

# **ATTACHMENT TO AGENDA ITEM**

**Ordinary Meeting**

**21 March 2017**

**Agenda Item 8.3      February 2017 Monthly Financial Report**

**Attachment 1      February 2017 - Monthly Financial Statements ..... 143**

## MONTHLY FINANCIAL REPORT FEBRUARY 2017

### Operating Performance

Adjusted underlying result			
Adjusted underlying surplus (or deficit) as a percentage of underlying revenue			
YTD ACTUAL	YTD ADOPTED FORECAST Q2	ADOPTED BUDGET	ADOPTED FORECAST Q2
<b>27.47%</b>	<b>28.45%</b>	<b>3.85%</b>	<b>4.76%</b>

- Expected range of -20% to 20%; Target band of >0%.
- YTD Actual and YTD Adopted Forecast Q2 are high due to the full amount of 2016/2017 rates revenue being raised in July. The underlying surplus will reduce throughout the financial year as expenditure is incurred.
- Full year adopted forecast Q2 is within acceptable levels and is an improved position from the Adopted Budget, largely due to the reclassification of recurrent capital grants.

### Financial Health

Working Capital			
Current assets as a percentage of current liabilities			
YTD ACTUAL	YTD ADOPTED FORECAST Q2	ADOPTED BUDGET	ADOPTED FORECAST Q2
<b>285.11%</b>	<b>287.71%</b>	<b>140.12%</b>	<b>166.63%</b>

- Expected range of 100% to 400%; Target band of 120% to 200%.
- YTD Actual and YTD Adopted Forecast Q2 are high due to the full amount of 2016/2017 rates revenue being raised in July. Receivables will reduce throughout the financial year as rates instalments fall due.
- Variance between YTD Actual and YTD Adopted Forecast Q2 is largely due to the current provision for Cosgrove 2 landfill rehabilitation works \$1.57m to be completed in 2016/2017.
- VAGO indicate that any level of liquidity higher than 150% is considered low risk.

### Financial Obligations

Loans and borrowings			
Loans and borrowings as a percentage of rates			
YTD ACTUAL	YTD ADOPTED FORECAST Q2	ADOPTED BUDGET	ADOPTED FORECAST Q2
<b>22.22%</b>	<b>22.22%</b>	<b>31.18%</b>	<b>28.66%</b>

- Expected range of 0% to 70%; 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.
- Borrowings for the Greater Shepparton Regional Sports Precinct and SAM are forecast to increase this indicator.

### Other Financial Performance

#### Rates Debtors

\$18.20m  
Same time last year \$17.24m  
4th instalment rates due 31st May 2017

#### Sundry Debtors

0-30 days \$638K or 67% of total outstanding sundry debtors.  
31-60 days \$108k or 11% of total outstanding sundry debtors.  
61+ days \$212k or 22% of total outstanding sundry debtors.

#### Investments

\$33.5m with average rate of 1.96%  
58.21% at A1+, 17.91% at A1, 17.91% at A2  
\$556k in interest income to date

### Operating Performance

February 2017

Income	YTD Adopted Forecast Q2 vs YTD Actual		Projected Full Year vs Adopted Forecast Q2 (Fav)/Unfav	
Rates and Charges	Steady	(\$0.01m)	Steady	(\$0.01m)
Statutory Fees	Steady	\$0.02m	Favourable	(\$0.14m)
User Charges	Steady	(\$0.24m)	Steady	(\$0.12m)
Grants	Steady	(\$0.9m)	Steady	(\$0.28m)
Contributions	Steady	(\$0.03m)	Steady	(\$0.09m)
Other Revenue	Steady	(\$0.01m)	Steady	(\$0.01m)
<b>Total Income</b>	Steady	<b>(\$1.17m)</b>	Steady	<b>(\$0.66m)</b>
<b>Expense</b>				
Employee Costs	Steady	\$0.22m	Steady	(\$0.21m)
Materials and Consumables	Unfavourable	\$0.99m	Steady	\$0.55m
Bad and Doubtful Debts	Steady	\$0m	Steady	\$0m
Depreciation and Amortisation	Steady	(\$0m)	Unfavourable	\$0.37m
Borrowing Costs	Steady	\$0m	Steady	\$0m
Other Expenses	Steady	(\$0m)	Steady	\$0m
<b>Total Expense</b>	Steady	<b>\$1.21m</b>	Steady	<b>\$0.72m</b>

**Notes:**

- Statutory fees & charges is forecast to be \$137k more than Adopted Forecast Q2. This favourable variance is caused by higher than expected Planning permit income as a result of the new fee regulations.

