

ATTACHMENT TO AGENDA ITEM

Ordinary Meeting

19 May 2015

Agenda Item 8.1 April 2015 Monthly Financial Report

Attachment 1 April 2015 Monthly Financial Report..... 150

GREATER SHEPPARTON
GREATER FUTURE



MONTHLY FINANCIAL REPORT

**2014/2015 FINANCIAL YEAR TO DATE AS AT
30 APRIL 2015**



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GREATER SHEPPARTON CITY COUNCIL
Summary for Monthly Finance Report – April 2015

The April 2015 Financial Report provides a summary of the actual financial performance compared to budget for the first ten months of the 2014/2015 financial year.

At the April ordinary Council meeting the March Quarter Budget Review was adopted which is used as the basis of the Budget in this report.

The actual year to date accounting surplus of \$15.05m is \$220k (1.4%) under the year to date budget.

Income Statement

- The underlying operating surplus is \$363k (3.7%) less than the year to date budget with operating revenue \$424k (0.4%) more than budget partially offsetting operating expenditure \$786k (0.9%) more than budget.

Capital Works

- Year to date capital expenditure of \$19.33m is \$198k (1.0%) under the budget. This is largely due to timing of works for Cosgrove Landfill 2 Cell 4 Sideliner project \$169k.
- Council has expended 61.7% of the capital works budget during the first ten months of the year 2014/2015.

Cash Flow

- Net cash inflow from operating activities is \$395k more than the budget. This is largely due to timing of receipt of Cosgrove Operations User Charges and capital grants and contributions.

Balance Sheet

- Year to date working capital (current assets less current liabilities) is \$39.77m as at 30 April 2015.

Investments

- Total investments of \$38.60m is tracking \$3.07m less than the same time last year with an average interest rate of 3.09%.
- Council has a diverse investment portfolio, which includes local banking institutions and actively manages investments to preserve capital, manage cash flows and generate return.

Rates Debtors

- Declared rates and charges were recorded in August 2014. The rates lump sum payment and third instalment were due end of February 2015. The fourth instalment is due end of May 2015.
- Rates debtors of \$11.31m is tracking \$1.09 million more than the same time last year. This is primarily due to the budgeted increase in the total rates and charges and the increasing use of the 10 monthly direct debit payment option.

Sundry Debtors

- Sundry Debtors of \$1.85m is tracking \$801k less than the same time last year. Sundry Debtors are within acceptable limits and are being actively managed.

Greater Shepparton City Council
Income Statement
for period ended April 2015

	2014/2015 March Quarter Budget \$	2014/2015 YTD Budget \$	2014/2015 YTD Actual \$	YTD Variance (Fav)/Unfav \$	YTD Variance (Fav)/Unfav %	Note
Revenues from Operating Activities						
Rates and Charges	63,973,786	63,821,112	63,823,038	(1,926)	(0.0%)	
Operating Grants and Contributions	24,601,898	18,732,686	18,703,230	29,456	0.2%	
User Charges	15,957,281	12,817,924	13,174,536	(356,612)	(2.8%)	
Statutory Fees	2,406,878	1,927,203	1,990,897	(63,694)	(3.3%)	
Parking Fees and Fines	1,940,000	1,477,099	1,483,899	(6,800)	(0.5%)	
Rent	500,692	427,140	426,201	939	0.2%	
Interest	1,188,655	1,083,721	1,083,722	(1)	(0.0%)	
Other	777,788	662,391	687,375	(24,984)	(3.8%)	
Total Operating Revenue	111,346,978	100,949,276	101,372,898	(423,622)	(0.4%)	
Expenses from Operating Activities						
Employee Costs	42,535,185	34,577,868	34,572,278	(5,590)	(0.0%)	
Materials and Consumables	33,429,911	23,279,412	24,023,087	743,675	3.2%	
External Contracts	14,833,566	11,489,745	11,516,523	26,778	0.2%	
Utilities	3,268,039	2,534,891	2,556,515	21,624	0.9%	
Borrowing Costs	1,125,875	591,565	591,564	(1)	(0.0%)	
Depreciation and Amortisation	22,539,596	18,603,362	18,603,371	9	0.0%	
Total Operating Expenses	117,732,172	91,076,843	91,863,339	786,496	0.9%	
UNDERLYING OPERATING RESULT	(6,385,194)	9,872,433	9,509,560	362,873	3.7%	
Non-operating Income and Expenditure						
Capital Grants and Contributions	4,234,775	2,599,929	2,769,235	(169,306)	(6.5%)	
Contributed Assets	8,000,000	7,431,708	7,431,708	0	(0.0%)	
Proceeds from Sale of Assets	360,925	315,237	288,611	26,626	8.4%	
Written Down Value of Asset Disposals	(7,445,021)	(4,949,185)	(4,949,185)	(0)	0.0%	
Total Non Operating Items	5,150,679	5,397,689	5,540,369	(142,680)	(2.6%)	
ACCOUNTING SURPLUS/(DEFICIT)	(1,234,515)	15,270,122	15,049,929	220,193	1.4%	

Greater Shepparton City Council
Notes to the Income Statement
for the period ended 30 April 2015

Notes

No significant variances.

