

**3.1 2018/2019 FINANCIAL MANAGEMENT AND CAPITAL WORKS PROGRESS REPORT – SECOND QUARTER 31 DECEMBER 2018**

(FIN1: SW:YN)

Responsible Officer: Danny Wain, Chief Financial Officer

**RECOMMENDATION***That Council:*

1. *Notes the Quarterly Financial Management, Annual Plan and Capital Works Progress Report for the period ending 31 December 2018, presented in accordance with Section 138 of the Local Government Act 1989.*
2. *Approves the variations contained therein.*

**BACKGROUND**

A Financial Management Report is prepared and distributed to Councillors for information each month, with Quarterly Statements prepared for formal presentation to the Council in accordance with Section 138 of the *Local Government Act 1989* (the Act).

The Quarterly Financial Statements include a comparison of year-to-date (YTD) actual revenue and expenditure with budgeted (YTD and forecast end-of-year) revenue and expenditure for the current financial year.

Council's 2018/19 Adopted Budget included four financial statements (refer Appendix A):

- Comprehensive Income Statement;
- Balance Sheet;
- Statement of Cash Flows; and
- Statement of Capital Works.

This report also provides a review of the 2018/19 Capital Works Program. In particular the Capital Works Progress report aims to:

- inform Council of funding changes to the program as a result of extra monies received from external sources; and
- quantify the transfer of funds from projects with surplus to projects with shortfalls.

**ANALYSIS****COMPREHENSIVE INCOME STATEMENT**

### Year-to-date Summary

As at 31 December 2018, the YTD net surplus from ordinary operations was \$70.81M, representing a 2.5% (\$1.76M) favourable variance against YTD budget (\$69.05M). The full Income Statement is included in Appendix A - Financial Statements & Indicators.

	YTD Actual \$'000	YTD Mgmt		Variance %		Full Year	Full Year	Forecast Variance	
		Budget \$'000	YTD Variance \$'000			Budget 2018/19 \$'000	Forecast 2018/19 \$'000	\$'000	%
<b>Total income</b>	<b>158,155</b>	<b>155,564</b>	<b>2,590</b>	<b>1.7%</b>	●	<b>185,195</b>	<b>186,801</b>	<b>1,606</b>	<b>0.9%</b>
Employee Costs	37,524	36,842	(682)	(1.9%)	●	74,595	75,562	(967)	(1.3%)
Materials, Services & Contracts	35,188	35,003	(186)	(0.5%)	●	67,288	68,995	(1,707)	(2.5%)
Depreciation & Other Expenses	14,637	14,670	34	0.2%	●	29,425	29,500	75	0.3%
<b>Total expenses</b>	<b>87,350</b>	<b>86,515</b>	<b>(834)</b>	<b>(1.0%)</b>	●	<b>171,308</b>	<b>174,057</b>	<b>(2,749)</b>	<b>(1.6%)</b>
<b>Surplus (deficit) for the year</b>	<b>70,806</b>	<b>69,049</b>	<b>1,757</b>	<b>2.5%</b>	●	<b>13,888</b>	<b>12,745</b>	<b>(1,140)</b>	<b>(8.9%)</b>
Less Capital Income (non-recurrent)	(55)	(5)	(50)	0.0%	●	(1,793)	(1,793)	-	0.0%
<b>Adjusted underlying surplus/ (deficit)</b>	<b>70,751</b>	<b>69,044</b>	<b>1,707</b>	<b>2.5%</b>	●	<b>12,096</b>	<b>10,953</b>	<b>(1,140)</b>	<b>(10.4%)</b>
<b>Working Capital Ratio</b>	<b>424.9%</b>	<b>241.1%</b>	<b>-</b>	<b>183.8%</b>	●	<b>241.1%</b>	<b>245.4%</b>	<b>-</b>	<b>4.2%</b>

This result is mainly due to favourable income variance (\$2.59M) with revenue exceeding budgets in Contributions (public open space contributions (\$456K); User Fees (\$811K) mostly due to recoup of income from State Revenue Office for valuation works undertaken; Operating and Capital Grants (\$1M) due to unbudgeted operational funding (MC&H, Early Years, Youth, Community Strengthening); and Statutory Fees and fines of \$237K (parking infringements and asset protection fees). Forecasts have been adjusted to reflect these changes where appropriate.

