

ATTACHMENT TO AGENDA ITEM

Ordinary Meeting

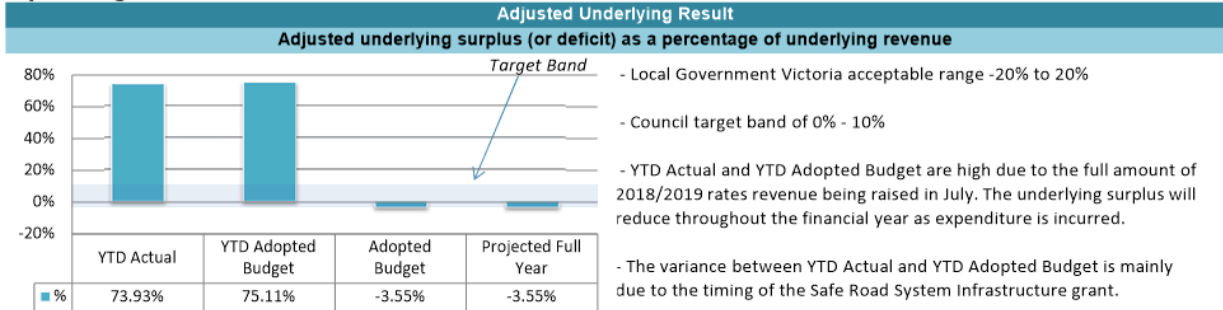
18 September 2018

Agenda Item 9.2 August 2018 Monthly Financial Report

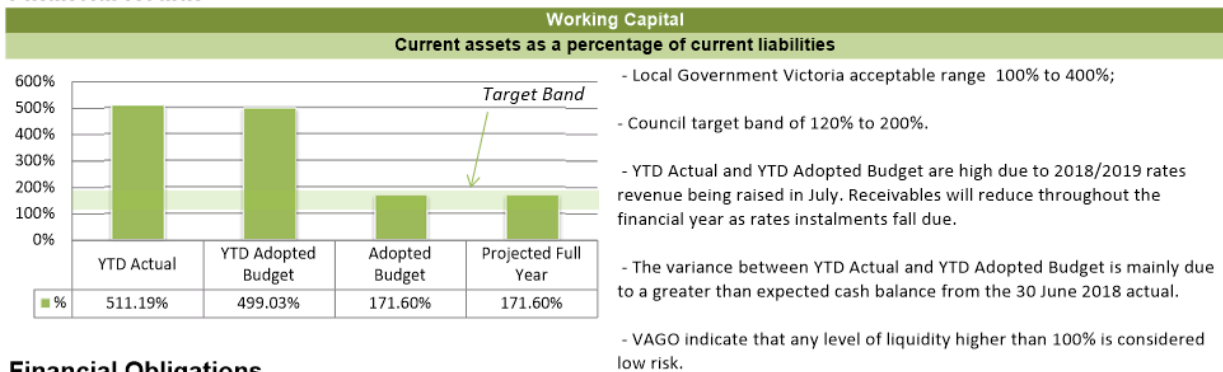
**Attachment 1 August 2018 - GSCC Council Report - Monthly Financial
Statements 171**