Greater Shepparton City Council
Balance Sheet
as at April 2015

	June 2014 Actual \$	March Qtr Budget June 2015 \$	Budget April 2015 \$	Actual April 2015 \$	Variance (Fav)/Unfav \$	Variance (Fav)/Unfav %	Note
Current Assets							
Cash and Cash Equivalent	27,435,486	19,547,829	25,435,904	26,002,206	(566,303)	(2.2%)	
Other Financial Assets	16,500,000	12,000,000	14,500,000	14,500,000	0	0.0%	
Receivables	6,258,295	7,174,263	15,204,171	15,204,171	0	0.0%	
Inventories	106,323	110,000	133,750	133,750	0	0.0%	
Total Current Assets	50,300,104	38,832,092	55,273,825	55,840,127	(566,303)	(1.0%)	
Current Liabilities							
Payables	10,924,298	10,661,694	4,074,779	4,648,031	573,252	14.1%	1
Interest Bearing Liabilities	457,675	489,992	418,450	418,450	0	0.0%	
Trust Funds	2,095,126	2,051,000	2,374,652	2,374,652	0	0.0%	
Employee Benefits	8,648,527	8,895,000	8,628,030	8,628,030	0	0.0%	
Total Current Liabilities	22,125,626	22,087,686	15,495,910	16,069,161	573,252	3.7%	
Net Current Assets	28,174,478	16,744,396	39,777,915	39,770,966	6,949	0.0%	
Non Current Assets							
Investment in Associates	1,382,400	1,314,200	1,382,400	1,382,400	0	0.0%	
Infrastructure	826,866,943	839,680,952	833,449,149	833,235,905	(213,244)	(0.0%)	
Other	1,046,469	1,183,299	1,046,469	1,046,469	0	0.0%	
Total Non Current Assets	229,295,812	242,178,451	235,878,018	235,664,774	213,244	0.0%	
Total Assets	879,595,916	881,010,533	891,151,842	891,504,901	(353,059)	(0.0%)	
Non Current Liabilities							
Employee Benefits	926,896	992,000	926,896	926,896	0	0.0%	
Interest Bearing Liabilities	14,354,475	13,864,482	14,089,835	14,089,835	0	0.0%	
Total Non Current Liabilities	15,281,371	14,856,482	15,016,731	15,016,731	0	0.0%	
Total Liabilities	37,406,997	36,944,168	30,512,641	31,085,893	573,252	1.9%	
Net Assets	842,188,919	844,066,365	860,639,201	860,419,008	220,193	0.0%	
Represented By							
Accumulated Surplus	316,300,143	314,997,429	331,570,265	331,350,072	220,193	0.1%	
Reserves	525,888,776	529,068,936	529,068,936	529,068,936	0	0.0%	
Total Equity	842,188,919	844,066,365	860,639,201	860,419,008	220,193	0.0%	

Greater Shepparton City Council
Notes to the Balance Sheet
for the period ended 30 April 2015

Balance Sheet

- 1 Current Liabilities - Payables is \$573k more than budget. This is mainly due to timing of operational expenses. The budget assumes that all operational expenses are paid within 30 days from the date of the invoice.

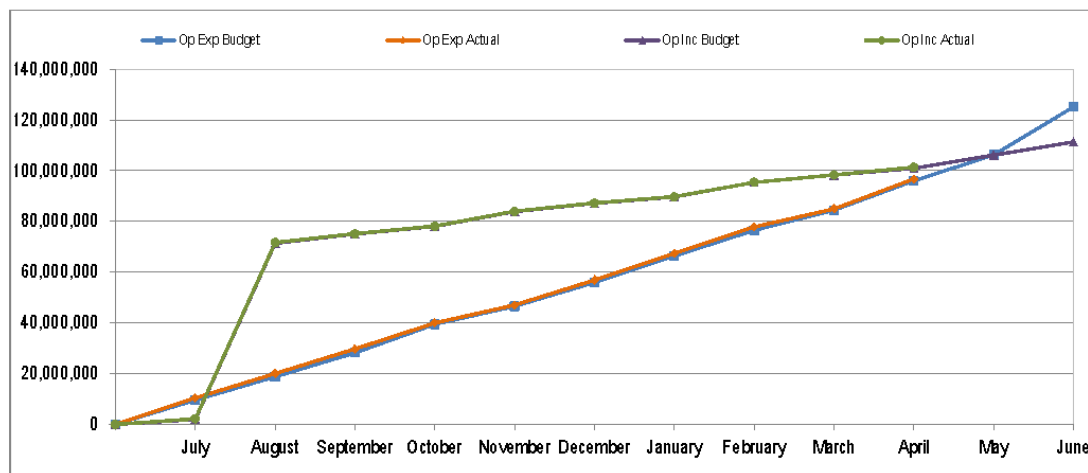
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Greater Shepparton City Council

