

ATTACHMENT TO AGENDA ITEM

Ordinary Meeting

19 June 2018

Agenda Item 9.1 May 2018 Monthly Financial Report

Attachment 1 May 2018 - Monthly Financial Statements..... 177

MONTHLY FINANCIAL REPORT MAY 2018

Operating Performance

Adjusted underlying result			
Adjusted underlying surplus (or deficit) as a percentage of underlying revenue			
YTD ACTUAL	YTD ADOPTED FORECAST Q3	ADOPTED BUDGET	ADOPTED FORECAST Q3
8.94%	11.36%	-0.50%	1.30%

- Expected end of year range of -20% to 20%; Target band of >0%.
- YTD Actual and YTD Adopted Forecast Q3 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.
- The variance between YTD Actual and YTD Adopted Forecast Q3 is largely due to an increase in operating grants. See notes to income statement.

Financial Health

Working Capital			
Current assets as a percentage of current liabilities			
YTD ACTUAL	YTD ADOPTED FORECAST Q3	ADOPTED BUDGET	ADOPTED FORECAST Q3
353.13%	305.59%	174.40%	233.02%

- Expected range of 100% to 400%; Target band of 120% to 200%.
- YTD Actual and YTD Adopted Forecast Q3 are high due to 2017/2018 rates revenue being raised in July. The Adopted Forecast Q3 (Full Year) shows a reduction as operating and capital expenditure is incurred.
- The variance between YTD Actual and YTD Adopted Forecast Q3 is mainly due to a lower Trade and Other Payables balance.
- 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 Q3	ADOPTED BUDGET	ADOPTED FORECAST Q3
25.12%	25.12%	33.08%	24.70%

- 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.
- At the Q3 Forecast Review Council decided to defer the drawdown of \$6m borrowings included in the 2017/2018 Adopted Budget into a future financial year.

Other Financial Performance

Rates Debtors

\$7.46m
Same time last year \$6.42m
4th instalment was due 31 May 2018

Sundry Debtors

0-30 days \$4.04m or 83.2% of total outstanding sundry debtors.
31-60 days \$18.8k or 0.4% of total outstanding sundry debtors.
61+ days \$799k or 16.4% of total outstanding sundry debtors.

Investments

\$41.0m with average rate of 2.04%;
75.61% at A1+, 9.76% at A1, 4.88% at A2.
\$747k in interest income to date

Operating Performance May 2018

Income	YTD Adopted Forecast Q3 vs YTD Actual (Fav)/Unfav		Projected Full Year vs Adopted Forecast Q3 (Fav)/Unfav	
Rates and Charges	Steady	\$0.04m	Steady	\$0.03m
Statutory Fees	Steady	\$0.16m	Steady	\$0.16m
User Charges	Steady	(\$0.01m)	Steady	(\$0.05m)
Grants	Favourable	(\$1.08m)	Favourable	(\$6.48m)
Contributions	Favourable	(\$0.2m)	Steady	(\$0.08m)
Other Revenue	Favourable	(\$0.26m)	Favourable	(\$0.3m)
Total Income	Steady	(\$1.36m)	Steady	(\$6.71m)
Expense				
Employee Costs	Steady	\$1.1m	Steady	\$0.53m
Materials and Consumables	Steady	\$0.24m	Favourable	(\$1.06m)
Bad and Doubtful Debts	Steady	\$0.01m	Steady	(\$0m)
Depreciation and Amortisation	Steady	\$0.8m	Unfavourable	\$1.65m
Borrowing Costs	Steady	(\$0m)	Steady	\$0m
Other Expenses	Steady	\$0.01m	Steady	(\$0m)
Total Expense	Steady	\$2.16m	Steady	\$1.11m

Notes:

- Grants is \$1.08m more than YTD Adopted Forecast Q3 and \$6.48m more than Adopted Forecast Q3. These favourable variances are mostly due to additional funding for Federal Financial Assistance Grants, DHHS under 65, Commonwealth Home Support Program and immunisations. The Favourable variances are also impacted by the timing of grant income for school crossings. Please see income statement for more detail.