- Materials & Consumables is \$989k more than YTD Adopted Forecast Q2. This unfavourable variance is mostly due to the timing of prepaid annual software licences. Please see income statement for more detail.

- Depreciation is forecast to be \$374k more than Adopted Forecast Q2. This unfavourable variance is mostly due to an increase in Assets through purchases and accurate recording.

### Capital Works Performance February 2017

ADOPTED BUDGET	ADOPTED FORECAST Q2 #	PROJECTED FULL YEAR	YTD ACTUAL
<b>\$45.49m</b>	<b>\$42.03m</b>	<b>\$44.28m</b>	<b>\$16.57m</b>

**PROGRESS**

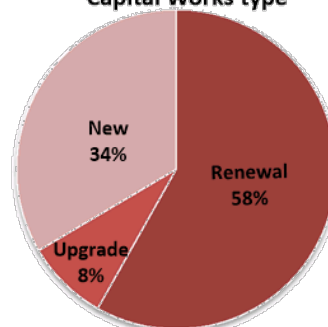
- \* 36.4% of Adopted Budget spent, 92.15% committed
- \* 37.4% of current full year projection spent, 94.6% committed
- \* Same time last year: \$18.52m of the 2015/2016 Adopted Budget had been spent
- # Reduction factor from Adopted Forecast Q2 \$1.57m

**RENEWAL**

Asset Renewal	
Asset renewal as a percentage of depreciation	
ADOPTED BUDGET	PROJECTED FULL YEAR
<b>120.04%</b>	<b>109.71%</b>

- 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**



**MAJOR PROJECTS PERFORMANCE (multiple year projects, > \$2m)**

Greater Shepparton Regional Sports Precinct			
Original Approved Estimate	Current Approved Estimate	Current Forecast	* Budget increase to \$21m approved at May 2016 Councillor briefing
<b>\$13.44m</b>	<b>\$21.0m</b>	<b>\$21.0m</b>	
Shepparton Art Museum			
Original Approved Estimate	Current Approved Estimate	Current Forecast	
<b>\$34.5m</b>	<b>\$34.5m</b>	<b>\$34.5m</b>	
Cosgrove 3 Landfill			
Original Approved Estimate	Current Approved Estimate	Current Forecast	* Includes next 3 years of expenditure.
<b>\$20.5m</b>	<b>\$20.5m</b>	<b>\$20.5m</b>	
Verney Road Stages 2 & 3			
Original Approved Estimate	Current Approved Estimate	Current Forecast	* Stage 3 contract awarded at February 2017 Council Meeting - more than original estimate
<b>\$4.2m</b>	<b>\$3.77m</b>	<b>\$3.81m</b>	

Greater Shepparton City Council  
**Income Statement**  
for period ended February 2017