Cash Flow Statement as at April 2015

	20 14/20 15 March Qtr Budget \$	20 14/20 15 YTD Budget \$	2014/20 15 YTD Actual \$	Variance (Fav)/Unfav \$
<i>Cash flows from operating activities</i>				
Receipts from customers	87,306,847	73,112,049	73,565,126	(453,078)
Payments to suppliers	(96,918,648)	(79,424,888)	(79,622,684)	197,797
Net cash inflow(outflow) from customers(suppliers)	(9,611,801)	(6,312,839)	(6,057,558)	(255,281)
Interest received	1,228,563	1,083,721	1,083,722	(1)
Government receipts	28,836,673	21,322,615	21,462,465	(139,850)
Net cash inflow(outflow) from operating activities	20,453,435	16,093,497	16,488,629	(395,132)
<i>Cash flows from investing activities</i>				
Net movement in other financial assets	4,500,000	2,000,000	2,000,000	0
Infrastructure, property, plant & equipment - proceeds	360,925	325,237	298,611	26,626
Infrastructure, property, plant & equipment - payments	(31,618,466)	(19,522,885)	(19,325,089)	(197,796)
Net cash inflow(outflow) from investing activities	(26,757,541)	(17,197,648)	(17,026,478)	(171,170)
<i>Cash flows from financing activities</i>				
Finance Cost	(1,125,875)	(591,565)	(591,564)	(1)
Proceeds from interest bearing loans and borrowings	0	0	0	0
Repayment of interest-bearing loans and borrowings	(457,675)	(303,865)	(303,865)	0
Net cash inflow(outflow) from financing activities	(1,583,550)	(895,430)	(895,429)	(1)
Net increase(decrease) in cash and equivalents	(7,887,656)	(1,999,581)	(1,433,278)	(566,303)
Cash and equivalents at the beginning of the year	27,435,485	27,435,485	27,435,485	0
Cash and equivalents at the end of the year	19,547,829	25,435,904	26,002,207	(566,303)

Greater Shepparton City Council
Operating Budget vs Actual
 For the period ending April 2015



