

3.1 2018/2019 FINANCIAL MANAGEMENT AND CAPITAL WORKS PROGRESS REPORT – THIRD QUARTER 31 MARCH 2019

(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 March 2019, 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 March 2019, the YTD net surplus from ordinary operations before transfers to reserves was \$43.8M, representing a 4% (\$1.69M) favourable variance against YTD budget (\$42.12M). The full Income Statement is included in Appendix A - Financial Statements & Indicators.

	Full Year Budget 2018/19 \$'000	Full Year Forecast 2018/19 \$'000	Forecast Variance		
			\$'000	%	
Total income	185,195	192,527	7,331	3.8%	●
Employee Costs	74,595	75,544	(948)	(1.3%)	●
Materials, Services & Contracts	67,288	71,004	(3,717)	(5.2%)	●
Depreciation & Other Expenses	29,425	29,490	(65)	(0.2%)	●
Total expenses	171,308	176,038	(4,730)	(2.7%)	●
Surplus (deficit) for the year	13,888	16,489	2,601	15.8%	●
Less Capital Income (non-recurrent)	(2,841)	(3,105)	264	8.5%	●
Adjusted underlying surplus/ (deficit)	11,047	13,384	2,337	17.5%	●
Working Capital Ratio	241.1%	259.1%		18.0%	●

This result is mainly due to favourable income variance (\$5.59M) with revenue exceeding budgets in Contributions (public open space contributions (\$2.72M) of which \$2.3M includes Glen Waverley Vicinity contribution; User fees (\$481K) mostly due to recoup of income from State Revenue Office for valuation works undertaken; Operating and Capital grants (\$1.68M) due to unbudgeted operational funding (MC&H, Early Years, Youth, Community Strengthening); and Statutory fees and fines of \$380K (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 \$3.9M, comprising of employee costs higher than budget (\$1.1M) and materials, services and contractors are also unfavourable by \$2.83M of which \$2.6M (not including administrative costs) relates to the provision raised for the parking infringement matter approved by Council.

Forecast Summary

As at March 2019, the full year (2018/19) forecast net operating surplus is \$16.49M compared to budgeted surplus of \$13.89M, representing a projected favourable variance of \$2.6M.

This favourable variance of \$2.6M is primarily made up of:

- **Grants operating and capital - \$5.37M 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.

Capital grants include, additional funding for SSRIP (\$2.85M), Smart cities (\$374K) and Roads-Oakleigh Activity Centre (\$660K).

- **Contributions - \$1.8M favourable variance** – this relates to additional Public Open Space contributions (\$1.5M) and unbudgeted capital contribution which is Gladeswood Reserve Baseball/Reserve Improvements (\$230K).

These unfavourable forecasted variances are partially offset by:

- **User fees - \$107K unfavourable variance** – most of this unfavourable variances are due to reduction in income from Service Charges (\$264K), predominantly from Family Day Care (\$208K) due to reduction in utilisation and number of educators and subsequently impacting hours of care and HACC food services (\$268K) due to a reduction in clientele demand. Green Fees is also forecasted down by \$200K due to contract variation.

Under performance in entrance fees and memberships across the 3 aquatic and recreation centres has resulted in a forecast reduction of \$694K. Patronage at the Waste Transfer Station is lower than anticipated and may result in a \$500K lower than budgeted reduction in income.

These unfavourable user fees variances are partially offset by higher than forecasted recoup income from SRO for valuation works (\$297K), works undertaken for LXRA project (\$436K). Building Services income from application fees is forecasted to be higher than budget by \$151K, Statutory Planning income (\$84K) and additional \$100K from Engineering permits (eg vehicular crossing, stormwater connection and road opening permits). Waste Big Bin charges is also forecasted higher (\$132K). Forecasted capital recoup income include the LXRA project (\$113K) and unbudgeted recoup of funds for Galbally Reserve Playspace Oakleigh (\$150K).

- **Employee costs - \$1.04M unfavourable variance** - as a result of:
 - a. Additional grant funded positions (\$0.94M) 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 (\$71K) 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 meeting in July 2018 (\$50K).
- **Materials & Services - \$3.72M 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 (\$499K) forecasted higher than budgeted due to:
 - o Facility Maintenance (\$191K) 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 (\$145K) due to increased levels of service required to maintain Council properties;
 - f. Net movement in waste contract collection and disposal tonnage differentials (\$601K); and
 - g. The Parking infringement matter (\$2.85M) which includes the provision and associated administrative costs.
- **Other Expenses - \$62K unfavourable variance** – this is the result of increases to lease payments for equipment at MARC, CACH and ORC.