	YEAR TO DATE					FULL YEAR					Notes	
	2016/2017 YTD Adopted Budget	2016/2017 YTD Adopted Forecast Q2	2016/2017 YTD Actual	YTD Adopted Budget Variance (Fav)/Unfav %	YTD Adopted Forecast Q2 Variance (Fav)/Unfav %	2016/2017 Adopted Budget	2016/2017 Adopted Forecast Q2	2016/2017 Projected Full Year	Adopted Budget Variance (Fav)/Unfav %	Adopted Forecast Q2 Variance (Fav)/Unfav %		
	\$	\$	\$	%	%	\$	\$	\$	%	%		
<b>Revenues from Operating Activities</b>												
Rates and Charges	71,084,644	71,738,781	71,745,643	(0.9%)	(0.0%)	71,181,622	71,816,488	71,823,365	(0.9%)	(0.0%)		
Statutory Fees	1,732,302	2,047,850	2,030,676	(17.2%)	0.8%	3,147,663	3,398,463	3,535,703	(12.3%)	(4.0%)	1	
User Charges	11,919,403	10,618,956	10,860,386	8.9%	(2.3%)	20,607,998	17,349,728	17,472,846	15.2%	(0.7%)		
Operating Grants	14,824,437	15,526,688	16,423,209	(10.8%)	(5.8%)	22,838,467	22,486,681	22,770,227	0.3%	(1.3%)		
Operating Contributions	299,099	505,343	539,727	(80.5%)	(6.8%)	468,444	844,433	938,433	(100.3%)	(11.1%)	2	
Other	939,984	859,915	868,416	7.6%	(1.0%)	1,422,027	1,339,867	1,353,367	4.8%	(1.0%)		
<b>Total Operating Revenue</b>	<b>100,799,869</b>	<b>101,297,533</b>	<b>102,468,058</b>	<b>(1.7%)</b>	<b>(1.2%)</b>	<b>119,666,221</b>	<b>117,235,660</b>	<b>117,893,941</b>	<b>1.5%</b>	<b>(0.6%)</b>		
<b>Expenses from Operating Activities</b>												
Employee Costs	30,524,500	30,530,672	30,749,865	0.7%	0.7%	46,463,647	46,342,288	46,135,225	(0.7%)	(0.4%)		
Materials and Consumables	26,291,512	26,909,661	27,899,591	6.1%	3.7%	46,330,015	46,329,248	46,882,688	1.2%	1.2%	3	
Bad & Doubtful Debts	8,500	10,434	11,034	29.8%	5.8%	144,000	144,000	144,000	0.0%	0.0%		
Depreciation and Amortisation	14,690,472	14,833,701	14,833,700	1.0%	(0.0%)	22,044,545	21,926,058	22,300,482	1.2%	1.7%		
Borrowing Costs	600,000	347,066	347,067	(42.2%)	0.0%	1,250,000	960,000	960,000	(23.2%)	0.0%		
Other Expenses	146,980	233,942	233,941	59.2%	(0.0%)	284,500	284,500	284,500	0.0%	0.0%		
<b>Total Operating Expenses</b>	<b>72,261,964</b>	<b>72,865,476</b>	<b>74,075,198</b>	<b>2.5%</b>	<b>1.7%</b>	<b>116,516,707</b>	<b>115,986,094</b>	<b>116,706,895</b>	<b>0.2%</b>	<b>0.6%</b>		
<b>UNDERLYING OPERATING RESULT</b>	<b>28,537,905</b>	<b>28,432,057</b>	<b>28,392,860</b>	<b>0.5%</b>	<b>0.1%</b>	<b>3,149,514</b>	<b>1,249,566</b>	<b>1,187,046</b>	<b>62.3%</b>	<b>5.0%</b>		
<b>Non-operating Income and Expenditure</b>												
Capital Grants	1,806,700	1,726,496	1,080,956	40.2%	37.4%	7,462,860	7,342,285	8,613,746	(15.4%)	(17.3%)	4	
Capital Contributions	0	932,566	993,267	(100.0%)	(6.5%)	844,000	1,666,721	1,490,155	(76.6%)	10.6%		
Contributed Assets	1,272,215	0	0	100.0%	0.0%	2,000,000	2,000,000	2,000,000	0.0%	0.0%		
Proceeds from Sale of Assets	1,355,852	503,938	503,938	62.8%	(0.0%)	1,782,770	2,049,000	2,049,000	(14.9%)	0.0%		
Other Revenue	0	70,665	78,300	(100.0%)	(10.8%)	0	70,665	70,665	(100.0%)	0.0%	5	
Written Down Value of Asset Disposals	(1,576,644)	(1,300,390)	(1,345,592)	14.7%	(3.5%)	(1,668,323)	(2,439,216)	(2,466,982)	(47.9%)	(1.1%)	6	
<b>Total Non Operating Items</b>	<b>2,858,123</b>	<b>1,933,275</b>	<b>1,310,870</b>	<b>54.1%</b>	<b>32.2%</b>	<b>10,421,307</b>	<b>10,689,455</b>	<b>11,756,584</b>	<b>(12.8%)</b>	<b>(10.0%)</b>		
<b>ACCOUNTING SURPLUS/(DEFICIT)</b>	<b>31,396,028</b>	<b>30,365,332</b>	<b>29,703,730</b>	<b>5.6%</b>	<b>2.2%</b>	<b>13,570,821</b>	<b>11,939,021</b>	<b>12,943,630</b>	<b>4.6%</b>	<b>(8.4%)</b>		