- Contributions is \$203k more than YTD Adopted Forecast Q3. This favourable variances are mostly due to additional monetary contributions from developers for parking and civil works, and from Melbourne University for Shepparton Art Museum programs. Please see income statement for more detail.

- Other Revenue is \$256k more than YTD Adopted Forecast Q3 and \$300k more than Adopted Forecast Q3. These favourable variances are mostly due to additional income for Financial Services, Early Childhood Education, Strategic Assets Operations, Sports, Recreation and Open Space Strategic Services and Waste Operations. Please see income statement for more detail.

- Materials and Consumables Projected Full Year is \$1.06m less than Adopted Forecast Q3. This favourable variance is mostly due to Mooroopna West Growth Corridor intersection works. Please see income statement for more detail.

- Depreciation Projected Full Year is \$1.65m more than Adopted Forecast Q3. This favourable variance is mostly due to an increase in total assets. Please see income statement for more detail.

Capital Works Performance May 2018

ADOPTED BUDGET	ADOPTED FORECAST Q3	PROJECTED FULL YEAR	YTD ACTUAL
\$39.38m	\$35.32m	\$33.17m	\$24.61m

PROGRESS

*64.11% of Adopted Budget spent; 92.6% committed

*70.01% of current full year projection spent; 101.18% committed

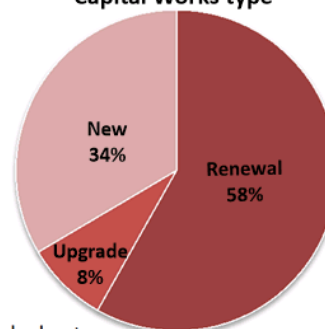
* Same time last year: \$32.46m (71.36%) of the 2016/2017 Adopted Budget had been spent

RENEWAL

Asset Renewal	
Asset renewal as a percentage of depreciation	
ADOPTED BUDGET	PROJECTED FULL YEAR
108.73%	84.70%

- 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.
- During the year Renewal expenditure had dropped 17% from Adopted Budget largely due to the rebudget of Cosgrove Landfill renewal works \$3.2m. This has contributed to the Asset Renewal indicator dropping below the target range.