BALANCE SHEET

The Working Capital ratio (WCR) as at 31 March 2019 is 312.4%. This comprises current assets of \$139.9M and current liabilities totalling \$44.78M. The budgeted figure for 30 June 2019 is a WCR of 241.1% (Appendix A).

The unrestricted cash position at 31 March 2019 was 197.82%. This comprises restricted cash required by legislation of \$10.1M (\$6.9M drainage and \$3.2M parking reserves), Public open space reserve \$2.31M, in addition to funds reserved by Council resolution (\$7M development reserve, \$4.5M Superannuation reserve and \$2.86M unspent grants). The actual unrestricted cash and cash equivalents are \$88.59M in addition to current liabilities of \$44.78M and non-current liabilities for LSL \$1.36M. The budgeted unrestricted cash figure for 30 June 2019 is 168.5% (Appendix A).

The forecasted variance of \$2970.72M 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 March 2019 at \$112.16M, an increase of \$20.59M above the year-to-date budget of \$91.57M. 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, contributions, user fees, other revenue and a delay in the delivery of capital works program.

Cash Flow Summary 2018/19

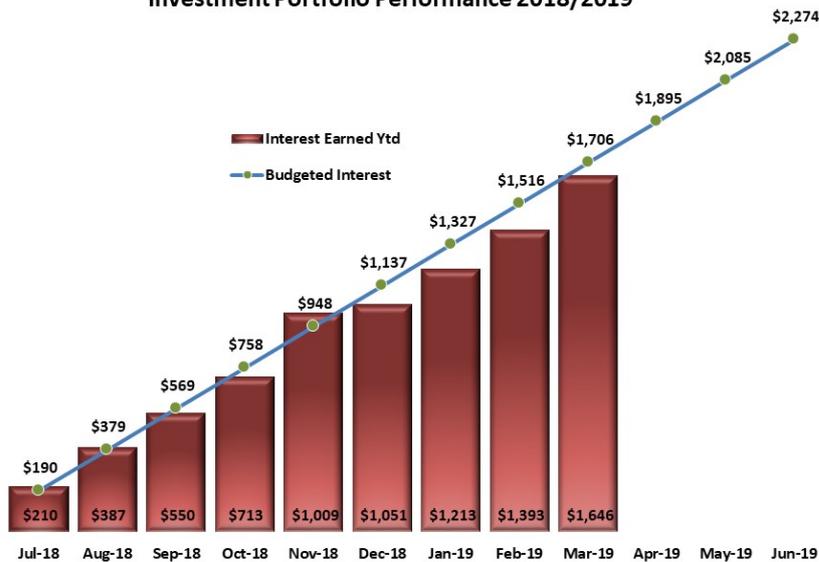


	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
2018-19 Cash at Bank Forecast	84,435	87,645	81,671	80,573	82,708	75,363	78,522	104,992	98,406	98,826	99,399	92,774
2017-18 Actual	75,414	78,394	73,392	72,418	74,389	68,322	71,311	107,575	101,225	101,659	102,252	95,863
2018/19 Actual Cash at Bank	84,435	82,028	80,001	79,809	80,315	73,686	75,066	112,770	112,165			

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.

Investment Portfolio Performance 2018/2019



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	19,000,000.00
Term deposits	91 days to 120 days	12,000,000.00
Term deposits	121 days to 365 days	74,000,000.00
Term deposits	365 days +	-
Total funds invested		105,000,000.00

STATEMENT OF CAPITAL WORKS

The Statement of Capital Works presents Council's performance against the Adopted 2018/19 Capital Works Budget. As at 31 March 2019, Council has expended \$28.34M 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 \$42.57M as detailed in the Standard Statement of Capital Works. As at 31 March 2019, Council has achieved 66.6% (\$28.34M/\$42.57M) 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 \$42,570,678 as at 31 March 2019, 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 31/03/2019

