

## Greater Shepparton City Council

### MONTHLY FINANCIAL REPORT

July 2024

#### Overview

The July 2024 Monthly Financial Report provides commentary on year-to-date (YTD) budget performance and projected forecast variances, with a focus on Council's financial sustainability measures.

- Council's Operating Result is projected to be a deficit of \$4.6m. This improvement compared to 2024/2025 Adopted Budget is mostly due to additional insurance claim income for property damage relating to October 2022 Flood Event and January 2024 storm event.
- The July YTD operating result is a surplus mainly due to the annual rates being generated in July. This will move towards the projected deficit throughout the year as expenditure is incurred.
- Since 2024/2025 Adopted Budget, the full year projection of capital works has increased by \$1.22m to \$71.2m largely due to rebudgeted projects from 2023/2024 financial year. Further explanation is provided in the notes to the Capital Works Statement.

#### Financial Sustainability Indicators

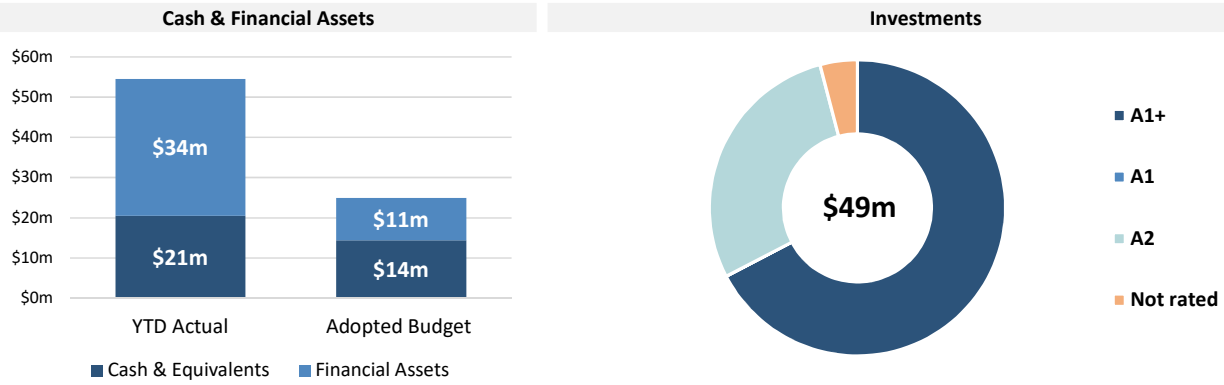
##### Operating Result (Internal Non-Audited Indicator)

	2024/2025 Adopted Budget	2024/2025 YTD Actuals	2024/2025 Projected Full Year
Accounting Result	24.0	97.7	26.6
Less Capital & Non Operating Items	(30.8)	(1.2)	(31.2)
<b>Adjusted Underlying Result</b>	<b>(6.8)</b>	<b>96.4</b>	<b>(4.6)</b>
Adjust for early receipt of 2024/2025 Federal Financial Assistance Grants	0.0	0.0	0.0
<b>Operating Result Surplus/(Deficit)</b>	<b>(6.8)</b>	<b>96.4</b>	<b>(4.6)</b>

##### Financial Plan 2021-2031 Indicators

Indicator	Financial Plan Target	Adopted Budget	2024/2025 YTD Actuals	Projected Full Year
% Adjusted Underlying Result	As above (greater than 0%)	(4.4%)	61.8%	(2.9%)
Capital Renewal & Upgrade / Depreciation	Ensure sufficient spend on renewing/ upgrading existing assets (greater than 100%)	103%	27%	99%
Liquidity	Maintain sufficient working capital to meet obligations as they fall due (greater than 100%)	121%	381%	121%