**Notes to the Income Statement for period ended February 2017**

- 1) User Charges Projected Full Year is \$3.13m less than 2016/2017 Adopted Budget. This unfavourable variance is mostly due to lower levels of commercial waste going to Cosgrove landfill \$4.10m.
- 2) Operating Grants Projected Full Year is \$470k more than 2016/2017 Adopted Budget. This favourable variance is mostly due to additional contributions for Recreational Land Fund \$120k; Pinelodge Cemetery Expansion \$80k; Interim Northern Bypass \$79k; Developer Contributions \$77k; Insurance Claims \$70k; and New SAM \$50k.
- 3) Materials and Consumables is \$989k more than YTD Adopted Forecast Q2. This unfavourable variance is mostly due to the timing of annual software licences that continue over multiple financial years. This variance will be corrected as part of end of financial year.
- 4) Capital Grants is \$645k less than YTD Adopted Forecast Q2. This unfavourable variance is mostly due to a delay in the receipt of grant income from Victorian Grants Commission for Roads to Recovery program. Despite this delay it is still expected that the grant income will be received this financial year.
- 5) Other Revenue Projected Full Year is \$71k more than 2016/2017 Adopted Budget. This favourable variance is mostly due to the sale of Council owned land at Parkside Gardens \$71k.
- 6) Written Down Value of Asset Disposals Projected Full Year is \$799k more than 2016/2017 Adopted Budget. This unfavourable variance is mostly due to the write of off infrastructure that was not owned by Council or no longer existed.

