

ATTACHMENT TO AGENDA ITEM

Ordinary Meeting

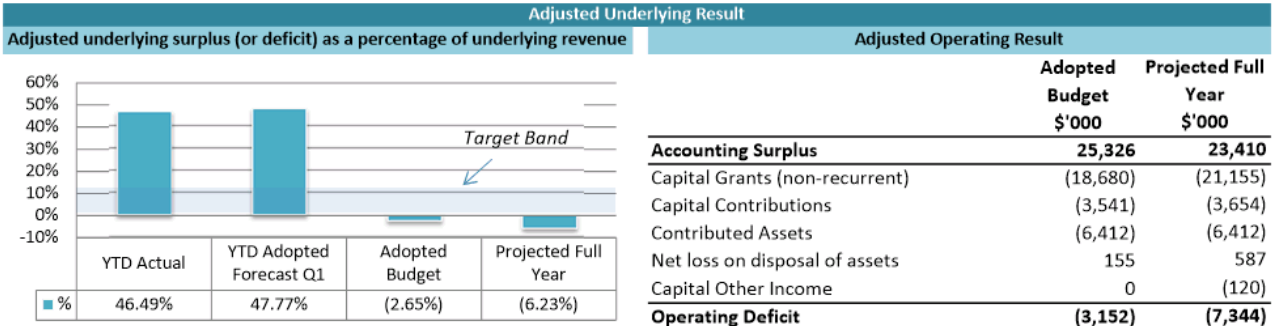
17 December 2019

Agenda Item 10.2 November 2019 Monthly Financial Report

**Attachment 1 November 2019 - GSCC Council Report - Monthly
Financial Statements 266**

MONTHLY FINANCIAL REPORT NOVEMBER 2019

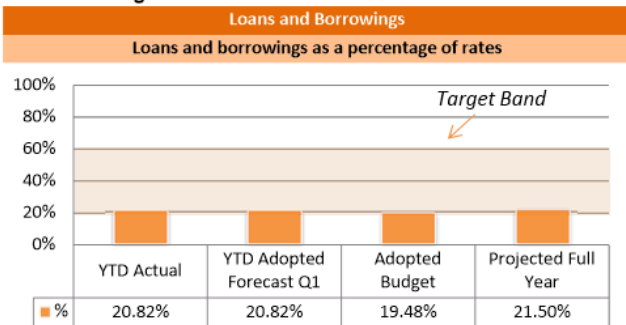
Operating Performance



- Local Government Victoria acceptable range -20% to 20%
- Council target band of 0% to 10%
- YTD Actual and YTD Adopted Budget are high due to the full amount of rates revenue being raised in July. The underlying surplus will reduce throughout the financial year as expenditure is incurred

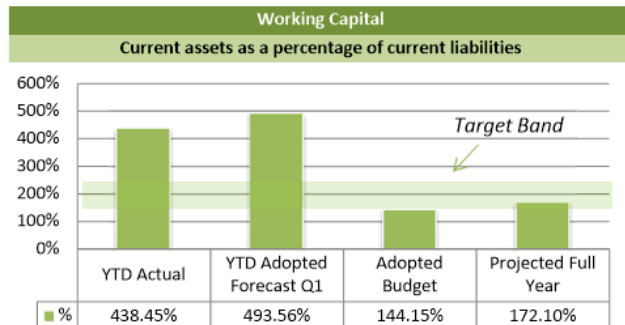
The surplus has been adjusted to reflect the true operating result by removing items that do not fund Council operations. Capital income including non-recurrent grants, contributions and other capital income is used to fund the capital works program, while contributed assets and the net loss on disposal of assets are non-cash items.