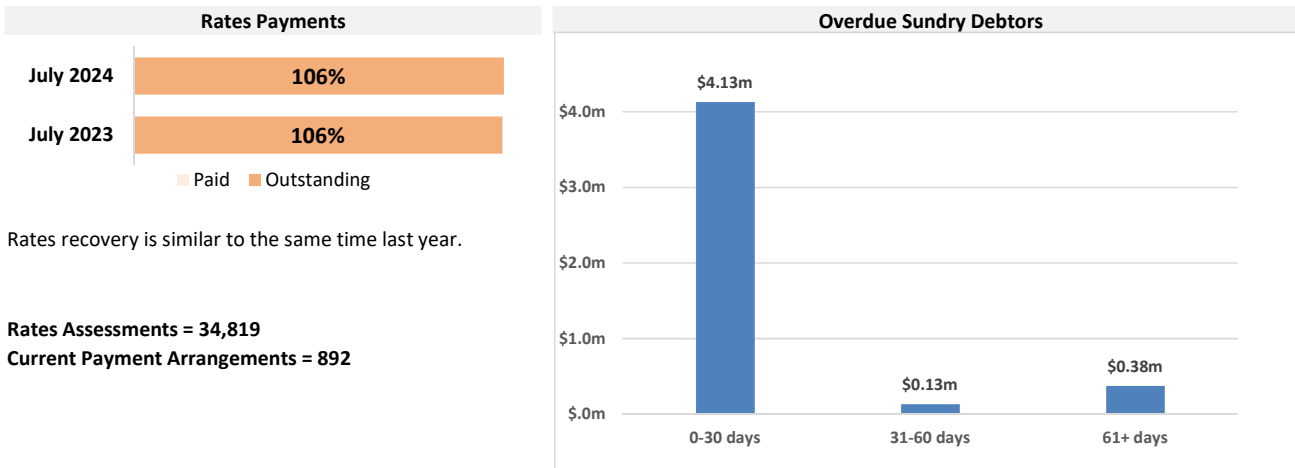
**Cash, Cash Equivalent and Investments**



Total cash and financial assets is expected to reduce in the lead up to end of financial year.

At July 2024, Council had \$49m invested. The weighted average interest rate of investments is 4.94% with YTD interest earned of \$0.16m. Stable cash rates are continuing to influence the investment yield.

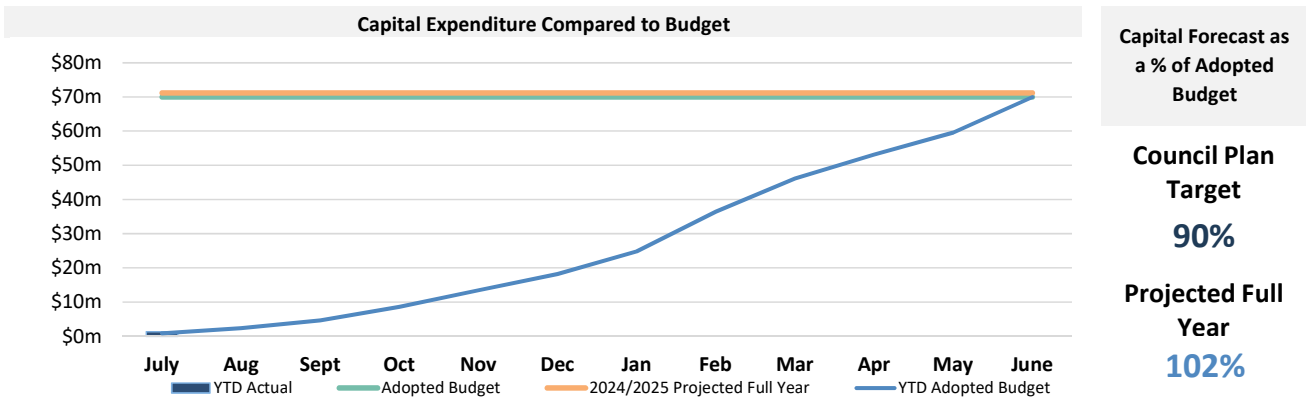
**Rates and Debtors**



Rates recovery is similar to the same time last year.

