

ATTACHMENT TO AGENDA ITEM

Ordinary Meeting

20 March 2018

Agenda Item 9.5 February 2018 Monthly Financial Report

Attachment 1 February 2018 - Monthly Financial Statements 361

MONTHLY FINANCIAL REPORT FEBRUARY 2018

Operating Performance

Adjusted underlying result			
Adjusted underlying surplus (or deficit) as a percentage of underlying revenue			
YTD ACTUAL	YTD ADOPTED FORECAST Q2	ADOPTED BUDGET	ADOPTED FORECAST Q2
27.87%	29.22%	-0.50%	1.11%

- Expected end of year range of -20% to 20%; Target band of >0%.
- YTD Actual and YTD Adopted Forecast Q2 are high due to the full amount of 2017/2018 rates revenue being raised in July. The underlying surplus will reduce throughout the financial year as expenditure is incurred.

Financial Health

Working Capital			
Current assets as a percentage of current liabilities			
YTD ACTUAL	YTD ADOPTED FORECAST Q2	ADOPTED BUDGET	ADOPTED FORECAST Q2
426.37%	507.20%	174.40%	223.99%

- Expected range of 100% to 400%; Target band of 120% to 200%.
- YTD Actual and YTD Adopted Forecast Q2 are high due to 2017/2018 rates revenue being raised in July. The Adopted Forecast Q2 (Full Year) shows a reduction as operating and capital expenditure is incurred. Council will be reviewing at the Q3 Forecast Review whether \$6m in borrowings for Cosgrove Landfill are required in 2017/2018.
- VAGO indicate that any level of liquidity higher than 100% is considered low risk.

Financial Obligations

Loans and borrowings			
Loans and borrowings as a percentage of rates			
YTD ACTUAL	YTD ADOPTED FORECAST Q2	ADOPTED BUDGET	ADOPTED FORECAST Q2
25.57%	25.57%	33.08%	33.07%

- Expected range of 0% to 70%; Target band of 20% to 60%.
- This indicates Council has a level of borrowing that is appropriate to their activities and have a strong capacity to meet their long term obligations.

Other Financial Performance

Rates Debtors

\$23.73m
Same time last year \$18.2m
4th instalment due May 2018

Sundry Debtors

0-30 days \$1.2m or 48% of total outstanding sundry debtors.
31-60 days \$897k or 35% of total outstanding sundry debtors.
61+ days \$443k or 17% of total outstanding sundry debtors.

Investments

\$31.50m with average rate of 2.18%;
68.26% at A1+, 12.7% at A1, 6.35% at A2.
\$574k in interest income to date

Operating Performance February 2018

Income	YTD Adopted Forecast Q2 vs YTD Actual (Fav)/Unfav		Projected Full Year vs Adopted Forecast Q1 (Fav)/Unfav	
Rates and Charges	Steady	(\$0.01m)	Steady	\$0m
Statutory Fees	Steady	(\$0.07m)	Steady	\$0.01m
User Charges	Steady	(\$0.37m)	Unfavourable	\$1.36m
Grants	Steady	(\$0.59m)	Steady	(\$0.02m)
Contributions	Favourable	(\$0.29m)	Favourable	(\$0.17m)
Other Revenue	Steady	(\$0.08m)	Steady	(\$0.1m)
Total Income	Steady	(\$1.4m)	Steady	\$1.07m
Expense				
Employee Costs	Steady	\$0.64m	Steady	(\$0.27m)
Materials and Consumables	Steady	\$1.38m	Steady	\$0.29m
Bad and Doubtful Debts	Steady	\$0m	Steady	\$0m
Depreciation and Amortisation	Steady	\$0.02m	Steady	\$0m
Borrowing Costs	Steady	(\$0m)	Favourable	(\$0.14m)
Other Expenses	Steady	\$0.01m	Steady	(\$0.03m)
Total Expense	Steady	\$2.04m	Steady	(\$0.15m)

Notes:

- User Charges Projected Full Year is \$1.36m less than 2017/2018 Adopted Budget and Adopted Forecast Q2. This is mostly due to reductions in income for Early Childhood Education and Cosgrove Landfill. Please see income statement for more

- Contributions is \$294k more than YTD Adopted Forecast Q2. This favourable variance is mostly due to additional contributions for new Shepparton Art Museum, Recreational Land Fund, 2030 Commonwealth Games feasibility study and Sidney Myer awards. See income statement for more detail.