## Greater Shepparton City Council

**Balance Sheet**  
**as at February 2017**

	Total Actual June 2016	Adopted Budget June 2017	Adopted Forecast Q2 June 2017	YTD Adopted Budget 2017	YTD Adopted Forecast Q2 2017	YTD Actual 2017	Adopted Budget Variance (Fav)/Unfav %	Adopted Forecast Q2 Variance (Fav)/Unfav %	Notes
	\$	\$	\$	\$	\$	\$			
<b>Current Assets</b>									
Cash and Cash Equivalent	13,275,933	6,955,000	10,708,491	42,477,042	41,167,748	39,916,262	6.0%	3.0%	1
Receivables	5,965,568	7,593,000	5,965,568	18,658,844	21,914,906	21,766,414	(16.7%)	0.7%	2
Other Financial Assets	27,042,827	16,100,000	22,042,827	14,000,000	14,000,000	14,000,000	0.0%	0.0%	
Inventories	73,754	93,670	73,754	-	148,403	148,403	(100.0%)	0.0%	
Other Assets	1,230,299	-	1,230,300	242,276	45,464	118,271	51.2%	(160.1%)	
<b>Total Current Assets</b>	<b>47,588,381</b>	<b>30,741,670</b>	<b>40,020,940</b>	<b>75,378,162</b>	<b>77,276,521</b>	<b>75,949,350</b>	<b>(0.8%)</b>	<b>1.7%</b>	
<b>Non Current Assets</b>									
Investment in Associates	1,493,041	1,513,596	1,493,041	1,493,041	1,493,041	1,493,041	0.0%	0.0%	
Infrastructure	1,020,986,172	1,059,655,000	1,041,092,364	1,024,089,808	1,020,822,829	1,021,267,850	0.3%	(0.0%)	
Intangible Assets	972,944	1,013,338	972,944	1,013,337	972,944	972,944	4.0%	(0.0%)	
<b>Total Non Current Assets</b>	<b>1,023,452,158</b>	<b>1,062,181,934</b>	<b>1,043,558,349</b>	<b>1,026,596,186</b>	<b>1,023,288,814</b>	<b>1,023,733,835</b>	<b>0.3%</b>	<b>(0.0%)</b>	
<b>Total Assets</b>	<b>1,071,040,539</b>	<b>1,092,923,604</b>	<b>1,083,579,289</b>	<b>1,101,974,348</b>	<b>1,100,565,335</b>	<b>1,099,683,185</b>	<b>0.2%</b>	<b>0.1%</b>	
<b>Current Liabilities</b>									
Trade & Other Payables	9,986,238	8,359,377	10,040,114	13,372,120	13,698,445	7,659,329	(42.7%)	(44.1%)	3
Trust Funds	3,093,498	2,748,204	3,093,498	2,913,532	2,576,302	6,827,352	134.3%	165.0%	4
Provisions	11,499,520	9,324,000	9,932,003	9,913,247	9,913,178	11,480,697	15.8%	15.8%	
Interest Bearing Liabilities	896,755	1,507,308	952,879	812,898	671,524	671,524	(17.4%)	(0.0%)	
<b>Total Current Liabilities</b>	<b>25,476,011</b>	<b>21,938,889</b>	<b>24,018,494</b>	<b>27,011,797</b>	<b>26,859,449</b>	<b>26,638,902</b>	<b>(1.4%)</b>	<b>(0.8%)</b>	
<b>Non Current Liabilities</b>									
Provisions	6,484,709	4,720,584	6,484,709	4,596,898	6,484,709	6,484,709	41.1%	(0.0%)	
Interest Bearing Liabilities	17,494,161	20,685,131	19,605,282	17,494,161	15,270,187	15,270,187	(12.7%)	(0.0%)	
<b>Total Non Current Liabilities</b>	<b>23,978,870</b>	<b>25,405,715</b>	<b>26,089,991</b>	<b>22,091,059</b>	<b>21,754,896</b>	<b>21,754,896</b>	<b>(1.5%)</b>	<b>(0.0%)</b>	
<b>Total Liabilities</b>	<b>49,454,881</b>	<b>47,344,604</b>	<b>50,108,485</b>	<b>49,102,856</b>	<b>48,614,345</b>	<b>48,393,797</b>	<b>(1.4%)</b>	<b>(0.5%)</b>	
<b>Net Assets</b>	<b>1,021,585,658</b>	<b>1,045,579,000</b>	<b>1,033,470,804</b>	<b>1,052,871,492</b>	<b>1,051,950,990</b>	<b>1,051,289,388</b>	<b>0.2%</b>	<b>0.1%</b>	
<b>Represented By</b>									
Accumulated Surplus	323,971,195	339,490,000	335,856,341	355,257,029	354,336,527	353,674,925	0.4%	0.2%	
Reserves	697,614,463	706,089,000	697,614,463	697,614,463	697,614,463	697,614,463	0.0%	0.0%	
<b>Total Equity</b>	<b>1,021,585,658</b>	<b>1,045,579,000</b>	<b>1,033,470,804</b>	<b>1,052,871,492</b>	<b>1,051,950,990</b>	<b>1,051,289,388</b>	<b>0.2%</b>	<b>0.1%</b>	

**Notes to the Balance Sheet as at February 2017**

- 1) Cash and Cash Equivalents is showing a high YTD actual balance due to cash being moved to on call (from held to maturity investments) in preparation of settling outstanding invoices prior to transferring to the new finance system. Amounts are being gradually moved to Other Financial Assets over the next few months.
- 2) Receivables is showing a high YTD Adopted Forecast Q2 and YTD Actual balance due to the full amount of 2016/2017 rates being raised in July. This figure will reduce throughout the financial year as rates instalments fall due and are paid. During February the receivables balance reduced by \$26.8m mostly due to the full year rates falling due.
- 3) Trust funds is showing a high YTD Adopted Forecast Q2 variance of \$4.25m due to the Fire Services Levy liability. This liability was raised in July 2016 and will reduce throughout the financial year as payments fall due; 28 days after each rates instalment. The next payment will occur in March 2017.
- 4) Provisions is showing a high YTD Adopted Forecast Q2 variance of \$1.55m due to the current provision for Cosgrove Landfill 2 rehabilitation works to be completed in 2016/2017.