Rates Assessments = 34,819  
Current Payment Arrangements = 892

**Capital Expenditure**



Refer to the Capital Works Statement for further information

Greater Shepparton City Council  
**Income Statement**  
 period ended July 2024

Notes	YEAR TO DATE			FULL YEAR		
	2024/2025 YTD Adopted Budget	2024/2025 YTD Actuals	YTD Adopted Budget Variance (Fav)/Unfav	2024/2025 Adopted Budget	2024/2025 Projected Full Year	Adopted Budget Variance (Fav)/Unfav
	\$ ' 000	\$ ' 000	\$ ' 000	\$ ' 000	\$ ' 000	\$ ' 000
<b>Revenues from Operating Activities</b>						
Rates and Charges	95,020	95,199	(180) ▬	95,995	95,995	0 ▬
Statutory Fees and Fines	454	475	(20) ▬	4,705	4,705	0 ▬
User Fees	1,035	983	52 ▬	19,405	19,466	(61) ▬
Grants - Operating	15,860	15,365	495 ▬	30,140	29,729	411 ▬
Grants - Capital Recurrent	0	0	0 ▬	2,033	2,033	0 ▬
Contributions - Monetary <b>1</b>	77	455	(377) ▲	836	3,271	(2,434) ▲
Other Income <b>2</b>	566	321	245 ▼	2,821	3,110	(289) ▲
<b>Total Operating Revenue</b>	<b>113,012</b>	<b>112,797</b>	<b>215</b>	<b>155,935</b>	<b>158,308</b>	<b>(2,373)</b>
<b>Expenses from Operating Activities</b>						
Employee Costs	5,619	5,610	(9) ▬	61,396	61,002	(394) ▬
Materials and Services	7,634	7,385	(249) ▬	58,037	58,508	472 ▬
Depreciation	3,418	3,180	(238) ▬	41,012	41,012	0 ▬
Amortisation - Leases and Intangibles	64	10	(54) ▬	573	573	0 ▬
Bad & Doubtful Debts	0	0	0 ▬	560	560	0 ▬
Borrowing Costs	20	47	28 ▬	530	530	0 ▬
Net Loss on Disposal of Assets	(4)	28	32 ▬	(27)	(27)	0 ▬
Finance Costs - Leases	0	0	0 ▬	2	2	0 ▬
Other Expenses	102	104	2 ▬	700	726	26 ▬
<b>Total Operating Expenses</b>	<b>16,853</b>	<b>16,365</b>	<b>(488)</b>	<b>162,782</b>	<b>162,886</b>	<b>104</b>
<b>ADJUSTED UNDERLYING RESULT</b>	<b>96,160</b>	<b>96,432</b>	<b>(272)</b>	<b>(6,847)</b>	<b>(4,578)</b>	<b>(2,269)</b>
<b>Non-operating Income and Expenditure</b>						
Grants - Capital Non Recurrent <b>3</b>	119	1,250	(1,131) ▲	17,625	17,994	(369) ▬
Contributions - Monetary (Capital)	0	0	0 ▬	1,386	1,416	(30) ▬
Contributions - Non Monetary	0	0	0 ▬	11,812	11,812	0 ▬
<b>Total Non Operating Items</b>	<b>119</b>	<b>1,250</b>	<b>(1,131)</b>	<b>30,823</b>	<b>31,222</b>	<b>(399)</b>
<b>ACCOUNTING SURPLUS/(DEFICIT)</b>	<b>96,279</b>	<b>97,682</b>	<b>(1,403)</b>	<b>23,975</b>	<b>26,644</b>	<b>(2,668)</b>