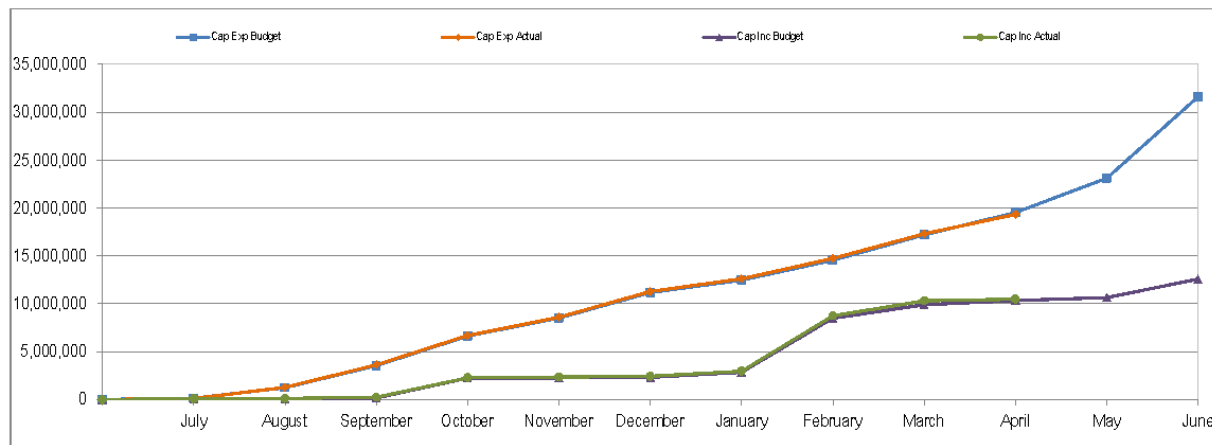
Directorate Responsible Department Account Type	Current Budget	2014-2015 YTD Budgets	2014-2015 YTD Actuals	2014-2015 YTD \$ Variance (Fav)/Unfav	2014-2015 YTD %Variance (Fav)/Unfav	Note
Business	(60,470,589)	(60,113,944)	(59,882,781)	231,163	0.4%	
Business Director	182,109	130,845	130,904	59	0.0%	
Operating Expense	182,109	130,845	130,904	59	0.0%	
Citizen Services	627,582	300,179	243,087	(57,092)	(19%)	
Operating Expense	3,223,434	2,298,160	2,312,516	14,356	0.6%	
Operating Income	(2,595,852)	(1,997,981)	(2,069,429)	(71,448)	(4%)	
Finance and Rates	(64,463,217)	(63,050,187)	(63,018,950)	31,237	0.0%	
Operating Expense	6,996,966	5,031,947	5,058,219	26,272	0.5%	
Operating Income	(71,460,183)	(68,082,134)	(68,077,169)	4,965	0.0%	
Information Services	3,182,937	2,505,219	2,762,177	256,958	10.3%	
Operating Expense	3,182,937	2,505,219	2,762,177	256,958	10.3%	1
Community	10,450,007	8,062,970	8,052,207	(10,763)	(0%)	
Active Living	1,575,942	1,198,984	1,221,512	22,528	1.9%	
Operating Expense	5,225,418	4,271,856	4,310,301	38,445	0.9%	
Operating Income	(3,649,476)	(3,072,872)	(3,088,789)	(15,917)	(1%)	
Children & Youth Services	2,025,965	1,653,646	1,625,976	(27,670)	(2%)	
Operating Expense	9,522,477	7,674,947	7,674,129	(818)	(0%)	
Operating Income	(7,496,512)	(6,021,301)	(6,048,153)	(26,852)	(0%)	
Community Director	1,962,094	1,508,781	1,503,652	(5,129)	(0%)	
Operating Expense	2,110,650	1,657,337	1,652,208	(5,129)	(0%)	
Operating Income	(148,556)	(148,556)	(148,556)	0	0.0%	
Neighbourhoods	2,473,988	1,617,523	1,612,610	(4,913)	(0%)	
Operating Expense	6,726,307	5,143,249	5,159,711	16,462	0.3%	
Operating Income	(4,252,319)	(3,525,726)	(3,547,101)	(21,375)	(1%)	
Performing Arts & Conventions	994,871	768,309	768,358	49	0.0%	
Operating Expense	1,777,071	1,377,306	1,377,356	50	0.0%	
Operating Income	(782,200)	(608,997)	(608,998)	(1)	(0%)	
Shepparton Art Museum	1,417,147	1,315,727	1,320,099	4,372	0.3%	
Operating Expense	1,844,820	1,682,430	1,686,818	4,388	0.3%	
Operating Income	(427,673)	(366,703)	(366,720)	(17)	(0%)	

