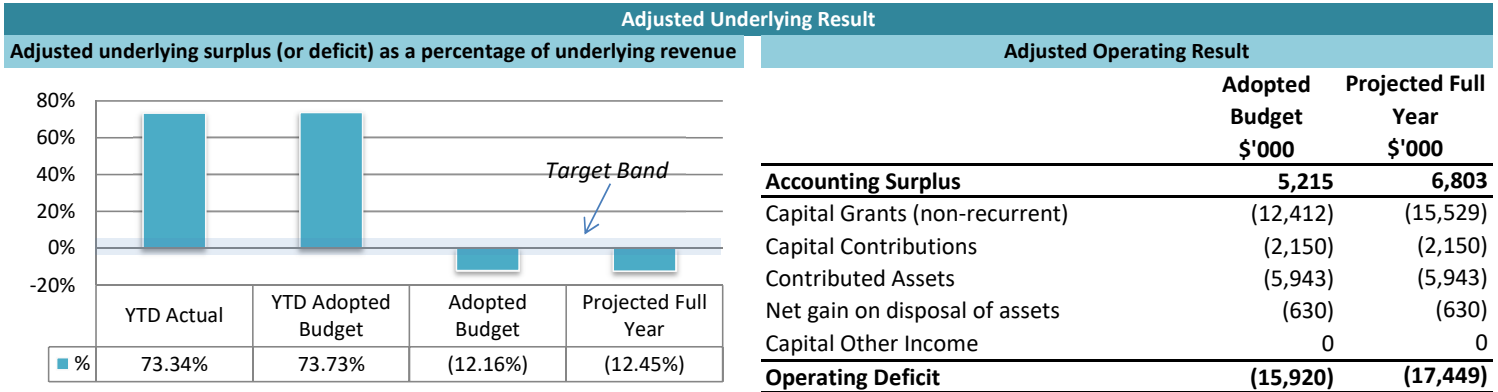


MONTHLY FINANCIAL REPORT AUGUST 2020

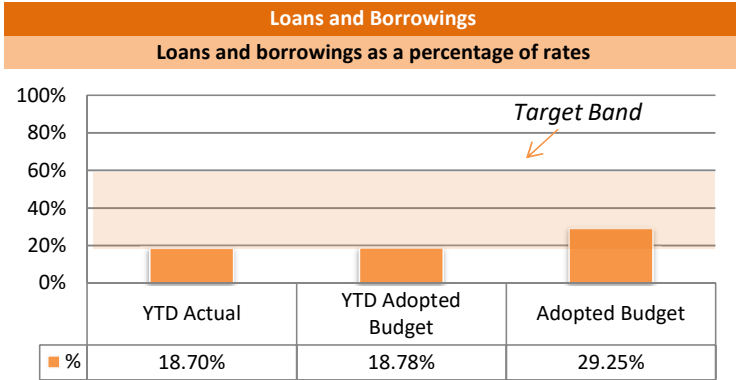
Operating Performance



- 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

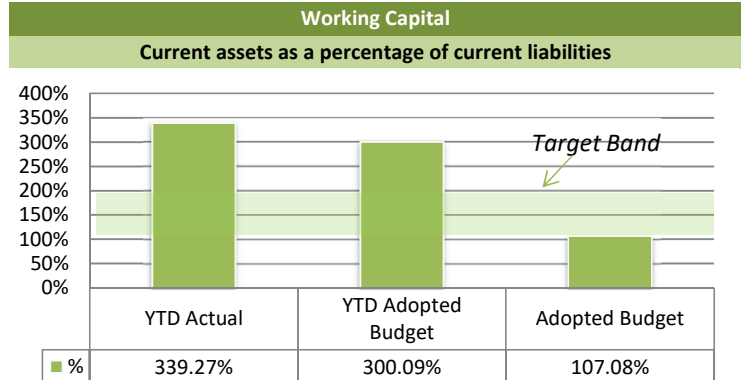
The surplus has been adjusted to reflect the true operating result by removing items that do not fund Council operations. Capital income including non-recurrent grants, contributions and other capital income is used to fund the capital works program, while contributed assets and the net loss on disposal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

