

ATTACHMENT TO AGENDA ITEM

Ordinary Meeting

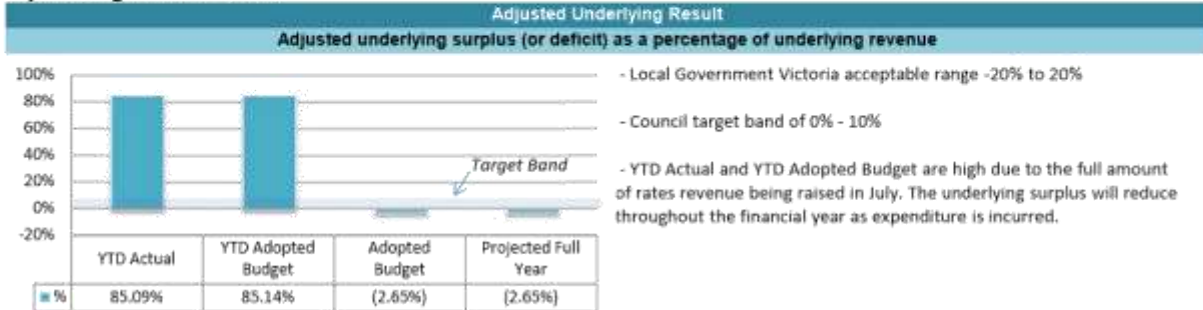
20 August 2019

Agenda Item 8.2 July 2019 Monthly Financial Report

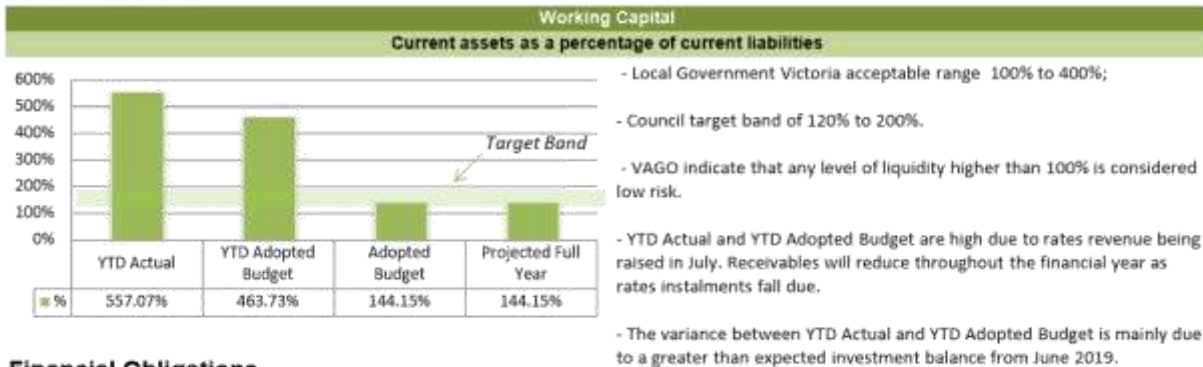
Attachment 1 July 2019 Monthly Financial Report..... 32

