

ATTACHMENT TO AGENDA ITEM

Ordinary Meeting

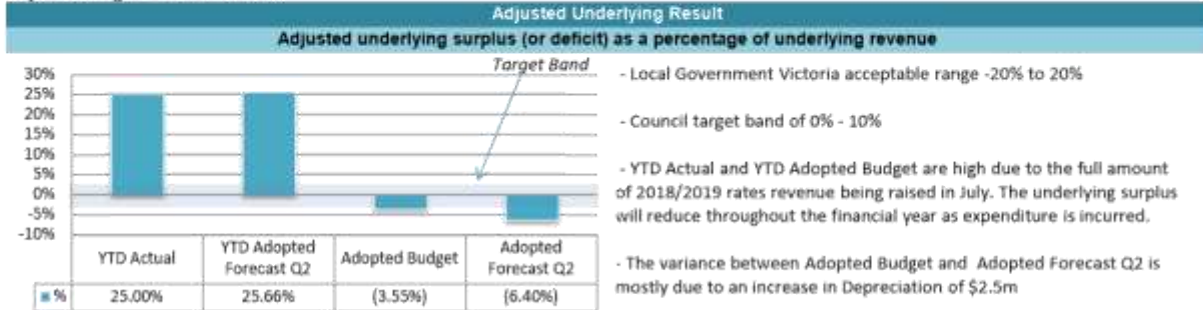
19 March 2019

Agenda Item 8.3 February 2019 Monthly Financial Report

Attachment 1 February 2019 - Monthly Financial Statements 211

MONTHLY FINANCIAL REPORT FEBRUARY 2019

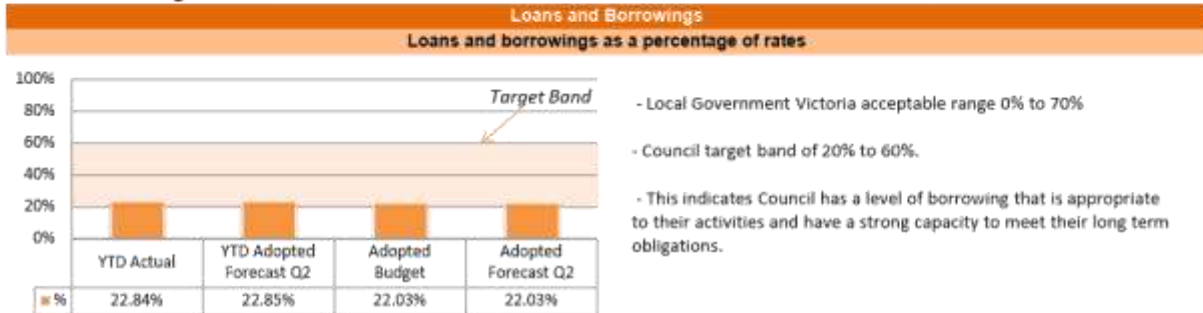
Operating Performance



Financial Health

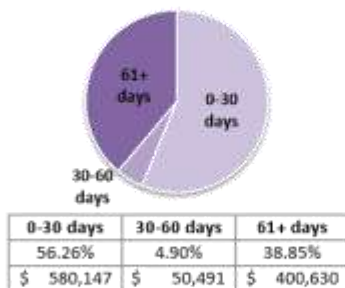


Financial Obligations



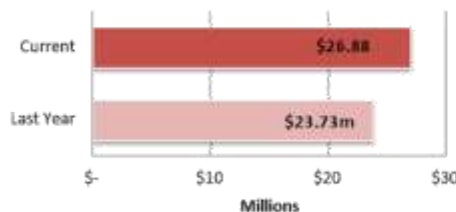
Other Financial Performance

Sundry Debtors



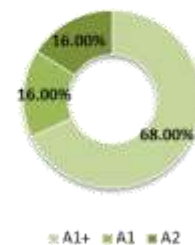
Rates Debtors

Third instalment due 28 February 2019



Investments

\$50m with average 2.49%
\$828k interest income to date



Operating Performance
FEBRUARY 2019

Income	YTD Adopted Forecast Q2 vs YTD Actual (Fav)/Unfav		Projected Full Year vs Adopted Forecast Q2 (Fav)/Unfav	
Rates and Charges	Steady	(\$0.04m)	Steady	(\$0.01m)
Statutory Fees	Steady	\$0m	Unfavourable	\$0.34m
User Charges	Steady	(\$0.13m)	Steady	(\$0.04m)
Grants	Favourable	(\$0.16m)	Steady	(\$0.06m)
Contributions	Steady	(\$0.03m)	Steady	\$0m
Other Revenue	Steady	(\$0.1m)	Steady	(\$0.03m)
Total Income	Steady	(\$0.46m)	Steady	\$0.22m
Expense				
Employee Costs	Steady	\$0.35m	Steady	\$0.09m
Materials and Consumables	Steady	\$0.69m	Favourable	(\$2.31m)
Bad and Doubtful Debts	Steady	\$0m	Steady	(\$0m)
Depreciation and Amortisation	Steady	(\$0m)	Steady	\$0m
Borrowing Costs	Steady	(\$0m)	Steady	\$0m