Description	31/03/2019 \$
Adopted Capital Works Budget 26/06/2018	\$43,358,794
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	\$44,038,453
Additional Funding for new SSRIP projects	\$3,323,102
Less Budgets Proposed for Carry Forward to 2019/20	-\$2,805,162
Adjustments within Capital Works Budgets – funding required as per Table 2 and Table 3	\$477,021
Agreed Capital Works Budget as reported 31 December 2018	\$45,033,414
Add Adjustment for Mount Waverley CC reported October 2018	\$172,741
Adjusted Capital Works Budget at 31 December 2018	\$45,206,155

MARCH QUARTER ADJUSTMENTS	
Additional Capital Income NOTE A	\$962,731
Less Budgets Proposed for Carry Forward to 2019/20 NOTE B	-\$5,267,301
Surplus Funds as per Table 2	-\$986,659
New projects requiring funding as per Table 2	\$822,870
Current projects requiring additional funding as per Table 2	\$724,371
Atherton Road funding brought forward from 2019/20 – Table 2	\$1,046,759
Projects from 2017/18 completed in 2018/19	\$66,885
DCP funding for Fiander Ave Glen Waverley not required	-\$5,133
Agreed Capital Works Budget at 31 March 2019	\$42,570,678

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

A. Capital Income

Adjustments to budgeted income for the March quarter in 2018/19 are:

• iSense Oakleigh: The Smart Precinct	\$443,580
• Tally Ho Kindergarten Foyer Refurbishment	\$78,000
• SSRIP Cycling Infrastructure Program Gardiners Rd Clayton (additional)	\$70,501
• Ashwood Reserve Sports Lighting - grant	\$200,000
• DCP Contribution Plan 3-4 Harwood Close Wheelers Hill	\$209,000
• DCP Contribution Plan 34-36 Winbirra Parade Ashwood	\$11,650
• Freeway Reserve Masterplan – contribution not proceeding	-\$50,000
Total Additional Capital Income 1/01/2019 – 31/03/2019	\$962,731

Council received a grant of \$373,580 in 2018/19 from the Commonwealth Government Department of Industry, Innovation and Science under the Smart Cities and Suburbs Program for the iSense Oakleigh - The Smart Connected Precinct project, with a further \$326,420 approved for 2019/20.

In addition Monash University will contribute \$70,000 to the project with much of the innovative work being completed at the University. The project will start with smart traffic and parking monitoring and management, and flow onto other services such as smart street lighting, on-demand mobility and a suitable ecosystem for future connected and autonomous vehicles.

The Tally Ho kindergarten foyer refurbishment is being completed using external funding - \$58,000 from grant funds and a contribution of \$20,000 from the Parent Advisory Group.

The sports lighting project at Ashwood Reserve currently budgeted at \$402,000 has attracted a grant of \$200,000 from the Federal Government's Australia Institute of Sport that will release Council funds allocated to the project.

The remaining new income relates to Developer Contribution Plan contributions to drainage projects at Harwood Close Wheelers Hill and Winbirra Parade Ashwood.

The Freeway Reserve Masterplan project did not proceed as the external contribution of \$50,000 was not forthcoming. As a result there were surplus Council funds of \$190,800 made available for re-distribution.

B. Carry Forward Budgets

In the December quarter there were two building 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 third quarter review has highlighted the requirement to carry forward additional funds for projects that will be incomplete at 30 June 2019; and they have been included in the Draft Capital Works Budget, currently approved by Council.

The additional carry forward projects are:

Buildings:

- | | |
|--|-------------|
| • Waverley District Netball – Amenities Upgrade | \$129,800 |
| • Oakleigh Service Centre Roof Replacement | \$114,000 |
| • Clayton Community Centre Building works | \$439,300 |
| • Clayton Community Centre HVAC Design | \$88,650 |
| • Structures Renewal Program | \$240,000 |
| • Montclair Avenue Carpark Glen Waverley | \$450,000 |
| • Waste Transfer Station Perimeter Fence Replacement | \$25,850 |
| • Brentwood Pavilion Re-development | \$350,000 |
| • Oakleigh Recreation Centre | \$2,100,000 |

Computers and Telecommunications:

- | | |
|---|-----------|
| • BT – 2018-19 Corporate Reporting Renewal | \$140,000 |
| • BT – Asset Management Information System Implementation | \$100,000 |
| • BT – Replacement BT Service Management Tool | \$74,000 |
| • Enterprise Project Portfolio (EPPM) | \$200,000 |