MONTHLY FINANCIAL REPORT JULY 2019

Operating Performance



Financial Health

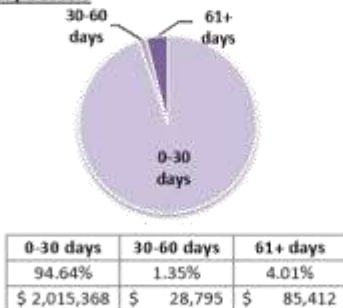


Financial Obligations



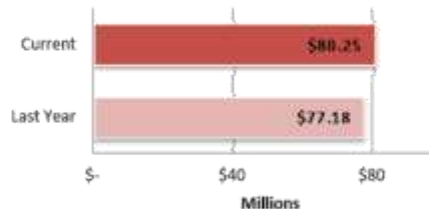
Other Financial Performance

Sundry Debtors



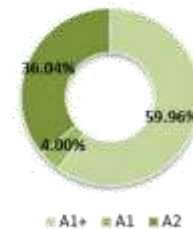
Rates Debtors

First instalment due 30 September 2019



Investments

\$50.2m with average 2.13%
\$212k interest income to date



Operating Performance
JULY 2019

Income	YTD Adopted Budget vs YTD Actual (Fav)/Unfav		Adopted Budget vs Projected Full Year (Fav)/Unfav	
Rates and Charges	Steady	(\$0m)	Steady	(\$0.01m)
Statutory Fees	Steady	\$0.04m	Steady	\$0m
User Charges	Steady	\$0.21m	Steady	\$0.05m
Grants	Steady	(\$0.01m)	Steady	(\$0.11m)
Contributions	Steady	(\$0.01m)	Steady	(\$0.06m)
Other Revenue	Steady	(\$0.12m)	Steady	(\$0.06m)
Total Income	Steady	\$0.1m	Steady	(\$0.19m)
Expense				
Employee Costs	Steady	\$0.01m	Unfavourable	\$0.24m
Materials and Services	Steady	\$0.08m	Unfavourable	\$1.38m
Bad and Doubtful Debts	Steady	(\$0m)	Steady	\$0m
Depreciation and Amortisation	Steady	(\$0.05m)	Steady	\$0m
Borrowing Costs	Steady	\$0m	Steady	\$0.01m
Other Expenses	Steady	\$0m	Steady	(\$0.03m)
Total Expense	Steady	\$0.04m	Steady	\$1.61m

Notes:

1) Employee Costs Projected Full Year is \$240k greater than Adopted Budget. This unfavourable variance is predominantly due to offsetting expenditure as a result of receipt of grants and unbudgeted expenditure relating to Pine Lodge Cemetery \$75k. Please see the Income Statement for further information.

2) Materials and Services Projected Full Year is \$1.38m greater than Adopted Budget. This unfavourable variance is due to increased expenditure related to Strategic Transport Impact Assessments \$134k, Storm Damage June 2019 \$120k, Victoria Lake Caravan Park Demolition Works \$111k, Art Museum Aboriginal Engagement Project \$110k (offset by Creative Victoria Grant \$100k), Shepparton Winter Fun Zone \$100k, Property Insurance \$75k, Lifestyle Villages Bridge \$70k, Public Liability Insurance \$57k, Fruit Fly Regional Grants Program \$57k (offset by grant received in prior year) and Art Museum Donations \$50k.

Capital Works Performance JULY 2019

ADOPTED BUDGET	PROJECTED FULL YEAR	YTD ACTUAL
\$73.68m	\$74.51m	\$0.61m

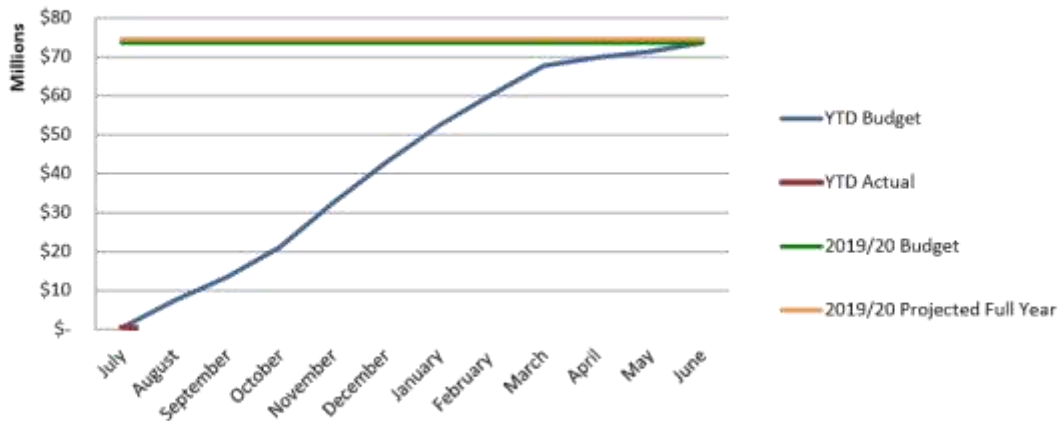
PROGRESS

*0.83% of Adopted Budget spent

*0.82% of current full year projection spent

* Same time last year: \$0.63m (1.36%) of the 2018/2019 Adopted Budget had been spent

