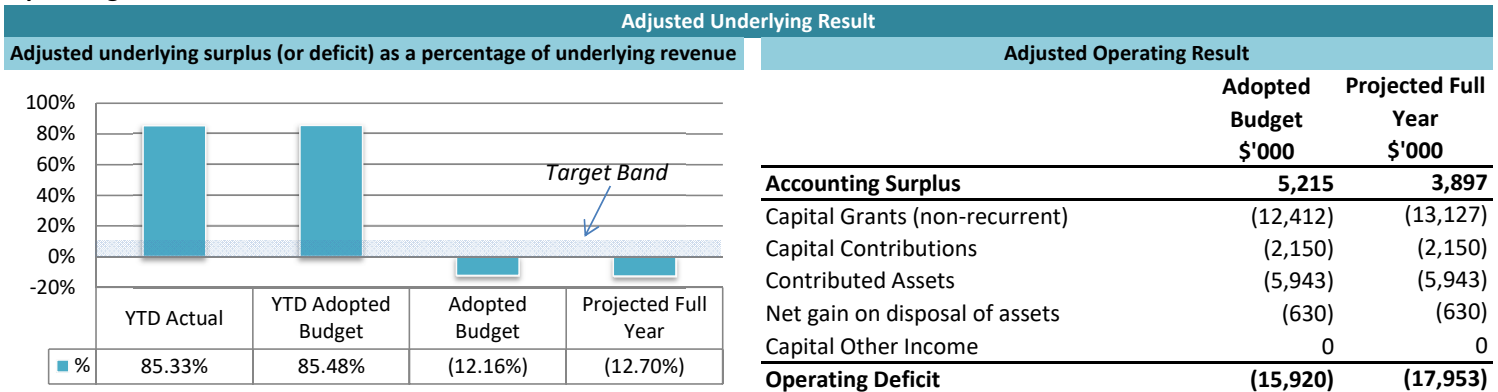


# MONTHLY FINANCIAL REPORT JULY 2020

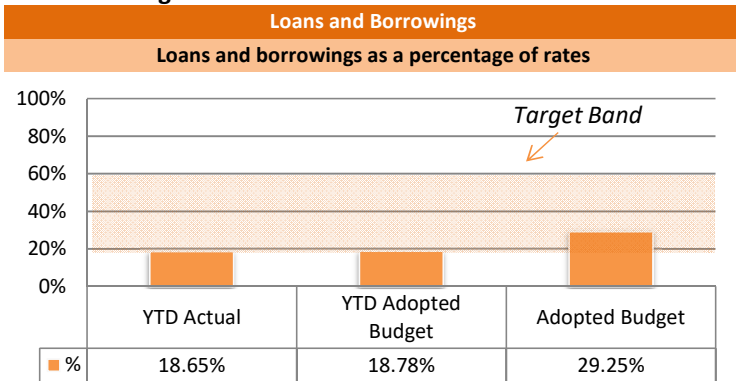
## Operating Performance



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

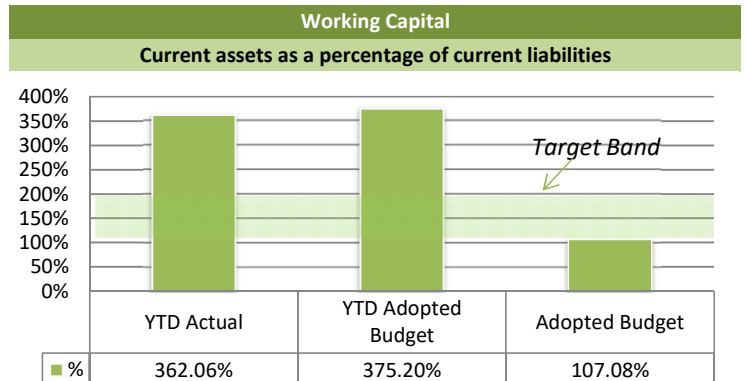
The surplus has been adjusted to reflect the true operating result by removing items that do not fund Council operations. Capital income including non-recurrent grants, contributions and other capital income is used to fund the capital works program, while contributed assets and the net loss on disposal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

## Financial Obligations



- Local Government Victoria acceptable range 0% to 70%
- Council Target band of 20% to 60%
- This indicates Council has a level of borrowing that is appropriate to their activities and have a strong capacity to meet their long term obligations