Other Expenses	Steady	\$0m	Steady	\$0.08m
Total Expense	Steady	\$1.04m	Steady	(\$2.14m)

Notes:

1) Statutory Fees Projected Full Year \$340k less than Adopted Forecast Q2. This unfavourable variance is mostly due to a lower number of Parking Infringements, Planning Permits and DPCD Statutory Fees. Please see income statement for more detail.

2) Operating Grants are \$159k greater than YTD Adopted Forecast Q2. This favourable variance is mostly due to additional State Government funding for the transition to centralised annual valuations, as well as additional funding for the affordable housing policy \$40k and aged home maintenance. Please see income statement for more detail.

3) Materials and Services is \$2.31m less than Adopted Forecast Q2. This favourable variance is mostly due to various savings found across the organisation. Please see income statement for more detail.

Capital Works Performance FEBRUARY 2019

ADOPTED BUDGET	ADOPTED FORECAST Q2	PROJECTED FULL YEAR	YTD ACTUAL
\$46.36m	\$52.6m	\$49.59m	\$15.51m

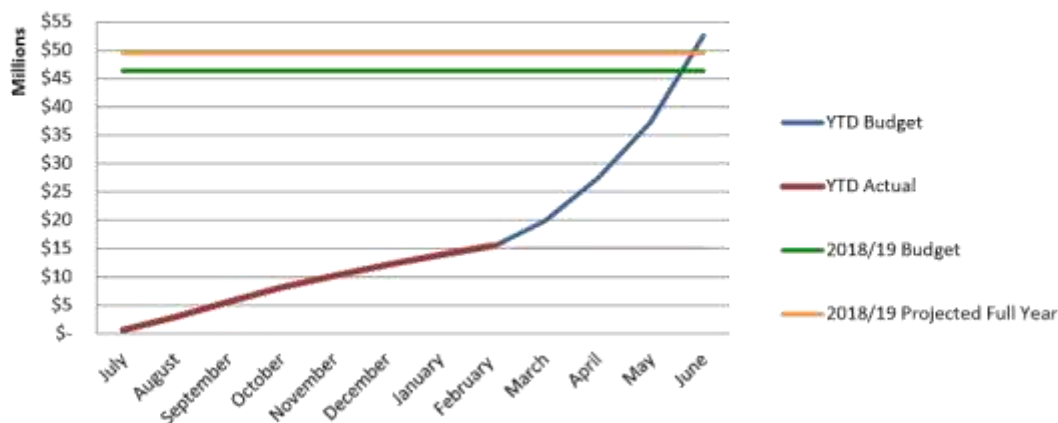
PROGRESS

*33.45% of Adopted Budget spent

*31.27% of current full year projection spent

* Same time last year: \$17.68m (46.17%) of the 2017/2018 Adopted Budget had been spent

CAPITAL WORKS BUDGET VS. ACTUAL

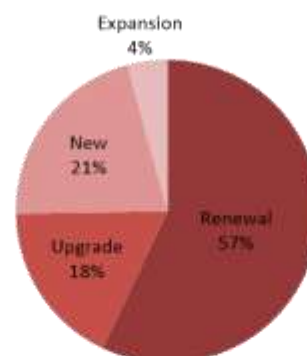


RENEWAL

Asset Renewal	
Asset renewal as a percentage of depreciation	
ADOPTED BUDGET	PROJECTED FULL YEAR
96.80%	106.19%