### Notes to the Income Statement for period ended July 2024

1	<p><b>Contributions - Monetary</b> projected full year has increased by \$2.43m since 2024/2025 Adopted Budget. This favourable variance is mostly due to insurance claims for property damage relating to October 2022 Flood Event and January 2024 storm event(\$2.06m) and additional civil works developer contributions, mostly relating to the North Quarter Estate (\$375k).</p>
2	<p><b>Other income</b> projected full year has increased by \$289k since 2024/2025 Adopted Budget. This favourable variance is mostly due to an increase in expected income for Regional Cities Victoria (\$266k), which will be offset by materials and services expenditure.</p>
3	<p><b>Grants - Capital Non Recurrent</b> YTD Adopted Budget variance of \$1.13m is mainly due to the timing of recognition of grant income in line with the Accounting Standards (AASB 15). This includes \$469k relating to Shepparton Sports City Enhancement, Yahna Gurji Shared Path Route 2 and Shepparton BMX Club projects, and \$661k relating to the Federal Blackspot program for the Orrvale Road and Poplar Avenue Intersection.</p>

## Greater Shepparton City Council

## Balance Sheet

### as at 31 July 2024

	FULL YEAR		YEAR TO DATE	MOVEMENT
	Total Actual June 2024*	Adopted Budget June 2025	YTD Actual July 2024	June 2024 vs. YTD Actual (Fav)/Unfav
	\$ ' 000	\$ ' 000	\$ ' 000	\$ ' 000
<b>Current Assets</b>				
Cash and Cash Equivalent	23,459	14,381	20,503	2,956
Receivables	18,395	13,704	118,162	(99,766)
Other Financial Assets	21,000	10,500	34,000	(13,000)
Inventories	121	125	197	(75)
Assets Held for Resale	-	1,796	-	-
Other Assets	4,464	1,723	377	4,087
<b>Total Current Assets</b>	<b>67,440</b>	<b>42,229</b>	<b>173,238</b>	<b>(105,798)</b>
<b>Non Current Assets</b>				
Investment in Associates	1,883	1,872	1,883	0
Infrastructure	1,317,784	1,454,234	1,315,938	1,846
Intangible Assets	36,020	35,611	36,020	0
Right-of-use Assets	67	-	58	10
<b>Total Non Current Assets</b>	<b>1,355,754</b>	<b>1,491,717</b>	<b>1,353,899</b>	<b>1,855</b>
<b>Total Assets</b>	<b>1,423,194</b>	<b>1,533,946</b>	<b>1,527,137</b>	<b>(103,943)</b>
<b>Current Liabilities</b>				
Trade & Other Payables	20,367	9,842	17,801	(2,566)
Trust Funds	5,847	6,047	14,793	8,946
Provisions	9,963	10,797	9,985	22
Interest Bearing Liabilities	2,970	8,268	2,839	(131)
Lease Liabilities	78	-	67	(11)
<b>Total Current Liabilities</b>	<b>39,225</b>	<b>34,954</b>	<b>45,485</b>	<b>6,261</b>
<b>Non Current Liabilities</b>				
Provisions	20,594	18,669	20,594	-
Interest Bearing Liabilities	12,583	15,091	12,583	(0)
<b>Total Non Current Liabilities</b>	<b>33,178</b>	<b>33,760</b>	<b>33,178</b>	<b>(0)</b>
<b>Total Liabilities</b>	<b>72,402</b>	<b>68,714</b>	<b>78,663</b>	<b>6,261</b>
<b>Net Assets</b>	<b>1,350,792</b>	<b>1,465,232</b>	<b>1,448,474</b>	<b>(97,682)</b>
<b>Represented By</b>				
Accumulated Surplus	518,336	561,881	626,731	(108,395)
Reserves	832,456	903,351	821,744	10,712
<b>Total Equity</b>	<b>1,350,792</b>	<b>1,465,232</b>	<b>1,448,474</b>	<b>(97,682)</b>

\*June 2024 figures are subject to change until 2023/2024 end of financial year audit is complete.

**Notes to the Balance Sheet as at July 2024**

**Receivables** YTD Actual balance is high due to the 2024/2025 rates being raised in July 2024. These balances will reduce throughout the financial year as rates debtors payments are received.