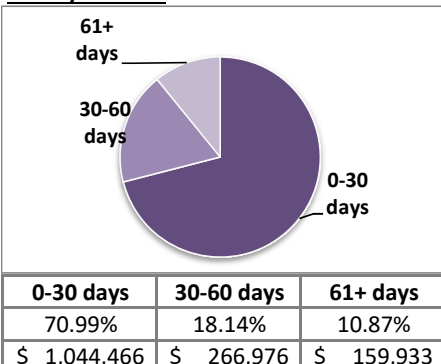
## Financial Health



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

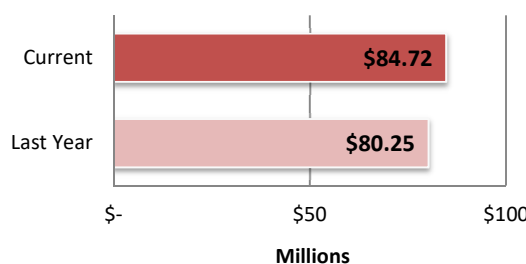
## Other Financial Performance

### Sundry Debtors



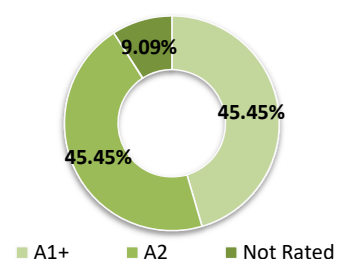
### Rates Debtors

First instalment due 30 September 2020



### Investments

\$22m with average interest rate 0.85%  
\$15k interest income to date



## Operating Performance JULY 2020

Income	YTD Adopted Budget vs YTD Actual (Fav)/Unfav		Adopted Budget vs Projected Full Year (Fav)/Unfav	
Rates and Charges	Favourable	(\$0.57m)	Favourable	(\$0.63m)
Statutory Fees	Steady	\$0.03m	Steady	\$0m
User Charges	Steady	\$0.04m	Unfavourable	\$0.24m
Grants	Steady	(\$0.93m)	Steady	\$0.06m
Contributions	Steady	\$0m	Steady	(\$0m)
Other Revenue	Steady	(\$0.02m)	Steady	(\$0.12m)
<b>Total Income</b>	Steady	<b>(\$1.46m)</b>	Steady	<b>(\$0.46m)</b>
<b>Expense</b>				
Employee Costs	Steady	\$0.01m	Steady	\$0.98m
Materials and Services	Steady	\$0.38m	Unfavourable	\$1.76m
Bad and Doubtful Debts	Steady	\$0m	Steady	\$0m
Depreciation	Steady	(\$0.01m)	Steady	\$0m
Amortisation	Steady	\$0m	Steady	\$0m
Borrowing Costs	Steady	\$0m	Steady	\$0m
Finance Costs - Leases	Steady	\$0m	Steady	\$0m
Other Expenses	Steady	\$0m	Steady	\$0.02m
<b>Total Expense</b>	Steady	<b>\$0.38m</b>	Unfavourable	<b>\$2.76m</b>

**Notes:**

- Rates and Charges Projected Full Year is \$633k greater than Adopted Budget. This favourable variance is due to increased kerbside collection income.

- User Fees Projected Full Year is \$240k less than Adopted Budget. This unfavourable variance is mostly due to reduced user fee income expected as a result of COVID-19. See Income Statement for further information.

- Materials and Services Projected Full Year is \$1.76m greater than Adopted Budget. This unfavourable variance is mostly due to funded expenditure relating to ACE College Karibok Park relocation costs \$1m and MOVE \$900k, increased water costs \$146k, Victoria Park Lake Caravan Park Water Main Extension \$104k (rebudgeted) and anticipated COVID-19 related costs \$100k. This is partially offset by funded Working for Victoria expenses \$959k transferred to Materials and Services, in addition to Aquamoves Utilities savings \$86k.