Footpaths and Cycleways:

- | | |
|---|-----------|
| • Footpath North Side Alleford Street Oakleigh | \$73,225 |
| • Footpath Abbeygate Street Oakleigh | \$24,226 |
| • Shared Path Upgrade – Melbourne Water Pipe Track (H/bury to Cherry) | \$245,000 |

Drainage:

- | | |
|--|-----------|
| • Local Drainage 129 Clayton Road Oakleigh East | \$60,250 |
| • Drainage Contribution Plan Hinkler Reserve Glen Waverley | \$180,000 |
| • Wetland Renewal Program | \$112,000 |

Waste Management:

- | | |
|--|-----------|
| • Reg Harris Reserve Leachate Management | \$121,000 |
|--|-----------|

Carry Forward Budgets for approval March 2019 Quarter **\$5,267,301**

Total Carry Forward Budgets as per Draft Budget **\$8,072,463**

The Oakleigh Recreation Centre contract is expected to be awarded in May with a view to commencing construction in June 2019 and completion during 2020/21.

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 \$1,669,093 of funding is required to be found from various Council funding sources.

The major budget movement is on the Atherton Road project, where due to an estimated earlier completion date, funds are required to be brought forward from the proposed 2019/20 Budget where Council's funding for the project was \$1,046,759.

In addition; there are several 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:

• Car park Lighting at MARC	\$22,124
• Atkinson Street Multi Level Car Park	\$2,700
• BT Lease & Licence Management System	\$40,061
• DCP Drainage Salisbury Road Ashwood	<u>\$2,000</u>
<u>Total</u>	\$66,885

Table 2: Summary of Adjustments to 2018/19 Capital Works Projects - at 31/03/2019

Changes within the 2018/19 Capital Works Program	Reason	Result
HVAC Civic Centre IT room Upgrade	Surplus	-\$69,389
Clayton Hall Air Handling Units	Surplus	-\$109,834
Equitable Access – MGA Amenity Upgrade	Surplus	-\$1,074
Road Reconstruction Vision Street Chadstone	Surplus	-\$5,800
Road Reconstruction Moorong Street Chadstone	Surplus	-\$4,000
Road Resurfacing	Surplus	-\$150,000
Bridge Rehabilitation Napier Park Reserve Glen Waverley	Surplus	-\$14,048
Local Drainage 2-10 Keith Street Oakleigh East	Surplus	-\$23,265
Drainage Rehabilitation 34-52 Josephine Ave Mount Wav.	Surplus	-\$34,220
Drainage Rehabilitation 1-11 Graduate Cr. Wheelers Hill	Surplus	-\$66,654
Freeway Reserve Master Plan	Not proceeding	-\$190,800
Cricket Net Renewal – Argyle & Batesford Reserves	Surplus	-\$9,575
Retaining Wall – 106 Huntingdale Road Mount Waverley	Surplus	-\$50,000
Retaining Wall – 50 Alvie Road Mount Waverley	Surplus	-\$58,000
Ashwood Reserve Sports lighting – grant replacing Council funds	Surplus	-\$200,000
Total Surplus Funds		-\$986,659
BT Upgrade Time Target	New project	\$50,000
BT Readsoft & Process IT Upgrade	New project	\$59,970
BT Pathway Category Upgrade	New project	\$91,120
BT Pathway Application & Database Upgrade	New project	\$30,000
BT Last Pass Password Manager	New project	\$55,000
BT Halls Booking Replacement	New Project	\$120,780
Galbally Reserve Playspace – additional funds	New project	\$25,000
Euneva Car Park Level 1 Building works	New project	\$300,000
Retaining Wall Jacksons Road Mulgrave	New project	\$5,000
Clapham Road Car Park (outside Oakleigh Grammar)	New project	\$15,000