Financial Obligations



- Local Government Victoria acceptable range 0% to 70%
- Council 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

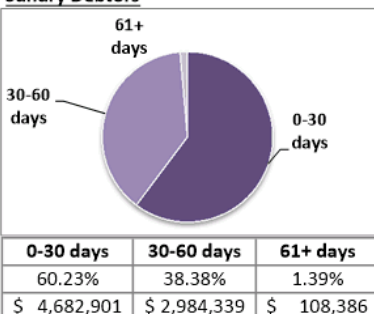
Financial Health



- Local Government Victoria acceptable range 100% to 400%
- Council target band of 120% to 200%
- VAGO indicate any level of liquidity higher than 100% is considered low risk
- YTD Actual and YTD Adopted Budget are high due to rate revenue being raised in July. Receivables will reduce throughout the financial year as rates instalments fall due

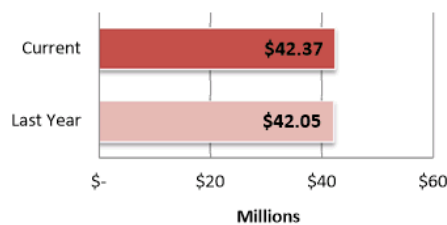
Other Financial Performance

Sundry Debtors



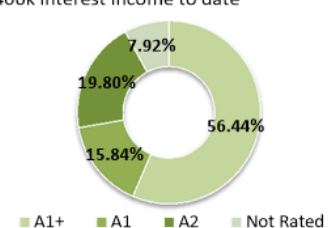
Rates Debtors

Second instalment due 30 November 2019



Investments

\$50.5m with average interest rate 1.7%
\$406k interest income to date



Operating Performance
NOVEMBER 2019

Income	YTD Adopted Forecast Q1 vs YTD Actual (Fav)/Unfav		Adopted Forecast Q1 vs Projected Full Year (Fav)/Unfav	
Rates and Charges	Steady	(\$0.01m)	Steady	(\$0.02m)
Statutory Fees	Favourable	(\$0.37m)	Steady	(\$0.02m)
User Charges	Steady	(\$0.47m)	Steady	\$0.04m
Grants	Steady	(\$0.02m)	Steady	(\$0.2m)
Contributions	Unfavourable	\$0.14m	Steady	\$0.04m
Other Revenue	Favourable	(\$0.1m)	Favourable	(\$0.21m)
Total Income	Steady	(\$0.82m)	Steady	(\$0.38m)
Expense				
Employee Costs	Steady	(\$0.25m)	Steady	\$0.13m
Materials and Services	Steady	\$1.51m	Steady	\$1.27m
Bad and Doubtful Debts	Steady	\$0.06m	Steady	(\$0.04m)
Depreciation and Amortisation	Steady	\$0.29m	Steady	\$0m
Borrowing Costs	Steady	\$0.06m	Steady	\$0m
Other Expenses	Steady	\$0.02m	Steady	\$0m
Total Expense	Steady	\$1.69m	Steady	\$1.36m

Notes:

- Statutory Fees is \$367k more than YTD Adopted Forecast Q1. This favourable variance is mostly due to improvements in how parking infringement income is accounted. Please see income statement for more detail.

- Contributions is \$144k less than YTD Adopted Forecast Q1. This unfavourable variance is mostly due to the timing of contributions for the Goulburn Broken Greenhouse Alliance and Recreational Land Fund. Please see income statement for more detail.

- Other Revenue is \$102k more than YTD Adopted Forecast Q1 and Projected Full Year is \$214k more than Adopted Forecast Q1. These favourable variances are mostly due to additional fuel rebates. Please see income statement for more detail.