Total expenditure year-to-date is over budget by \$834K, comprising of employee costs higher than budget (\$682K), which is predominantly attributable to the Home and Community Care service as hours delivered for general home care is exceeding target level and additional grant funded labour costs (MC&H, Early Years and Youth). Materials, Services and Contractors are also unfavourable by \$186K year-to-date.

### Forecast Summary

As at December 2018, the full year (2018/19) forecast net operating surplus is \$12.74M compared to budgeted surplus of \$13.89M, representing a projected unfavourable variance of \$1.14M.

This unfavourable variance of \$1.14M is primarily made up of:

- **Employee costs - \$0.97M unfavourable variance** - as a result of:
  - a. Additional grant funded positions (\$0.55M) relating to
    - Higher than budgeted salary costs in General Home Care (\$200K) is expected by year's end due to the increased demand for domestic services, however this is somewhat offset by reduced service levels for Personal Care;
    - Increase in salaries within the Children's & Family Services (\$37K) and Youth Services (\$140K) are due to unbudgeted grant funding to increase and support services and implementation of new initiatives (eg Mental Health First Aid training).

- Additional salary costs for works undertaken for Streamlining for Growth Development is funded by contribution by Victorian Planning Authority (\$130K).
- b. Additional staff required to facilitate extended opening hours at the Mulgrave Library which was approved by Council at its Council meeting in July 2018 (\$50K).
- **Materials & Services - \$1.70M unfavourable variance** - as a result of;
  - a. Increase in fuel prices is anticipated by year's end (\$200K);
  - b. Grant funded contractors (\$430K)
    - Cladding audits \$260K (DELWP funding of \$130K)
    - Community Wellbeing programs (\$170K)
  - c. Contractors Other (\$273K) forecasted higher than budgeted due to:
    - o Facility Maintenance (\$190K) and After-Hours (\$64K);
    - o Sportsfield Maintenance (\$118K) due to an agreed higher service level
  - d. Festivals approved by Council post-budget adoption (\$116K)-Moonlight Festival, Indian Film Festival and Greek National Day;
  - e. Contract Security, Cleaning and Hygiene (\$116K) due to increased levels of service required to maintain Council properties;
  - f. Net movement in waste contract collection and disposal tonnage differentials (\$139K)
- **Other Expenses - \$75K unfavourable variance** – this is the result of increases to lease payments for equipment at MARC, CACH and ORC.

These favourable forecasted variances are partially offset by:

- **Grants operating - \$864K favourable variance** – most of this favourable variance is due to unbudgeted grant funding. This is relevant to:
  - a. Children's, Family and Youth Services with 2 year funding approved for the Integrated Family Services program (\$73K in 2018/19) and for Pick My Project to co-ordinate the delivery of Mental Health First Aid to the community (\$157K);
  - b. Community Wellbeing for Clubs grant (\$21K), Playing Fair-Free from Violence grant (\$90K) and Women's Health East-Interfaith GE project (\$10K) and Welcome to Australia Grant (\$4.5K);
  - c. Increased growing funding for General Home Care (\$269K) and Meals (\$74K);
  - d. Funding from the Victorian Planning Authority related to Streamlining for Growth and Development (\$130K); and
  - e. Indian film festival grant of \$20K.
- **User fees - \$740K favourable variance** – due to;
  - a. Recoup of cost from SRO for valuation works (\$297K),
  - b. Works undertaken for LXRA project (\$436K).
  - c. Building Services income from application fees is forecasted to be higher than budget by \$110K and
  - d. Additional \$100K from Engineering permits (eg vehicular crossing, stormwater connection and road opening permits).

- e. Waste Big Bin charges are also forecast higher (\$132K).
- f. Forecast capital recoup income include the LXRA project (\$113K) and
- g. Unbudgeted recoup of funds for Galbally Reserve Playspace Oakleigh (\$150K).

These favourable income variances are partially offset by;

- h. reduction in income from Family Day Care (\$187K) as a result of a decrease in number of Educators
- i. HACC food services (\$244K) due to reduction in clientele demand.
- j. Green fees are also forecasted down by \$200K due to contract variation.