- Borrowing Costs Projected Full Year is \$138k less than 2017/2018 Adopted Budget and Adopted Forecast Q2. This favourable variance is due to a recalculation of Council's loan repayment schedule. See income statement for more detail.

Capital Works Performance February 2018

ADOPTED BUDGET	ADOPTED FORECAST Q2	PROJECTED FULL YEAR	YTD ACTUAL
\$39.38m	\$39.57m	\$39.88m	\$17.68m

PROGRESS

*44.9% of Adopted Budget spent; 66.8% committed

*44.3% of current full year projection spent; 66% committed

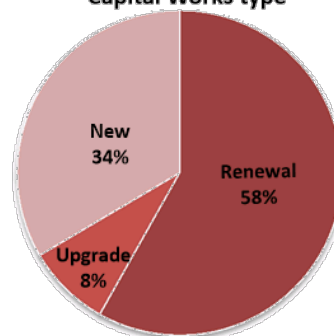
* Same time last year: \$16.57m (36.4%) of the 2016/2017 Adopted Budget had been spent

RENEWAL

Asset Renewal	
Asset renewal as a percentage of depreciation	
ADOPTED BUDGET	PROJECTED FULL YEAR
108.73%	101.11%

- Expected range of 40% to 130%; Target band of 90% to 110%.
- Indicator of assets being renewed as planned. High or increasing percentages indicate improvement in capacity to meet long term obligations.

% Split of Projected Full Year by Capital Works type



Greater Shepparton City Council
Income Statement
for period ended February 2018

	YEAR TO DATE					FULL YEAR					Notes	
	2017/2018 YTD Adopted Budget	2017/2018 YTD Adopted Forecast Q2	2017/2018 YTD Actual	YTD Adopted Budget Variance (Fav)/Unfav %	YTD Adopted Forecast Q2 Variance (Fav)/Unfav %	2017/2018 Adopted Budget	2017/2018 Adopted Forecast Q2	2017/2018 Projected Full Year	Adopted Budget Variance (Fav)/Unfav %	Adopted Forecast Q2 Variance (Fav)/Unfav %		
	\$	\$	\$	%	%	\$	\$	\$	%	%		
Revenues from Operating Activities												
Rates and Charges	74,105,049	74,304,761	74,314,296	(0.3%)	(0.0%)	74,191,715	74,748,687	74,748,687	(0.8%)	0.0%		
Statutory Fees	1,759,271	1,766,041	1,832,335	(4.2%)	(3.8%)	3,751,436	3,078,586	3,066,926	18.2%	0.4%	1	
User Charges	6,180,765	10,790,583	11,160,950	(80.6%)	(3.4%)	18,557,836	18,541,632	17,178,689	7.4%	7.4%		
Operating Grants	6,817,712	11,732,447	12,318,618	(80.7%)	(5.0%)	16,945,759	16,543,160	16,567,431	2.2%	(0.1%)		
Operating Contributions	378,713	752,624	1,046,724	(176.4%)	(39.1%)	696,262	1,068,739	1,243,584	(78.6%)	(16.4%)	2	
Other	1,251,135	1,413,103	1,490,216	(19.1%)	(5.5%)	2,262,581	2,050,574	2,153,947	4.8%	(5.0%)		
Total Operating Revenue	90,492,645	100,759,559	102,163,139	(12.9%)	(1.4%)	116,405,589	116,031,378	114,959,264	1.2%	0.9%		
Expenses from Operating Activities												
Employee Costs	32,036,086	31,365,543	32,004,584	(0.1%)	2.0%	47,979,746	47,658,443	47,391,292	(1.2%)	(0.6%)		
Materials and Consumables	17,656,809	25,060,047	26,437,163	49.7%	5.5%	48,164,990	49,028,109	49,316,613	2.4%	0.6%		
Bad & Doubtful Debts	7,700	12,431	12,563	63.2%	1.1%	132,000	150,520	150,652	14.1%	0.1%		
Depreciation and Amortisation	14,990,593	14,784,298	14,802,978	(1.3%)	0.1%	22,485,890	22,405,050	22,405,050	(0.4%)	0.0%		
Borrowing Costs	550,000	606,528	606,301	10.2%	(0.0%)	1,223,000	1,223,000	1,085,000	(11.3%)	(11.3%)	3	
Other Expenses	71,082	270,623	276,891	289.5%	2.3%	519,671	499,231	469,231	(9.7%)	(6.0%)		
Total Operating Expenses	65,312,270	72,099,470	74,140,480	13.5%	2.8%	120,505,297	120,964,353	120,817,838	0.3%	(0.1%)		
UNDERLYING OPERATING RESULT	25,180,375	28,660,089	28,022,660	(11.3%)	2.2%	(4,099,708)	(4,932,975)	(5,858,574)	(42.9%)	(18.8%)		
Non-operating Income and Expenditure												
Capital Grants	100,000	1,110,000	2,038,353	(1,938.4%)	(83.6%)	6,851,408	5,861,385	6,551,695	4.4%	(11.8%)	4	
Capital Contributions	38,000	1,093,483	1,164,420	(2,964.3%)	(6.5%)	1,910,749	2,850,218	2,846,378	(49.0%)	0.1%		
Contributed Assets	0	3,000,000	5,450,369	(100.0%)	(81.7%)	2,000,000	3,000,000	5,450,369	(172.5%)	(81.7%)	5	
Proceeds from Sale of Assets	27,000	298,848	298,848	(1,006.8%)	0.0%	1,012,500	1,030,500	1,030,500	(1.8%)	0.0%		
Written Down Value of Asset Disposals	0	(236,807)	(1,243,942)	100.0%	425.3%	(473,262)	(473,262)	(473,262)	0.0%	0.0%		
Other Revenue	0	0	0			0	0	0				
Total Non Operating Items	165,000	5,265,524	7,708,049	(4,571.5%)	(46.4%)	11,301,395	12,268,841	15,405,680	(36.3%)	(25.6%)		
ACCOUNTING SURPLUS/(DEFICIT)	25,345,375	33,925,613	35,730,709	(41.0%)	(5.3%)	7,201,687	7,335,866	9,547,106	(32.6%)	(30.1%)		