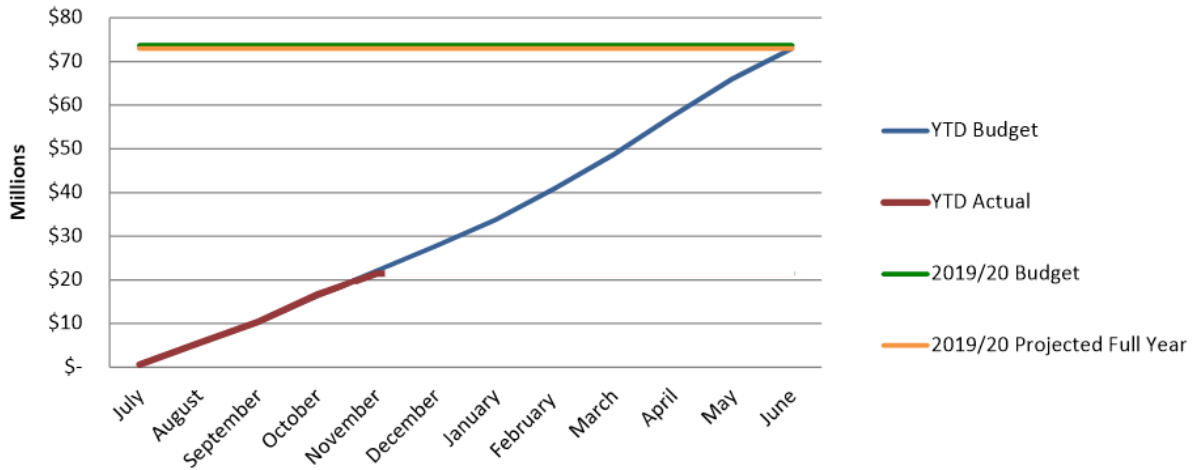
Capital Works Performance NOVEMBER 2019

ADOPTED BUDGET	ADOPTED FORECAST Q1	PROJECTED FULL YEAR	YTD ACTUAL
\$73.68m	\$72.98m	\$73.01m	\$21.44m

PROGRESS

- *29.1% of Adopted Budget spent
- *29.36% of current full year projection spent
- * Same time last year: \$10.2m (22%) of the 2018/2019 Adopted Budget had been spent

CAPITAL WORKS BUDGET VS. ACTUAL

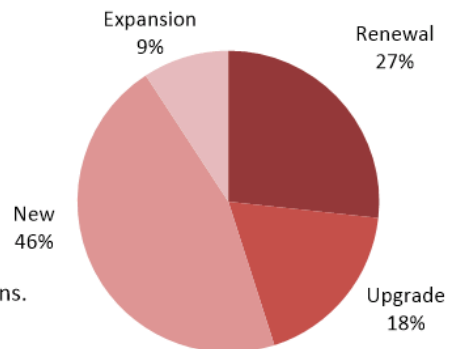


RENEWAL

Asset Renewal	
Asset renewal as a percentage of depreciation	
ADOPTED BUDGET	PROJECTED FULL YEAR
69.10%	72.53%

- 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 November 2019

	YEAR TO DATE					FULL YEAR					Notes
	2019/2020 YTD Adopted Budget \$ ' 000	2019/2020 YTD Adopted Forecast Q1 \$ ' 000	2019/2020 YTD Actual \$ ' 000	YTD Adopted Budget Variance (Fav)/Unfav %	YTD Adopted Forecast Q1 Variance (Fav)/Unfav %	2019/2020 Adopted Budget \$ ' 000	2019/2020 Adopted Forecast Q1 \$ ' 000	2019/2020 Projected Full Year \$ ' 000	Adopted Budget Variance (Fav)/Unfav %	Adopted Forecast Q1 Variance (Fav)/Unfav %	
Revenues from Operating Activities											
Rates and Charges	80,215	80,067	80,075	0.2%	(0.0%)	80,636	80,574	80,593	0.1%	(0.0%)	1
Statutory Fees	1,126	1,094	1,459	(29.7%)	(33.5%)	3,200	3,199	3,219	(0.6%)	(0.6%)	
User Charges	7,742	7,466	7,937	(2.5%)	(6.3%)	18,469	18,326	18,289	1.0%	0.2%	
Operating Grants	8,168	8,141	8,161	0.1%	(0.3%)	17,388	17,511	17,709	(1.8%)	(1.1%)	2
Operating Contributions	330	484	340	(3.1%)	29.8%	1,049	1,146	1,107	(5.5%)	3.4%	3
Other	968	1,086	1,187	(22.7%)	(9.4%)	2,069	2,115	2,329	(12.6%)	(10.1%)	
Total Operating Revenue	98,549	98,337	99,160	(0.6%)	(0.8%)	122,811	122,871	123,246	(0.4%)	(0.3%)	
Expenses from Operating Activities											
Employee Costs	21,457	21,420	21,168	(1.3%)	(1.2%)	50,498	50,438	50,573	0.1%	0.3%	4
Materials and Services	19,983	19,098	20,604	3.1%	7.9%	47,020	50,383	51,651	9.8%	2.5%	
Bad & Doubtful Debts	18	0	60	240.8%	100.0%	216	214	171	(21.0%)	(20.4%)	
Depreciation and Amortisation	12,546	10,867	11,161	(11.0%)	2.7%	28,505	28,505	28,505	0.0%	0.0%	
Borrowing Costs	89	43	104	16.9%	141.7%	995	1,007	1,009	1.4%	0.2%	
Other Expenses	326	293	314	(3.5%)	7.3%	757	707	708	(6.5%)	0.1%	
Total Operating Expenses	54,418	51,721	53,411	(1.8%)	3.3%	127,991	131,255	132,616	3.6%	1.0%	
UNDERLYING OPERATING RESULT	44,131	46,616	45,749	(3.7%)	1.9%	(5,179)	(8,384)	(9,370)	(80.9%)	(11.8%)	
Non-operating Income and Expenditure											
Capital Grants	6,762	8,451	8,631	(27.6%)	(2.1%)	20,707	21,528	23,181	(11.9%)	(7.7%)	5
Capital Contributions	13	373	473	(3,535.3%)	(26.6%)	3,541	3,779	3,654	(3.2%)	3.3%	
Contributed Assets	2,500	4,551	4,551	(82.1%)	0.0%	6,412	6,412	6,412	0.0%	0.0%	
Proceeds from Sale of Assets	190	138	197	(3.9%)	(42.7%)	401	401	401	0.0%	0.0%	
Written Down Value of Asset Disposals	0	(65)	(497)	100.0%	663.1%	(556)	(556)	(988)	77.7%	77.7%	6
Other Revenue	0	109	120	(100.0%)	(9.9%)	0	109	120	(100.0%)	(9.8%)	
Total Non Operating Items	9,465	13,559	13,475	(42.4%)	0.6%	30,506	31,674	32,780	(7.5%)	(3.5%)	
ACCOUNTING SURPLUS/(DEFICIT)	53,596	60,175	59,224	(10.5%)	1.6%	25,326	23,290	23,410	7.6%	(0.5%)	