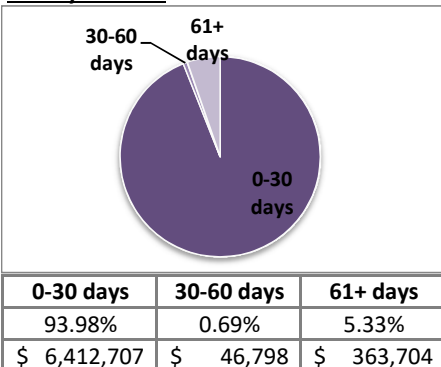
Financial Health



- 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

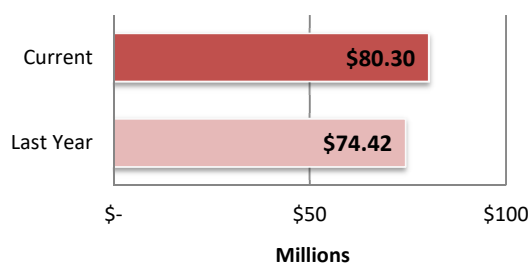
Other Financial Performance

Sundry Debtors



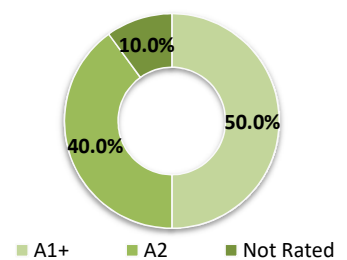
Rates Debtors

First instalment due 30 September 2020



Investments

\$20m with average interest rate 0.72%
\$29k interest income to date



Operating Performance AUGUST 2020

Income	YTD Adopted Budget vs YTD Actual (Fav)/Unfav		Adopted Budget vs Projected Full Year (Fav)/Unfav	
Rates and Charges	Steady	(\$0.36m)	Steady	(\$0.55m)
Statutory Fees	Steady	\$0.1m	Steady	\$0.03m
User Charges	Favourable	(\$0.32m)	Unfavourable	\$1.83m
Grants	Steady	\$0.05m	Steady	(\$0.68m)
Contributions	Steady	(\$0.02m)	Steady	\$0.07m
Other Revenue	Steady	(\$0.05m)	Unfavourable	\$0.26m
Total Income	Steady	(\$0.61m)	Steady	\$0.96m
Expense				
Employee Costs	Steady	(\$0.12m)	Unfavourable	\$5.2m
Materials and Services	Steady	\$0.74m	Favourable	(\$4.63m)
Bad and Doubtful Debts	Steady	(\$0.02m)	Steady	(\$0.02m)
Depreciation	Steady	(\$0.08m)	Steady	\$0m
Amortisation	Steady	\$0m	Steady	\$0m
Borrowing Costs	Steady	(\$0.02m)	Steady	(\$0.02m)
Finance Costs - Leases	Steady	\$0m	Steady	\$0m
Other Expenses	Steady	(\$0.01m)	Steady	\$0.02m
Total Expense	Steady	\$0.51m	Steady	\$0.57m

Notes:

- User Charges is \$325k more than YTD Adopted Budget. This favourable variance is mostly due to additional commercial waste volumes at Cosgrove Landfill. Projected full year is \$1.83m less than 2020/2021 Adopted Budget. This unfavourable variance is mostly due to the closure and restricted operations of some Council services including Aquamoves, Riverlinks, Business Centre, Sport Facilities, Commonwealth Home Support Program, Sports Stadium, Tatura Park, KidsTown, Victoria Park Lake Caravan Park and Shepparton Show Grounds as a result of the COVID-19 pandemic.
- Other income Projected Full Year is \$264k less than 2020/2021 Adopted Budget. This unfavourable variance is mostly due the closure and restricted operations of Riverlinks as a result of the COVID-19 pandemic.
- Employee Costs Projected Full Year is \$5.20m more than 2020/2021 Adopted Budget. This unfavourable variance is mostly due to the reclassification of Working For Victoria costs from Materials and Services to Employee Costs. This unfavourable variance is partially offset by reductions caused by the temporary closure and restriction of operations of Council services including Aquamoves, Riverlinks, and KidsTown as a result of the COVID-19 pandemic. This unfavourable variance is partially offset by staff vacancies across the organisation and a lower than anticipated 2020/2021 WorkCover premium. Please see Income Statement for more detail.
- Materials and Services Projected Full Year is \$4.63m less than 2020/2021 Adopted Budget. This favourable variance is mostly due to the reclassification of Working For Victoria expenses from Materials and Services to Employee Costs. This favourable variance is partially offset by additional contribution to ACE College for their relocation from Karibok Park due to the relocation of the CFA to Karibok Park, contribution to Museum of Vehicle Evolution, Merrigum recreation reserve multi use court project and rebudget of Victoria Park Lake Caravan Park water main works from 2019/2020. Please see Income Statement for more detail.