ROW Construction – Connell to Wells Rd Oakleigh - Design	New project	\$5,000
Shared Path Scotchmans Creek Trail – H/dale Rd to Stanley	New project	\$10,000
Shared Path Access Improvements Huntingdale Road	New project	\$2,000
New Footpath Salisbury Road Ashwood - Design	New project	\$2,500
Local Drainage Kanooka Grove Clayton - Design	New project	\$10,000
Local Drainage Elwood Street Notting Hill - Design	New project	\$6,500
Streetscape Upgrade & Road Modification O’Sullivan Rd - Design	New project	\$15,000
Map 23 Line marking	New project	\$15,000
Strategic Drainage -1558-1568 Dandenong Rd Huntingdale – Stage 2 Design	New project	\$5,000
Total Funds Required for New Projects		\$822,870
Jordanville Community Centre – Air conditioning Upgrade	Funds required	\$12,122
Cricket Net Renewal Meade Reserve	Funds required	\$9,207
Pinewood Pavilion	Funds required	\$26,350
Whealers Hill Library HVAC Upgrade	Funds required	\$75,496
Drainage Rehabilitation Brazilia Drive Glen Waverley	Funds required	\$7,006
Replace Kerb and Channel Program	Funds required	\$450,000
BT Mobile Phone Renewal Program	Funds required	\$44,090
BT PC & Laptop Renewal	Funds required	\$80,100
BT iPad Renewal	Funds required	\$20,000
Total Additional Funds Required for Adopted Program		\$724,371
Atherton Road Reconstruction Brought Forward fr 2019/20	Funds required	\$1,046,759
Hangover Projects from 2017/18 as per list	Funds required	\$66,885
Adjust budget for DCP funds surplus on Fiander Ave G/W	DCP surplus	-\$5,133
Nett funding Adjustments to Agreed Capital Works Budget at 31/03/2019		\$1,669,093

Projected Surplus (Deficit) Funds (\$1,669,093)

At 31/03/2019 the funds required are \$1,669,093 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 31/03/2019

Deficit details by Category	Amount \$	Suggested Funding
Atherton Road Reconstruction	1,046,759	2019/20 Draft budget adjusted back for funds brought forward to 2018/19
Euneva Car Park – Level 1 Building works	\$300,000	Community Infrastructure Project – to be funded from future land sales
Balance of New and 2018/19 Projects requiring funding	\$260,582	From Council's Retained Earnings
Funds not required from DCP	-\$5,133	To DCP Drainage reserve
Hangover Projects DCP Drainage	\$2,000	From DCP Drainage Reserve
Hangover Projects requiring funding	\$64,885	From Council's Retained Earnings
Total Funding Solutions for Program 31/03/2019	\$1,669,093	

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 \$1,669,093 at 31 March 2019 will be funded from Council's budget for Atherton Road brought forward from the proposed 2019/20 budget, future land sales for Euneva car park building works; Drainage Contributions Reserve; and the balance from Council's retained earnings.

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

Comprehensive Income Statement for the period ending 31 March 2019							
	YTD Actual \$'000	YTD Budget \$'000	YTD Variance \$'000	2018/19 Adopted Budget \$'000	2018/19 Forecast \$'000	Forecast Var \$	Forecast Var %
Revenue from Ordinary Activities							
Rates & Charges	121,222	121,238	(17)	121,323	121,323	-	0%
Statutory Fees & Fines	7,605	7,225	380	10,273	10,200	(73)	(1%)
User Fees	20,474	19,993	481	25,688	25,583	(105)	(0%)
Contributions - cash	7,610	4,886	2,724	6,597	8,398	1,801	27%
Grants - Operating	13,083	11,822	1,261	15,323	16,303	980	6%
Grants - Capital	1,801	1,379	422	2,576	6,967	4,391	170%
Interest Revenue	1,936	1,902	33	2,529	2,529	-	0%
Other Revenue	695	662	33	886	951	65	7%
Profit from Sale of Assets	273	-	273	-	273	273	0%
Total Revenue	174,699	169,108	5,591	185,195	192,527	7,332	4%
Expenses from Ordinary Activities							
Employee Costs	55,427	54,361	(1,066)	74,595	75,544	(948)	(1%)
Materials, Services & Contracts	53,490	50,664	(2,826)	67,288	71,004	(3,717)	(6%)
Depreciation & Amortisation	20,962	20,985	23	27,981	27,981	-	0%
Other Expenses	1,017	982	(35)	1,444	1,509	(65)	(5%)
Total Expenses	130,895	126,991	(3,904)	171,308	176,038	(4,730)	(3%)
Net Surplus/(Deficit) from Ordinary Operations	43,803	42,117	1,686	13,888	16,489	2,601	19%
Transfer to Reserves	2,315	-	2,315	-	-	-	0%
Net Surplus/(Deficit) after Transfers to Reserves	46,118	42,117	4,001	13,888	16,489	2,601	19%