- 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.
- The variance between Adopted Budget and Projected Full Year is mostly due to the timing of renewal works at Cosgrove Landfill

% Split of Projected Full Year by Capital Works Type



Greater Shepparton City Council
Income Statement
for period ended February 2019

	YEAR TO DATE					FULL YEAR					Notes
	2018/2019 YTD Adopted Budget	2018/2019 YTD Adopted Forecast Q2	2018/2019 YTD Actual	YTD Adopted Budget Variance (Fav)/Unfav	YTD Adopted Forecast Q2 Variance (Fav)/Unfav	2018/2019 Adopted Budget	2018/2019 Adopted Forecast Q2	2018/2019 Projected Full Year	Adopted Budget Variance (Fav)/Unfav	Adopted Forecast Q2 Variance (Fav)/Unfav	
	\$	\$	\$	%	%	\$	\$	\$	%	%	
Revenues from Operating Activities											
Rates and Charges	77,220,570	77,302,436	77,344,221	(0.2%)	(0.1%)	77,426,385	77,463,622	77,468,622	(0.1%)	(0.0%)	
Statutory Fees	2,129,308	1,516,324	1,513,845	28.9%	0.2%	3,394,929	3,249,785	2,909,447	14.3%	10.5%	1
User Charges	12,576,365	12,167,968	12,294,103	2.2%	(1.0%)	18,748,202	18,962,914	18,999,138	(1.3%)	(0.2%)	
Operating Grants	12,442,826	12,796,742	12,956,120	(4.1%)	(1.2%)	17,602,271	18,452,093	18,509,620	(5.2%)	(0.3%)	2
Operating Contributions	833,647	1,264,252	1,291,697	(54.9%)	(2.2%)	1,357,669	1,723,089	1,719,379	(26.6%)	0.2%	3
Other	1,427,089	1,527,823	1,632,326	(14.4%)	(6.8%)	1,992,131	2,412,461	2,440,028	(22.5%)	(1.1%)	4
Total Operating Revenue	106,629,805	106,575,545	107,032,312	(0.4%)	(0.4%)	120,521,587	122,263,964	122,046,234	(1.3%)	0.2%	
Expenses from Operating Activities											
Employee Costs	32,600,132	32,543,468	32,897,055	0.9%	1.1%	49,543,187	49,579,194	49,668,169	0.3%	0.2%	
Materials and Consumables	33,126,980	28,611,769	29,297,380	(11.6%)	2.4%	49,745,854	52,602,917	50,292,482	1.1%	(4.4%)	5
Bad & Doubtful Debts	39,078	12,924	13,335	(65.9%)	3.2%	173,740	178,852	178,307	2.6%	(0.3%)	
Depreciation and Amortisation	17,084,709	17,129,759	17,129,688	0.3%	(0.0%)	23,602,979	26,101,548	26,101,548	10.6%	0.0%	6
Borrowing Costs	500,000	503,389	503,389	0.7%	(0.0%)	1,002,000	1,002,000	1,002,000	0.0%	0.0%	
Other Expenses	388,022	469,651	472,419	21.8%	0.6%	587,091	619,091	698,906	19.0%	12.9%	
Total Operating Expenses	83,738,921	79,270,960	80,313,266	(4.1%)	1.3%	124,654,851	130,083,602	127,941,412	2.6%	(1.6%)	
UNDERLYING OPERATING RESULT	22,890,884	27,304,585	26,719,046	(16.7%)	2.1%	(4,133,264)	(7,819,638)	(5,895,178)	(42.6%)	24.6%	
Non-operating Income and Expenditure											
Capital Grants	2,370,000	1,204,215	1,321,708	44.2%	(9.8%)	8,700,370	8,264,930	8,291,568	4.7%	(0.3%)	
Capital Contributions	412,000	1,702,326	1,702,327	(313.2%)	(0.0%)	911,000	2,447,743	2,466,932	(170.8%)	(0.8%)	7
Contributed Assets	8,498,872	6,101,719	6,101,719	28.2%	0.0%	13,842,129	13,842,129	13,030,970	5.9%	5.9%	
Proceeds from Sale of Assets	110,000	142,608	142,608	(29.6%)	(0.0%)	390,000	390,000	390,000	0.0%	0.0%	
Written Down Value of Asset Disposals	(359,544)	(199,394)	(199,394)	44.5%	(0.0%)	(539,535)	(539,535)	(539,535)	0.0%	0.0%	
Other Revenue	0	133,030	133,030	(100.0%)	0.0%	0	133,030	133,030	(100.0%)	0.0%	
Total Non Operating Items	11,031,328	9,084,504	9,201,998	16.6%	(1.3%)	23,303,964	24,538,297	23,772,965	(2.0%)	3.1%	
ACCOUNTING SURPLUS/(DEFICIT)	33,922,212	36,389,089	35,921,044	(5.9%)	1.3%	19,170,700	16,718,659	17,877,787	6.7%	(6.9%)	