Capital Works Performance AUGUST 2020

ADOPTED BUDGET

\$61.72m

PROJECTED FULL YEAR

\$65.28m

YTD ACTUAL

\$6.68m

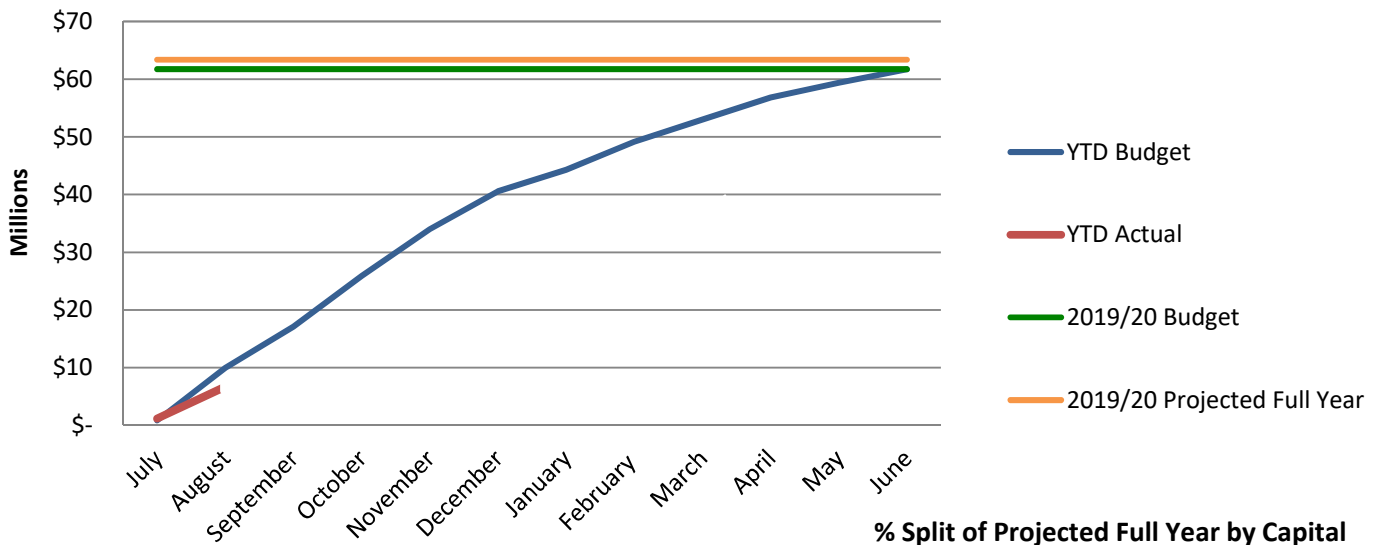
PROGRESS

*10.82% of Adopted Budget spent

*10.23% of current full year projection spent

* Same time last year: \$5.52m (7.5%) 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