Directorate Responsible Department Account Type	Current Budget	2014-2015 YTD Budgets	2014-2015 YTD Actuals	2014-2015 YTD \$ Variance (Fav)/Unfav	2014-2015 YTD %Variance (Fav)/Unfav	Note
Infrastructure	49,203,396	37,361,409	37,510,793	149,389	0.4%	
Infrastructure Director	316,984	264,839	270,282	5,393	2.0%	
Operating Expense	316,984	264,839	270,282	5,393	2.0%	
Non Cash Items	29,984,617	23,552,547	23,552,556	9	0.0%	
Operating Expense	29,984,617	23,552,547	23,552,556	9	0.0%	
Parks, Sport & Recreation	6,955,913	5,632,217	5,591,999	(40,218)	(1%)	
Operating Expense	7,535,823	5,914,007	5,903,432	(10,575)	(0%)	
Operating Income	(579,910)	(281,790)	(311,434)	(29,644)	(11%)	
Projects	7,771,344	5,444,633	5,606,193	161,555	3.0%	
Operating Expense	8,275,215	5,907,063	5,959,432	52,369	0.9%	
Operating Income	(503,871)	(462,425)	(353,239)	109,186	23.6%	2
Strategic Assets	203,302	(391,844)	(411,102)	(19,258)	(5%)	
Operating Expense	7,110,253	5,882,830	5,901,592	18,762	0.3%	
Operating Income	(6,901,951)	(6,274,674)	(6,312,694)	(38,020)	(1%)	
Transport & Road Reserves	3,966,236	2,353,962	2,900,370	41,908	1.5%	
Operating Expense	7,872,730	6,061,257	6,103,153	41,896	0.7%	
Operating Income	(3,906,494)	(3,202,295)	(3,202,283)	12	0.0%	
Office of the CEO	9,396,731	7,034,464	7,326,004	291,540	4.1%	
Corporate Performance	3,664,909	2,743,463	2,752,100	8,637	0.3%	
Operating Expense	3,921,785	2,947,928	2,976,699	28,771	1.0%	
Operating Income	(256,876)	(204,465)	(224,599)	(20,134)	(10%)	
Marketing and Communications	1,361,599	1,311,597	1,316,102	4,505	0.3%	
Operating Expense	1,861,399	1,311,597	1,316,302	4,705	0.4%	
Operating Income	200	0	(200)	(200)	0.0%	
People Performance	3,370,273	2,979,404	3,257,302	278,398	9.3%	
Operating Expense	3,884,001	2,993,132	3,271,530	278,398	9.3%	
Operating Income	(13,728)	(13,728)	(13,728)	(0)	(0%)	
Sustainable Development	5,250,619	2,731,353	2,432,333	(299,355)	(11%)	
Building	53,100	74,053	67,575	(6,483)	(9%)	
Operating Expense	729,100	605,021	605,025	4	0.0%	
Operating Income	(676,000)	(530,963)	(537,449)	(6,486)	(1%)	
Environment	(3,262)	(1,131,322)	(1,453,261)	(321,939)	(23%)	
Operating Expense	15,637,115	11,912,464	11,890,906	(21,558)	(0%)	
Operating Income	(15,645,377)	(13,044,286)	(13,344,166)	(299,880)	(2%)	
Investment Attraction	3,293,353	2,334,561	2,359,127	24,566	1.1%	
Operating Expense	4,148,662	2,984,359	3,016,126	31,767	1.1%	
Operating Income	(854,804)	(649,798)	(656,999)	(7,201)	(1%)	
Planning	1,611,423	1,213,235	1,217,636	4,401	0.4%	
Operating Expense	2,072,923	1,524,609	1,529,623	5,014	0.3%	
Operating Income	(461,500)	(311,374)	(311,986)	(612)	(0%)	
Sustainable Development Director	300,500	241,321	241,319	(2)	(0%)	
Operating Expense	300,500	241,821	241,819	(2)	(0%)	
Grand Total	13,330,214	(4,923,243)	(4,560,375)	362,373	7.4%	

Notes to Operating Budget v Actual

1. Information Services operating expense is \$257k more than budget. This is largely due to annual maintenance and licencing fees \$209k. Some of these expenses have been paid for 12 months period in advance and partly relate to next financial year. Such expenses will be recognised as a prepayments at the end of this financial year.
2. Projects operating income is \$109k less than budget. This is largely due to developer contributions received for the new Harvey Norman site at Riverside Plaza which is now being classified under capital income.

Greater Shepparton City Council
Capital Budget vs Actual
 period ended April 2015