Notes to the Income Statement for period ended November 2019

- 1) Statutory Fees is \$366k more than YTD Adopted Forecast Q1. This favourable variance is mostly due to improvements in how parking infringement income is accounted. This will not impact the Project Full Year.
- 2) Operating Contributions is \$144k less than YTD Adopted Forecast Q1. This unfavourable variance is mostly due to the timing of contributions for the Goulburn Broken Greenhouse Alliance \$91k, and the Recreational Land Fund \$59k.
- 3) Other Income is \$102k more than YTD Adopted Forecast Q1. Projected Full Year is \$214k more than Adopted Forecast Q1 and \$260k more than 2019/2020 Adopted Budget. These favourable variances are due to additional fuel rebates.
- 4) Materials and Services Projected Full Year is \$1.27m more than Adopted Forecast Q1. This unfavourable variance is due to the write off of previous year capital works that were not conducted on Council owned assets. Projected full year is also \$4.63m more than 2019/2020 Adopted Budget. This unfavourable variance is mostly due to the movement of projects on on non-Council assets from capital to operating including Victoria Park Lake Intersection \$550k, Hawkins/GV Highway Intersection design \$200k, Ferrari Park - Midland Highway service road \$100k and Archer Street/Benalla Road Landscaping \$60k. New projects have been added as part of the Q1 Adopted Forecast for Victoria Park Lake Caravan Park swere extension and water main works \$505k. Other additional items include Strategic Transport impact assessments \$140k, School Readiness funding \$130k, Victoria Park Lake Caravan Park Demolition works \$111k, underground powerline works \$110k, Art Museum Aboriginal Engagement project \$110k, and detailed design relating to the Shepparton Sports and Events Centre \$101k.
- 5) Capital Grants Projected Full Year is \$1.65m more than Adopted Forecast Q1 and \$2.47m more than 2019/2020 Adopted Budget. These favourable variances aare mostly due to grant funding for the Balaclava/Verney/Dookie intersection works from the Shepparton Alternate Route Scheme \$1.25m and the Fixing Country Roads funding \$1.51m.
- 6) Written Down Value is \$432k more than YTD Adopted Forecast Q1. Projected Full Year is \$432k more than Adopted Forecast Q1 and 2019/2020 Adopted Budget. These unfavourable variances are due to the write off of assets which have been sold or that are no longer on Council's asset register.