## Capital Works Performance JULY 2020

**ADOPTED BUDGET**

**\$61.72m**

**PROJECTED FULL YEAR**

**\$63.09m**

**YTD ACTUAL**

**\$1.14m**

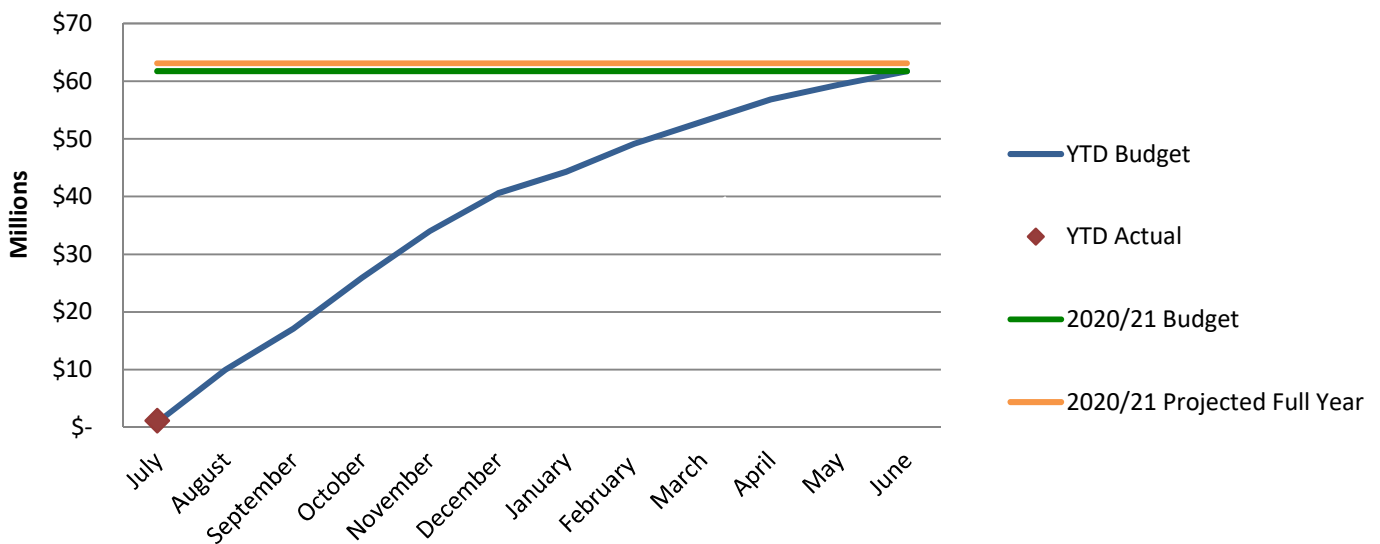
### PROGRESS

\*1.85% of Adopted Budget spent

\*1.81% of current full year projection spent

\* Same time last year: \$0.61m (0.83%) of the 2019/2020 Adopted Budget had been spent

### CAPITAL WORKS BUDGET VS. ACTUAL



### RENEWAL

#### Asset Renewal and Upgrade

Asset renewal and upgrade as a percentage of depreciation

**ADOPTED BUDGET**

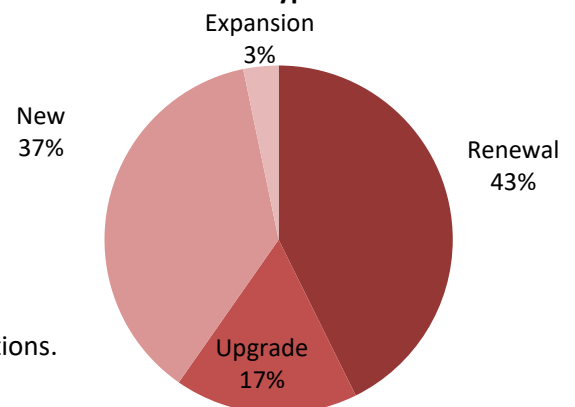
**PROJECTED FULL YEAR**

**107.51%**

**114.66%**

- Expected range of 40% to 130%; Target band of 90% to 110%.
- Indicator of assets being renewed as planned. High or increasing percentages indicate improvement in capacity to meet long term obligations.