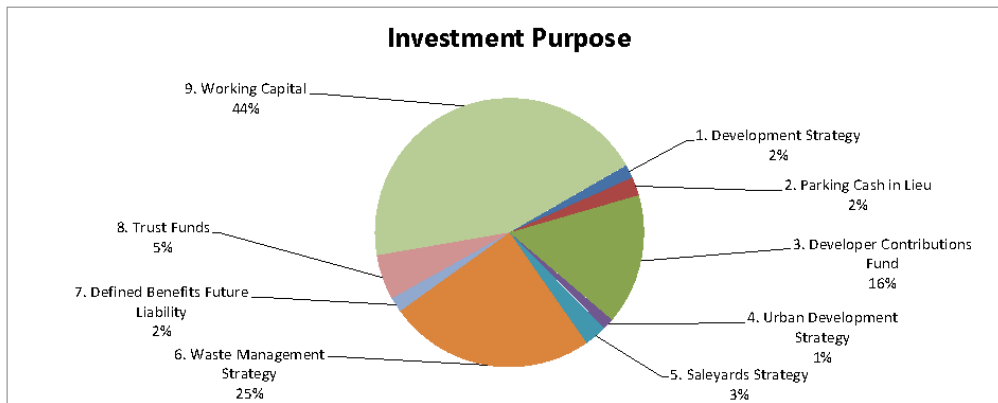
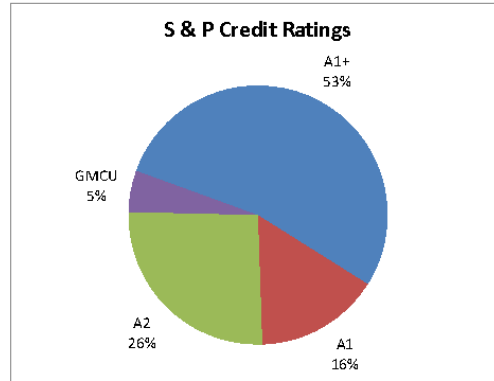
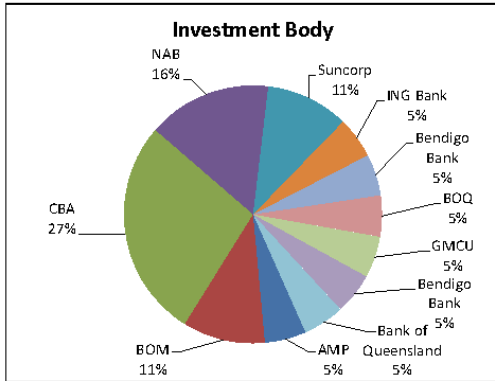
Capital Works Area	2014/2015 March Qtr Budget	2014/2015 YTD Budget	2014/2015 YTD Actual	2014/2015 YTD Variance (Fav./Unfav.)		
				Variance \$	Variance %	Note
Buildings	5,520,535	3,138,977	2,973,913	(165,064)	(5.3%)	
Drains	1,993,370	1,236,251	1,257,863	21,612	1.7%	
Open Space	5,584,074	3,097,493	3,079,477	(18,016)	(0.6%)	
Other	830,967	457,213	465,234	8,021	1.8%	
Plant & Equipment	3,798,715	2,165,722	2,165,947	225	0.0%	
Roads	12,171,805	8,847,682	8,634,296	(213,386)	(2.4%)	
Waste Management	1,719,000	579,547	748,358	168,811	29.1%	1
Total Capital Works	31,618,466	19,522,885	19,325,089	(197,796)	(1.0%)	

Capital Works Type	2014/2015 March Qtr Budget	2014/2015 YTD Budget	2014/2015 YTD Actual	2014/2015 YTD Variance (Fav./Unfav.)		
				Variance \$	Variance %	Note
Renewal	18,128,804	12,538,484	12,469,237	(69,247)	(0.6%)	
Upgrade	3,619,752	1,947,635	1,651,725	(295,910)	(17.9%)	
New	9,869,910	5,036,766	5,204,127	167,361	3.2%	
Total Capital Works	31,618,466	19,522,885	19,325,089	(197,796)	(1.0%)	

Notes to Capital Budget v Actual

1. Waste Management is \$169k over budget mainly due to expenditure related to Cosgrove Landfill 2 Cell 4 Sideline project.

Greater Shepparton City Council
Investments Summary
 as at 30 April 2015



GSCC - INVESTMENT PURPOSE LISTING	
Purpose	Amount
1. Development Strategy	627,595
2. Parking Cash in Lieu	857,458
3. Developer Contributions Fund	6,067,800
4. Urban Development Strategy	507,707
5. Saleyards Strategy	1,062,682
6. Waste Management Strategy	9,563,912
7. Defined Benefits Future Liability	700,000
8. Trust Funds	2,087,404
9. Working Capital	17,129,556
	38,604,114

Funds Held Notes:

Investments from 1 to 8 are as per the balance as at 30.06.2014.

** Investments 1 and 2 relate to contributions received under planning permit conditions and are subject to use on specific developments which comply with relevant regulations.

** Investment 3 is funds held for future developments across the municipality and largely relates to Building Better Regional Cities \$3.14m.