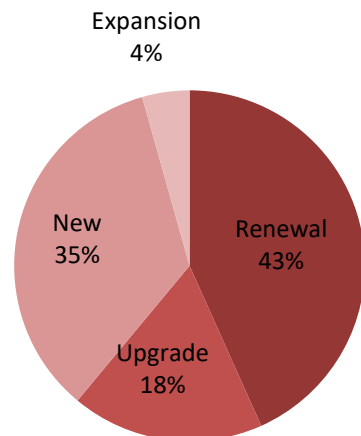
112.16%

PROJECTED FULL YEAR

121.31%

- 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 August 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	
	\$	\$	%	\$	\$	%	
Revenues from Operating Activities							
Rates and Charges	82,429	82,785	(0.4%)	82,849	83,403	(0.7%)	
Statutory Fees	560	463	17.3%	3,563	3,535	0.8%	
User Charges	2,492	2,817	(13.0%)	16,857	15,027	10.9%	1
Operating Grants	3,685	3,640	1.2%	23,774	24,453	(2.9%)	
Operating Contributions	85	109	(29.0%)	780	709	9.1%	
Other	317	363	(14.5%)	1,623	1,359	16.3%	2
Total Operating Revenue	89,567	90,177	(0.7%)	129,448	128,486	0.7%	
Expenses from Operating Activities							
Employee Costs	8,342	8,221	(1.5%)	51,067	56,271	10.2%	3
Materials and Services	9,393	10,130	7.9%	61,353	56,723	(7.5%)	4
Bad & Doubtful Debts	20	0	(100.0%)	186	163	(12.3%)	
Depreciation	5,474	5,398	(1.4%)	32,844	32,844	0.0%	
Amortisation - Leases	56	56	(0.0%)	298	294	(1.5%)	
Borrowing Costs	101	101	(0.1%)	920	920	0.0%	
Finance Costs - Leases	5	5	(0.6%)	27	27	(1.6%)	
Other Expenses	135	126	(6.4%)	706	728	3.0%	
Total Operating Expenses	23,526	24,037	2.2%	147,401	147,969	0.4%	
UNDERLYING OPERATING RESULT	66,042	66,140	(0.1%)	(17,954)	(19,483)	(8.5%)	
Non-operating Income and Expenditure							
Capital Grants	220	5,596	(2,443.7%)	14,446	17,563	(21.6%)	5
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	159	(100.0%)	1,203	1,203	0.0%	
Written Down Value of Asset Disposals	0	0	0.0%	(573)	(573)	0.0%	6
Total Non Operating Items	420	5,955	(1,317.8%)	23,169	26,286	(13.5%)	
ACCOUNTING SURPLUS/(DEFICIT)	66,462	72,094.548	(8.5%)	5,215	6,803	(30.5%)	

Notes to the Income Statement for period ended August 2020

- 1) User Charges is \$325k more than YTD Adopted Budget. This favourable variance is mostly due to additional commercial waste volumes at Cosgrove Landfill (\$479k).
Projected full year is \$1.83m less than 2020/2021 Adopted Budget. This unfavourable variance is mostly due to the closure and restricted operations of some Council services including Aquamoves (\$1.16m), Riverlinks (\$246k), Business Centre (\$161k), Sport Facilities (\$119k), Commonwealth Home Support Program (\$118k), Sports Stadium (\$80k), Tatura Park (\$77k), KidsTown (\$62k), Victoria Park Lake Caravan Park (\$33k) and Shepparton Show Grounds (\$25k) as a result of the COVID-19 pandemic.
- 2) Other income Projected Full Year is \$264k less than 2020/2021 Adopted Budget. This unfavourable variance is mostly due the closure and restricted operations of Riverlinks (\$332k) as a result of the COVID-19 pandemic.
- 3) Employee Costs Projected Full Year is \$5.20m more than 2020/2021 Adopted Budget. This unfavourable variance is mostly due to the reclassification of Working For Victoria costs from Materials and Services to Employee Costs (\$7.29m). This unfavourable variance is partially offset by reductions caused by the temporary closure and restriction of operations of Council services including Aquamoves (\$677k), Riverlinks (\$86k), and KidsTown (\$73k) as a result of the COVID-19 pandemic, staff vacancies across the organisation (\$179k) and a lower than anticipated 2020/2021 WorkCover premium (\$125K).
- 4) Materials and Services Projected Full Year is \$4.63m less than 2020/2021 Adopted Budget. This favourable variance is mostly due to the reclassification of Working For Victoria expenses from Materials and Services to Employee Costs (\$7.29m). This favourable variance is partially offset by additional contribution to ACE college for their relocation from Karibook Partk due to the relocation of the CFA to Karibok Park (\$1m); contribution to Museum of Vehicle Evolution funding received from Regional Development Victoria (\$900k); Merrigum recreation reserve multi use court project, funded by Drought Communities Extension Grants (\$575k); and the rebudget of Victoria Park Lake Caravan Park water main works from 2019/2020 (\$104k).
- 5) Capital Grants is \$5.38m more than YTD Adopted Budget. This favourable variance is mostly due to the timing of Federal Grant funding for the new Shepparton Art Museum (\$5m).
Projected Full Year \$3.12m more than 2020/2021 Adopted Budget. This favourable variance is mostly due to Drought Communities Extension Grants from the Federal Government for projects including Tatura 10km Walking/Cycling Loop (\$128k), Tatura Park Renewals (\$95k), Colaura Gardens Shade Sale (\$94k), Katandra West Netball Court (\$50k) and Tallygaroopna Victoria Street Path (\$44k). This favourable variance is also impacted by additional grant funding for shared path extension Route 3 and 5 (\$1.09m), Greater Shepparton Regional Sports Precinct (\$715k), Aerodrome Plane Parking and Concrete Helipad (\$452k), and Deakin Reserve Master Plan- Netball Precinct (\$450k).
- 6) Proceeds from Sale of Assets is \$159k more than YTD Adopted Budget. This favourable variance is mostly due to the timing of plant sales (\$159k).