#### % Split of Projected Full Year by Capital Works Type



## Greater Shepparton City Council

## Income Statement

for period ended July 2020

	YEAR TO DATE			FULL YEAR			Notes
	2020/2021 YTD Adopted Budget	2020/2021 YTD Actual	YTD Adopted Budget Variance (Fav)/Unfav %	2020/2021 Adopted Budget	2020/2021 Projected Full Year	Adopted Budget Variance (Fav)/Unfav %	
	\$	\$	%	\$	\$	%	
<b>Revenues from Operating Activities</b>							
Rates and Charges	82,423	82,991	(0.7%)	82,849	83,483	(0.8%)	1
Statutory Fees	344	317	7.7%	3,563	3,563	0.0%	2
User Charges	1,401	1,363	2.7%	16,857	16,590	1.6%	3
Operating Grants	903	1,832	(103.0%)	23,774	23,716	0.2%	4
Operating Contributions	84	84	0.8%	780	781	(0.0%)	
Other	234	259	(10.5%)	1,623	1,746	(7.6%)	
<b>Total Operating Revenue</b>	<b>85,388</b>	<b>86,846</b>	<b>(1.7%)</b>	<b>129,448</b>	<b>129,879</b>	<b>(0.3%)</b>	
<b>Expenses from Operating Activities</b>							
Employee Costs	4,404	4,413	0.2%	51,067	52,049	1.9%	5
Materials and Services	5,077	5,453	7.4%	61,353	63,112	2.9%	6
Bad & Doubtful Debts	0	0	0.0%	186	186	0.0%	
Depreciation	2,737	2,723	(0.5%)	33,142	32,844	(0.9%)	
Amortisation - Leases	0	0	0.0%	0	0	0.0%	
Borrowing Costs	101	101	(0.1%)	920	920	0.0%	
Finance Costs - Leases	3	3	0.6%	27	27	(1.6%)	
Other Expenses	74	78	5.0%	706	728	3.0%	
<b>Total Operating Expenses</b>	<b>12,395</b>	<b>12,770</b>	<b>3.0%</b>	<b>147,401</b>	<b>149,865</b>	<b>1.7%</b>	
<b>UNDERLYING OPERATING RESULT</b>	<b>72,994</b>	<b>74,077</b>	<b>(1.5%)</b>	<b>(17,954)</b>	<b>(19,986)</b>	<b>(11.3%)</b>	
<b>Non-operating Income and Expenditure</b>							
Capital Grants	0	50	100.0%	14,446	15,161	(4.9%)	7
Capital Contributions	200	200	0.0%	2,150	2,150	0.0%	
Contributed Assets	0	0	0.0%	5,943	5,943	0.0%	
Proceeds from Sale of Assets	0	0	0.0%	1,203	1,203	0.0%	
Written Down Value of Asset Disposals	0	0	0.0%	(573)	(573)	0.0%	
Other Revenue	0	225	100.0%	0	0	0.0%	8
<b>Total Non Operating Items</b>	<b>200</b>	<b>475</b>	<b>(137.5%)</b>	<b>23,169</b>	<b>23,884</b>	<b>(3.1%)</b>	
<b>ACCOUNTING SURPLUS/(DEFICIT)</b>	<b>73,194</b>	<b>74,552</b>	<b>(1.9%)</b>	<b>5,215</b>	<b>3,897</b>	<b>25.3%</b>	