Notes to the Income Statement for period ended February 2018

1) User Charges Projected Full Year is \$1.36m less than 2017/2018 Adopted Budget and Adopted Forecast Q2. This unfavourable variance is mostly due to reduced income \$1.2m for Arthur Dickmann, Frank Pullar and Nancy Vibert childcare centres. This reduction is caused by lower utilisation rates at the centres and less full fee paying families. This unfavourable variance is also impacted by lower utilisation at Cosgrove Landfill \$250k caused by market volatility and price competition.

2) Contributions is \$294k more than YTD Adopted Forecast Q2 and Projected Full Year is \$174k more than Adopted Forecast Q2. These favourable variances are mostly due to contributions for the SAM foundation for the new Shepparton Art Museum \$100k. This contribution has been paid to the SAM Foundation. This favourable variance is also impacted by additional contributions for Recreational Land Fund \$55k, 2030 Commonwealth Games feasibility study \$46k and Sidney Myer awards \$45k.

3) Borrowing Costs Projected Full Year is \$138k less than 2017/2018 Adopted Budget and Adopted Forecast Q2. This favourable variance is due to a recalculation of Council's loan repayment schedule \$138k.

4) Capital Grants is \$928k more than YTD Adopted Forecast Q2. This favourable variance is mostly due to the timing of grant income for Greater Shepparton Regional Sports Precinct \$719k. Favourable variance also impacted by additional grant income for Maude St upgrade stage 1 \$173k. Projected full year is \$690k more than Adopted Forecast Q2. This favourable variance is due to additional grant funding from Vic Roads for Safe Road Infrastructure Program \$700k. This additional income will be offset by additional expenditure.

5) Contributed Assets is \$2.45m more than YTD Adopted Forecast Q2 and full year Adopted Forecast Q2. This favourable variance is due to contributed assets from various completed estates including Seven Creeks stage 11,12 and 13, as well as Kialla Lakes stage 35a.