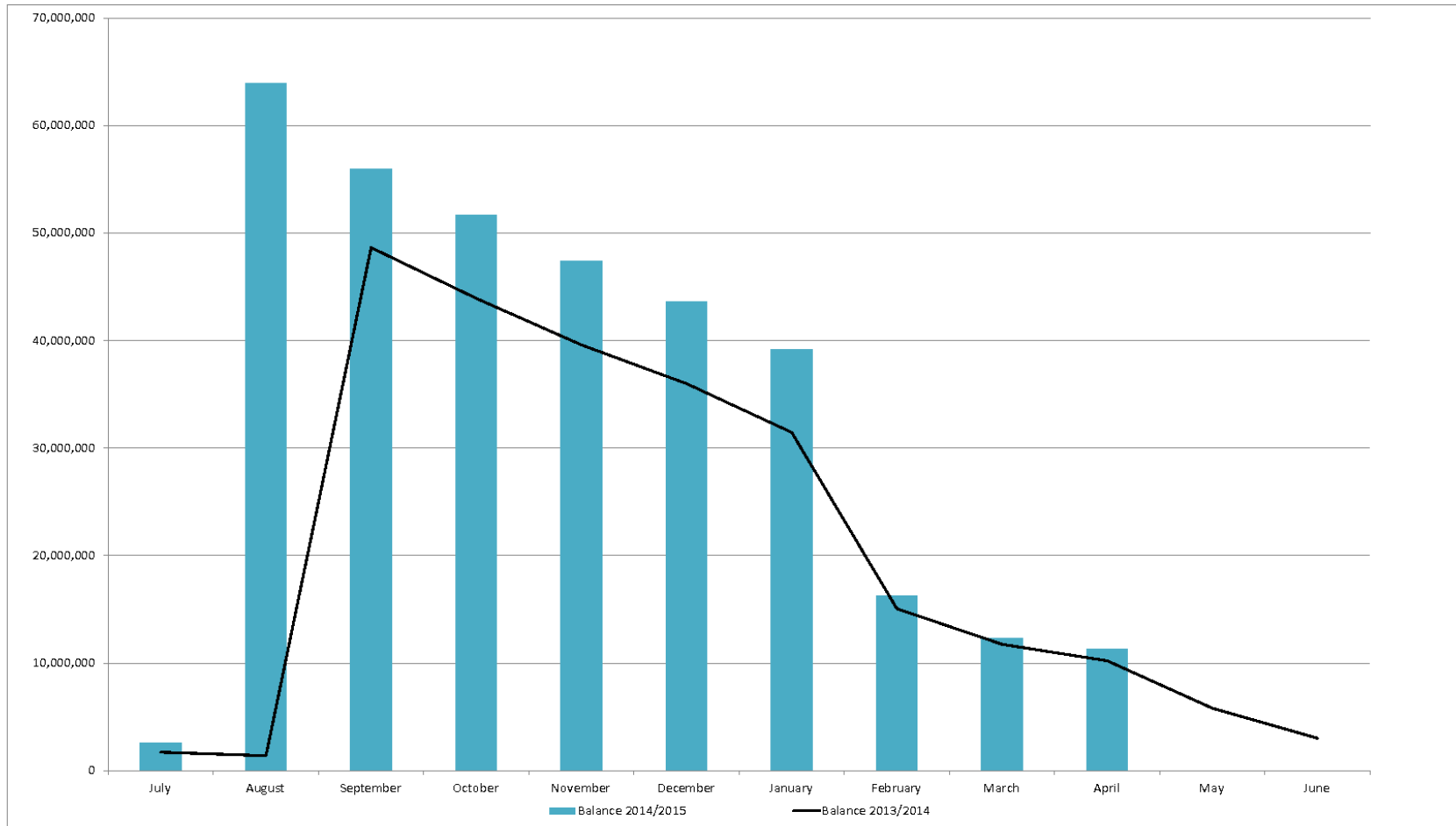
** Investments 4, 5 and 6 relate to surplus operational funds maintained in accordance with council process to redirect to capital investments specific to these business areas.