**Notes to the Income Statement for period ended July 2020**

- 1) Rates and Charges YTD Actual is \$569k greater than YTD Adopted Budget. Rates and Charges Projected Full Year is \$633k greater than Adopted Budget. This favourable variance is due to additional kerbside collection income.
- 2) Statutory Fees YTD Actual is \$26k less than YTD Adopted Budget. This unfavourable variance is largely due to the timing of Animal Permits and Fines.
- 3) User Fees Projected Full Year is \$240k less than Adopted Budget. This unfavourable variance is mostly due to reduced Facility Booking Fees \$119k and Business Centre Rent \$55k as part of the COVID-19 Stage 2 Economic Reponse Package and reduced Caravan Park Fees \$32k and Regional Sponsored Migration Scheme Fees \$27k due to the effects of COVID-19.
- 4) Operating Grants YTD Actual is \$929k greater than YTD Adopted Budget due to the timing of MOVE \$900k and Murchison Neighbourhood House \$100k funding, in addition to the timing of Aged Services funding \$47k. This favourable variance is partially offset by the timing of Munarra Utilities Upgrade funding \$40k and Structural Levy Bank funding \$100k that is no longer expected.
- 5) Employee Costs Projected Full Year is \$982k greater than Adopted Budget. This unfavourable variance is mostly due to \$959k of funded Working For Victoria expenses transferred from Materials and Services to Employee Expenses.
- 6) Materials and Services Projected Full Year is \$1.76m greater than Adopted Budget. This unfavourable variance is mostly due to funded expenditure relating to ACE College Karibok Park relocation costs \$1m and MOVE \$900k, increased water costs \$146k, Victoria Park Lake Caravan Park Water Main Extension \$104k (rebudgeted) and anticipated COVID-19 related costs \$100k. This is partially offset by funded Working for Victoria expenses \$959k transferred to Materials and Services, in addition to Aquamoves Utilities savings \$86k.
- 7) Capital Grants Projected Full Year is \$715k greater than Adopted Budget. This favourable variance is due to Regional Sports Precinct funding due at the completion of all precinct related projects.
- 8) Other Revenue YTD Actual is \$225k greater than YTD Adopted Budget due to Aerodrome Plane Parking and Concrete Helipad Funding due to be reallocated to Capital Grants.

## Greater Shepparton City Council

## Balance Sheet

### as at July 2020

	Total Actual June 2020*	Adopted Budget June 2021	YTD Adopted Budget 2021	YTD Actual 2021	Total Actual June 2020 Variance (Fav)/Unfav \$ ' 000	Adopted Budget Variance (Fav)/Unfav %	Notes
	\$ ' 000	\$ ' 000	\$ ' 000	\$ ' 000			
<b>Current Assets</b>							
Cash and Cash Equivalent	34,692	10,216	34,118	29,303	15.5%	(186.8%)	
Receivables	12,599	11,776	95,018	95,018	(654.2%)	(706.9%)	
Other Financial Assets	10,000	1,779	8,000	8,000	20.0%	(349.7%)	
Inventories	88	107	155	155	(75.4%)	(44.8%)	
Assets Held for Resale	450	55	450	450	0.0%	(718.7%)	
Other Assets	1,258	1,698	41	41	96.7%	97.6%	
<b>Total Current Assets</b>	<b>59,087</b>	<b>25,631</b>	<b>137,783</b>	<b>132,967</b>	<b>(125.0%)</b>	<b>(418.8%)</b>	
<b>Non Current Assets</b>							
Investment in Associates	1,393	1,393	1,393	1,393	0.0%	0.0%	
Infrastructure	1,162,031	1,151,886	1,160,132	1,160,449	0.1%	(0.7%)	1
Intangible Assets	32,276	-	-	32,276	0.0%	100.0%	
Right-of-use Assets	934	652	934	934	0.0%	(43.2%)	
<b>Total Non Current Assets</b>	<b>1,196,633</b>	<b>1,153,931</b>	<b>1,162,458</b>	<b>1,195,051</b>	<b>0.1%</b>	<b>(3.6%)</b>	
<b>Total Assets</b>	<b>1,255,721</b>	<b>1,179,562</b>	<b>1,300,241</b>	<b>1,328,018</b>	<b>(5.8%)</b>	<b>(12.6%)</b>	
<b>Current Liabilities</b>							
Trade & Other Payables	19,279	9,041	17,198	17,197	(10.8%)	90.2%	
Trust Funds	2,740	2,804	2,709	2,709	(1.1%)	(3.4%)	
Provisions	15,060	9,761	15,052	15,052	(0.0%)	54.2%	1
Interest Bearing Liabilities	1,613	2,073	1,504	1,504	(6.7%)	(27.4%)	
Lease Liabilities	288	257	259	263	(8.8%)	2.2%	
<b>Total Current Liabilities</b>	<b>38,979</b>	<b>23,936</b>	<b>36,722</b>	<b>36,725</b>	<b>(5.8%)</b>	<b>53.4%</b>	
<b>Non Current Liabilities</b>							
Provisions	39,705	8,324	39,705	39,705	0.0%	377.0%	1
Interest Bearing Liabilities	13,973	22,035	13,973	13,973	0.0%	(36.6%)	
Lease Liabilities	661	416	661	661	0.0%	58.9%	
<b>Total Non Current Liabilities</b>	<b>54,340</b>	<b>30,775</b>	<b>54,340</b>	<b>54,340</b>	<b>0.0%</b>	<b>76.6%</b>	
<b>Total Liabilities</b>	<b>93,319</b>	<b>54,711</b>	<b>91,062</b>	<b>91,065</b>	<b>(2.4%)</b>	<b>66.4%</b>	
<b>Net Assets</b>	<b>1,162,402</b>	<b>1,124,851</b>	<b>1,209,179</b>	<b>1,236,954</b>	<b>93.6%</b>	<b>(10.0%)</b>	
<b>Represented By</b>							
Accumulated Surplus	443,657	450,922	490,435	518,210	(16.8%)	(14.9%)	
Reserves	718,744	673,929	718,744	718,744	0.0%	(6.6%)	
<b>Total Equity</b>	<b>1,162,402</b>	<b>1,124,851</b>	<b>1,209,179</b>	<b>1,236,954</b>	<b>93.6%</b>	<b>(10.0%)</b>	