**BALANCE SHEET**

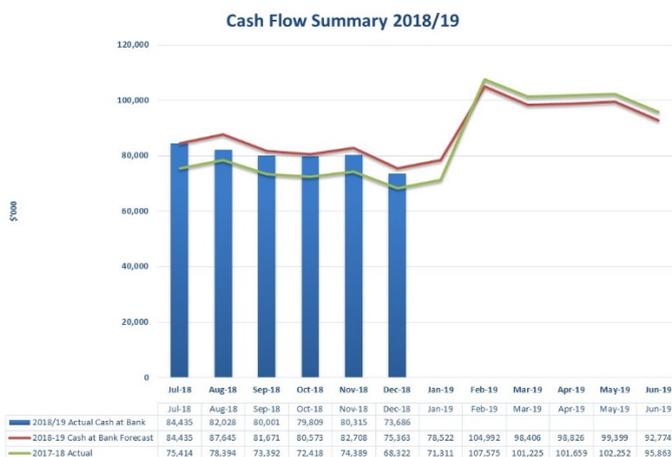
The Working Capital ratio (WCR) as at 31 December 2018 is 424.9% or 424.9:1. This comprises current assets of \$166.16M and current liabilities totalling \$39.1M. The budgeted figure for 30 June 2019 is a WCR of 241.1% (Appendix A).

The unrestricted cash position at 31 December 2018 was 131.84% or 131.8:1. This comprises restricted cash required by legislation of \$10.1M (\$6.9M drainage and \$3.2M parking reserves) in addition to funds reserved by Council resolution (\$7M development reserve & \$4.5M Superannuation reserve). The actual unrestricted cash and cash equivalents are \$51.56M in addition to current liabilities of \$39.1M and non-current liabilities for LSL \$1.1M. The budgeted figure for 30 June 2019 is 168.5% (Appendix A).

The forecasted variance of \$285M in Net Assets is mostly attributable to the revaluation of Council assets (Land) at 30 June 2018.

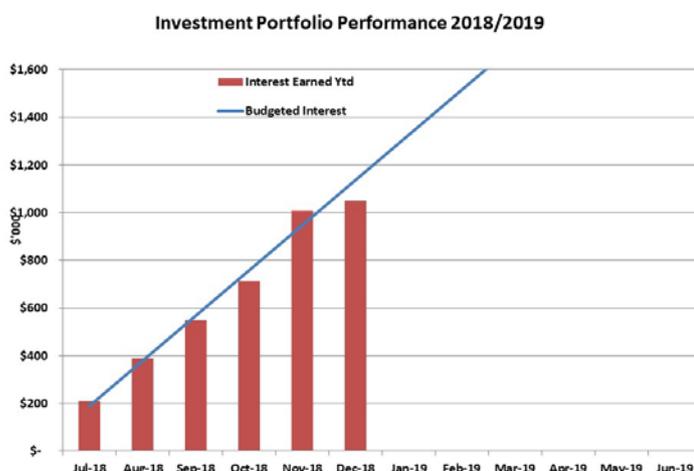
**STATEMENT OF CASH FLOWS**

The Cash Flow Statement shows Council’s cash position at the end of December 2018 at \$73.69M, an increase of \$15.3M above the year-to-date budget of \$58.38M. This is primarily due to a higher cash balance at 30 June 2018, resulting from higher than budgeted income from growth in supplementary rates, additional public open space and parking contributions as well as positive cash flows from operating activities such as operating grants, user fees, other revenue and a delay in the delivery of capital works program.



**Investment Interest Performance**

The graph below highlights the interest performance on total cash invested. Interest performance is not as high as anticipated due to the interest rates being lower than budgeted.



**Liquidity of Investments**

Type of investments	Term	Amount Invested
Call accounts	At Call	-
Term deposits	30 days or less	-
Term deposits	31 to 60 days	-
Term deposits	61 days to 90 days	-
Term deposits	91 days to 120 days	-
Term deposits	121 days to 365 days	70,000,000.00
Term deposits	365 days +	-
<b>Total funds invested</b>		<b>70,000,000.00</b>

**STATEMENT OF CAPITAL WORKS**

The Statement of Capital Works presents Council’s performance against the Adopted 2018/19 Capital Works Budget. As at 31 December 2018, Council has expended \$16.19M of its Adopted Capital Works Budget of \$43.36M.