**Other Financial Assets** YTD Actual increased from June 2024 due to investing cash available into term deposits until it is required for expenditure later in the financial year.

Greater Shepparton City Council  
**Cash Flow Statement**  
for period ended July 2024

	FULL YEAR		YEAR TO DATE
	Total Actual June 2024 \$ ' 000	Adopted Budget June 2025 \$ ' 000	YTD Actual July 2024 \$ ' 000
<b>Cash flows from operating activities</b>			
Receipts from customers	117,071	120,591	6,364
Payments to suppliers	(114,772)	(120,027)	(12,985)
<b>Net cash inflow(outflow) from customers(suppliers)</b>	<b>2,299</b>	<b>564</b>	<b>(6,621)</b>
Interest received	1,699	1,397	114
Government receipts	26,621	49,421	17,816
Contributions	8,374	2,222	272
<b>Net cash inflow(outflow) from operating activities</b>	<b>38,993</b>	<b>53,604</b>	<b>11,581</b>
<b>Cash flows from investing activities</b>			
Net movement in other financial assets	(9,000)	4,500	(13,000)
Infrastructure, property, plant & equipment - proceeds	1,536	27	4
Infrastructure, property, plant & equipment - payments	(41,778)	(69,970)	(1,366)
<b>Net cash inflow(outflow) from investing activities</b>	<b>(49,242)</b>	<b>(65,443)</b>	<b>(14,362)</b>
<b>Cash flows from financing activities</b>			
Finance Cost	(628)	(530)	(33)
Proceeds from interest bearing loans and borrowings	-	9,675	-
Repayment of interest-bearing loans and borrowings	(2,871)	(3,079)	(131)
Interest Paid - Lease Liability	(7)	(2)	(0)
Repayment of Lease Liability	(162)	(133)	(11)
<b>Net cash inflow(outflow) from financing activities</b>	<b>(3,668)</b>	<b>5,931</b>	<b>(175)</b>
<b>Net increase(decrease) in cash and equivalents</b>	<b>(13,917)</b>	<b>(5,908)</b>	<b>(2,956)</b>
Cash and equivalents at the beginning of the year	37,376	20,289	23,459
<b>Cash and equivalents at the end of the year</b>	<b>23,459</b>	<b>14,381</b>	<b>20,503</b>

Greater Shepparton City Council  
**Capital Works Statement**  
 period ended July 2024

		YEAR TO DATE			FULL YEAR		
Capital Works Area	Note	2024/2025 YTD Adopted Budget	2024/2025 YTD Actuals	YTD Adopted Budget Variance	2024/2025 Adopted Budget	2024/2025 Projected Full Year	Adopted Budget Variance
		\$ ' 000	\$ ' 000	(Fav)/Unfav \$'000	\$ ' 000	\$ ' 000	(Fav)/Unfav \$'000
Bridges	1	299	271	(28) ▬	1,486	1,239	(247) ▼
Buildings		5	13	9 ▬	2,159	2,181	22 ▬
Computer & Telecommunications		5	5	0 ▬	2,085	2,119	34 ▬
Drainage		67	67	(0) ▬	7,539	7,583	44 ▬
Fixture Fittings and Furniture		12	0	(12) ▬	1,748	1,748	0 ▬
Footpaths & Cycleways		170	175	5 ▬	2,695	2,782	87 ▬
Land Improvements		0	0	0 ▬	0	9	9 ▬
Parks, Open Space & Streetscape	2	9	35	26 ▬	1,432	2,072	640 ▲
Plant Machinery & Equipment		12	12	0 ▬	4,081	3,908	(173) ▬
Recreational Leisure and Community Facilities	3	50	141	91 ▬	5,803	6,273	470 ▬
Roads	4	49	433	384 ▲	38,455	38,748	293 ▬
Waste Management		0	0	0 ▬	0	0	0 ▬
Other Infrastructure		104	104	(0) ▬	749	787	38 ▬
Project Management Office		109	109	(0) ▬	1,736	1,736	0 ▬
<b>Total Capital Works</b>		<b>891</b>	<b>1,366</b>	<b>475</b>	<b>69,968</b>	<b>71,184</b>	<b>1,216</b>
Capital Works Area		2024/2025 YTD Adopted Budget	2024/2025 YTD Actuals	YTD Adopted Budget Variance	2024/2025 Adopted Budget	2024/2025 Projected Full Year	Adopted Budget Variance
		\$ ' 000	\$ ' 000	(Fav)/Unfav \$'000	\$ ' 000	\$ ' 000	(Fav)/Unfav \$'000
Renewal		413	571	158 ▲	29,085	27,957	(1,128) ▼
Upgrade		188	280	92 ▬	13,148	12,444	(704) ▼
New		171	391	220 ▲	26,982	28,186	1,204 ▲
Expansion		11	16	5 ▬	754	861	107 ▲
Project Management Office		109	109	(0) ▬	0	1,736	1,736 ▲
<b>Total Capital Works</b>		<b>891</b>	<b>1,366</b>	<b>475</b>	<b>69,968</b>	<b>71,184</b>	<b>1,216</b>