MONTHLY FINANCIAL REPORT AUGUST 2018

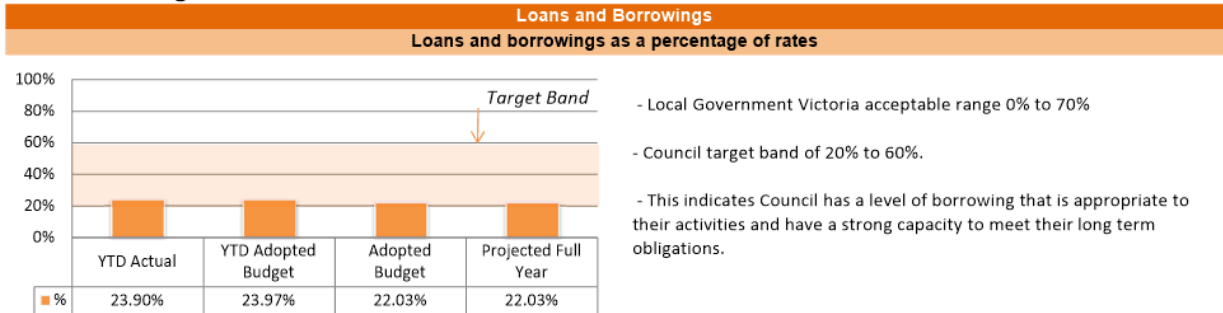
Operating Performance



Financial Health

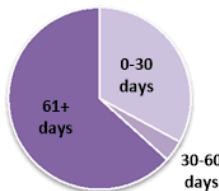


Financial Obligations



Other Financial Performance

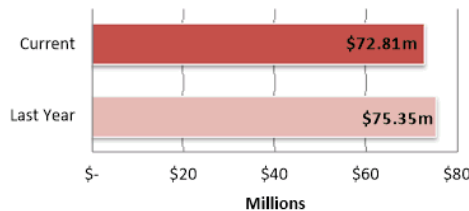
Sundry Debtors



0-30 days	30-60 days	61+ days
32.90%	3.80%	63.30%
\$ 616,365	\$ 72,036	\$ 1,186,351

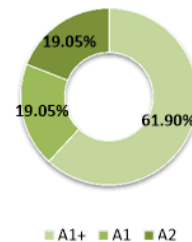
Rates Debtors

First instalment due 30 September 2018



Investments

\$42.0m with average 2.41%
\$226k interest income to date



Operating Performance
AUGUST 2018

Income	YTD Adopted Budget vs YTD Actual (Fav)/Unfav		Projected Full Year vs Adopted Budget (Fav)/Unfav	
Rates and Charges	Steady	(\$0.23m)	Steady	(\$0.05m)
Statutory Fees	Unfavourable	\$0.14m	Steady	(\$0m)
User Charges	Steady	\$0.01m	Steady	(\$0.45m)
Grants	Steady	(\$0.03m)	Steady	(\$0.4m)
Contributions	Favourable	(\$0.18m)	Steady	(\$0.11m)
Other Revenue	Steady	(\$0.1m)	Steady	(\$0.11m)
Total Income	Steady	(\$0.39m)	Steady	(\$1.11m)
Expense				
Employee Costs	Steady	\$0.51m	Steady	\$0.35m
Materials and Consumables	Steady	\$0.69m	Unfavourable	\$2.77m
Bad and Doubtful Debts	Steady	(\$0m)	Steady	\$0m
Depreciation and Amortisation	Steady	\$0.1m	Steady	\$0m
Borrowing Costs	Steady	\$0.01m	Steady	\$0m
Other Expenses	Steady	(\$0m)	Steady	\$0.03m
Total Expense	Steady	\$1.31m	Steady	\$3.15m

Notes:

1) Statutory Fees is \$143k less than YTD Adopted Budget. This unfavourable variance is mostly due to the timing of income for permit inspections, parking infringements and animal permits. Please see income statement for more detail.

2) Operating Contributions is \$182k more than YTD Adopted Budget. This favourable variance is mostly due to additional contributions for Verney Road Service re-locations, and the timing contributions for the Goulburn Broken Greenhouse Alliance. Please see income statement for more detail.

3) Materials and Consumables Projected Full Year is \$2.77m more than Adopted Budget. This unfavourable variance is mostly due to re-budgeted works on MacIsacc Road and Echuca Road intersection, Lifestyle Villages bridge and Midland Highway Intersection. Also impacted by additional Art Museum Donations and Shepparton Show Me expenditure. Please see Income Statement for more detail.