CAPITAL WORKS BUDGET VS. ACTUAL

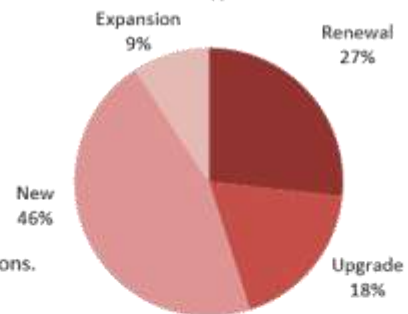


RENEWAL

Asset Renewal	
Asset renewal as a percentage of depreciation	
ADOPTED BUDGET	PROJECTED FULL YEAR
69.10%	70.95%

- 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 July 2019

	YEAR TO DATE			FULL YEAR			Notes
	2019/2020 YTD Adopted Budget	2019/2020 YTD Actual	YTD Adopted Budget Variance (Fav)/Unfav %	2019/2020 Adopted Budget	2019/2020 Projected Full Year	Adopted Budget Variance (Fav)/Unfav %	
	\$	\$	%	\$	\$	%	
Revenues from Operating Activities							
Rates and Charges	79,913,465	79,915,487	(0.0%)	80,636,028	80,646,028	(0.0%)	
Statutory Fees	244,273	201,640	17.5%	3,199,854	3,199,854	0.0%	1
User Charges	1,514,786	1,308,992	13.6%	18,469,475	18,423,760	0.2%	2
Operating Grants	1,664,256	1,678,301	(0.8%)	17,387,999	17,497,395	(0.6%)	3
Operating Contributions	103,067	116,232	(12.8%)	1,049,456	1,105,456	(5.3%)	
Other	199,321	315,483	(58.3%)	2,068,674	2,132,129	(3.1%)	4
Total Operating Revenue	83,639,168	83,536,134	0.1%	122,811,486	123,004,622	(0.2%)	
Expenses from Operating Activities							
Employee Costs	5,154,602	5,161,645	0.1%	50,497,519	50,740,995	0.5%	5
Materials and Services	4,943,276	5,022,160	1.6%	47,020,330	48,402,635	2.9%	6
Bad & Doubtful Debts	500	0	(100.0%)	216,000	216,000	0.0%	
Depreciation and Amortisation	2,287,121	2,241,158	(2.0%)	28,504,863	28,504,863	0.0%	
Borrowing Costs	7,000	7,520	7.4%	995,000	1,007,000	1.2%	
Other Expenses	92,881	96,993	4.4%	757,273	725,889	(4.1%)	
Total Operating Expenses	12,485,380	12,529,478	0.4%	127,990,985	129,597,382	1.3%	
UNDERLYING OPERATING RESULT	71,153,788	71,006,657	0.2%	(5,179,499)	(6,592,760)	(27.3%)	
Non-operating Income and Expenditure							
Capital Grants	0	1,018,618	0.0%	20,707,249	21,592,343	(4.3%)	7
Capital Contributions	10,000	8,000	20.0%	3,541,200	3,529,200	0.3%	
Contributed Assets	0	0	0.0%	6,412,318	6,412,318	0.0%	
Proceeds from Sale of Assets	59,825	59,825	0.0%	401,000	401,000	0.0%	
Written Down Value of Asset Disposals	0	0	0.0%	(556,000)	(556,000)	0.0%	
Other Revenue	0	100,370	0.0%	0	100,370	0.0%	8
Total Non Operating Items	69,825	1,186,813	(1,599.7%)	30,505,767	31,479,231	(3.2%)	
ACCOUNTING SURPLUS/(DEFICIT)	71,223,613	72,193,470	(1.4%)	25,326,268	24,886,471	1.7%	