The Annual Plan target is to achieve a minimum of 90% expenditure of the Agreed Capital Works Budget, currently at \$44.7M as detailed in the Standard Statement of Capital Works. As at 31 December 2018, Council has achieved 36.23% (\$16.19M/\$44.70M) against this target. It is anticipated that the Annual Plan target of 90% spend from the Agreed Capital works budget in 2018/19 will be achieved.

**Adjustments to the Capital Works Expenditure Budget**

Table 1 summarises funding adjustments that have been made to the Adopted 2018/19 Capital Works Budget.

The Adopted 2018/19 Capital Budget of \$43,358,794 has been adjusted to an Agreed Management Budget of \$44,702,770 as at 31 December 2018, taking account of new projects with external

income, projects identified for carry forward; and additional funds required for completion of the existing program.

**Table 1: Summary of Adjustments to the 2018/19 Capital Works Budget – at 31/12/2018**

Description	30/09/2018 \$
Adopted Capital Works Budget 26/06/2018	<b>43,358,794</b>
Additional External Funding reported to Council 27/11/2018	399,416
Funding of deficit at 30/09/18 as reported 27/11/2018	280,243
Agreed Capital Works Budget at 30 September 2018	<b>44,038,453</b>
Additional Funding for new SSRIP projects <b>NOTE A</b>	3,323,102
Less Budgets Proposed for Carry Forward to 2019/20 <b>NOTE B</b>	-2,805,162
Adjustments within Capital Works Budgets – funding required as per Table 2 and Table 3	\$477,021
Agreed Capital Works Budget at 31 December 2018*	<b>45,033,414</b>

\* The Management Budget of \$44,702,770 (as shown in the Standard Statement of Capital Works) will be adjusted after approval of the Council Report.

The details of these adjustments to the Capital Works budget are outlined below:

#### **A. Additional Capital Income**

Additions to budgeted income for the December quarter in 2018/19 relate to external funding provided by VicRoads under the Safe System Road Infrastructure Program:

• SSRIP Cycling Infrastructure Program Carinish Rd to Cobain Street	\$963,079
• SSRIP Cycling Infrastructure Program Scotchmans Ck. Trail	\$388,996
• SSRIP Cycling Infrastructure Program Gardiners Rd Clayton	\$635,499
• SSRIP Cycling Infrastructure Program Dorgan St to Lawrence Rd	\$674,816
• SSRIP Oakleigh Activity Centre Pedestrian Improvements – Part A	\$408,633
• SSRIP Oakleigh Activity Centre Pedestrian Improvements – Part B	\$252,079
<b>Total Additional Capital Income 1/10/2018 – 31/12/2018</b>	<b>\$3,323,102</b>

#### **B. Carry Forward Budgets**

In the December quarter there are two projects identified for Carry Forward to 2019/20:

• Damper Creek Reserve Operations Facility Renewal	\$230,000
• Caloola Reserve Multi-sport Pavilion	\$2,575,162

The Damper Creek Reserve Operations facility is being designed in the current year with the \$30,000 remaining budget funds, and construction is expected to commence in 2019/20.

The Caloola Reserve Pavilion is being designed in 2018/19 with the project expected to be tendered toward the end of the financial year and construction commencing in 2019/20.

#### **Adjustments within Capital Works Project Budgets**

Table 2 summarises funding adjustments that have been made to the Capital Works program since the Budget Adoption, either through new projects commencing or accounting for surplus or deficits

identified throughout the program to date. The nett result is that \$477,021 of funding is required to be found from various Council funding sources.

The Mount Waverley Community Centre that was previously reported to Council on 30<sup>th</sup> October 2018, has now been reconciled and all outstanding payments made to the contractor. The final balance of funds required is \$90,497.

It should be noted that there were additional unspent funds of \$71,348 in the 2017/18 year that were not carried forward, which could have been applied to the shortfall over the life of the project.

To fund the shortfall, it is proposed to transfer \$75,000 unspent contingency from the Halls and Community Centres budget and \$15,497 surplus funds from Essential Works at Clayton Community Centres.