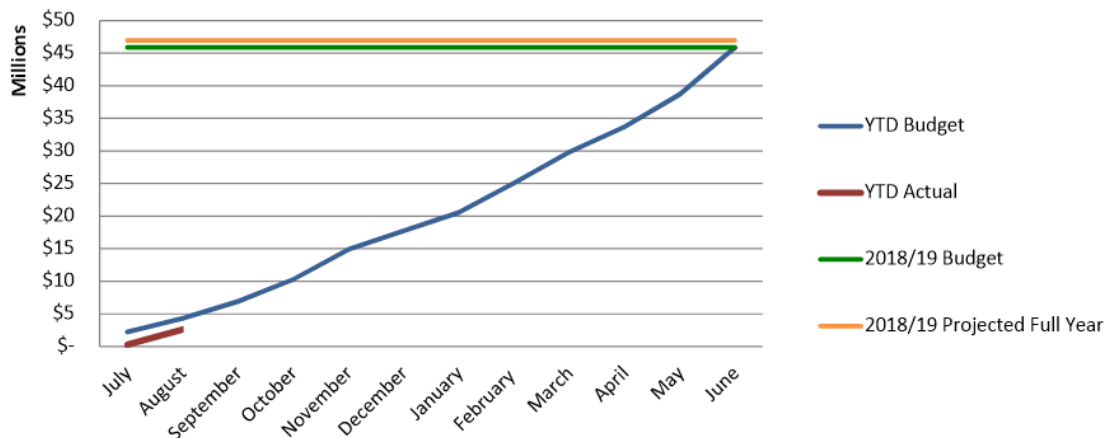
Capital Works Performance AUGUST 2018

ADOPTED BUDGET	YTD ACTUAL	PROJECTED FULL YEAR
\$46.36m	\$1.71m	\$47.22m

PROGRESS

- *5.54% of Adopted Budget spent
- *5.42% of current full year projection spent
- * Same time last year: \$2.54m of the 2017/2018 Adopted Budget had been spent

CAPITAL WORKS BUDGET VS. ACTUAL

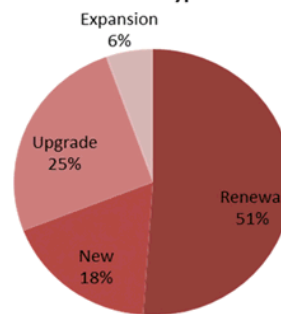


RENEWAL

Asset Renewal	
Asset renewal as a percentage of depreciation	
ADOPTED BUDGET	PROJECTED FULL YEAR
96.80%	98.81%

- 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 August 2018

	YEAR TO DATE			FULL YEAR			Notes
	2018/2019 YTD Adopted Budget	2018/2019 YTD Actual	YTD Adopted Budget Variance (Fav)/Unfav	2018/2019 Adopted Budget	2018/2019 Projected Full Year	Adopted Budget Variance (Fav)/Unfav	
	\$	\$	%	\$	\$	%	
Revenues from Operating Activities							
Rates and Charges	76,500,070	76,730,606	(0.3%)	77,426,385	77,474,660	(0.1%)	
Statutory Fees	475,172	331,835	30.2%	3,394,929	3,397,602	(0.1%)	1
User Charges	2,942,097	2,930,466	0.4%	18,748,202	19,194,211	(2.4%)	
Operating Grants	4,078,746	4,110,710	(0.8%)	17,602,271	18,001,114	(2.3%)	
Operating Contributions	135,487	317,689	(134.5%)	1,357,669	1,465,015	(7.9%)	2
Other	499,431	595,676	(19.3%)	1,992,131	2,099,530	(5.4%)	
Total Operating Revenue	84,631,003	85,016,982	(0.5%)	120,521,587	121,632,132	(0.9%)	
Expenses from Operating Activities							
Employee Costs	8,425,081	8,938,788	6.1%	49,543,187	49,889,242	0.7%	
Materials and Consumables	8,129,533	8,820,677	8.5%	49,745,854	52,517,086	5.6%	3
Bad & Doubtful Debts	10,140	7,155	(29.4%)	173,740	174,253	0.3%	
Depreciation and Amortisation	4,296,106	4,392,418	2.2%	23,602,979	23,602,979	0.0%	
Borrowing Costs	0	7,324	100.0%	1,002,000	1,002,000	0.0%	
Other Expenses	109,899	109,485	(0.4%)	587,091	614,291	4.6%	
Total Operating Expenses	20,970,759	22,275,847	6.2%	124,654,851	127,799,851	2.5%	
UNDERLYING OPERATING RESULT	63,660,244	62,741,136	1.4%	(4,133,264)	(6,167,719)	(49.2%)	
Non-operating Income and Expenditure							
Capital Grants	350,000	35,237	89.9%	8,700,370	8,735,577	(0.4%)	4
Capital Contributions	163,000	297,148	(82.3%)	911,000	886,506	2.7%	5
Contributed Assets	2,824,814	3,422,247	(21.1%)	13,842,129	13,842,129	0.0%	6
Proceeds from Sale of Assets	0	97,294	(100.0%)	390,000	390,000	0.0%	
Written Down Value of Asset Disposals	(89,886)	0	100.0%	(539,535)	(539,535)	0.0%	
Other Revenue	0	56,437	(100.0%)	0	237,437	(100.0%)	
Total Non Operating Items	3,247,928	3,908,363	(20.3%)	23,303,964	23,552,114	(1.1%)	
ACCOUNTING SURPLUS/(DEFICIT)	66,908,172	66,649,499	0.4%	19,170,700	17,384,395	9.3%	