## Greater Shepparton City Council

**Cash Flow Statement**

as at February 2017

	2016/2017 Adopted Budget \$	2016/2017 Forecast Q2 \$	2016/2017 YTD Adopted Budget \$	2016/2017 YTD Adopted Forecast Q2 \$	2016/2017 YTD Actual \$	Adopted Budget Variance (Fav)/Unfav \$	Adopted Forecast Q2 Variance (Fav)/Unfav \$
<b>Cash flows from operating activities</b>							
Receipts from customers	95,832,165	93,020,211	73,228,041	73,733,153	73,831,936	(0.82%)	(0.13%)
Payments to suppliers	(93,625,986)	(94,667,554)	(57,033,634)	(59,695,195)	(60,790,997)	(6.59%)	(1.84%)
Net cash inflow(outflow) from customers(suppliers)	2,206,179	(1,647,343)	16,194,408	14,037,958	13,040,939	19.47%	7.10%
Interest received	1,038,096	955,000	564,000	376,644	380,307	32.57%	(0.97%)
Government receipts	28,660,422	29,828,966	16,631,137	17,253,184	17,504,165	(5.25%)	(1.45%)
Contributions	1,324,000	2,511,154	1,577,688	1,444,283	1,539,369	2.43%	(6.58%)
<b>Net cash inflow(outflow) from operating activities</b>	<b>33,228,697</b>	<b>31,647,777</b>	<b>34,967,233</b>	<b>33,112,069</b>	<b>32,464,780</b>	<b>7.16%</b>	<b>1.95%</b>
<b>Cash flows from investing activities</b>							
Net movement in other financial assets	9,000,358	5,000,000	13,042,827	13,042,827	13,042,827	0.00%	0.00%
Infrastructure, property, plant & equipment - proceeds	389,000	2,049,000	1,355,852	503,938	503,938	62.83%	(0.00%)
Infrastructure, property, plant & equipment - payments	(45,485,000)	(42,471,464)	(19,480,946)	(15,970,748)	(16,574,943)	14.92%	(3.78%)
<b>Net cash inflow(outflow) from investing activities</b>	<b>(36,095,642)</b>	<b>(35,422,464)</b>	<b>(5,082,267)</b>	<b>(2,423,983)</b>	<b>(3,028,178)</b>	<b>40.42%</b>	<b>(24.93%)</b>
<b>Cash flows from financing activities</b>							
Finance Cost	(1,250,217)	(960,000)	(600,000)	(347,066)	(347,067)	42.16%	(0.00%)
Repayment of interest-bearing loans and borrowings	3,862,440	2,167,245	(83,857)	(2,449,205)	(2,449,205)	(2820.69%)	(0.00%)
<b>Net cash inflow(outflow) from financing activities</b>	<b>2,612,223</b>	<b>1,207,245</b>	<b>(683,857)</b>	<b>(2,796,271)</b>	<b>(2,796,272)</b>	<b>(308.90%)</b>	<b>(0.00%)</b>
<b>Net increase(decrease) in cash and equivalents</b>	<b>(254,722)</b>	<b>(2,567,442)</b>	<b>29,201,109</b>	<b>27,891,815</b>	<b>26,640,330</b>	<b>8.77%</b>	<b>4.49%</b>
Cash and equivalents at the beginning of the year	7,209,000	13,275,933	13,275,933	13,275,933	13,275,933	0.00%	0.00%
<b>Cash and equivalents at the end of the year</b>	<b>6,954,278</b>	<b>10,708,491</b>	<b>42,477,042</b>	<b>41,167,748</b>	<b>39,916,262</b>	<b>6.03%</b>	<b>3.04%</b>



Greater Shepparton City Council  
**Capital Works Statement**  
 period ended February 2017