In addition; there are projects that were budgeted and constructed in the previous financial year, but have had “hangover payments” to be made in the current year. They are:

• Argyle Reserve Pavilion Upgrade	\$1,459
• Mulgrave Reserve Sportsground	\$26,260
• Workforce Management Software	\$10,000
• MGA Signage	\$9,340
• Central Reserve South Pavilion	\$10,173
• Scammell Reserve Pavilion Upgrade	\$104,468
• Atkinson Street Multi-level Carpark	\$30,505
• Carpark Lighting at MARC	\$12,876
• Monash IS/IT Strategy	\$15,855
• Drainage Improvements Margaret St Clayton	\$1,201
• Drainage Improvements 738-744 Highbury Rd G/W	\$486
• Strategic Drainage Norma/Joyce to Bakers Rd Oakleigh	\$560
• Shared Path Intersection Works Hanover St Oakleigh	\$49,984
• Scotchmans Creek Trail – MARC Carpark	\$5,000
• Road Resurfacing Glencairn Street Mulgrave	\$36,390
• Holmesglen Neighbourhood Activation Project	<u>\$11,950</u>
<u>Sub-total</u>	\$326,507
• DCP Drainage Salisbury Rd Ashwood	\$2,203
• DCP Drainage Macrina St Oakleigh East	\$45,257
• DCP Drainage 33 Jordan Grove Glen Waverley	<u>\$3,736</u>
<u>Sub-total of DCP projects</u>	\$51,196
<b>TOTAL</b>	<b>\$377,703</b>

The Scammell Reserve Pavilion Upgrade was essentially completed in June 2018; however there were no budget funds carried forward for payment of the final invoices in 2018-19 due to timing of the 2018/19 budget adoption and completion of the project. There were unspent funds of \$70,713 at 30/6/2018 that could have been applied to the \$104,468 shortfall in the current year.

The shortfall of \$49,984 on the Shared Path intersection works at Hanover Street Oakleigh is offset by additional grant funding received through the SSRIP program.

**Table 2: Summary of Adjustments to 2018/19 Capital Works Projects - at 31/12/2018**

Changes within the 2018/19 Capital Works Program	Reason	Result
Holmesglen Reserve Sportsground Upgrade – additional funds required	2018/19 project	\$46,448
Drainage Design – 7 Neerim Grove Hughesdale	New project	\$27,000
Drainage Design – 8-12 Simpson Drive Mount Waverley	New project	\$26,000
Drainage Design – Doubell Close Glen Waverley	New project	\$32,000
Drainage Design – Glasson Square Mount Waverley	New project	\$31,000
Outdoor Ping Pong Table – Glen Waverley Library	New project	\$17,870
Cabena Child & Family Centre – verandah & access ramp	New project	\$200,000
Integrated Early Years Partnership Albany Rise PS	Not proceeding	-\$281,000
<b>Nett funding Adjustments to Agreed Capital Works Budget at 31/12/2018</b>		<b>\$99,318</b>
Mount Waverley Community Centre	Finalisation	\$90,497
Halls and Community Centre budget surplus	Surplus	-\$90,497
Hangover Projects from 2017/18	2017/18 project	\$377,703
<b>Total of Funding Adjustments Required</b>		<b>\$477,021</b>

**Projected Surplus (Deficit) Funds (\$477,021)**

At 31/12/2018 the funds required are \$477,021 and Table 3 details funding options available to Council to balance the Capital Works budget for 2018/19.

**Table 3: Funding Sources for 2018/19 Capital Works Projects - at 31/12/2018**

Deficit details by Category	Amount \$	Suggested Funding
Drainage Design – 8-12 Simpson Drive, Mount Waverley	\$26,000	From DCP Reserve – Catchment Damper Creek East
Mulgrave Reserve Sportsground and Holmesglen Reserve Sportsground	\$72,708	From additional contributions in Public Open Space Reserve
Balance of New and 2018/19 Projects requiring funding	\$610	From Council's Retained Earnings
Hangover Projects DCP Drainage	\$51,196	From DCP Drainage Reserve
Hangover Projects requiring funding	\$326,507	From Council's Retained Earnings
<b>Total Funding Solutions for Program 31/12/2018</b>	<b>\$477,021</b>	

**CONCLUSION**

Council's financial position reflects an overall positive performance against budget, made up of a number of variances, both favourable and unfavourable across the breadth of Council services. These variances will continue to be closely monitored for the remainder of the financial year.

The Capital Works budget deficit of \$477,021 at 31 December 2018 will be funded from additional contributions received in Public Open Space Reserve and Drainage Contributions Reserve; and the balance from Council's retained earnings.