**% Split of Projected Full Year by
Capital Works type**



Greater Shepparton City Council
Income Statement
for period ended May 2018

	YEAR TO DATE					FULL YEAR					Notes
	2017/2018 YTD Adopted Budget	2017/2018 YTD Adopted Forecast Q3	2017/2018 YTD Actual	YTD Adopted Budget Variance (Fav)/Unfav %	YTD Adopted Forecast Q3 Variance (Fav)/Unfav %	2017/2018 Adopted Budget	2017/2018 Adopted Forecast Q3	2017/2018 Projected Full Year	Adopted Budget Variance (Fav)/Unfav %	Adopted Forecast Q3 Variance (Fav)/Unfav %	
Revenues from Operating Activities											
Rates and Charges	74,165,754	74,561,655	74,526,575	(0.5%)	0.0%	74,191,715	74,628,228	74,594,138	(0.5%)	0.0%	
Statutory Fees	2,348,890	2,798,395	2,639,609	(12.4%)	5.7%	3,751,436	3,184,402	3,028,518	19.3%	4.9%	
User Charges	8,632,752	15,763,540	15,776,469	(82.8%)	(0.1%)	18,557,836	17,694,271	17,742,251	4.4%	(0.3%)	1
Operating Grants	8,697,711	15,439,636	16,518,304	(89.9%)	(7.0%)	16,945,759	16,929,410	23,409,825	(38.1%)	(38.3%)	2
Operating Contributions	407,438	1,154,945	1,358,910	(233.5%)	(17.7%)	696,262	1,417,294	1,493,303	(114.5%)	(5.4%)	3
Other	1,597,126	1,920,500	2,176,687	(36.3%)	(13.3%)	2,262,581	2,228,488	2,528,622	(11.8%)	(13.5%)	
Total Operating Revenue	95,849,671	111,638,671	112,996,554	(17.9%)	(1.2%)	116,405,589	116,082,093	122,796,657	(5.5%)	(5.8%)	
Expenses from Operating Activities											
Employee Costs	44,240,819	42,719,404	43,817,272	(1.0%)	2.6%	47,979,746	46,955,217	47,482,341	(1.0%)	1.1%	
Materials and Consumables	25,532,028	37,492,276	37,735,935	47.8%	0.6%	48,164,990	48,555,710	47,491,406	(1.4%)	(2.2%)	4
Bad & Doubtful Debts	10,000	13,766	20,373	103.7%	48.0%	132,000	146,152	145,046	9.9%	(0.8%)	
Depreciation and Amortisation	20,612,066	21,179,835	21,982,591	6.6%	3.8%	22,485,890	22,405,050	24,057,959	7.0%	7.4%	5
Borrowing Costs	800,000	715,555	715,555	(10.6%)	(0.0%)	1,223,000	1,140,000	1,140,000	(6.8%)	0.0%	
Other Expenses	98,123	390,344	396,564	304.2%	1.6%	519,671	398,463	397,970	(23.4%)	(0.1%)	
Total Operating Expenses	91,293,036	102,511,180	104,668,290	14.7%	2.1%	120,505,297	119,600,592	120,714,722	0.2%	0.9%	
UNDERLYING OPERATING RESULT	4,556,635	9,127,491	8,328,264	(82.8%)	8.8%	(4,099,708)	(3,518,499)	2,081,935	150.8%	159.2%	
Non-operating Income and Expenditure											
Capital Grants	100,000	4,768,774	5,051,711	(4,951.7%)	(5.9%)	6,851,408	5,852,445	5,837,445	14.8%	0.3%	
Capital Contributions	40,000	1,502,620	3,523,660	(8,709.2%)	(134.5%)	1,910,749	3,314,382	3,326,063	(74.1%)	(0.4%)	6
Contributed Assets	0	5,450,369	10,299,194	(100.0%)	(89.0%)	2,000,000	5,450,369	11,000,000	(450.0%)	(101.8%)	7
Proceeds from Sale of Assets	27,000	566,694	515,679	(1,809.9%)	9.0%	1,012,500	730,000	730,000	27.9%	0.0%	
Written Down Value of Asset Disposals	0	(1,243,942)	(3,336,925)	100.0%	(168.3%)	(473,262)	(1,480,397)	(2,741,614)	(479.3%)	(85.2%)	8
Total Non Operating Items	167,000	11,044,515	16,053,319	(9,512.8%)	(45.4%)	11,301,395	13,866,799	18,151,894	(60.6%)	(30.9%)	
ACCOUNTING SURPLUS/(DEFICIT)	4,723,635	20,172,006	24,381,583	(416.2%)	(20.9%)	7,201,687	10,348,300	20,233,829	(181.0%)	(95.5%)	