** Investment 7 is in accordance with the Council's Strategic Resource Plan 2014/2015 -2017/2018.

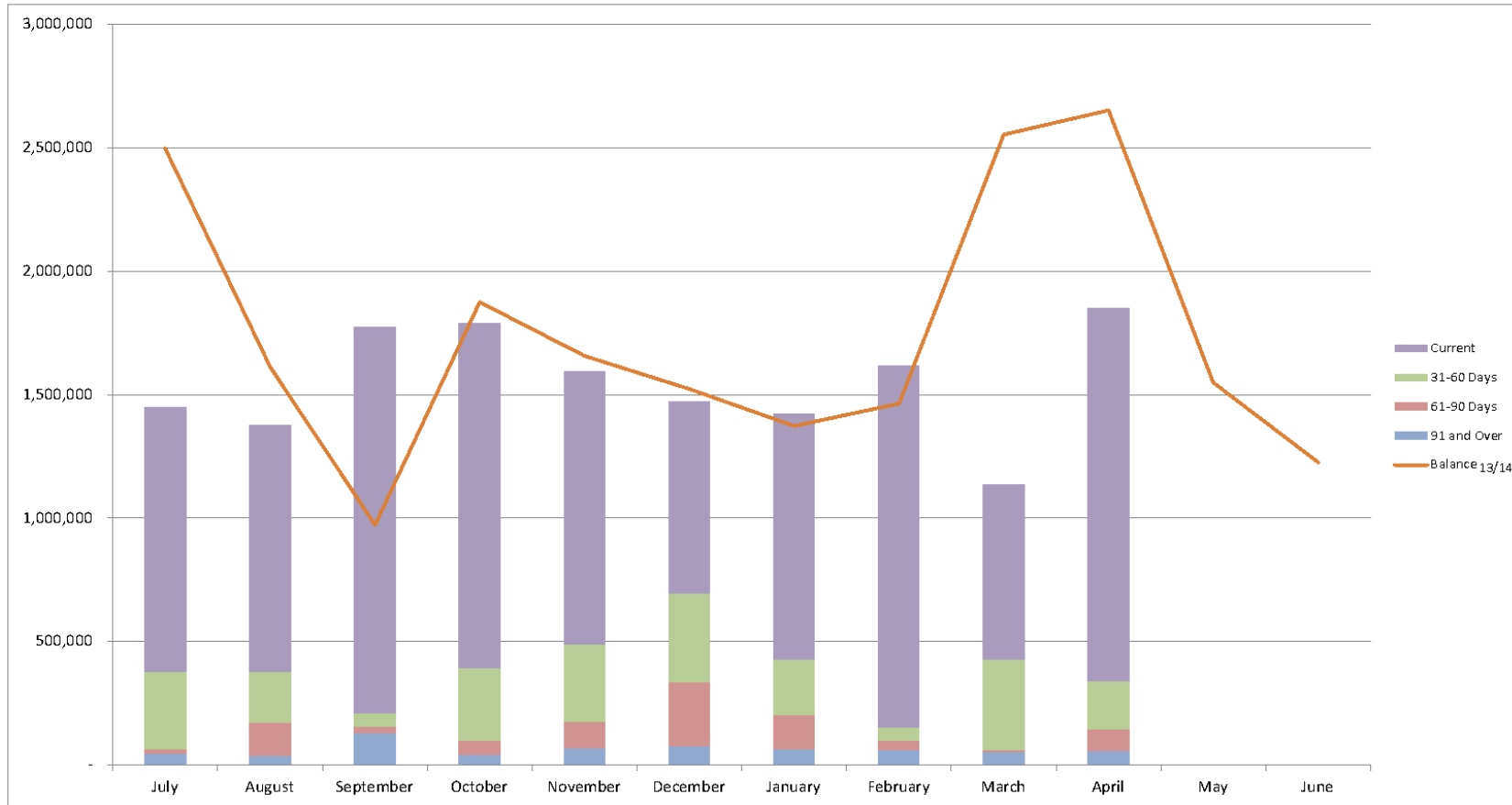
** Investment 8 is funds identified and held by council in trust and therefore unavailable for use by Council.

** Investment 9 is funds held to cover previously committed operating and capital expenditure for the remainder of the financial year, and includes reserve amounts held at 30 June 2014.

Greater Shepparton City Council
 Comparative Rates Debtors
 2014/2015 Financial Year to Date at 30 April 2015



Greater Shepparton City Council
Sundry Debtors
 as at 30 April 2015



COUNCILLORS EXPENSE REPORT APRIL 2015

Month of April 2015	Cr Dinny Adem	Cr Jenny Houlihan	Cr Les Oroszvary	Cr Dennis Patterson	Cr Michael Polan	Cr Kevin Ryan	Cr Fern Summer	TOTAL
Councillor Allowance	2,189	2,189	2,189	6,774	2,189	2,189	2,189	19,908
Vehicle	-	-	-	1,372	-	-	-	1,372
Telephone Rent	91	27	14	91	104	41	27	395
Telephone Usage	50	107	61	104	76	113	201	713
Internet Connection	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-
Training	-	-	-	-	-	-	-	-
Other	495	25	-	206	-	-	-	726
Shared Councillor Expense:								
Catering								634
Other								- 85
TOTAL	2,826	2,348	2,264	8,546	2,369	2,343	2,418	23,663

Councillor Expense Year to Date	Cr Dinny Adem	Cr Jenny Houlihan	Cr Les Oroszvary	Cr Dennis Patterson	Cr Michael Polan	Cr Kevin Ryan	Cr Fern Summer	TOTAL
Councillor Allowance	21,825	40,159	21,275	46,078	21,275	21,275	21,275	193,161
Vehicle	-	6,860	-	6,860	-	-	-	13,719
Telephone Rent	200	245	123	200	323	368	218	1,677
Telephone Usage	203	715	609	649	705	873	1,311	5,066
Internet Connection	-	-	-	-	-	-	-	-
Travel	1,846	1,084	-	160	-	-	108	3,198
Training	-	-	-	-	-	-	-	-
Other	2,173	968	-	627	1,778	25	529	6,100
Shared Councillor Expense:								
Catering								13,565
Other								7,576
TOTAL	26,248	50,031	22,006	54,574	24,079	22,541	23,441	244,062