Notes to the Income Statement for period ended February 2019

- 1) Statutory Fees Projected Full Year \$340k less than Adopted Forecast Q2. This unfavourable variance is mostly due to a lower number of Parking Infringements \$204k, Planning Permits \$50k and DPCD Statutory Fees \$48k.
- 2) Operating Grants are \$159k greater than YTD Adopted Forecast Q2. This favourable variance is mostly due to additional State Government funding for the transition to centralised annual valuations \$46k, as well as additional funding for the affordable housing policy \$40k and aged home maintenance \$39k.
- 3) Operating contributions Projected Full Year is \$362k more than 2018/2019 Adopted Budget. This favourable variance is mostly due to additional Natural Disaster financial assistance from the Department of Treasury and Finance \$133k, additional developer contributions for civil works and trees in new estates \$124k, and additional contributions towards building insurance from Council's leasees \$46k and Recreational Land Fund \$40k.
- 4) Other Revenue Projected Full Year is \$448k more than 2018/2019 Adopted Budget. This favourable variance is mostly due to additional interest income from high levels of investment \$650k, additional fuel rebates \$384k, additional royalties for Cosgrove Landfill \$90k.
- 5) Materials and Services is \$2.31m less than Adopted Forecast Q2. This favourable variance is mostly due to various savings found across the organisation including Works and Waste \$1.01m, Environmental operations \$255k, Projects department \$252k and early childhood education \$225k.
- 6) Depreciation Projected Full Year is \$2.49k more than 2018/2019 Adopted Budget. This unfavourable variance is due to asset revaluations which resulted in an increase in asset values.
- 7) Capital Contributions Projected Full Year is \$1.55m more than 2018/2019 Adopted Budget. This favourable variance is mostly due to additional funding from Vic Roads as part of the Fixing Country Roads program for bridge renewals \$930k. Also impacted by additional developer contributions \$290k for Northside Estate, Seven Creeks Estate, Kialla Green Estate and Windsor Park.