Notes to the Income Statement for period ended May 2018

- 1) Operating Grants is \$1.08m more than YTD Adopted Forecast Q3. This favourable variance is mostly due to additional grant funding for 2017/2018 Federal Finance Assistance Grants \$597k, DHHS Under 65 \$85k, and Commonwealth Home Support Programs \$65k. Also impacted by additional funding for immunisations \$61k due to the 2017 Meningococcal program and the timing of funding for School Crossings \$145k. Projected Full Year is \$6.48m more than 2017/2018 Adopted Budget and Adopted Forecast Q3. This favourable variance is due to 50% of the 2018/2019 Federal Finance Assistance Grant funding expected to be received in June 2018.
- 2) Operating contributions is \$203k more than YTD Adopted Forecast Q3. This favourable variance is mostly due to additional developer contributions for car parking and civil works \$131k, and additional contributions from Melbourne University for Shepparton Art Museum public programs \$11k, as well as the timing of income for Sidney Myer awards funding \$45k.
- 3) Other revenue is \$256k more than YTD Adopted Forecast Q3 and Projected Full Year is \$300k more than Adopted Forecast Q3. These favourable variances are mostly due to additional income from investment interest \$101k, property sales \$33k, kindergarten fundraising \$40k, Facility Bookings \$32k and additional income from increased steel recycling at Council's transfer stations \$22k.
- 4) Materials and Consumables is \$1.06m less than Adopted Forecast Q3. This favourable variance is mostly due to Mooroopna West Growth corridor intersection works on the Midland Highway \$450k and MacIsacc Rd and Echuca Road \$658k not being completed this financial year. It is expected these works will be conducted in the 2018/2019 financial year.
- 5) Depreciation Projected Full Year is \$1.65m more than Adopted Forecast Q3 and 2017/2018 Adopted Budget. This unfavourable variance is mostly due to an increase in assets from completed works in progress and contributed assets.
- 6) Capital Contributions is \$2.02m more than YTD Adopted Forecast Q3. This favourable variance is mostly due to the timing of contributions from the SAM Foundation for the new Shepparton Art Museum \$1.75m.
- 7) Contributed Assets is \$4.85m more than YTD Adopted Forecast Q3. Projected Full Year is \$5.55m more than Adopted Forecast Q3 and \$9m more than 2017/2018 Adopted Budget. These favourable variances are mostly due to contributed assets from various completed estates including Seven Creeks stages 11,12 and 13, Kialla lakes stage 35a, Riverwood estate stage 6 and 7, Northlinks estate stages 10 and 11, Rosemount Park stage 9 and the Boulevard stage 15.
- 8) Written Down Value of Asset Disposals is \$2.09m more than YTD Adopted Forecast Q3. Projected Full Year is \$2.27m more than 2017/2018 Adopted Budget and \$1.26m more than Adopted Forecast Q3. These unfavourable variances are mostly due to the write off of assets which were found not to be Council owned assets. Also impacted by the sale of Council owned assets.

Greater Shepparton City Council

Balance Sheet

as at May 2018

	Total Actual June 2017 \$	Adopted Budget June 2018 \$	Adopted Forecast Q3 June 2018 \$	YTD Adopted Budget 2018 \$	YTD Adopted Forecast Q3 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	21,459,745	5,626,743	24,736,194	23,413,069	7.5%	(20.8%)
Receivables	7,208,640	6,377,264	7,208,640	16,559,768	10,480,139	13,178,046	(82.8%)	(106.6%)
Other Financial Assets	17,000,000	13,226,000	17,000,000	27,704,114	27,500,000	25,500,000	(50.0%)	(92.8%)
Inventories	73,983	74,000	73,983	168,901	233,431	213,038	(188.0%)	(187.9%)
Assets Held for Resale	-	-	-	-	-	220,970	(100.0%)	(100.0%)
Other Assets	1,050,880	1,230,000	1,050,880	999,339	390,023	365,242	65.2%	70.3%
Total Current Assets	50,636,846	40,291,642	46,793,248	51,058,865	63,339,787	62,890,366	(24.2%)	(56.1%)
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	1,071,112,415	1,053,851,351	1,066,011,762	1,067,768,836	(0.9%)	0.5%
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	1,073,471,733	1,056,317,351	1,068,371,074	1,070,128,147	(0.9%)	0.5%
Total Assets	1,111,397,711	1,116,088,642	1,120,264,981	1,107,376,216	1,131,710,861	1,133,018,513	(1.9%)	(1.5%)
Current Liabilities								
Trade & Other Payables	6,220,097	8,786,000	6,220,097	2,927,464	5,405,045	2,564,484	(58.8%)	(70.8%)
Trust Funds	2,716,657	3,094,000	2,716,657	2,895,662	4,490,430	4,442,604	63.5%	43.6%
Provisions	10,119,393	9,932,000	10,119,393	10,166,261	10,306,318	10,283,930	1.6%	3.5%
Interest Bearing Liabilities	1,307,898	1,291,000	1,024,898	248,012	525,253	518,280	(60.4%)	(59.9%)
Total Current Liabilities	20,364,044	23,103,000	20,081,045	16,237,399	20,727,046	17,809,299	(12.5%)	(22.9%)
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	17,409,369	25,651,407	18,204,515	18,204,515	(1.2%)	(21.7%)
Total Non Current Liabilities	25,520,250	29,735,000	24,503,250	26,218,975	25,298,396	25,298,396	(0.9%)	(14.9%)
Total Liabilities	45,884,294	52,838,000	44,584,295	42,456,374	46,025,442	43,107,694	(6.1%)	(18.4%)
Net Assets	1,065,513,416	1,063,250,642	1,075,680,687	1,064,919,842	1,085,685,419	1,089,910,819	(2.3%)	(2.5%)
Represented By								
Accumulated Surplus	519,606,407	350,814,179	529,954,706	519,012,834	539,778,411	544,003,811	(4.7%)	(55.1%)
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	1,075,680,687	1,064,919,842	1,085,685,419	1,089,910,819	(2.3%)	(2.5%)