Balance Sheet as at 31 March 2019

	31 Mar 2019 Actual \$'000	2018/19 Adopted Budget \$'000	2018/19 Annual Forecast \$'000	Forecast Var \$	Forecast Var %
ASSETS					
Current Assets					
Cash & Cash Equivalents	112,165	93,859	101,605	7,746	8%
Trade and Other Receivables	25,472	8,421	8,421	-	0%
Other Financial Assets	2	0	-	-	0%
Inventories	61	0	-	-	0%
Other Assets	2,204	1,506	1,506	-	0
Total Current Assets	139,904	103,787	111,532	7,746	7%
Non-Current Assets					
Property, Plant & Equipment	3,345,762	3,066,445	3,349,415	282,970	9%
Other Assets	1,171	1,267	1,267	-	0%
Total Non-Current Assets	3,346,933	3,067,712	3,350,682	282,970	9%
Total Assets	3,486,837	3,171,499	3,462,214	290,716	9%
LIABILITIES					
Current Liabilities					
Trade and Other Payables	12,775	16,260	16,260	-	0%
Trust Funds and Deposits	16,020	9,705	9,705	-	0%
Income in Advance	-	0	0	-	0%
Provision	15,987	17,080	17,080	-	0%
Total Current Liabilities	44,782	43,045	43,045	-	0%
Non-Current Liabilities					
Provision	1,357	1,941	1,941	-	0%
Other Liabilities	2,245	1,926	1,926	-	0%
Total Non-Current Liabilities	3,602	3,867	3,867	-	0%
Total Liabilities	48,384	46,912	46,912	-	0%
Net Assets	3,438,453	3,124,587	3,415,305	290,718	9%
EQUITY					
Accumulated Surplus	1,027,075	999,448	1,006,368	6,920	1%
Reserves	2,411,378	2,125,139	2,408,937	283,798	13%
Total Equity	3,438,453	3,124,587	3,415,305	290,718	9%

**Statement of Cash Flows
for the period ending 31 March 2019**

	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)
Cash Flows from Operating Activities							
Receipts							
Rates & Charges	104,230	104,188	42	121,323	121,323	-	0%
Fire Services Levy	1,493	1,081	412	-	-	-	0%
Statutory Fees & Fines	7,605	7,152	453	10,273	10,200	(73)	(1%)
User Fees	20,749	20,703	46	27,487	27,382	(105)	(0%)
Contributions - cash	7,610	3,798	3,811	6,596	8,397	1,801	27%
Grants - Operating	13,083	11,393	1,690	15,323	16,303	980	6%
Grants - Capital	1,791	1,154	638	2,576	6,967	4,391	170%
Interest Revenue	1,880	1,561	319	2,529	2,529	-	0%
GST reimbursed by Australian Tax Office	6,672	5,882	790	10,087	10,087	-	0%
Other Revenue	790	517	273	880	945	65	7%
Employee Costs	(55,043)	(54,297)	(746)	(73,945)	(74,893)	(948)	1%
Materials, Services and Contracts	(59,870)	(57,476)	(2,394)	(72,739)	(76,456)	(3,717)	5%
Other Expenses	(1,017)	(1,049)	31	(1,798)	(1,863)	(65)	4%
GST paid to Australian Tax Office	(1,055)	(1,096)	42	(1,454)	(1,454)	-	0%
Total Cash Inflow (outflow) provided by Operating Activities	48,920	43,512	5,407	47,138	49,467	2,329	5%
Cash Flows from Investing Activities							
Payments for Property, Plant and Equipment	(28,856)	(34,489)	5,634	(47,261)	(46,433)	828	2%
(Payments for) / Proceeds from Investment(Net)	-	-	-	-	-	-	-
Proceeds from Sale of Property, Plant and Equipment	1,756	4,636	(2,880)	8,433	8,706	273	3%
Net Cash Inflow (Outflow) provided by Investing Activities	(27,100)	(29,854)	2,754	(38,828)	(37,727)	1,101	3%
Cash Flows from Financing Activities							
Trusts and Refundable Deposits	482	-	482	-	-	-	0%
Net Cash Inflow (outflow) provided by Financing Activities	482	-	482	-	-	-	0%
Net increase (decrease) in cash and cash equivalents at the beginning of the financial year	22,302	13,659	8,643	8,310	11,739	3,429	41%
Cash and cash equivalents at the beginning of the financial year	89,863	77,913	11,950	85,549	89,865	4,316	5%
Cash and cash equivalents at the end of the period	112,165	91,572	20,593	93,859	101,605	7,746	8%