**APPENDIX A – Financial Statements and Indicators****Comprehensive Income Statement**

<b>Comprehensive Income Statement for the period ending 31 December 2018</b>							
	YTD Actual \$'000	YTD Budget \$'000	YTD Variance \$'000	2018/19 Adopted Budget \$'000	2018/19 Forecast \$'000	Forecast Var \$	Forecast Var %
<b>Revenue from Ordinary Activities</b>							
Rates & Charges	120,841	120,973	(132)	121,323	121,323	-	0%
Statutory Fees & Fines	5,111	4,874	237	10,273	10,256	(17)	(0%)
User Fees	14,791	13,980	811	25,688	26,428	740	3%
Contributions - cash	3,579	3,123	456	6,597	6,601	5	0%
Grants - Operating	10,861	10,127	734	15,323	16,187	864	6%
Grants - Capital	1,149	879	270	2,576	2,576	-	0%
Interest Revenue	1,130	1,167	(37)	2,529	2,529	-	0%
Other Revenue	446	440	6	886	902	16	2%
Profit from Sale of Assets	246	-	246	-	-	-	0%
<b>Total Revenue</b>	<b>158,155</b>	<b>155,564</b>	<b>2,591</b>	<b>185,195</b>	<b>186,801</b>	<b>1,607</b>	<b>1%</b>
<b>Expenses from Ordinary Activities</b>							
Employee Costs	37,524	36,842	(682)	74,595	75,562	(967)	(1%)
Materials, Services & Contracts	35,188	35,003	(186)	67,288	68,995	(1,707)	(3%)
Depreciation & Amortisation	14,017	14,020	3	27,981	27,981	-	0%
Other Expenses	620	651	31	1,444	1,519	(75)	(5%)
<b>Total Expenses</b>	<b>87,350</b>	<b>86,515</b>	<b>(834)</b>	<b>171,310</b>	<b>174,057</b>	<b>(2,747)</b>	<b>(2%)</b>
<b>Net Surplus/(Deficit) from Ordinary Operations</b>	<b>70,806</b>	<b>69,049</b>	<b>1,757</b>	<b>13,886</b>	<b>12,745</b>	<b>(1,140)</b>	<b>(8%)</b>
<b>Transfer to Reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>
<b>Net Surplus/(Deficit) after Transfers to Reserves</b>	<b>70,806</b>	<b>69,049</b>	<b>1,757</b>	<b>13,886</b>	<b>12,745</b>	<b>(1,140)</b>	<b>(8%)</b>

**Balance Sheet**  
**as at 31 December 2018**

	31 Dec 2018 Actual \$'000	2018/19 Adopted Budget \$'000	2018/19 Annual Forecast \$'000	Forecast Var \$	Forecast Var %
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash & Cash Equivalents	73,686	93,859	95,688	1,829	2%
Trade and Other Receivables	89,032	8,421	8,421	-	0%
Other Financial Assets	2	0	-	-	0%
Inventories	47	0	-	-	0%
Other Assets	3,398	1,506	1,506	-	0
<b>Total Current Assets</b>	<b>166,165</b>	<b>103,787</b>	<b>105,615</b>	<b>1,829</b>	<b>2%</b>
<b>Non-Current Assets</b>					
Property, Plant & Equipment	3,340,594	3,066,445	3,351,588	285,143	9%
Other Assets	1,171	1,267	1,267	-	0%
<b>Total Non-Current Assets</b>	<b>3,341,765</b>	<b>3,067,712</b>	<b>3,352,855</b>	<b>285,143</b>	<b>9%</b>
<b>Total Assets</b>	<b>3,507,930</b>	<b>3,171,499</b>	<b>3,458,470</b>	<b>286,972</b>	<b>9%</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade and Other Payables	11,002	16,260	16,260	-	0%
Trust Funds and Deposits	11,998	9,705	9,705	-	0%
Income in Advance	-	0	0	-	0%
Provision	16,108	17,080	17,080	-	0%
<b>Total Current Liabilities</b>	<b>39,108</b>	<b>43,045</b>	<b>43,045</b>	<b>-</b>	<b>0%</b>
<b>Non-Current Liabilities</b>					
Provision	1,129	1,941	1,941	-	0%
Other Liabilities	2,245	1,926	1,926	-	0%
<b>Total Non-Current Liabilities</b>	<b>3,374</b>	<b>3,867</b>	<b>3,867</b>	<b>-</b>	<b>0%</b>
<b>Total Liabilities</b>	<b>42,482</b>	<b>46,912</b>	<b>46,912</b>	<b>-</b>	<b>0%</b>
<b>Net Assets</b>	<b>3,465,448</b>	<b>3,124,587</b>	<b>3,411,561</b>	<b>286,974</b>	<b>9%</b>
<b>EQUITY</b>					
Accumulated Surplus	1,056,385	999,448	1,002,624	3,176	0%
Reserves	2,409,063	2,125,139	2,408,937	283,798	13%
<b>Total Equity</b>	<b>3,465,448</b>	<b>3,124,587</b>	<b>3,411,561</b>	<b>286,974</b>	<b>9%</b>