Greater Shepparton City Council
Cash Flow Statement
as at May 2018

	2017/2018 Adopted Budget	2017/2018 Adopted Forecast Q3	2017/2018 YTD Actual	Adopted Budget Variance (Fav)/Unfav	Adopted Forecast Q3 Variance (Fav)/Unfav
	\$	\$	\$	\$	\$
Cash flows from operating activities					
Receipts from customers	97,875,000	97,085,389	88,700,580	9.37%	8.64%
Payments to suppliers	(98,116,000)	(96,055,542)	(86,872,419)	11.46%	9.56%
Net cash inflow(outflow) from customers(suppliers)	(241,000)	1,029,847	1,828,161	858.57%	(77.52%)
Interest received	652,000	650,000	656,411	(0.68%)	(0.99%)
Government receipts	23,692,000	22,781,855	21,570,015	8.96%	5.32%
Contributions	2,602,000	4,731,676	15,337,333	(489.44%)	(224.14%)
Net cash inflow(outflow) from operating activities	26,705,000	29,193,378	39,391,919	(47.51%)	(34.93%)
Cash flows from investing activities					
Net movement in other financial assets	8,817,000	-	(8,500,000)	196.40%	(100.00%)
Infrastructure, property, plant & equipment - proceeds	1,551,000	730,000	515,679	66.75%	29.36%
Infrastructure, property, plant & equipment - payments	(39,384,000)	(31,326,975)	(31,570,847)	19.84%	(0.78%)
Net cash inflow(outflow) from investing activities	(29,016,000)	(30,596,975)	(39,555,168)	(36.32%)	(29.28%)
Cash flows from financing activities					
Finance Cost	(1,223,000)	(1,140,000)	(715,555)	41.49%	37.23%
Proceeds from interest bearing loans and borrowings	6,000,000	-	-	100.00%	0.00%
Repayment of interest-bearing loans and borrowings	(1,017,000)	(1,300,000)	(1,011,471)	0.54%	22.19%
Net cash inflow(outflow) from financing activities	3,760,000	(2,440,000)	(1,727,026)	145.93%	29.22%
Net increase(decrease) in cash and equivalents	1,450,000	(3,843,598)	(1,890,274)	230.36%	50.82%
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	21,459,745	23,413,069	(20.78%)	(9.10%)