Greater Shepparton City Council

Balance Sheet
as at February 2019

	Total Actual June 2018	Adopted Budget June 2019	Adopted Forecast Q2 June 2019	YTD Adopted Budget 2019	YTD Adopted Forecast Q2 2019	YTD Actual 2019	Total Actual June 2018 Variance (Fav)/Unfav %	Adopted Forecast Q2 Variance (Fav)/Unfav %	Notes
	\$	\$	\$	\$	\$	\$			
Current Assets									
Cash and Cash Equivalent	23,809,567	18,057,669	17,262,525	21,339,902	36,527,410	20,004,297	16.0%	(15.9%)	
Receivables	7,943,794	6,692,000	8,975,559	27,090,151	14,594,951	30,904,718	(289.0%)	(244.3%)	
Other Financial Assets	31,500,000	13,600,000	13,600,000	45,000,000	43,000,000	43,000,000	(36.5%)	(216.2%)	
Inventories	120,198	74,000	120,198	158,941	288,530	288,530	(140.0%)	(140.0%)	
Assets Held for Resale	248,085	-	248,085	-	248,085	248,085	0.0%	0.0%	
Other Assets	1,375,355	1,050,000	1,375,354	236,380	269,647	355,367	74.2%	74.2%	
Total Current Assets	64,996,998	39,473,669	41,581,721	93,825,374	94,928,623	94,800,996	(45.9%)	(134.8%)	
Non Current Assets									
Investment in Associates	1,457,302	1,511,499	1,457,302	1,511,499	1,457,302	1,457,302	0.0%	0.0%	
Infrastructure	1,036,461,256	1,118,546,000	1,076,259,742	1,044,687,436	1,040,426,148	1,040,665,379	(0.4%)	3.3%	
Intangible Assets	-	848,000	-	-	-	-	0.0%	0.0%	1
Total Non Current Assets	1,037,918,558	1,120,905,499	1,077,717,044	1,046,198,935	1,041,883,450	1,042,122,681	(0.4%)	3.3%	
Total Assets	1,102,915,556	1,160,379,168	1,119,298,765	1,140,024,309	1,136,812,073	1,136,923,677	(3.1%)	(1.6%)	
Current Liabilities									
Trade & Other Payables	9,997,114	8,720,000	11,041,320	11,632,850	5,779,614	6,362,613	(36.4%)	(42.4%)	
Trust Funds	2,836,213	2,717,000	2,836,213	5,894,981	5,414,464	5,414,464	90.9%	90.9%	
Provisions	9,220,504	10,119,000	9,220,506	8,785,574	9,120,471	9,117,122	(1.1%)	(1.1%)	
Interest Bearing Liabilities	1,362,130	1,447,000	1,362,130	825,242	589,750	589,750	(56.7%)	(56.7%)	
Total Current Liabilities	23,415,961	23,003,000	24,460,169	27,138,647	20,904,299	21,483,948	(8.3%)	(12.2%)	
Non Current Liabilities									
Provisions	7,107,824	7,094,000	7,107,824	7,118,151	7,107,824	7,107,824	0.0%	(0.0%)	
Interest Bearing Liabilities	17,073,415	15,610,000	15,706,200	16,837,286	17,073,415	17,073,415	0.0%	8.7%	
Total Non Current Liabilities	24,181,238	22,704,000	22,814,024	23,955,437	24,181,239	24,181,238	0.0%	6.0%	
Total Liabilities	47,597,199	45,707,000	47,274,193	51,094,084	45,085,538	45,665,186	(4.1%)	(3.4%)	
Net Assets	1,055,318,357	1,114,672,168	1,072,024,572	1,088,930,225	1,091,726,535	1,091,258,491	96.5%	(1.8%)	
Represented By									
Accumulated Surplus	392,432,069	555,416,922	409,138,284	426,043,937	428,840,247	428,372,203	(9.2%)	(4.7%)	
Reserves	662,886,288	559,255,246	662,886,288	662,886,288	662,886,288	662,886,288	0.0%	0.0%	
Total Equity	1,055,318,357	1,114,672,168	1,072,024,572	1,088,930,225	1,091,726,535	1,091,258,491	96.5%	(1.8%)	

Notes to the Balance Sheet as at February 2019

1) Intangible assets is \$848k less than 2018/2019 Adopted Budget. Land controlled by Places Victoria, creating an intangible assets for the right to receive income, was gifted back to Council resulting in a write off of intangible assets as part of the 2017/2018 end of financial year reports. The budget for this was adjusted as part of the 2018/2019 Q1 Forecast Review.