Greater Shepparton City Council

Balance Sheet
as at February 2018

	Total Actual June 2017 \$	Adopted Budget June 2018 \$	Adopted Forecast Q2 June 2018 \$	YTD Adopted Budget 2018 \$	YTD Adopted Forecast Q2 2018 \$	YTD Actual 2018 \$	Total Actual June 2017 Variance (Fav)/Unfav %	Adopted Budget Variance (Fav)/Unfav %
Current Assets								
Cash and Cash Equivalent	25,303,343	19,384,378	20,279,572	14,992,363	19,193,957	20,270,187	19.9%	(4.6%)
Receivables	7,208,640	6,377,264	7,208,640	31,468,390	29,061,680	29,072,236	(303.3%)	(355.9%)
Other Financial Assets	17,000,000	13,226,000	17,000,000	27,000,000	27,000,000	27,000,000	(58.8%)	(104.1%)
Inventories	73,983	74,000	73,983	140,394	132,054	132,054	(78.5%)	(78.5%)
Other Assets	1,050,880	1,230,000	1,050,880	859,224	225,233	214,676	79.6%	82.5%
Total Current Assets	50,636,846	40,291,642	45,613,075	74,460,371	75,612,924	76,689,153	(51.4%)	(90.3%)
Non Current Assets								
Investment in Associates	1,511,499	1,493,000	1,511,499	1,493,000	1,511,499	1,511,499	0.0%	(1.2%)
Infrastructure	1,058,401,546	1,073,331,000	1,075,563,843	1,056,088,752	1,047,805,002	1,065,480,256	(0.7%)	0.7%
Intangible Assets	847,819	973,000	847,819	973,000	847,813	847,813	0.0%	12.9%
Total Non Current Assets	1,060,760,865	1,075,797,000	1,077,923,161	1,058,554,752	1,050,164,314	1,067,839,568	(0.7%)	0.7%
Total Assets	1,111,397,711	1,116,088,642	1,123,536,236	1,133,015,123	1,125,777,238	1,144,528,721	(3.0%)	(2.5%)
Current Liabilities								
Trade & Other Payables	6,220,097	8,786,000	6,220,097	3,501,094	964,347	869,923	(86.0%)	(90.1%)
Trust Funds	2,716,657	3,094,000	2,716,657	6,370,078	6,052,750	6,052,750	122.8%	95.6%
Provisions	10,119,393	9,932,000	10,119,393	10,172,148	7,093,881	10,266,992	1.5%	3.4%
Interest Bearing Liabilities	1,307,898	1,291,000	1,307,898	437,340	796,928	796,928	(39.1%)	(38.3%)
Total Current Liabilities	20,364,044	23,103,000	20,364,044	20,480,660	14,907,906	17,986,593	(11.7%)	(22.1%)
Non Current Liabilities								
Provisions	7,093,881	6,485,000	7,093,881	567,568	7,093,881	7,093,881	0.0%	9.4%
Interest Bearing Liabilities	18,426,369	23,250,000	23,409,369	25,651,407	18,204,515	18,204,515	(1.2%)	(21.7%)
Total Non Current Liabilities	25,520,250	29,735,000	30,503,250	26,218,975	25,298,396	25,298,396	(0.9%)	(14.9%)
Total Liabilities	45,884,294	52,838,000	50,867,294	46,699,635	40,206,302	43,284,989	(5.7%)	(18.1%)
Net Assets	1,065,513,416	1,063,250,642	1,072,668,942	1,086,315,488	1,085,570,936	1,101,243,732	(3.4%)	(3.6%)
Represented By								
Accumulated Surplus	519,606,407	350,814,179	526,942,961	540,408,480	539,663,928	555,336,724	(6.9%)	(58.3%)
Reserves	545,907,009	712,436,463	545,725,981	545,907,008	545,907,008	545,907,008	0.0%	23.4%
Total Equity	1,065,513,416	1,063,250,642	1,072,668,942	1,086,315,488	1,085,570,936	1,101,243,732	(3.4%)	(3.6%)