Greater Shepparton City Council
Capital Works Statement
 period ended May 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 Q3	Forecast Q3	Budget	
	Adopted	Adopted	Actual	Budget	Forecast Q3	Budget	Forecast Q3	Projected	Variance	Variance	
	Budget	Forecast Q3	Actual	Variance	Forecast Q3	Adopted	Forecast Q3	Full Year	(Fav)/Unfav	(Fav)/Unfav	
	\$	\$	\$	(Fav)/Unfav	(Fav)/Unfav	\$	\$	\$	%	%	
				%	%						
Aerodrome	0	356,592	354,311	100%	(1%)	300,000	360,000	360,000	20%	0%	
Bridges	0	190,812	9,832	100%	(95%)	657,360	507,360	375,000	(43%)	(26%)	1
Buildings	3,072,200	3,519,498	3,391,449	10%	(4%)	5,584,000	5,298,715	4,922,335	(12%)	(7%)	2
Computer & Telecommunications	60,000	226,562	245,653	309%	8%	260,000	473,905	473,905	82%	0%	3
Drainage	314,500	233,530	193,587	(38%)	(17%)	670,000	497,003	389,271	(42%)	(22%)	4
Fixture Fittings and Furniture	397,000	519,997	447,339	13%	(14%)	466,000	540,374	542,404	16%	0%	
Footpaths & Cycleways	1,652,400	1,444,366	1,306,103	(21%)	(10%)	1,699,400	1,893,482	1,682,465	(1%)	(11%)	5
Land	20,000	0	0	(100%)	0%	20,000	20,000	20,000	0%	0%	
Land Improvements	500,000	409,191	297,392	(41%)	(27%)	1,090,000	1,089,002	633,755	(42%)	(42%)	6
Off Street Car Parks	40,000	22,214	230	(99%)	(99%)	40,000	40,000	40,000	0%	0%	
Parks, Open Space & Streetscape	545,000	503,793	616,966	13%	22%	1,233,000	1,001,484	970,984	(21%)	(3%)	7
Plant Machinery & Equipment	40,000	1,035,805	1,152,470	2781%	11%	2,620,940	2,453,179	2,456,160	(6%)	0%	8
Recreational Leisure and Community Facilities	3,473,574	3,495,937	2,931,874	(16%)	(16%)	3,681,574	4,535,204	4,349,771	18%	(4%)	9
Roads	5,418,903	10,883,734	10,886,639	101%	0%	13,561,262	12,195,146	12,081,188	(11%)	(1%)	10
Waste Management	711,173	2,018,564	2,063,678	190%	2%	6,500,000	3,411,065	3,076,164	(53%)	(10%)	11
Project Management Office	719,235	719,235	711,056	(1%)	(1%)	1,000,000	1,000,000	800,000	(20%)	(20%)	
Total Capital Works	16,963,985	25,579,830	24,608,578	45%	(4%)	39,383,536	35,315,919	33,173,402	(16%)	(6%)	

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 Q3	Forecast Q3	Budget	
	Adopted	Adopted	Actual	Budget	Forecast Q3	Budget	Forecast Q3	Projected	Variance	Variance	
	Budget	Forecast Q3	Actual	Variance	Forecast Q3	Adopted	Forecast Q3	Full Year	(Fav)/Unfav	(Fav)/Unfav	
	\$	\$	\$	(Fav)/Unfav	(Fav)/Unfav	\$	\$	\$	%	%	
				%	%						
Renewal	10,039,576	15,223,346	15,622,346	56%	3%	24,448,488	21,298,210	20,376,338	(17%)	(4%)	
Upgrade	1,233,949	2,684,422	1,971,474	60%	(27%)	4,341,074	3,904,907	3,565,073	(18%)	(9%)	
New	4,763,825	6,821,958	6,272,782	32%	(8%)	9,386,574	8,895,402	8,304,591	(12%)	(7%)	
Expansion	207,400	130,869	30,920	(85%)	(76%)	207,400	217,400	127,400	(39%)	(41%)	
Project Management Office	719,235	719,235	711,056	(1%)	(1%)	1,000,000	1,000,000	800,000	(20%)	(20%)	
Total Capital Works	16,963,985	25,579,830	24,608,578	45%	(4%)	39,383,536	35,315,919	33,173,402	(16%)	(6%)	