**Statement of Cash Flows**  
for the period ending 31 December 2018

	YTD Actual \$'000	YTD Budget \$'000	YTD Variance \$'000	2018/19 Adopted Budget \$'000	2018/19 Forecast \$'000	Forecast Var \$	Forecast Var %
	Inflows (Outflows)	Inflows (Outflows)	Fav (Unfav)	Inflows (Outflows)	Inflows (Outflows)	Fav (Unfav)	Fav (Unfav)
<b>Cash Flows from Operating Activities</b>							
<b>Receipts</b>							
Rates & Charges	41,799	41,752	48	121,323	121,323	-	0%
Fire Services Levy	492	265	227	-	-	-	0%
Statutory Fees & Fines	5,111	4,915	196	10,273	10,256	(17)	(0%)
User Fees	13,296	13,648	(352)	27,487	28,227	740	3%
Contributions - cash	3,579	3,014	565	6,596	6,601	5	0%
Grants - Operating	10,861	9,708	1,153	15,323	16,187	864	6%
Grants - Capital	1,139	887	253	2,576	2,576	-	0%
Interest Revenue	1,268	1,146	122	2,529	2,529	-	0%
GST reimbursed by Australian Tax Office	4,892	4,862	30	10,087	10,087	-	0%
Other Revenue	450	299	151	880	896	16	2%
Employee Costs	(38,475)	(37,922)	(553)	(73,945)	(74,912)	(967)	1%
Materials, Services and Contracts	(39,685)	(39,120)	(565)	(72,739)	(74,446)	(1,707)	2%
Other Expenses	(620)	(655)	35	(1,798)	(1,873)	(75)	4%
GST paid to Australian Tax Office	(717)	(918)	202	(1,454)	(1,454)	-	0%
<b>Total Cash Inflow (outflow) provided by Operating Activities</b>	<b>3,392</b>	<b>1,881</b>	<b>1,510</b>	<b>47,138</b>	<b>45,996</b>	<b>(1,142)</b>	<b>(2%)</b>
<b>Cash Flows from Investing Activities</b>							
Payments for Property, Plant and Equipment	(20,176)	(21,926)	1,749	(47,261)	(48,606)	(1,345)	(3%)
(Payments for) / Proceeds from Investment(Net)	-	-	-	-	-	-	-
Proceeds from Sale of Property, Plant and Equipment	577	512	65	8,433	8,433	-	0%
<b>Net Cash Inflow (Outflow) provided by Investing Activities</b>	<b>(19,599)</b>	<b>(21,414)</b>	<b>1,815</b>	<b>(38,828)</b>	<b>(40,173)</b>	<b>(1,345)</b>	<b>(3%)</b>
<b>Cash Flows from Financing Activities</b>							
Trusts and Refundable Deposits	31	-	31	-	-	-	0%
<b>Net Cash Inflow (outflow) provided by Financing Activities</b>	<b>31</b>	<b>-</b>	<b>31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>
<b>net increase (decrease) in cash and cash equivalents</b>	<b>(16,177)</b>	<b>(19,533)</b>	<b>3,356</b>	<b>8,310</b>	<b>5,822</b>	<b>(2,488)</b>	<b>-30%</b>
Cash and cash equivalents at the beginning of the financial year	89,863	77,913	11,950	85,549	89,865	4,316	5%
<b>Cash and cash equivalents at the end of the period</b>	<b>73,686</b>	<b>58,380</b>	<b>15,306</b>	<b>93,859</b>	<b>95,688</b>	<b>1,829</b>	<b>2%</b>