Greater Shepparton City Council

Balance Sheet
as at November 2019

	Total Actual June 2019 \$ ' 000	Adopted Budget June 2020 \$ ' 000	Adopted Forecast Q1 June 2020 \$ ' 000	YTD Adopted Budget 2020 \$ ' 000	YTD Adopted Forecast Q1 2020 \$ ' 000	YTD Actual 2020 \$ ' 000	Total Actual June 2019 Variance (Fav)/Unfav %	Adopted Forecast Q1 Variance (Fav)/Unfav %	Notes
Current Assets									
Cash and Cash Equivalent	32,742	6,671	5,705	20,344	33,824	33,625	(2.7%)	0.6%	
Receivables	7,721	11,776	7,721	58,329	55,359	59,828	(674.8%)	(8.1%)	
Other Financial Assets	32,000	10,880	32,000	35,000	31,000	26,000	18.8%	16.1%	
Inventories	107	120	107	267	184	162	(52.1%)	11.6%	
Assets Held for Resale	55	248	55	55	-	-	100.0%	0.0%	
Other Assets	1,698	1,375	1,698	423	208	327	80.7%	(57.6%)	
Total Current Assets	74,323	31,070	47,286	114,420	120,574	119,943	(61.4%)	0.5%	
Non Current Assets									
Investment in Associates	1,393	1,457	1,393	1,457	1,393	1,393	0.0%	0.0%	
Infrastructure	1,056,129	1,116,961	1,106,456	1,076,370	1,067,008	1,069,483	(1.3%)	(0.2%)	
Intangible Assets	-	-	-	-	-	437	(100.0%)	(100.0%)	1
Total Non Current Assets	1,057,522	1,118,418	1,107,849	1,077,827	1,068,401	1,071,312	(1.3%)	(0.3%)	
Total Assets	1,131,845	1,149,488	1,155,135	1,192,246	1,188,975	1,191,255	(5.2%)	(0.2%)	
Current Liabilities									
Trade & Other Payables	13,735	8,055	13,479	21,987	11,641	14,056	2.3%	4.3%	
Trust Funds	2,548	2,836	2,548	1,657	2,079	2,498	(1.9%)	(2.0%)	
Provisions	9,761	9,221	9,761	9,386	9,680	9,772	0.1%	0.1%	
Interest Bearing Liabilities	1,430	1,441	1,687	1,028	1,029	1,029	(28.0%)	(39.0%)	
Total Current Liabilities	27,475	21,553	27,475	34,057	24,430	27,356	(0.4%)	(0.4%)	
Non Current Liabilities									
Trade & Other Payables	-	-	-	-	-	303	100.0%	100.0%	2
Provisions	8,573	7,108	8,573	8,573	8,573	8,573	0.0%	(0.0%)	
Interest Bearing Liabilities	15,640	14,266	15,640	15,642	15,640	15,640	0.0%	(0.0%)	
Total Non Current Liabilities	24,213	21,374	24,213	24,214	24,213	24,516	1.3%	1.3%	
Total Liabilities	51,688	42,927	51,688	58,272	48,643	51,872	0.4%	6.6%	
Net Assets	1,080,157	1,106,561	1,103,447	1,133,974	1,140,332	1,139,383	(5.5%)	0.1%	
Represented By									
Accumulated Surplus	417,271	443,674	440,561	471,088	477,446	476,497	(14.2%)	0.2%	
Reserves	662,886	662,886	662,886	662,886	662,886	662,886	0.0%	0.0%	
Total Equity	1,080,157	1,106,561	1,103,447	1,133,974	1,140,332	1,139,383	(5.5%)	0.1%	

Notes to the Balance Sheet as at November 2019

1) Intangible Assets is \$437k more than 2019/2020 Adopted Budget. This favourable variance is due to the right of use assets recorded for all leases in accordance with AASB16.

2) Non-Current Trade and Payables is \$303k more than 2019/2020 Adopted Budget. This unfavourable variance is due to the lease liability recorded for all leases in accordance with AASB16.