Greater Shepparton City Council

Balance Sheet

as at August 2020

	Total Actual June 2020 \$ ' 000	Adopted Budget June 2021 \$ ' 000	YTD Adopted Budget 2021 \$ ' 000	YTD Actual 2021 \$ ' 000	Total Actual June 2020 Variance (Fav)/Unfav \$ ' 000	Adopted Budget Variance (Fav)/Unfav %	Notes
Current Assets							
Cash and Cash Equivalent	34,692	10,216	27,049	22,383	35.5%	(119.1%)	
Receivables	14,828	11,776	96,374	98,329	(563.1%)	(735.0%)	
Other Financial Assets	10,000	1,779	8,000	8,000	20.0%	(349.7%)	
Inventories	88	107	180	150	(70.1%)	(40.5%)	
Assets Held for Resale	450	55	450	450	0.0%	(718.7%)	
Other Assets	1,258	1,698	46	114	90.9%	93.3%	
Total Current Assets	61,317	25,631	132,099	129,427	(111.1%)	(405.0%)	
Non Current Assets							
Investment in Associates	1,447	1,393	1,393	1,447	0.0%	(3.9%)	
Infrastructure	1,162,016	1,151,886	1,166,467	1,163,297	(0.1%)	(1.0%)	
Intangible Assets	32,276	0	0	32,276	0.0%	(100.0%)	1
Right-of-use Assets	934	652	878	878	6.0%	(34.6%)	
Total Non Current Assets	1,196,673	1,153,931	1,168,738	1,197,898	(0.1%)	(3.8%)	
Total Assets	1,257,990	1,179,562	1,300,836	1,327,325	(5.5%)	(12.5%)	
Current Liabilities							
Trade & Other Payables	21,865	9,041	24,700	19,347	(11.5%)	114.0%	
Trust Funds	2,740	2,804	2,529	2,668	(2.6%)	(4.9%)	
Provisions	14,403	9,761	15,052	14,395	(0.1%)	47.5%	1
Interest Bearing Liabilities	1,613	2,073	1,504	1,504	(6.7%)	(27.4%)	
Lease Liabilities	288	257	235	235	(18.4%)	(8.7%)	
Total Current Liabilities	40,908	23,936	44,020	38,148	(6.7%)	59.4%	
Non Current Liabilities							
Provisions	39,426	8,324	39,705	39,426	0.0%	373.6%	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%	
Total Non Current Liabilities	54,061	30,775	54,340	54,061	0.0%	75.7%	
Total Liabilities	94,969	54,711	98,359	92,209	(2.9%)	68.5%	
Net Assets	1,163,021	1,124,851	1,202,477	1,235,116	93.8%	(9.8%)	
Represented By							
Accumulated Surplus	444,291	450,922	483,733	516,386	(16.2%)	(14.5%)	
Reserves	718,730	673,929	718,744	718,730	0.0%	(6.6%)	
Total Equity	1,163,021	1,124,851	1,202,477	1,235,116	93.8%	(9.8%)	