Statement of Capital Works for the period ending 31 March 2019						
	YTD Actual \$'000	2018/19 Adopted Budget \$'000	% Complete	FORECAST		
				2018/19 Management Budget \$'000	Variance to Adopted Budget Var \$	Var %
Property						
Land	1	30	2.5%	30	-	100.0%
Land Improvements	-	-	0.0%	-	-	0.0%
Total land	1	30	2.5%	30	-	100.0%
Buildings and Building Improvements	5,691	16,028	35.5%	10,041	5,987	62.6%
Total buildings and building improvements	5,691	16,028	35.5%	10,041	5,987	62.6%
Total property	5,692	16,058	35.4%	10,071	5,987	62.7%
Plant & Equipment						
Plant, machinery and equipment	1,379	2,875	47.9%	2,875	-	100.0%
Fixtures, fittings and furniture	439	489	89.8%	489	-	100.0%
Computers and telecommunications	2,171	3,530	61.5%	4,076	(547)	115.5%
Library books	977	1,284	76.0%	1,284	-	100.0%
Total plant and equipment	4,965	8,178	60.7%	8,725	(547)	106.7%
Infrastructure						
Roads	6,719	5,642	119.1%	7,726	(2,084)	136.9%
Bridges	21	393	5.4%	139	254	35.4%
Footpaths and cycleways	4,606	4,522	101.9%	7,006	(2,484)	154.9%
Drainage	1,363	2,077	65.6%	2,147	(71)	103.4%
Recreational, leisure and community facilities	2,545	3,071	82.9%	2,968	102	96.7%
Waste management	3	131	2.6%	10	121	7.6%
Parks, open space and streetscapes	2,258	2,955	76.4%	3,514	(560)	118.9%
Aerodromes	-	-	0.0%	-	-	0.0%
Off street car parks	160	213	74.9%	248	(35)	116.4%
Other infrastructure	10	120	8.6%	17	103	14.2%
Total Infrastructure	17,685	19,123	92.5%	23,775	(4,653)	124.3%
Total capital works expenditure	28,342	43,359	65.4%	42,571	787	98.2%
Represented by:						
New Asset expenditure	544	833	65.4%	818	16	98.2%
Asset renewal expenditure	20,246	30,973	65.4%	30,410	563	98.2%
Asset expansion expenditure	1,736	2,656	65.4%	2,608	48	98.2%
Asset upgrade expenditure	5,816	8,897	65.4%	8,735	162	98.2%
	28,342	43,359	65.4%	42,571	787	98.2%
Funding sources represented by:						
Grants	1,801	2,576	69.9%	6,601	4,025	256.3%
Contributions	421	437	96.4%	532	95	121.6%
Council cash	26,119	40,346	64.7%	35,438	(4,908)	87.8%
Borrowings	-	-	0.0%	-	-	0.0%
Total capital works expenditure	28,342	43,359	65.4%	42,571	(787)	98.2%

Indicator	Measure	YTD Actual 2018/19	Full Year Budget 2018/19
<i>Operating position</i>			
Adjusted Underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	24.6%	6.1%
<i>Liquidity</i>			
Working Capital	Current assets / current liabilities	312.4%	241.1%
Unrestricted cash	Unrestricted cash / current liabilities	197.82%	168.5%
<i>Obligations</i>			
Loans and borrowings	Interest bearing loans and borrowings / rate	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	96.6%	110.7%
<i>Stability</i>			
Rates concentration	Rate revenue / adjusted underlying revenue	69.8%	66.5%
Rates effort	Rate revenue / CIV of rateable properties in the municipality	0.0%	0.1%
<i>Efficiency</i>			
Expenditure level	Total expenses / No. of property assessments	\$1,657	\$2,168
Revenue level	Residential rate revenue/No. of residential assessments	\$1,444	\$1,414
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year	7.2%	11.0%