\*Subject to final audit sign off

### Notes to the Balance Sheet as at July 2020

1) Intangible Assets (\$32.27m), Current Provisions (\$5.29m) and Non-Current Provisions (\$31.38m) actuals are all greater than adopted budget due to accounting for landfill requirements relating to Cosgrove 3, whereby Council must record a provision to meet the future rehabilitation, monitoring and aftercare costs of the landfill site, in addition to an intangible airspace asset equal to the future cashflows generated by the site.

Greater Shepparton City Council  
**Capital Works Statement**  
 period ended July 2020

Capital Works Area	2020/2021 YTD Adopted Budget	2020/2021 YTD Actual	YTD Adopted Budget Variance (Fav)/Unfav	2020/2021 Adopted Budget	2020/2021 Projected Full Year	Adopted Budget Variance (Fav)/Unfav	Note
	\$ ' 000	\$ ' 000	%	\$ ' 000	\$ ' 000	%	
Aerodrome	0	0	0%	592	592	0%	
Bridges	42	42	0%	450	662	47%	1
Buildings	405	480	19%	20,038	17,822	(11%)	2
Computer & Telecommunications	0	8	100%	750	1,045	39%	3
Drainage	(0)	0	0%	3,921	4,862	24%	4
Fixture Fittings and Furniture	0	0	0%	335	336	0%	
Footpaths & Cycleways	0	40	100%	2,712	3,457	27%	5
Land	0	0	0%	0	0	0%	
Land Improvements	0	0	0%	100	100	0%	
Off Street Car Parks	0	7	100%	120	238	98%	6
Parks, Open Space & Streetscape	1	4	389%	1,036	1,036	0%	
Plant Machinery & Equipment	185	186	0%	4,617	4,617	0%	
Recreational Leisure and Community Facilities	0	178	100%	3,930	4,854	24%	7
Roads	42	45	6%	18,170	18,260	0%	
Waste Management	0	0	0%	3,288	3,551	8%	8
Other Infrastructure	57	57	0%	533	533	0%	
Project Management Office	94	94	0%	1,125	1,125	0%	
<b>Total Capital Works</b>	<b>826</b>	<b>1,141</b>	<b>38%</b>	<b>61,717</b>	<b>63,091</b>	<b>2%</b>	

Capital Works Area	2020/2021 YTD Adopted Budget	2020/2021 YTD Actual	YTD Adopted Budget Variance (Fav)/Unfav	2020/2021 Adopted Budget	2020/2021 Projected Full Year	Adopted Budget Variance (Fav)/Unfav	Note
	\$ ' 000	\$ ' 000	%	\$ ' 000	\$ ' 000	%	
Renewal	433	511	18%	25,890	26,723	3%	
Upgrade	2	20	696%	10,281	11,493	12%	
New	110	254	131%	22,460	21,027	(6%)	
Expansion	187	262	41%	1,961	2,722	39%	
Project Management Office	94	94	0%	1,125	1,125	0%	
<b>Total Capital Works</b>	<b>826</b>	<b>1,141</b>	<b>38%</b>	<b>61,717</b>	<b>63,091</b>	<b>2%</b>	

**Notes to the Capital Works Statement for period ended July 2020**

1) Bridges Projected Full Year is \$212k greater than Adopted Budget, due to urgent Watt Road Bridge repairs.