Notes to the Balance Sheet as at August 2020

1) Intangible Assets (\$32.28m), Current Provisions (\$14.40m) and Non-Current Provisions (\$39.43m) 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
Cash Flow Statement
as at August 2020

	2020/2021 Adopted Budget \$ ' 000	2020/2021 YTD Adopted Budget \$ ' 000	2020/2021 YTD Actual \$ ' 000	Adopted Budget Variance (Fav)/Unfav %
Cash flows from operating activities				
Receipts from customers	101,266	1,790	7,863	(339.2%)
Payments to suppliers	(117,190)	(37,751)	(24,932)	(34.0%)
Net cash inflow(outflow) from customers(suppliers)	(15,924)	(35,961)	(17,069)	(52.5%)
Interest received	500	56	28	49.6%
Government receipts	37,106	3,905	9,236	(136.5%)
Contributions	2,930	259	284	(9.5%)
Net cash inflow(outflow) from operating activities	24,612	(31,741)	(7,521)	(76.3%)
Cash flows from investing activities				
Net movement in other financial assets	33,793	2,000	2,000	0.0%
Infrastructure, property, plant & equipment - proceeds	1,203	0	159	(100.0%)
Infrastructure, property, plant & equipment - payments	(62,330)	22,366	(6,679)	(129.9%)
Net cash inflow(outflow) from investing activities	(27,334)	24,366	(4,520)	118.6%
Cash flows from financing activities				
Finance Cost	(920)	(101)	(101)	(0.1%)
Proceeds from interest bearing loans and borrowings	10,000	0	0	0.0%
Repayment of interest-bearing loans and borrowings	(1,532)	(109)	(109)	0.0%
Interest Paid - Lease Liability	(27)	(5)	(5)	(0.6%)
Repayment of Lease Liability	(287)	(53)	(53)	(0.0%)
Net cash inflow(outflow) from financing activities	7,234	(268)	(268)	(0.0%)
Net increase(decrease) in cash and equivalents	4,512	(7,643)	(12,309)	61.0%
Cash and equivalents at the beginning of the year	5,705	34,692	34,692	(0.0%)
Cash and equivalents at the end of the year	10,217	27,049	22,383	17.2%

Greater Shepparton City Council
Capital Works Statement
 period ended August 2020

Capital Works Area	2020/2021	2020/2021	YTD	2020/2021	2020/2021	Adopted Budget Variance (Fav)/Unfav %	Note	
	YTD	YTD	Adopted Budget					Adopted Budget
	Adopted Budget	Actual	Variance (Fav)/Unfav %					Variance (Fav)/Unfav %
	\$ ' 000	\$ ' 000	%	\$ ' 000	\$ ' 000	%		
Aerodrome	0	0	0%	592	1,044	76%	1	
Bridges	222	181	(18%)	450	682	52%	2	
Buildings	5,739	3,736	(35%)	20,038	18,215	(9%)	3	
Computer & Telecommunications	350	14	(96%)	750	1,052	40%	4	
Drainage	146	216	48%	3,921	4,815	23%	5	
Fixture Fittings and Furniture	0	0	0%	335	336	0%		
Footpaths & Cycleways	308	172	(44%)	2,712	3,457	27%	6	
Land	0	0	0%	0	0	0%		
Land Improvements	0	0	0%	100	100	0%		
Off Street Car Parks	0	14	100%	120	238	98%	7	
Parks, Open Space & Streetscape	73	11	(84%)	1,036	1,062	3%		
Plant Machinery & Equipment	1,185	739	(38%)	4,617	4,617	0%	8	
Recreational Leisure and Community Facilities	120	337	181%	3,930	6,161	57%	9	
Roads	1,517	996	(34%)	18,170	18,291	1%	10	
Waste Management	0	1	100%	3,288	3,551	8%		
Other Infrastructure	77	80	4%	533	533	0%		
Project Management Office	188	183	(2%)	1,125	1,125	0%		
Total Capital Works	9,924	6,679	(33%)	61,717	65,281	6%		