Capital Works Area	2016/2017 YTD Adopted Budget	2016/2017 YTD Adopted Forecast Q2	2016/2017 YTD Actual	YTD Adopted Budget Variance (Fav)/Unfav %	YTD Adopted Forecast Q2 Variance (Fav)/Unfav %	2016/2017 Adopted Budget	2016/2017 Adopted Forecast Q2	2016/2017 Projected Full Year	Adopted Budget Variance (Fav)/Unfav %	Adopted Forecast Q2 Variance (Fav)/Unfav %	Note
	\$	\$	\$			\$	\$	\$			
Aerodrome	3,000	0	0	(100%)	0%	189,000	37,800	37,800	(80%)	0%	
Bridges	0	15,031	15,031	100%	0%	0	60,000	60,000	100%	0%	
Buildings	1,410,226	1,448,117	1,496,622	6%	3%	2,893,561	3,194,721	3,192,452	10%	(0%)	
Computer & Telecommunications	469,951	465,076	393,386	(16%)	(15%)	815,000	875,000	781,403	(4%)	(11%)	
Drainage	162,000	210,547	221,387	37%	5%	1,127,000	824,104	831,241	(26%)	1%	
Fixture Fittings and Furniture	302,046	342,124	344,506	14%	1%	629,741	615,464	617,161	(2%)	0%	
Footpaths & Cycleways	350,701	13,369	22,486	(94%)	68%	694,450	334,102	444,102	(36%)	33%	
Land Improvements	3,872,584	3,738,371	3,936,324	2%	5%	13,822,383	13,981,229	13,990,757	1%	0%	1
Parks, Open Space & Streetscape	250,000	158,130	175,183	(30%)	11%	700,000	470,709	470,709	(33%)	0%	
Plant Machinery & Equipment	1,414,739	828,477	828,477	(41%)	(0%)	2,355,937	2,330,128	2,330,128	(1%)	0%	
Recreational Leisure and Community Facilities	5,459,873	1,602,186	1,607,531	(71%)	0%	5,806,545	6,046,455	6,069,910	5%	0%	
Roads	5,646,699	5,985,321	6,152,691	9%	3%	14,036,919	11,966,327	12,076,758	(14%)	1%	2
Waste Management	0	1,322,533	1,378,485	100%	4%	2,414,916	2,870,551	3,379,551	40%	18%	
Other Infrastructure	0	643	643	100%	0%	0	2,671	2,671	100%	0%	
<b>Total Capital Works</b>	<b>19,341,819</b>	<b>16,129,925</b>	<b>16,572,751</b>	<b>(14%)</b>	<b>3%</b>	<b>45,485,452</b>	<b>43,609,261</b>	<b>44,284,643</b>	<b>(3%)</b>	<b>2%</b>	

Capital Works Area	2016/2017 YTD Adopted Budget	2016/2017 YTD Adopted Forecast Q2	2016/2017 YTD Actual	YTD Adopted Budget Variance (Fav)/Unfav %	YTD Adopted Forecast Q2 Variance (Fav)/Unfav %	2016/2017 Adopted Budget	2016/2017 Adopted Forecast Q2	2016/2017 Projected Full Year	Adopted Budget Variance (Fav)/Unfav %	Adopted Forecast Q2 Variance (Fav)/Unfav %	
	\$	\$	\$			\$	\$	\$			
Renewal	7,655,144	9,027,974	9,071,945	19%	0%	26,462,620	24,387,408	24,464,924	(8%)	0%	
Upgrade	1,871,330	1,049,287	1,160,576	(38%)	11%	3,791,858	3,612,929	3,712,697	(2%)	3%	
New	9,815,345	6,052,664	6,342,423	(35%)	5%	15,230,974	15,608,924	16,107,022	6%	3%	
<b>Total Capital Works</b>	<b>19,341,819</b>	<b>16,129,925</b>	<b>16,574,943</b>	<b>(14%)</b>	<b>3%</b>	<b>45,485,452</b>	<b>43,609,261</b>	<b>44,284,643</b>	<b>(3%)</b>	<b>2%</b>	
Less reduction factor								1,577,012			
<b>Total Capital Works Revised</b>	<b>19,341,819</b>	<b>16,129,925</b>	<b>16,574,943</b>	<b>(14%)</b>	<b>3%</b>	<b>45,485,452</b>	<b>42,032,249</b>	<b>44,284,643</b>	<b>(3%)</b>	<b>5%</b>	

**Notes to the Capital Works Statement for period ended February 2017**

1) Land Improvements is \$198k more than YTD Adopted Forecast Q2. This unfavourable variance is mostly due to the timing of works at the Greater Shepparton Regional Sports Precinct which is expected to be completed by April 2017. Also impacted by works on Cosgrove 3 Landfill \$47k which are ahead of schedule.

2) Roads is \$167k more than YTD Adopted Forecast Q2. This unfavourable variance is mostly due to the timing of MSTP Stabilisation works \$138k. These works are expected to be completed by the end of March 2017. Also impacted by additional works relating to the Welsford St Upgrade \$90k.