Notes to the Income Statement for period ended August 2018

- 1) Statutory Fees is \$143k less than YTD Adopted Budget. This unfavourable variance is mostly due to the timing of income for statutory permit income \$60k, parking infringements \$43k and animal permits \$29k.
- 2) Operating Contributions is \$182k more than YTD Adopted Budget. This favourable variance is mostly due to additional contributions from Telsta for service relocation works on Verney Road \$91k. The favourable variance is also impacted by the timing of contributions for the Goulburn Broken Greenhouse Alliance \$74k.
- 3) Materials and Consumables Projected Full Year is \$1.93m more than Adopted Budget. This unfavourable variance is mostly due to increases in non-Council asset, non-recurrent work for Maclsacc Road and Echuca Road Intersection \$730k, Lifestyle Villages Bridge \$266k and Midland Highway Intersection \$265k re-budgeted from 2017/2018. The unfavourable variance is also impacted by additional Shepparton Show Me advertising expenditure, funded by prior year savings, and Art Museum Donations \$170k, offset by contributions received.
- 4) Capital Grants is \$315k less than YTD Adopted Budget. This unfavourable variance is mostly due to the timing of funding for Safe System Road Infrastructure program \$350k.
- 5) Capital Contributions is \$134k more than YTD Adopted Budget. This favourable variance is mostly due to additional developer contributions \$248k. This favourable variance is partially offset by a reduction in contributions for Kialla Lakes South connector road link project \$163k.
- 6) Contributed Assets is \$597k more than YTD Adopted Budget. This favourable variance is mostly due to the timing of gifted assets from developers including Grammar Park Gardens stages 2 to 4 and Northside estate stage 2.