Notes to the Capital Works Statement for period ended July 2024	
1	<b>Bridges</b> projected full year has decreased by \$247k since 2024/2025 Adopted Budget. This is mainly due to timing of expenditures for Merrigum-Ardmona Road Major Culvert renewal project. The project was identified to be carried over from 2023/2024, however most of the work was done in 2023/2024 financial year, so the 2024/2025 forecast has been adjusted to reflect this.
2	<b>Parks, Open Space and Streetscape</b> projected full year has increased by \$640k since 2024/2025 Adopted Budget mainly due to \$304k being rebudgeted for the South Growth Corridor- Edgewater Estate Landscaping project, which was delayed due to land stability issues. The project is now expected to be completed in September 2024. A further \$332k has been rebudgeted for the North East Growth Corridor - Preparation of PSP and DCP, as part of the Work In Kind (WIK) Agreement with the developer.
3	<b>Recreational Leisure and Community Facilities</b> projected full year actuals increased by \$470k since 2024/2025 Adopted Budget mainly due to \$544k being rebudgeted for the Tatura Park Fire Service. Project was delayed due to time taken to receive the building permit.
4	<b>Roads</b> YTD Adopted Budget variance of \$384k is mainly due to \$198k expenditure carried over into 2024/2025 financial year relating to R4R MSTP stabilisation works.

## Greater Shepparton City Council

**Operating Statement**

period ended July 2024

The Operating Statement details the Income Statement excluding non-recurrent items such as works on non-council assets and non-recurrent grant programs. It also excludes items that do not fund Council operations such as capital income and non-cash items.

	YEAR TO DATE			FULL YEAR		
	2024/2025 YTD Adopted Budget	2024/2025 YTD Actuals	YTD Adopted Budget Variance (Fav)/Unfav	2024/2025 Adopted Budget	2024/2025 Projected Full Year	Adopted Budget Variance (Fav)/Unfav
	\$'000	\$'000	\$	\$'000	\$'000	\$
<b>Revenues from Operating Activities</b>						
Rates and Charges	95,020	95,199	(180) ▬	95,995	95,995	0 ▬
Statutory Fees	454	475	(20) ▬	4,705	4,705	0 ▬
User Charges*	1,035	983	52 ▬	19,405	19,466	(61) ▬
Operating Grants*	15,384	15,325	60 ▬	29,070	29,088	(18) ▬
Operating Contributions*	77	455	(377) ▲	836	1,860	(1,024) ▲
Other Income*	566	321	245 ▼	2,821	3,110	(289) ▲
<b>Total Operating Revenue</b>	<b>112,537</b>	<b>112,757</b>	<b>(220)</b>	<b>152,832</b>	<b>154,224</b>	<b>(1,392)</b>
<b>Expenses from Operating Activities</b>						
Employee Costs*	5,571	5,564	(8) ▬	60,740	60,488	(252) ▬
Materials and Services*	7,515	7,209	(305) ▬	55,327	55,568	241 ▬
Bad & Doubtful Debts	3,418	3,180	(238) ▬	41,012	41,012	0 ▬
Depreciation	64	10	(54) ▬	573	573	0 ▬
Amortisation	0	0	0 ▬	560	560	0 ▬
Borrowing Costs	20	47	28 ▬	530	530	0 ▬
Finance Costs - Leases	0	0	0 ▬	2	2	0 ▬
Other Expenses	102	104	2 ▬	700	726	26 ▬
<b>Total Operating Expenses</b>	<b>16,689</b>	<b>16,114</b>	<b>(575)</b>	<b>159,443</b>	<b>159,459</b>	<b>15</b>
<b>ADJUSTED OPERATING RESULT SURPLUS/(DEFICIT)</b>	<b>95,848</b>	<b>96,643</b>	<b>(795)</b>	<b>(6,611)</b>	<b>(5,235)</b>	<b>(1,376)</b>