Greater Shepparton City Council

Cash Flow Statement

as at February 2018

	2017/2018 Adopted Budget \$	2017/2018 Adopted Forecast Q2 \$	2017/2018 YTD Actual \$	Adopted Budget Variance (Fav)/Unfav \$	Adopted Forecast Q2 Variance (Fav)/Unfav \$
Cash flows from operating activities					
Receipts from customers	97,875,000	97,789,479	68,333,131	30.18%	30.12%
Payments to suppliers	(98,116,000)	(97,335,615)	(61,908,570)	36.90%	36.40%
Net cash inflow(outflow) from customers(suppliers)	(241,000)	453,864	6,424,561	2765.79%	(1315.53%)
Interest received	652,000	630,000	601,333	7.77%	4.55%
Government receipts	23,692,000	22,404,545	14,356,972	39.40%	35.92%
Contributions	2,602,000	3,918,957	2,299,511	11.63%	41.32%
Net cash inflow(outflow) from operating activities	26,705,000	27,407,366	23,682,377	11.32%	13.59%
Cash flows from investing activities					
Net movement in other financial assets	8,817,000	-	(10,000,000)	213.42%	#DIV/0!
Infrastructure, property, plant & equipment - proceeds	1,551,000	1,030,500	298,848	80.73%	71.00%
Infrastructure, property, plant & equipment - payments	(39,384,000)	(37,221,638)	(17,675,256)	55.12%	52.51%
Net cash inflow(outflow) from investing activities	(29,016,000)	(36,191,138)	(27,376,408)	5.65%	24.36%
Cash flows from financing activities					
Finance Cost	(1,223,000)	(1,223,000)	(606,301)	50.43%	50.43%
Proceeds from interest bearing loans and borrowings	6,000,000	6,000,000	-	100.00%	100.00%
Repayment of interest-bearing loans and borrowings	(1,017,000)	(1,017,000)	(732,823)	27.94%	27.94%
Net cash inflow(outflow) from financing activities	3,760,000	3,760,000	(1,339,125)	135.62%	135.62%
Net increase(decrease) in cash and equivalents	1,450,000	(5,023,772)	(5,033,156)	447.11%	(0.19%)
Cash and equivalents at the beginning of the year	17,934,378	25,303,343	25,303,343	(41.09%)	(0.00%)
Cash and equivalents at the end of the year	19,384,378	20,279,571	20,270,187	(4.57%)	0.05%

Greater Shepparton City Council
Capital Works Statement
 period ended February 2018

Capital Works Area	2017/2018	2017/2018	2017/2018	YTD	YTD	2017/2018	2017/2018	2017/2018	Adopted	Adopted	Note
	YTD	YTD	YTD	Adopted	Adopted		Adopted	Forecast Q2	Forecast Q2	Budget	
	Adopted	Adopted	Actual	Budget	Forecast Q2	Budget	Forecast Q2	Projected	Variance	Variance	
	Budget	Forecast Q2	Actual	Variance	Forecast Q2	Budget	Forecast Q2	Full Year	(Fav)/Unfav	(Fav)/Unfav	
	\$	\$	\$	(Fav)/Unfav	(Fav)/Unfav	\$	\$	\$	%	%	
				%	%						
Aerodrome	0	344,592	353,730		3%	300,000	360,000	360,000	20%	0%	
Bridges	0	812	812		(0%)	657,360	657,360	657,360	0%	0%	
Buildings	2,311,374	1,773,635	1,777,415	(23%)	0%	5,584,000	5,509,310	5,491,932	(2%)	(0%)	
Computer & Telecommunications	60,000	226,223	226,561	278%	0%	260,000	513,905	513,905	98%	0%	1
Drainage	194,500	174,400	187,377	(4%)	7%	670,000	683,509	499,641	(25%)	(27%)	2
Fixture Fittings and Furniture	247,395	124,715	361,655	46%	190%	466,000	476,000	541,000	16%	14%	3
Footpaths & Cycleways	1,423,480	984,990	950,089	(33%)	(4%)	1,699,400	1,911,198	1,911,198	12%	0%	4
Land	20,000	0	0	(100%)		20,000	20,000	20,000	0%	0%	
Land Improvements	170,000	127,870	108,380	(36%)	(15%)	1,090,000	1,088,717	1,089,002	(0%)	0%	
Off Street Car Parks	28,300	0	0	(100%)		40,000	40,000	40,000	0%	0%	
Parks, Open Space & Streetscape	266,500	318,684	365,740	37%	15%	1,233,000	1,270,642	1,270,642	3%	0%	
Plant Machinery & Equipment	40,000	804,563	800,810	1902%	(0%)	2,620,940	2,775,361	2,775,361	6%	0%	
Recreational Leisure and Community Facilities	2,417,654	1,858,661	2,144,666	(11%)	15%	3,681,574	4,411,492	4,462,916	21%	1%	5
Roads	5,145,903	8,593,092	8,609,898	67%	0%	13,561,262	14,241,534	14,970,252	10%	5%	6
Waste Management	535,573	1,065,657	1,251,276	134%	17%	6,500,000	4,608,319	4,275,050	(34%)	(7%)	7
Project Management Office	536,846	536,846	536,847	0%	0%	1,000,000	1,000,000	1,000,000	0%	0%	
Total Capital Works	13,397,525	16,934,740	17,675,256	32%	4%	39,383,536	39,567,347	39,878,259	1%	1%	