Greater Shepparton City Council

Balance Sheet as at August 2018

	Total Actual June 2018 \$	Adopted Budget June 2019 \$	YTD Adopted Budget 2019 \$	YTD Actual 2019 \$	Total Actual June 2018 Variance (Fav)/Unfav %	Adopted Budget Variance (Fav)/Unfav %	Notes
Current Assets							
Cash and Cash Equivalent	23,809,492	18,057,669	10,542,607	14,099,565	40.8%	21.9%	
Receivables	7,913,730	6,692,000	89,427,228	82,283,102	(939.8%)	(1,129.6%)	
Other Financial Assets	31,500,000	13,600,000	35,000,000	35,000,000	(11.1%)	(157.4%)	
Inventories	120,198	74,000	145,298	206,793	(72.0%)	(179.4%)	
Assets Held for Resale	248,085	-	-	248,085	0.0%	(100.0%)	
Other Assets	1,405,419	1,050,000	188,437	285,703	79.7%	72.8%	
Total Current Assets	64,996,923	39,473,669	135,303,570	132,123,247	(103.3%)	(234.7%)	
Non Current Assets							
Investment in Associates	1,511,499	1,511,499	1,511,499	1,511,499	0.0%	0.0%	
Infrastructure	1,036,825,620	1,118,546,000	1,036,406,183	1,038,425,070	(0.2%)	7.2%	
Intangible Assets	-	848,000	-	-	0.0%	100.0%	1
Total Non Current Assets	1,038,337,119	1,120,905,499	1,037,917,682	1,039,936,569	(0.2%)	7.2%	
Total Assets	1,103,334,042	1,160,379,168	1,173,221,252	1,172,059,817	(6.2%)	(1.0%)	
Current Liabilities							
Trade & Other Payables	10,361,477	8,720,000	8,637,118	6,815,370	(34.2%)	(21.8%)	
Trust Funds	2,836,213	2,717,000	8,467,758	8,587,744	202.8%	216.1%	
Provisions	9,210,177	10,119,000	8,745,434	9,180,128	(0.3%)	(9.3%)	
Interest Bearing Liabilities	1,362,130	1,447,000	1,263,191	1,263,191	(7.3%)	(12.7%)	
Total Current Liabilities	23,769,997	23,003,000	27,113,501	25,846,433	8.7%	12.4%	
Non Current Liabilities							
Provisions	7,118,151	7,094,000	7,118,151	7,118,151	0.0%	0.3%	
Interest Bearing Liabilities	17,073,415	15,610,000	17,073,415	17,073,415	0.0%	9.4%	
Total Non Current Liabilities	24,191,565	22,704,000	24,191,566	24,191,565	0.0%	6.6%	
Total Liabilities	47,961,563	45,707,000	51,305,067	50,037,998	4.3%	9.5%	
Net Assets	1,055,372,479	1,114,672,168	1,121,916,185	1,122,021,818	93.5%	93.9%	
Represented By							
Accumulated Surplus	392,486,191	555,416,922	459,029,897	459,135,531	(17.0%)	17.3%	
Reserves	662,886,288	559,255,246	662,886,288	662,886,288	0.0%	(18.5%)	
Total Equity	1,055,372,479	1,114,672,168	1,121,916,185	1,122,021,818	93.5%	93.9%	

Notes to the Balance Sheet as at August 2018

1) Intangible assets is \$848k less than Adopted Budget. The land held in intangible assets was gifted back to Council resulting in a reduction in the intangible asset as part of the 2017/2018 end of financial year reports. The budget for this will be adjusted as part of the 2018/2019 Q1 Forecast Review.

Greater Shepparton City Council

Cash Flow Statement as at August 2018

	2018/2019 Adopted Budget \$	2018/2019 YTD Adopted Budget \$	2018/2019 YTD Actual \$	Adopted Budget Variance (Fav)/Unfav \$
Cash flows from operating activities				
Receipts from customers	101,251,809	4,926,559	12,307,435	(149.8%)
Payments to suppliers	(97,376,000)	(18,675,060)	(20,885,404)	11.8%
Net cash inflow(outflow) from customers(suppliers)	3,875,809	(13,748,501)	(8,577,969)	(37.6%)
Interest received	582,000	138,626	152,845	(10.3%)
Government receipts	26,371,000	4,428,746	4,145,947	6.4%
Contributions	2,269,000	331,489	647,839	(95.4%)
Net cash inflow(outflow) from operating activities	33,097,809	(8,849,640)	(3,631,337)	(59.0%)
Cash flows from investing activities				
Net movement in other financial assets	3,400,000	(3,500,000)	(3,500,000)	0.0%
Infrastructure, property, plant & equipment - proceeds	390,000	-	97,294	(100.0%)
Infrastructure, property, plant & equipment - payments	(46,356,000)	(818,307)	(2,569,622)	214.0%
Net cash inflow(outflow) from investing activities	(42,566,000)	(4,318,307)	(5,972,328)	(38.3%)
Cash flows from financing activities				
Finance Cost	(1,002,000)	-	(7,324)	100.0%
Proceeds from interest bearing loans and borrowings	-	-	-	0.0%
Repayment of interest-bearing loans and borrowings	(1,377,000)	(98,938)	(98,939)	0.0%
Net cash inflow(outflow) from financing activities	(2,379,000)	(98,938)	(106,262)	7.4%
Net increase(decrease) in cash and equivalents	(11,847,191)	(13,266,885)	(9,709,927)	(26.8%)
Cash and equivalents at the beginning of the year	29,904,860	23,809,492	23,809,492	(0.0%)
Cash and equivalents at the end of the year	18,057,669	10,542,607	14,099,565	(33.7%)