Greater Shepparton City Council

Cash Flow Statement
as at November 2019

	2019/2020 Adopted Budget \$ ' 000	2019/2020 Adopted Forecast Q1 \$ ' 000	2019/2020 YTD Adopted Budget \$ ' 000	2019/2020 YTD Adopted Forecast Q1 \$ ' 000	2019/2020 YTD Actual \$ ' 000	Adopted Budget Variance (Fav)/Unfav %	Adopted Forecast Q1 Variance (Fav)/Unfav %
Cash flows from operating activities							
Receipts from customers	101,393	103,574	36,578	39,967	41,207	(12.7%)	(3.1%)
Payments to suppliers	(101,260)	(101,743)	(31,095)	(40,249)	(43,588)	40.2%	8.3%
Net cash inflow(outflow) from customers(suppliers)	133	1,831	5,483	(282)	(2,381)	(143.4%)	745.6%
Interest received	750	750	382	373	379	0.7%	(1.7%)
Government receipts	37,309	39,039	14,930	16,592	16,792	(12.5%)	(1.2%)
Contributions	4,591	4,925	7,531	10,097	10,052	(33.5%)	0.4%
Net cash inflow(outflow) from operating activities	42,783	46,544	28,325	26,780	24,842	(12.3%)	(7.2%)
Cash flows from investing activities							
Net movement in other financial assets	2,720	-	(3,000)	1,000	6,000	300.0%	(100.0%)
Infrastructure, property, plant & equipment - proceeds	401	401	190	138	197	(3.9%)	(42.7%)
Infrastructure, property, plant & equipment - payments	(73,676)	(72,976)	(37,422)	(26,392)	(29,591)	(20.9%)	12.1%
Net cash inflow(outflow) from investing activities	(70,555)	(72,575)	(40,232)	(25,254)	(23,394)	41.9%	7.4%
Cash flows from financing activities							
Finance Cost	(995)	(1,007)	(89)	(43)	(163)	83.2%	278.9%
Proceeds from interest bearing loans and borrowings	-	-	-	-	-	0.0%	0.0%
Repayment of interest-bearing loans and borrowings	(1,361)	-	(402)	(401)	(401)	(0.2%)	0.0%
Net cash inflow(outflow) from financing activities	(2,356)	(1,007)	(491)	(444)	(564)	15.0%	27.0%
Net increase(decrease) in cash and equivalents	(30,128)	(27,037)	(12,397)	1,082	884	(107.1%)	(18.3%)
Cash and equivalents at the beginning of the year	36,799	32,742	32,742	32,742	32,742	0.0%	0.0%
Cash and equivalents at the end of the year	6,671	5,705	20,344	33,824	33,625	(65.3%)	0.6%

Greater Shepparton City Council
Capital Works Statement
 period ended November 2019

Capital Works Area	2019/2020 YTD Adopted Budget	2019/2020 YTD Adopted Forecast Q1	2019/2020 YTD Actual	YTD Adopted Budget Variance (Fav)/Unfav %	YTD Adopted Forecast Q1 Variance (Fav)/Unfav %	2019/2020 Adopted Budget	2019/2020 Adopted Forecast Q1	2019/2020 Projected Full Year	Adopted Budget Variance (Fav)/Unfav %	Adopted Forecast Q1 Variance (Fav)/Unfav %	Note
	\$ ' 000	\$ ' 000	\$ ' 000			\$ ' 000	\$ ' 000	\$ ' 000			
Aerodrome	369	3	3	(99%)	0%	369	369	369	0%	0%	
Bridges	1,042	705	699	(33%)	(1%)	1,062	1,060	1,059	(0%)	(0%)	
Buildings	14,742	8,286	8,447	(43%)	2%	30,802	30,423	30,581	(1%)	1%	
Computer & Telecommunications	670	200	309	(54%)	54%	2,208	2,292	2,383	8%	4%	1
Drainage	134	33	40	(70%)	21%	3,213	3,206	3,206	(0%)	0%	
Fixture Fittings and Furniture	142	84	101	(29%)	20%	406	497	497	23%	0%	
Footpaths & Cycleways	470	366	317	(33%)	(14%)	3,142	3,179	3,179	1%	(0%)	
Land	0	20	20	100%	0%	0	20	20	100%	0%	
Land Improvements	47	26	36	(23%)	41%	406	372	372	(8%)	0%	
Off Street Car Parks	16	119	109	575%	(9%)	415	415	415	0%	0%	
Parks, Open Space & Streetscape	665	528	631	(5%)	20%	1,362	1,561	1,620	19%	4%	2
Plant Machinery & Equipment	1,353	1,775	1,344	(1%)	(24%)	2,311	2,946	2,947	28%	0%	3
Recreational Leisure and Community Facilities	1,912	621	424	(78%)	(32%)	4,806	5,105	4,689	(2%)	(8%)	4
Roads	10,047	8,343	8,027	(20%)	(4%)	21,105	19,212	19,210	(9%)	(0%)	5
Waste Management	325	441	423	30%	(4%)	500	749	894	79%	19%	6
Other Infrastructure	95	59	48	(49%)	(18%)	470	470	470	0%	0%	
Project Management Office	449	465	459	2%	(1%)	1,100	1,100	1,100	0%	0%	
Total Capital Works	32,478	22,074	21,436	(34%)	(3%)	73,676	72,976	73,010	(1%)	0%	