Capital Works Area	2020/2021	2020/2021	YTD	2020/2021	2020/2021	Adopted Budget Variance (Fav)/Unfav %	Note	
	YTD	YTD	Adopted Budget					Adopted Budget
	Adopted Budget	Actual	Variance (Fav)/Unfav %					Variance (Fav)/Unfav %
	\$ ' 000	\$ ' 000	%	\$ ' 000	\$ ' 000	%		
Renewal	3,364	2,273	(32%)	25,890	27,735	7%		
Upgrade	98	44	(55%)	10,281	11,425	11%		
New	5,841	3,471	(41%)	22,460	22,182	(1%)		
Expansion	433	707	63%	1,961	2,814	43%		
Project Management Office	188	183	(2%)	1,125	1,125	0%		
Total Capital Works	9,924	6,679	(33%)	61,717	65,281	6%		

Notes to the Capital Works Statement for period ended August 2020

- 1) Aerodrome Projects Full Year is \$452k more than 2020/2021 Adopted Budget. This unfavourable variance is mostly due to aerodrome place parking and concrete helipad works (\$452k). This additional expense is offset by additional grant income.
- 2) Bridges Projected Full Year is \$232k more than 2020/2021 Adopted Budget. This unfavourable variance is mostly due to additional Watt Road bridge maintenance of which \$130k was rebudgeted from 2019/2020 to be completed in 2020/2021.
- 3) Buildings is \$2m less than YTD Adopted Budget and Projected Full Year is \$1.82m less than 2020/2021 Adopted Budget. These favourable variances are due to works for the New Shepparton Art museum budgeted in 2020/2021 but completed in 2019/2020. The Overall cost of the project has not changed.
- 4) Computer and Telecommunications is \$336k less than YTD Adopted Budget and Projected Full Year is \$302k more than 2020/2021 Adopted Budget. These variances are mostly due to the timing of works for the Public Wifi Project. \$295k was rebudgeted from 2019/2020 to be completed in 2020/2021.
- 5) Drainage Projected Full Year is \$894k more than 2020/2021 Adopted Budget. This unfavourable variance is mostly due to projects that were rebudgeted from 2019/2020 to be completed in 2020/2021 including North Growth Corridor Drainage (\$547k), Katandra West Basin (\$244k) and Southdown Precinct YAKKA Basin Upgrade (\$95k).
- 6) Footpaths and Cycleways is \$136k less than YTD Adopted Budget and Projected Full Year is \$745k more than 2020/2021 Adopted budget. These variances are mostly due to projects that were rebudgeted from 2019/2020 to be completed in 2020/2021 including Shared Path Extension Route 3 and 5 (\$287k), Dookie Rail Trail stage 2 Dookie to Conway Road (\$206k), DCP South Growth Corridor shared paths (\$136k), and Midland Highway recreational path Shepparton East (\$116k).
- 7) Off Street Car Parks Projected Full Year is \$118k more than 2020/2021 Adopted Budget. This unfavourable variance is mostly due to Tom Collin Drive landscaping, parking and revegetation works (\$118k) which were rebudgeted from 2019/2020 and will be completed in the 2020/2021.
- 8) Plant, Machinery and Equipment is \$446k less than YTD Adopted Budget. This favourable variance is mostly due to the timing of purchases of large plant items.
- 9) Recreational, Leisure and Community Facilities is \$217k more than YTD Adopted Budget and Projected Full Year is \$2.23m more than 2020/2021 Adopted budget. These unfavourable variances are mostly due to projects rebudgeted from 2019/2020 to be completed in 2020/2021 including Aquamoves Pool Heating (\$392k), Sports Precinct Storage Compound (\$326), Youth SPOTS (\$173), Vibert Reserve Pavilion Shelter (\$159k), Sports Precinct recirculation pump (\$136k), Aquamoves 25m pool tile renewal (\$67k) and Vibert Reserve lighting and security fence (\$66k). This unfavourable variance is also impacted by a new capital project, Deakin Reserve netball precinct (\$840k) which is partially offset by grant income.
- 10) Roads is \$521k less than YTD Adopted Budget. This favourable variance is mostly due to the timing of works on Packham Street (\$480k), and dust suppressant sealing (\$136k).