Greater Shepparton City Council

Cash Flow Statement

as at February 2019

	2018/2019 Adopted Budget \$	2018/2019 Adopted Forecast Q2 \$	2018/2019 YTD Adopted Budget \$	2018/2019 YTD Adopted Forecast Q2 \$	2018/2019 YTD Actual \$	Adopted Budget Variance (Fav)/Unfav \$	Adopted Forecast Q2 Variance (Fav)/Unfav \$
Cash flows from operating activities							
Receipts from customers	101,251,809	100,991,812	77,178,732	88,152,433	72,026,843	6.68%	18.29%
Payments to suppliers	(97,376,000)	(102,980,054)	(64,548,897)	(65,307,122)	(65,769,849)	1.89%	0.71%
Net cash inflow(outflow) from customers(suppliers)	3,875,809	(1,988,242)	12,629,835	22,845,311	6,256,994	(50.46%)	(72.61%)
Interest received	582,000	1,230,000	355,830	657,794	657,841	(84.88%)	(0.01%)
Government receipts	26,371,000	26,717,023	14,812,826	14,000,957	14,277,828	3.61%	(1.98%)
Contributions	2,269,000	4,170,832	1,318,336	3,039,267	3,066,714	(132.62%)	(0.90%)
Net cash inflow(outflow) from operating activities	33,097,809	30,129,613	29,116,827	40,543,329	24,259,376	(16.68%)	(40.16%)
Cash flows from investing activities							
Net movement in other financial assets	3,400,000	17,900,000	(13,500,000)	(11,500,000)	(11,500,000)	14.81%	164.25%
Infrastructure, property, plant & equipment - proceeds	390,000	390,000	110,000	142,608	142,608	(29.64%)	(0.00%)
Infrastructure, property, plant & equipment - payments	(46,356,000)	(52,597,440)	(16,923,476)	(15,192,326)	(15,431,486)	(8.82%)	1.57%
Net cash inflow(outflow) from investing activities	(42,566,000)	(34,307,440)	(30,313,476)	(26,549,718)	(26,788,878)	11.63%	(0.90%)
Cash flows from financing activities							
Finance Cost	(1,002,000)	(1,002,000)	(500,000)	(503,389)	(503,389)	0.68%	(0.00%)
Repayment of interest-bearing loans and borrowings	(1,377,000)	(1,367,215)	(773,016)	(772,379)	(772,380)	(0.08%)	0.00%
Net cash inflow(outflow) from financing activities	(2,379,000)	(2,369,215)	(1,273,016)	(1,275,768)	(1,275,769)	0.22%	0.00%
Net increase(decrease) in cash and equivalents	(11,847,191)	(6,547,042)	(2,469,665)	12,717,843	(3,805,270)	54.08%	(129.92%)
Cash and equivalents at the beginning of the year	29,904,860	23,809,567	23,809,567	23,809,567	23,809,567	(0.00%)	(0.00%)
Cash and equivalents at the end of the year	18,057,669	17,262,525	21,339,902	36,527,410	20,004,297	6.26%	45.23%

Greater Shepparton City Council
Capital Works Statement
 period ended February 2019

Capital Works Area	2018/2019 YTD Adopted Budget	2018/2019 YTD Adopted Forecast Q2	2018/2019 YTD Actual	YTD Adopted Budget Variance (Fav)/Unfav %	YTD Adopted Forecast Q2 Variance (Fav)/Unfav %	2018/2019 Adopted Budget	2018/2019 YTD Adopted Forecast Q2	2018/2019 Projected Full Year	Adopted Budget Variance (Fav)/Unfav %	Adopted Forecast Q2 Variance (Fav)/Unfav %	Note
	\$	\$	\$	%	%	\$	\$	\$	%	%	
Aerodrome	399,000	12,500	12,500	(97%)	0%	399,000	411,500	411,500	3%	0%	
Bridges	450,000	11,398	11,398	(97%)	0%	450,000	1,360,000	1,360,000	202%	0%	1
Buildings	2,677,904	1,945,198	1,950,245	(27%)	0%	9,929,300	10,100,002	8,100,002	(18%)	(20%)	2
Computer & Telecommunications	1,235,000	126,773	129,368	(90%)	2%	1,405,000	1,640,241	1,252,241	(11%)	(24%)	3
Drainage	670,000	110,908	110,908	(83%)	0%	1,076,000	1,197,000	1,237,528	15%	3%	
Fixture Fittings and Furniture	285,000	246,961	251,708	(12%)	2%	349,000	361,763	363,387	4%	0%	
Footpaths & Cycleways	446,880	229,755	229,821	(49%)	0%	1,641,380	1,656,355	1,171,421	(29%)	(29%)	4
Land	44,000	0	4,009	(91%)	100%	649,000	605,000	550,000	(15%)	(9%)	
Land Improvements	1,135,980	690,902	719,910	(37%)	4%	1,205,980	878,980	975,938	(19%)	11%	5
Off Street Car Parks	0	14,145	14,145	100%	0%	65,000	65,000	65,000	0%	0%	
Parks, Open Space & Streetscape	965,700	264,564	264,563	(73%)	(0%)	1,646,000	1,602,498	1,601,842	(3%)	(0%)	
Plant Machinery & Equipment	2,065,000	1,212,057	1,216,320	(41%)	0%	2,795,000	2,945,993	2,945,993	5%	0%	
Recreational Leisure and Community Facilities	1,415,530	762,419	772,259	(45%)	1%	1,624,439	2,373,223	2,400,596	48%	1%	6
Roads	10,788,769	7,328,887	7,387,029	(32%)	1%	16,219,194	16,489,601	16,134,373	(1%)	(2%)	7
Waste Management	1,900,000	1,536,419	1,596,914	(16%)	4%	5,510,000	9,518,284	9,625,265	75%	1%	8
Other Infrastructure	392,000	156,853	217,801	(44%)	39%	392,000	392,000	392,000	0%	0%	
Project Management Office	659,264	619,181	619,182	(6%)	0%	1,000,000	1,000,000	1,000,000	0%	0%	
Total Capital Works	25,530,027	15,268,920	15,508,079	(39%)	2%	46,356,293	52,597,440	49,587,086	7%	(6%)	