Notes to the Capital Works Statement for period ended May 2018

- 1) Bridges is \$181k less than YTD Adopted Forecast Q3. Projected Full Year is \$282k less than 2017/2018 Adopted Budget and \$132k less than Adopted Forecast Q3. These favourable variances are mostly due to the timing of Toolamba Bridge works and other bridge works being re-budgeted into future financial years.
- 2) Buildings is \$128k less than YTD Adopted Forecast Q3. Projected Full Year is \$662k less than 2018/2019 Adopted Budget and \$376k less than Adopted Forecast Q3. These favourable variances are mostly due to the timing works at the new Shepparton Art Museum.
- 3) Computers and Telecommunications is \$214k 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, approved as part of the Q1 Forecast Review.
- 4) Drainage is \$108k less than Adopted Forecast Q3. This favourable variance is due to Shepparton East Drainage Scheme stage 1A works being completed under budget \$45k and other Shepparton East Drainage Scheme works delayed until 2018/2019 \$30k. Also impacted by Localised Drainage works not being completed this financial year due to staff absences \$21k. Projected Full Year is \$281k less than 2017/2018 Adopted Budget. This favourable variance is mostly due to Marlboro Drive Shared Drainage works being re-budgeted into 2018/2019 capital works program as part of the Q2 Forecast Review, as well as savings in North Growth Corridor drainage design and landscaping plan \$125k. Construction works have been budgeted for in the 2018/2019 draft capital works program. These favourable variances partially offset by Major Culvert works \$116k which was re-budgeted from the 2016/2017 financial year, approved as part of the Q1 Forecast Review.
- 5) Footpaths and Cycleways is \$138k less than YTD Adopted Forecast Q3. This favourable variance is mostly due to the timing of Tatura walking and cycling loop works \$90k and Lake Bartlett Circuit Path works \$37k. Both of these projects are expected to be completed in June. Projected Full Year is \$211k less than Adopted Forecast Q3. This favourable variance is mostly due to Bicycle Strategy Works \$120k to be rebudgeted into 2018/2019 financial year.
- 6) Land Improvements is \$112k less than YTD Adopted Forecast Q3. Projected Full Year is \$456k less than 2017/2018 Adopted Budget and \$455k less than Adopted Forecast Q3. These favourable variances are mostly due to Public Toilet Replacement program \$354k which is now expected to be completed in August 2018. Favourable variance also impacted by savings in the Shell Service Station remediation works \$105k as a result of environmental testing coming back with non detectable results.
- 7) Parks, Open Space & Streetscape is \$113k more than YTD Adopted Forecast Q3. This unfavourable variance is mostly due to timing of works for the Street Tree Replacement program \$127k. Projected Full Year is \$262k less than Adopted Budget 2017/2018. This favourable variance is mostly due to Maude Street Mall Activation \$250k being rebudgeted into the 2018/2019 financial year as part of the Q3 Forecast Review.
- 8) Plant, Machinery and Equipment is \$116k more than YTD Adopted Forecast Q3. This unfavourable variance is mostly due to the timing of plant renewal purchases.
- 9) Recreational Leisure and Community Facilities is \$564k less than YTD Adopted Forecast Q3. This unfavourable variance is mostly due to the timing of works for the Sports Precinct Recirculation Pump \$153k, BMX Track Lighting \$131k, and Community Football Complex Security Lighting \$122k. Projected Full Year is \$185k less than Adopted Forecast Q3. This favourable variance is mostly due to BMX Start Hill \$194k and Victoria Park Lake Master Plan Implementation \$162k. Projected Full Year is also \$668k more than 2017/2018 Adopted Budget. This unfavourable variance is mostly due to Greater Shepparton Regional Sports Precinct including as additional \$502k for Boulevard Works, \$200k of which was rebudgeted from the 2016/2017 financial year as part of Q1 Forecast Review, as well as an additional \$229k for Main Pavilion and an additional \$294k to reflect awarded contract and additional security required during construction. These unfavourable variances are partially offset by the previously mentioned projects being rebudgeted into the 2018/2019 financial year.
- 10) Roads Projected Full Year is \$113k less than Adopted Forecast Q3 and \$1.48m less than 2017/2018 Adopted Budget. The favourable variance is mostly due to Balaclava Verney Dookie intersection works \$2.34m being rebudgeted into the 2018/2019 draft capital works program as part of the Q3 Forecast Review and \$263k of savings for Shepparton Alternate Route (Old Dookie Road). These favourable variances are partially offset by additional service relocation works at Verney Road \$813k, an additional \$350k for Safe System Road Infrastructure program, \$233k of which is rebudgeted into the 2018/2019 financial year, and an additional \$150k for asphalt surfacing at the Greater Shepparton Regional Sports Precinct.
- 11) Waste Management Projected Full Year is \$3.42m less than 2017/2018 Adopted Budget and \$335k less than YTD Adopted Forecast Q3. This favourable variance is due to Cosgrove 2 & 3 works being rebudgeted into future financial years.