Capital Works Area	2017/2018	2017/2018	2017/2018	YTD	YTD	2017/2018	2017/2018	2017/2018	Adopted	Adopted	Note
	YTD	YTD	YTD	Adopted	Adopted		Adopted	Forecast Q2	Forecast Q2	Budget	
	Adopted	Adopted	Actual	Budget	Forecast Q2	Budget	Forecast Q2	Projected	Variance	Variance	
	Budget	Forecast Q2	Actual	Variance	Forecast Q2	Budget	Forecast Q2	Full Year	(Fav)/Unfav	(Fav)/Unfav	
	\$	\$	\$	(Fav)/Unfav	(Fav)/Unfav	\$	\$	\$	%	%	
				%	%						
Renewal	8,583,956	10,679,357	11,125,094	30%	4%	24,448,488	22,987,664	22,654,395	(7%)	(1%)	
Upgrade	689,949	1,256,791	1,261,257	83%	0%	4,341,074	5,810,047	6,507,669	50%	12%	
New	3,476,774	4,439,546	4,729,857	36%	7%	9,386,574	9,562,236	9,508,795	1%	(1%)	
Expansion	110,000	22,200	22,200	(80%)	0%	207,400	207,400	207,400	0%	0%	
Project Management Office	536,846	536,846	536,847	0%	0%	1,000,000	1,000,000	1,000,000	0%	0%	
Total Capital Works	13,397,525	16,934,740	17,675,256	32%	4%	39,383,536	39,567,347	39,878,259	1%	1%	

Notes to the Capital Works Statement for period ended February 2018

- 1) Computers and Telecommunications is \$254k more than 2017/2018 Adopted Budget. This unfavourable variance is mostly due to the finance system replacement project rebudgeted from the 2016/2017 capital works program.
- 2) Drainage is \$184k less than 2017/2018 Adopted Budget and Adopted Forecast Q2. This favourable variance is mostly due to savings in North Growth Corridor drainage design and landscaping plan \$115k. Favourable variance also impacted by Seven Creeks wetland planting \$50k being rebudgeted to the 2018/2019 capital works program.
- 3) Fixture, Fitting and Furniture is \$237k more than YTD Adopted Forecast Q2. This unfavourable variance is mostly due to the timing of works for KidsTown equipment and furniture renewals \$234k.
- 4) Footpaths and Cycleways Projected Full Year is \$212k more than 2017/2018 Adopted Budget. This unfavourable variance is mostly due to \$100k reclassified from Land Improvements for Seven Creeks shared paths, \$47k rebudgeted from 2016/2017 capital works program for Tallygaroopna walking track, additional \$23k for footpath and drainage works on Rushworth Rd/Impey St intersection, additional \$22k for a pedestrian island on Murchison-Violet Town Rd and an additional \$20k for pedestrian facilities for the Disability Discrimination Act.
- 5) Recreational Leisure and Community Facilities is \$286k more than YTD Adopted Forecast Q2. This unfavourable variance is mostly due to the timing of works at the Greater Shepparton Regional Sports Precinct \$118k and additional security required at the site \$76k. Projected Full Year is \$781k more than 2017/2018 Adopted Budget. This unfavourable variance is mostly due to additional \$400k for Greater Shepparton Regional Sports Precinct Boulevard Works, \$200k of which was rebudgeted from the 2016/2017 capital works program, as well as an additional \$111k for the Greater Shepparton Regional Sports Precinct main pavilion.
- 6) Roads Projected Full Year is \$729k more than Adopted Forecast Q2. This unfavourable variance is due to an additional \$700k for Safe System Road Infrastructure program. This is offset by additional grant income from Vic Roads. Projected Full Year is \$1.41m more than 2017/2018 Adopted Budget. This unfavourable variance is impacted by \$445k rebudgeted from 2016/2017 capital works program for Welsford St. stages 3 & 4, as well as an additional \$106k for additional contract expenses. Unfavourable variance is also impacted by as additional \$450k for Verney Rd Reconstruction and \$138k for Nixon St and Welsford St signals. The unfavourable variance is partially offset by Seven Creeks intersection with GV Highway project being reclassified to operating \$470k.
- 7) Waste Management is \$185k more than YTD Adopted Forecast Q2. This unfavourable variance is mostly due to the timing of works for Cosgrove 3 landfill cell 1. Projected Full Year is \$2.22m less than 2017/2018 Adopted Budget and \$333k less than Adopted Forecast Q2. These favourable variances are due to Cosgrove 3 landfill works being rebudgeted into future financial year capital works programs.