Capital Works Area	2018/2019 YTD Adopted Budget	2018/2019 YTD Adopted Forecast Q2	2018/2019 YTD Actual	YTD Adopted Budget Variance (Fav)/Unfav %	YTD Adopted Forecast Q2 Variance (Fav)/Unfav %	2018/2019 Adopted Budget	2018/2019 YTD Adopted Forecast Q2	2018/2019 Projected Full Year	Adopted Budget Variance (Fav)/Unfav %	Adopted Forecast Q2 Variance (Fav)/Unfav %	Note
	\$	\$	\$	%	%	\$	\$	\$	%	%	
Renewal	16,086,740	11,862,671	11,972,088	(26%)	1%	22,846,980	28,079,819	27,716,129	21%	(1%)	
Upgrade	3,454,950	504,611	505,265	(85%)	0%	8,294,744	8,614,557	8,600,766	4%	(0%)	
New	4,163,873	2,125,614	2,250,775	(46%)	6%	11,679,569	12,295,064	10,187,191	(13%)	(17%)	
Expansion	1,165,200	156,843	160,769	(86%)	3%	2,535,000	2,608,000	2,083,000	(18%)	(20%)	
Project Management Office	659,264	619,181	619,182	(6%)	0%	1,000,000	1,000,000	1,000,000	0%	0%	
Total Capital Works	25,530,027	15,268,920	15,508,079	(39%)	2%	46,356,293	52,597,440	49,587,086	7%	(6%)	

Notes to the Capital Works Statement for period ended February 2019

- 1) Bridges Projects Full Year is \$910k more than 2018/2019 Adopted Budget. This unfavourable variance is due to additional planning and design expenditure for Toolamba, Watt Road and Burkes Road bridges. This additional expense is offset by additional monetary contributions from Vic Roads as part of the Fixing Country Roads program.
- 2) Buildings Projected Full Year is \$2m less than Adopted Forecast Q2 and \$1.83m less than 2018/2019 Adopted Budget. These favourable variances are due to the rebudget of works for the New SAM building into future financial years.
- 3) Computer and Telecommunications Projected Full Year is \$463k less than Adopted Forecast Q2 and \$485k less than 2018/2019 Adopted Budget. These favourable variances are due to works on the Primary Compute & Storage Refresh \$250k and Public Wifi Projects \$150k being rebudgeted into future financial years.
- 4) Footpaths and Cycleways Projected Full Year is \$485k less than Adopted Forecast Q2. This favourable variance is mostly due to the rebudget of the Dookie Rail Trail Stage 2 \$515k into future financial years.
- 5) Land Improvements Project Full Year is \$230k greater than 2018/2019 Adopted Budget. This favourable variance is mostly due a reduction in the scope of the trade waste treatment project at the Saleyards due to revised Goulburn Valley Water requirements \$290k. The favourable variance is also due to the deferral of Children Services garden renewals until future financial years to allow for the development of a renewal program \$50k.
- 6) Recreational Leisure and Community Facilities Projected Full Year is \$776k more than 2018/2019 Adopted Budget. This unfavourable variance is mostly due to new capital works including Central Park netball court upgrade \$315k which is offset by additional grant funding. Also impacted by additional works associated with Federal funding at the Greater Shepparton Regional Sports Precinct \$308k and additional playground works at Kinchenga Park \$75k.
- 7) Roads Projected Full Year is \$355k less than Adopted Forecast Q2. This favourable variance is mostly due to lower than expected costs on Nixon Street Bus Interchange \$146k, McEwen Road \$86k and Mooroopna West Growth Corridor North South Road Work \$80k.
- 8) Waste Management Project Full Year is \$107k greater than Adopted Forecast Q2. This unfavourable variance is due to progress payment claims on Cosgrove 3 Cell 1 Construction \$156k.