Notes to the Income Statement for period ended July 2019

- 1) Statutory Fees is \$42k less than YTD Adopted Budget. This unfavourable variance is due to the timing of Animal Permits and Fines \$42k.
- 2) User Charges is \$206k less than YTD Adopted Budget. This unfavourable variance is mostly due to the timing of the Regional Sponsored Migration Scheme \$98k and Saleyards Selling Fees \$87k.
- 3) Operating Grants Projected Full Year is \$109k greater than Adopted Budget. This favourable variance is mostly due to an increase in Fire Services Property Levy Administration \$65k and Ardmona Resource Recovery Centre \$50k
- 4) Other Income is \$116k greater than YTD Adopted Budget. This favourable variance is mostly due to the timing of Shepparton Winter Fun Zone \$33k, Infrastructure Maintenance \$21k, Youth Club Hall \$17k, Saleyards Administration \$16k, Plant & Fleet Administration \$10k and Nancy Vibert Fundraising \$9k.
- 5) Employee Costs Projected Full Year is \$240k greater than Adopted Budget. This unfavourable variance is predominantly due to offsetting expenditure as a result of receipt of grants; Roadside Vegetation Control \$45k, Central Enrolment Project \$13k, Strengthening Seniors Inclusion & Participation Project \$29k, Kindergarten Cluster Management Project \$10k, Fruit Fly Regional Grants Program \$26k, Early Years Planning and Change Management \$20k and unbudgeted expenditure relating to Pine Lodge Cemetery \$75k.
- 6) Materials and Services Projected Full Year is \$1.38m greater than Adopted Budget. This unfavourable variance is due to increased expenditure related to Strategic Transport Impact Assessments \$134k, Storm Damage June 2019 \$120k, Victoria Lake Caravan Park Demolition Works \$111k, Art Museum Aboriginal Engagement Project \$110k (offset by Creative Victoria Grant \$100k), Shepparton Winter Fun Zone \$100k, Property Insurance \$75k, Lifestyle Villages Bridge \$70k, Public Liability Insurance \$57k, Fruit Fly Regional Grants Program \$57k (offset by grant received in prior year) and Art Museum Donations \$50k.
- 7) Capital Grants is \$1m greater than YTD Adopted Budget. Capital Grants Projected Full year is \$885k greater than Adopted Budget. This favourable variance is due to the timing of revenue received for Balaclava/Verney/Dookie Intersection \$432k, Safe System Road Infrastructure \$512k and Watt Road - Blackspot Program \$74k.
- 8) Other Revenue is \$100k greater than YTD Adopted Budget. Other revenue Projected Full Year is \$100k greater than Adopted Budget. This favourable variance is due to the timing of revenue received for the Installation of Solar on Council Buildings \$90k and Shepparton Art Museum Acquisitions \$10k.