2) Buildings Projected Full Year is \$2.22m less than Adopted Budget, mostly due to the timing of New SAM works completed in 2019/2020 \$2.82m. This variance is partially offset by the addition of \$359k for the Maude Street Mall Upgrade and \$186k for Saleyard Remediation Works and \$121k for Public Toilet Renewals rebudgeted from 2019/2020.

3) Computers and Telecommunications Projected Full Year is \$295k greater than Adopted Budget, due to the rebudget of the Public Wifi Project from 2019/2020.

4) Drainage Projected Full Year is \$941k greater than Adopted Budget due to Northern Growth Corridor works (\$547k) and Katandra West Basin (\$291k) and Yakka Basin (\$95k) works rebudgeted from 2019/2020.

5) Footpaths and Cycleways Projected Full Year is \$745k greater than Adopted Budget, due to works rebudgeted from 2019/2020 including Dookie Rail Trail Stage 2 \$206k, Shared Paths Route 3 \$287k, South Growth Corridor Shared Path \$136k and Shepparton East Shared Path \$116k.

6) Off Street Car Parks Projected Full Year is \$118k greater than Adopted Budget due to Tom Collins Drive works rebudgeted from 2019/2020.

7) Recreational Leisure and Community Facilities is \$963k greater than Adopted Budget. This variance is mostly due to works rebudgeted from 2019/2020, including Aquamoves 50m Pool Heating \$392k, Youth SPOTS \$173k, Sports Precinct Storage Complex \$145k, Sports Precinct Recirculation Pump \$108k, Vibert Reserve Lighting and Security Fencing \$66k and Active Living Renewals \$51k.

8) Waste Management Projected Full Year is \$263k greater than Adopted Budget, due to Cosgrove 3 Cell 1 Construction.

Greater Shepparton City Council  
**Cash Flow Statement**  
as at July 2020

	2020/2021 Adopted Budget \$ ' 000	2020/2021 YTD Adopted Budget \$ ' 000	2020/2021 YTD Actual \$ ' 000	Adopted Budget Variance (Fav)/Unfav %
<b>Cash flows from operating activities</b>				
Receipts from customers	101,266	1,921	7,714	(301.6%)
Payments to suppliers	(117,190)	(36,883)	(14,925)	(59.5%)
Net cash inflow(outflow) from customers(suppliers)	(15,924)	(34,963)	(7,211)	(79.4%)
Interest received	500	22	22	(0.8%)
Government receipts	37,106	903	882	2.3%
Contributions	2,930	296	296	0.2%
<b>Net cash inflow(outflow) from operating activities</b>	<b>24,612</b>	<b>(33,742)</b>	<b>(6,011)</b>	<b>(82.2%)</b>
<b>Cash flows from investing activities</b>				
Net movement in other financial assets	33,793	2,000	2,000	0.0%
Infrastructure, property, plant & equipment - proceeds	1,203	-	-	100.0%
Infrastructure, property, plant & equipment - payments	(62,330)	31,408	(1,141)	(103.6%)
<b>Net cash inflow(outflow) from investing activities</b>	<b>(27,334)</b>	<b>33,408</b>	<b>859</b>	<b>97.4%</b>
<b>Cash flows from financing activities</b>				
Finance Cost	(920)	(104)	(101)	(2.5%)
Proceeds from interest bearing loans and borrowings	10,000	-	-	0.0%
Repayment of interest-bearing loans and borrowings	(1,532)	(109)	(109)	0.0%
Interest Paid - Lease Liability	(27)	-	(3)	100.0%
Repayment of Lease Liability	(287)	(29)	(25)	(12.1%)
<b>Net cash inflow(outflow) from financing activities</b>	<b>7,234</b>	<b>(241)</b>	<b>(237)</b>	<b>(1.5%)</b>
<b>Net increase(decrease) in cash and equivalents</b>	<b>4,512</b>	<b>(575)</b>	<b>(5,390)</b>	<b>837.3%</b>
Cash and equivalents at the beginning of the year	5,705	34,692	34,692	(0.0%)
<b>Cash and equivalents at the end of the year</b>	<b>10,217</b>	<b>34,117</b>	<b>29,303</b>	<b>14.1%</b>