Greater Shepparton City Council
Capital Works Statement
 period ended August 2018

Capital Works Area	2018/2019	2018/2019	YTD	2018/2019	2018/2019	Adopted	Note
	YTD	YTD	Adopted				
	Adopted	Actual	Budget	Adopted Budget	Full Year	Variance	
	Budget		Variance			(Fav)/Unfav	
	\$	\$	(Fav)/Unfav	\$	\$	%	
			%				
Aerodrome	0	0	0%	399,000	411,500	3%	
Bridges	0	2,060	100%	450,000	450,000	0%	
Buildings	617,639	1,114,883	81%	9,929,300	10,009,092	1%	1
Computer & Telecommunications	53,116	44,931	(15%)	1,405,000	1,411,054	0%	
Drainage	6,000	220	(96%)	1,076,000	1,332,000	24%	2
Fixture Fittings and Furniture	30,540	783	(97%)	349,000	349,000	0%	
Footpaths & Cycleways	44,000	33,951	(23%)	1,641,380	1,641,380	0%	
Land	44,000	0	(100%)	649,000	649,000	0%	
Land Improvements	120,636	26,610	(78%)	1,205,980	1,205,980	0%	
Off Street Car Parks	0	0	0%	65,000	65,000	0%	
Parks, Open Space & Streetscape	113,500	14,898	(87%)	1,646,000	1,601,000	(3%)	
Plant Machinery & Equipment	0	0	0%	2,795,000	3,004,000	7%	
Recreational Leisure and Community Facilities	188,471	58,902	(69%)	1,624,439	1,703,769	5%	3
Roads	2,930,627	1,397,256	(52%)	16,219,194	16,332,194	1%	4
Waste Management	3,824	94,456	2370%	5,510,000	5,510,000	0%	
Other Infrastructure	0	0	0%	392,000	392,000	0%	
Project Management Office	148,160	144,317	(3%)	1,000,000	1,000,000	0%	
Total Capital Works	4,300,513	2,933,266	(32%)	46,356,293	47,066,969	2%	

Capital Works Area	2018/2019 YTD Adopted Budget	2018/2019 YTD Actual	YTD Adopted Budget Variance (Fav)/Unfav	2018/2019 Adopted Budget	2018/2019 Projected Full Year	Adopted Budget Variance (Fav)/Unfav	Note
	\$	\$	%	\$	\$	%	
Renewal	3,279,478	1,935,674	(41%)	22,846,980	23,321,272	2%	
Upgrade	93,908	42,690	(55%)	8,294,744	8,424,744	2%	
New	685,767	801,306	17%	11,679,569	11,785,953	1%	
Expansion	93,200	9,279	(90%)	2,535,000	2,535,000	0%	
Project Management Office	148,160	144,317	(3%)	1,000,000	1,000,000	0%	
Total Capital Works	4,300,513	2,933,266	(32%)	46,356,293	47,066,969	2%	

Notes to the Capital Works Statement for period ended August 2018

- 1) Buildings is \$497k more than YTD Adopted Budget. This unfavourable variance is mostly due to the timing of works at the new Shepparton Art Museum \$254k, Building renewals \$155k and stage 1 of the Maude st upgrade \$102k.
- 2) Drainage Projected Full Year is \$256k more than 2018/2019 Adopted Budget. This unfavourable variance is due to additional drainage works in Katandra West \$130k and as part of the Shepparton East Drainage Scheme \$126k. This additional expenditure will go to Council for approval as part of the 2018/2019 Q1 Forecast Review in early October.
- 3) Recreational Leisure and Community Facilities is \$130k less than YTD Adopted Budget. This favourable variance is mostly due to changes to delivery timeframes for playground installations as part of the Victoria Park Lake Master Plan \$71k and delays for the BMX start hill and track upgrade due to wet weather \$62k.
- 4) Roads is \$1.53m less than YTD Adopted Budget. This favourable variance is mostly due to the timing of invoice payments for gravel resheeting works.