**Statement of Capital Works  
for the period ending 31 December 2018**

	YTD Actual \$'000	2018/19 Adopted Budget \$'000	% Complete	FORECAST		
				2018/19 Management Budget \$'000	Variance to Adopted Budget Var \$ Var %	
<b>Property</b>						
Land	-	30	0.0%	30	-	100.0%
Land Improvements	-	-	0.0%	-	-	0.0%
<b>Total land</b>	-	30	0.0%	30	-	100.0%
Buildings and Building Improvements	3,968	16,028	24.8%	13,106	2,922	81.8%
<b>Total buildings and building Improvements</b>	3,968	16,028	24.8%	13,106	2,922	81.8%
<b>Total property</b>	3,968	16,058	24.7%	13,136	2,922	81.8%
<b>Plant &amp; Equipment</b>						
Plant, machinery and equipment	774	2,875	26.9%	2,875	-	100.0%
Fixtures, fittings and furniture	226	489	46.1%	489	-	100.0%
Computers and telecommunications	1,302	3,530	36.9%	3,540	(10)	100.3%
Library books	711	1,284	55.4%	1,284	-	100.0%
<b>Total plant and equipment</b>	3,013	8,178	36.8%	8,188	(10)	100.1%
<b>Infrastructure</b>						
Roads	2,880	5,642	51.1%	6,302	(661)	111.7%
Bridges	118	393	30.1%	393	-	100.0%
Footpaths and cycleways	2,314	4,522	51.2%	7,208	(2,686)	159.4%
Drainage	1,003	2,077	48.3%	2,324	(247)	111.9%
Recreational, leisure and community facilities	1,728	3,071	56.3%	3,209	(139)	104.5%
Waste management	2	131	1.8%	131	-	100.0%
Parks, open space and streetscapes	1,144	2,955	38.7%	3,477	(523)	117.7%
Aerodromes	-	-	0.0%	-	-	0.0%
Off street car parks	16	213	7.4%	213	-	100.0%
Other infrastructure	7	120	6.2%	120	-	100.0%
<b>Total Infrastructure</b>	9,213	19,123	48.2%	23,379	(4,256)	122.3%
<b>Total capital works expenditure</b>	16,194	43,359	37.3%	44,703	(1,345)	103.1%
<b>Represented by:</b>						
New Asset expenditure	311	833	37.3%	859	(25)	103.1%
Asset renewal expenditure	11,568	30,973	37.3%	31,933	(960)	103.1%
Asset expansion expenditure	992	2,656	37.3%	2,738	(82)	103.1%
Asset upgrade expenditure	3,323	8,897	37.3%	9,173	(276)	103.1%
	16,194	43,359	37.3%	44,703	(1,345)	103.1%
<b>Funding sources represented by:</b>						
Grants	1,149	2,576	44.6%	2,576	-	100.0%
Contributions	41	437	9.4%	442	5	101.0%
Council cash	15,004	40,346	37.2%	41,686	1,340	103.3%
Borrowings	-	-	0.0%	-	-	0.0%
<b>Total capital works expenditure</b>	16,194	43,359	37.3%	44,703	1,344	103.1%

Indicator	Measure	YTD Actual 2018/19	Full Year Budget 2018/19
<b>Operating position</b>			
Adjusted Underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	44.8%	6.6%
<b>Liquidity</b>			
Working Capital	Current assets / current liabilities	424.9%	241.1%
Unrestricted cash	Unrestricted cash / current liabilities	131.84%	168.5%
<b>Obligations</b>			
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	0.00%	0.00%
Loans and borrowings	Interest and principal repayments / rate revenue	0.00%	0.00%
Indebtedness	Non-current liabilities / own source revenue	2.4%	2.4%
Asset renewal	Asset renewal expenditure / depreciation	82.5%	110.7%
<b>Stability</b>			
Rates concentration	Rate revenue / adjusted underlying revenue	76.4%	66.6%
Rates effort	Rate revenue / CIV of rateable properties in the municipality	0.0%	0.1%
<b>Efficiency</b>			
Expenditure level	Total expenses / No. of property assessments	\$1,106	\$2,168
Revenue level	Residential rate revenue/No. of residential assessments	\$1,440	\$1,414
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year	5.3%	11.0%