Greater Shepparton City Council

Balance Sheet as at July 2019

	Total Actual June 2019*	Adopted Budget June 2020	YTD Adopted Budget 2020	YTD Actual 2020	Total Actual June 2019 Variance (Fav)/Unfav %	Adopted Budget Variance (Fav)/Unfav %	Notes
	\$	\$	\$	\$			
Current Assets							
Cash and Cash Equivalent	18,741,547	6,670,842	8,802,347	8,802,347	53.0%	(32.0%)	
Receivables	6,141,247	11,776,000	90,391,361	90,391,361	(1,371.9%)	(667.6%)	
Other Financial Assets	47,000,000	10,880,000	21,143,461	47,000,000	0.0%	(332.0%)	
Inventories	106,677	120,000	237,110	161,708	(51.6%)	(34.8%)	
Assets Held for Resale	55,465	248,000	55,465	55,465	0.0%	77.6%	
Other Assets	1,698,134	1,375,000	239,692	239,692	85.9%	82.6%	
Total Current Assets	73,743,070	31,069,842	120,869,436	146,650,573	(98.9%)	(372.0%)	
Non Current Assets							
Investment in Associates	1,457,302	1,457,302	1,457,302	1,457,302	0.0%	0.0%	
Infrastructure	1,056,248,276	1,116,961,000	1,054,480,662	1,054,629,160	0.2%	5.6%	
Intangible Assets	-	-	-	392,647	(100.0%)	(100.0%)	1
Total Non Current Assets	1,057,705,578	1,118,418,302	1,055,937,964	1,056,479,110	0.1%	5.5%	
Total Assets	1,131,448,648	1,149,488,144	1,176,807,400	1,203,129,683	(6.3%)	(4.7%)	
Current Liabilities							
Trade & Other Payables	13,274,434	8,055,000	12,556,297	12,817,122	(3.4%)	59.1%	
Trust Funds	2,547,822	2,836,213	2,335,396	2,335,396	(8.3%)	(17.7%)	
Provisions	9,839,632	9,221,000	9,847,402	9,847,402	0.1%	6.8%	
Interest Bearing Liabilities	1,429,234	1,441,000	1,325,344	1,325,344	(7.3%)	(8.0%)	
Total Current Liabilities	27,091,122	21,553,213	26,064,439	26,325,264	(2.8%)	22.1%	
Non Current Liabilities							
Trade & Other Payables	-	-	-	253,925	100.0%	100.0%	2
Provisions	8,572,611	7,108,000	8,572,611	8,572,611	0.0%	20.6%	
Interest Bearing Liabilities	15,641,609	14,266,000	15,641,609	15,641,609	0.0%	9.6%	
Total Non Current Liabilities	24,214,220	21,374,000	24,214,220	24,468,144	1.0%	14.5%	
Total Liabilities	51,305,341	42,927,213	50,278,659	50,793,408	(1.0%)	18.3%	
Net Assets	1,080,143,307	1,106,560,931	1,126,528,741	1,152,336,275	93.2%	(4.1%)	
Represented By							
Accumulated Surplus	417,257,019	443,674,643	463,642,453	489,449,987	(17.3%)	(10.3%)	
Reserves	662,886,288	662,886,288	662,886,288	662,886,288	0.0%	0.0%	
Total Equity	1,080,143,307	1,106,560,931	1,126,528,741	1,152,336,275	93.2%	(4.1%)	

*Subject to final audit signoff

Notes to the Balance Sheet as at July 2019

1) Intangible assets is \$393k greater than 2019/2020 Adopted Budget. Right of use asset was recorded for all vehicle leases in accordance with AASB16.

2) Non-Current Trade & Other Payables is \$254k than 2019/2020 Adopted Budget. Lease liability was recorded for all vehicles leases in accordance with AASB16.

Greater Shepparton City Council
Cash Flow Statement
as at July 2019

	2019/2020 Adopted Budget \$	2019/2020 YTD Adopted Budget \$	2019/2020 YTD Actual \$	Adopted Budget Variance (Fav)/Unfav \$
Cash flows from operating activities				
Receipts from customers	101,393,325	(2,950,630)	3,182,433	207.9%
Payments to suppliers	(101,260,000)	(34,253,797)	(15,412,123)	(55.0%)
Net cash inflow(outflow) from customers(suppliers)	133,325	(37,204,427)	(12,229,690)	(67.1%)
Interest received	750,000	157,902	158,005	(0.1%)
Government receipts	37,309,000	1,664,256	2,696,920	(62.0%)
Contributions	4,590,656	157,100	168,265	(7.1%)
Net cash inflow(outflow) from operating activities	42,782,981	(35,225,168)	(9,206,501)	(73.9%)
Cash flows from investing activities				
Net movement in other financial assets	2,720,000	25,856,539	-	100.0%
Infrastructure, property, plant & equipment - proceeds	401,000	59,825	59,825	0.0%
Infrastructure, property, plant & equipment - payments	(73,675,828)	(519,506)	(622,042)	19.7%
Net cash inflow(outflow) from investing activities	(70,554,828)	25,396,858	(562,217)	102.2%
Cash flows from financing activities				
Finance Cost	(995,000)	(7,000)	(66,592)	851.3%
Proceeds from interest bearing loans and borrowings	-	-	-	
Repayment of interest-bearing loans and borrowings	(1,361,000)	(103,890)	(103,890)	0.0%
Net cash inflow(outflow) from financing activities	(2,356,000)	(110,890)	(170,482)	53.7%
Net increase(decrease) in cash and equivalents	(30,127,847)	(9,939,200)	(9,939,200)	(0.0%)
Cash and equivalents at the beginning of the year	36,798,689	18,741,547	18,741,547	0.0%
Cash and equivalents at the end of the year	6,670,842	8,802,347	8,802,347	0.0%

