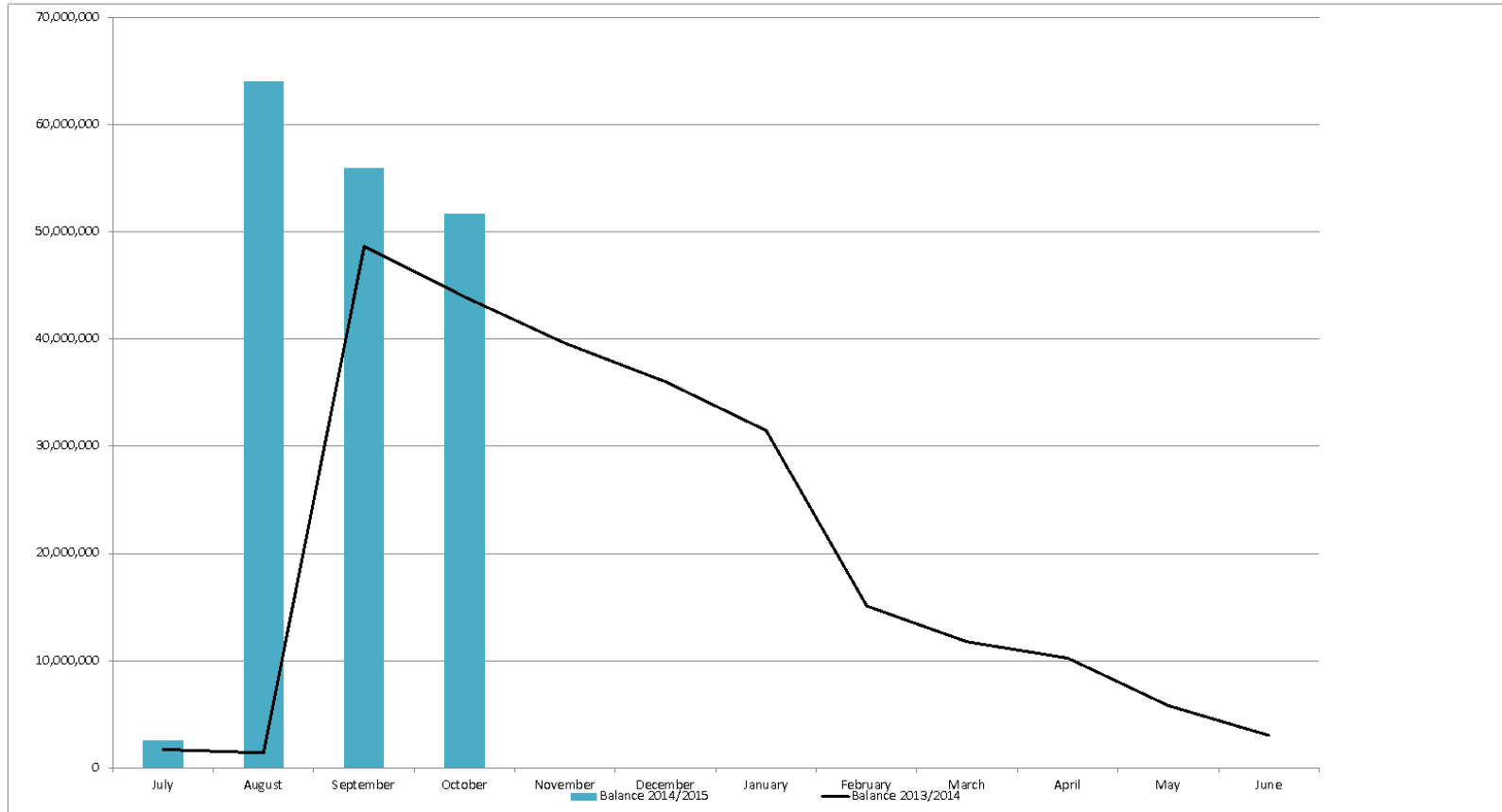
GSCC - INVESTMENT PURPOSE LISTING	
Purpose	Amount
1. Development Strategy	\$ 627,595
2. Parking Cash in Lieu	\$ 857,458
3. Developer Contributions Fund	\$ 6,067,800
4. Urban Development Strategy	\$ 507,707
5. Saleyards Strategy	\$ 1,062,682
6. Waste Management Strategy	\$ 9,563,912
7. Defined Benefits Future Liability	\$ 700,000
8. Art Gallery	\$ 559,559
9. Trust Funds	\$ 2,087,404
10. Working Capital	\$ 4,948,204
	26,982,321