Capital Works Area	2019/2020 YTD Adopted Budget	2019/2020 YTD Adopted Forecast Q1	2019/2020 YTD Actual	YTD Adopted Budget Variance (Fav)/Unfav %	YTD Adopted Forecast Q1 Variance (Fav)/Unfav %	2019/2020 Adopted Budget	2019/2020 Adopted Forecast Q1	2019/2020 Projected Full Year	Adopted Budget Variance (Fav)/Unfav %	Adopted Forecast Q1 Variance (Fav)/Unfav %	Note
	\$	\$	\$			\$	\$	\$			
Renewal	10,527	8,726	8,363	(21%)	(4%)	19,387	20,429	20,346	5%	(0%)	
Upgrade	4,851	3,983	3,444	(29%)	(14%)	13,348	11,805	11,877	(11%)	1%	
New	15,386	8,662	8,935	(42%)	3%	33,133	32,837	32,866	(1%)	0%	
Expansion	1,264	238	235	(81%)	(2%)	6,708	6,805	6,821	2%	0%	
Project Management Office	449	465	459	2%	(1%)	1,100	1,100	1,100	0%	0%	
Total Capital Works	32,478	22,074	21,436	(34%)	(3%)	73,676	72,976	73,010	(1%)	0%	

Notes to the Capital Works Statement for period ended November 2019

- 1) Computer and Telecommunications is \$109k more than YTD Adopted Forecast Q1. Projected Full Year is \$91k more than Adopted Forecast Q1. These unfavourable variances are due to additional ICT projects, approved by ELT in October, including Boardroom Sound Recording Equipment \$50k, Internet of Things project \$25k and Ezescan software \$16k.
- 2) Parks, Open Space and Streetscape is \$103k more than YTD Adopted Forecast Q1 and Projected Full Year is \$258k more than 2019/2020 Adopted Budget. These unfavourable variances are mostly due to Kialla Park Reconstruction works budgeted for in 2018/2019 and completed in 2019/2020.
- 3) Plant, Machinery and Equipment is \$431k less than YTD Adopted Forecast Q1. This favourable variance is due to delays in the delivery of large plant items. Projected Full Year is \$636k more than 2019/2020 Adopted Budget. This unfavourable variance is mostly due to additional costs of grader and truck renewals.
- 4) Recreational Leisure and Community Facilities is \$197k less than YTD Adopted Forecast Q1. This favourable variance is mostly due to the timing of projects including Princess Park Irrigation works \$78k, Aquamoves Accessibility Pool Pod \$58k, and Vibert Reserve Lighting and Security Fencing \$57k. Projected Full Year is \$117k less than Adopted Forecast Q1 and \$417k less than 2019/2020 Adopted Budget. These favourable variances are mostly due to the Aquamoves 25m Pool tile renewal. This project is to be re-budgeted into 2020/2021 financial year.
- 5) Roads Projected Full Year is \$1.89m less than 2019/2020 Adopted Budget. This favourable variance is mostly due to Maude Street Upgrade works \$1m being rebudgeted into the 2020/2021 financial year. This favourable variance is also impacted by the movement of projects on non-Council assets from capital to operating including Victoria Park Lake Intersection \$550k, Hawkins/GV Highway Intersection design \$435k, and Ferrari Park - Midland Highway service road \$100k.
- 6) Waste Management Projected Full Year is \$145k more than Adopted Forecast Q1 and \$394k more than 2019/2020 Adopted Budget. These unfavourable variances are mostly due to Cosgrove 2 and 3 works, budgeted for in 2018/2019 and completed in 2019/2020.