Greater Shepparton City Council
Capital Works Statement
 period ended July 2019

Capital Works Area	2019/2020 YTD Adopted Budget	2019/2020 YTD Actual	YTD Adopted Budget Variance (Fav)/Unfav %	2019/2020 Adopted Budget	2019/2020 Projected Full Year	Adopted Budget Variance (Fav)/Unfav %	Note
	\$	\$		\$	\$	%	
Aerodrome	0	0	0%	369,065	369,065	0%	
Bridges	0	0	0%	1,062,000	1,062,000	0%	
Buildings	99,668	99,667	(0%)	30,801,520	30,935,085	0%	
Computer & Telecommunications	1,113	14,509	1204%	2,208,000	2,229,003	1%	
Drainage	0	0	0%	3,213,000	3,206,000	(0%)	
Fixture Fittings and Furniture	12,895	53,000	311%	405,680	467,000	15%	1
Footpaths & Cycleways	0	34,482	0%	3,142,300	3,182,152	1%	
Land	0	0	0%	0	20,000	0%	
Land Improvements	0	0	0%	405,600	405,600	0%	
Off Street Car Parks	0	0	0%	415,000	415,000	0%	
Parks, Open Space & Streetscape	5,810	5,810	(0%)	1,362,000	1,362,000	0%	
Plant Machinery & Equipment	20,031	20,031	(0%)	2,311,000	2,311,000	0%	
Recreational Leisure and Community Facilities	6,879	57,430	735%	4,803,500	5,030,841	5%	
Roads	217,345	227,311	5%	21,105,163	21,241,653	1%	
Waste Management	12,112	12,112	(0%)	500,000	701,023	40%	2
Other Infrastructure	0	0	0%	470,000	470,000	0%	
Project Management Office	84,928	84,928	(0%)	1,100,000	1,100,000	0%	
Total Capital Works	460,781	609,279	32%	73,675,828	74,507,422	1%	

Capital Works Area	2019/2020 YTD Adopted Budget	2019/2020 YTD Actual	YTD Adopted Budget Variance (Fav)/Unfav %	2019/2020 Adopted Budget	2019/2020 Projected Full Year	Adopted Budget Variance (Fav)/Unfav %	Note
	\$	\$		\$	\$	%	
Renewal	262,069	284,688	9%	19,387,280	19,908,593	3%	
Upgrade	10,484	11,794	12%	13,347,683	13,449,783	1%	
New	103,268	215,396	109%	33,132,500	33,291,844	0%	
Expansion	32	12,474	38881%	6,708,365	6,757,202	1%	
Project Management Office	84,928	84,928	(0%)	1,100,000	1,100,000	0%	
Total Capital Works	460,781	609,279	32%	73,675,828	74,507,422	1%	

Notes to the Capital Works Statement for period ended July 2019

1) Fixture Fittings and Furniture Projected Full Year is \$61k greater than Adopted Budget. This unfavourable variance is due to unspent funds relating to Shepparton Art Museum Acquisitions \$61k from 2018/2019 carried over into 2019/2020.

2) Waste Management Projected Full Year is \$201k greater than Adopted Budget. This unfavourable variance is due to the Cosgrove Landfill Works \$201k from 2018/2019 carried over into 2019/2020.