Funds Held Notes

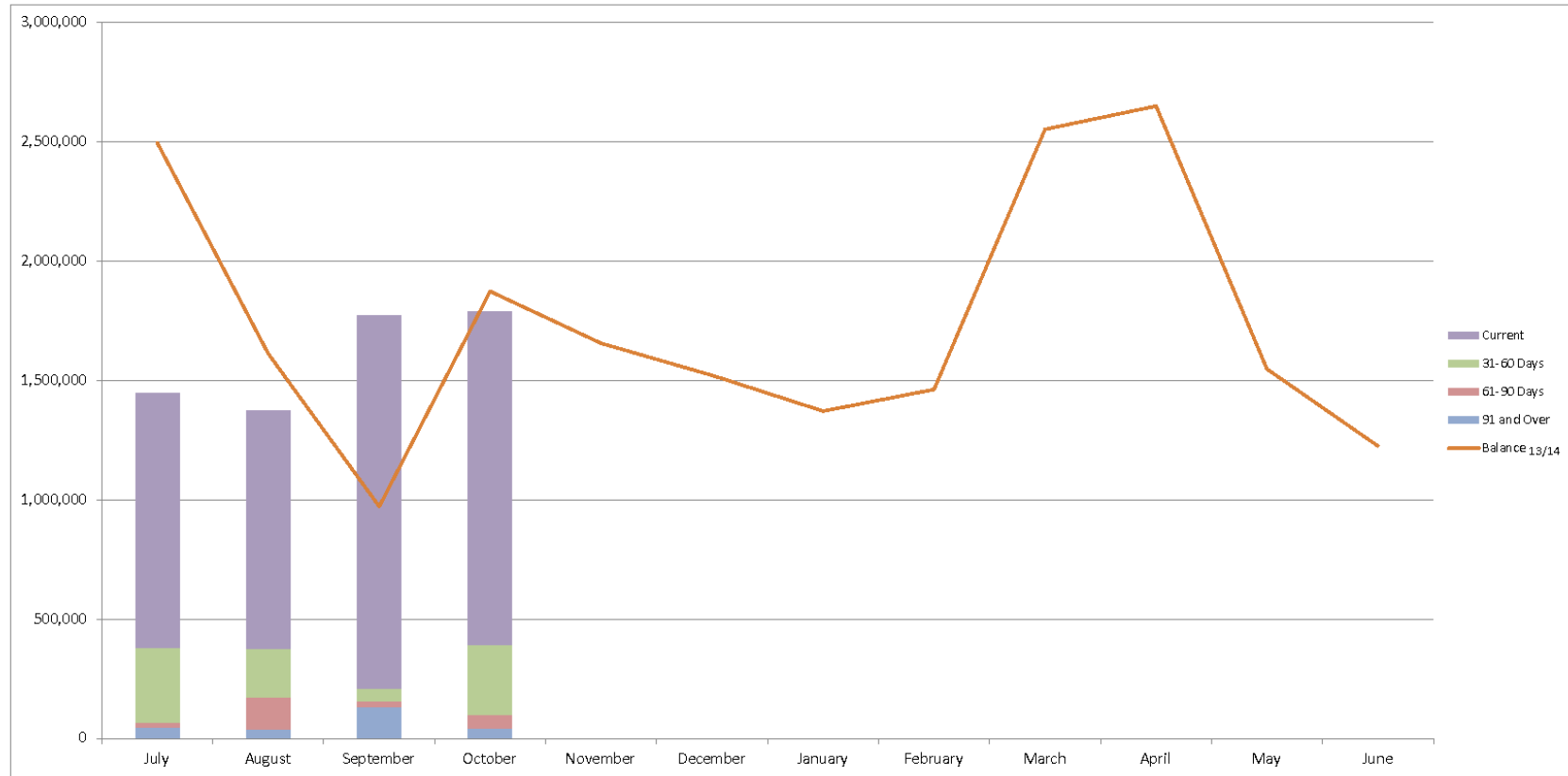
- ** Investments 1 and 2 relate to contributions received under planning permit conditions and are subject to use on specific developments which comply with relevant regulations.
- ** Investment 3 is funds held for future developments across the municipality and largely relates to Building Better Regional Cities \$3.14m.
- ** Investments 4, 5 and 6 relate to surplus operational funds maintained in accordance with council process to redirect to capital investments specific to these business areas.
- ** Investment 7 is in accordance with the Council’s Strategic Resource Plan 2014/2015 -2017/2018.
- ** Investment 8 relates to Art Work sale proceeds and are held for future collection acquisitions.
- ** Investment 9 is funds identified and held by council in trust and therefore unavailable for use by Council.
- ** Investment 10 is funds held to cover previously committed operating and capital expenditure for the remainder of the financial year, and includes reserve amounts held at 30 June 2014.

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City Of Greater Shepparton
 Comparative Rates Debtors
 2014/2015 Financial Year to Date at 31 October 2014



Greater Shepparton City Council
Sundry Debtors
 as at 31 October 2014



COUNCILLORS EXPENSE REPORT OCTOBER 2014

Month of October 2014	Cr Dinny Adem	Cr Jenny Houlihan	Cr Les Oroszvary	Cr Dennis Patterson	Cr Michael Polan	Cr Kevin Ryan	Cr Fern Summer	TOTAL
Councillor Allowance	2,136	6,608	2,136	2,136	2,136	2,136	2,136	19,423
Vehicle	-	1,372	-	-	-	-	-	1,372
Telephone Rent	27	55	27	27	55	82	55	327
Telephone Usage	28	147	193	118	163	115	229	992
Internet Connection	-	-	-	-	-	-	-	-
Travel	-	632	-	-	-	-	49	680
Training	-	-	-	-	-	-	1,105	1,105
Other	625	344	-	238	1,242	25	374	2,849
Shared Councillor Expense:								
Catering								4,020
Other								5,853
TOTAL	2,816	9,158	2,356	2,519	3,595	2,357	3,947	36,620

Councillor Expense Year to Date	Cr Dinny Adem	Cr Jenny Houlihan	Cr Les Oroszvary	Cr Dennis Patterson	Cr Michael Polan	Cr Kevin Ryan	Cr Fern Summer	TOTAL
Councillor Allowance	9,024	26,230	8,474	8,474	8,474	8,474	8,474	77,625
Vehicle	-	5,488	-	-	-	-	-	5,488
Telephone Rent	55	109	55	55	109	163	82	627
Telephone Usage	36	348	354	298	294	237	647	2,214
Internet Connection	-	-	-	-	-	-	-	-
Travel	-	632	-	160	-	-	49	840
Training	-	-	-	-	-	-	1,105	1,105
Other	745	344	-	238	1,242	25	384	2,978
Shared Councillor Expense:								
Catering								6,657
Other								5,916
TOTAL	9,860	33,151	8,882	9,225	10,119	8,900	10,740	103,450