\*Non-Recurrent items including the October 2022 Flood Event and works on non-council assets have been excluded from User Charges, Operating Grants Employee Costs and Materials and Services. These are listed below.

**Operating Contributions** - Projected Full Year has increased by \$1.02m since 2024/2025 Adopted Budget. This favourable variance is due to insurance claim income for property damage relating to October 2022 Flood Event & January Storm Event.

## Projects excluded from the Operating Statement

	INCOME			EXPENSE		
	2024/2025 Adopted Budget \$'000	2024/2025 Projected Full Year \$'000	2024/2025 YTD Actuals \$'000	2024/2025 Adopted Budget \$'000	2024/2025 Projected Full Year \$'000	2024/2025 YTD Actuals \$'000
October 2022 Flood Event						
Grants - Operating	490	55	40	0	0	0
Contributions - Monetary	0	1,411	0	0	0	0
Employee Costs	0	0	0	485	343	33
Materials and Services	0	0	0	1,008	1,238	142
<b>SUBTOTAL - Flood</b>	<b>490</b>	<b>1,466</b>	<b>40</b>	<b>1,493</b>	<b>1,581</b>	<b>174</b>
Office handset renewal	0	0	0	80	80	0
Queensland Fruit Fly Management Program- Employee Costs	322	322	0	171	171	14
Queensland Fruit Fly Management Program - Materials and Services	0	0	0	207	207	19
Disaster Ready Fund Flood Project	116	116	0	455	455	0
Murchison Floodplain Management Plan	43	43	0	85	85	0
VicHealth Local Government Partnership Program	99	105	0	210	210	15
Council Elections	0	0	0	407	407	0
<b>SUBTOTAL - Non-recurrent Operating</b>	<b>580</b>	<b>586</b>	<b>0</b>	<b>1,615</b>	<b>1,615</b>	<b>48</b>
Edgewater Estate Intersection	0	0	0	258	258	1
<b>SUBTOTAL - Non-Council Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>258</b>	<b>258</b>	<b>1</b>
Grants - Capital Recurrent*	2,033	2,033	0	0	0	0
Net Loss on Disposal of Assets*	0	0	0	(27)	(27)	28
<b>Total excluded from Operating Statement</b>	<b>3,103</b>	<b>4,084</b>	<b>40</b>	<b>3,339</b>	<b>3,427</b>	<b>251</b>

Greater Shepparton City Council  
**Capital Summary**  
 period ended July 2024

	YEAR TO DATE			FULL YEAR		
	2024/2025 YTD Adopted Budget \$'000	2024/2025 YTD Actuals \$'000	YTD Adopted Budget Variance (Fav)/Unfav \$'000	2024/2025 Adopted Budget \$'000	2024/2025 Projected Full Year \$'000	Adopted Budget Variance (Fav)/Unfav \$'000
<b>Capital Income</b>						
Capital Grants	119	1,250	(1,131) ▲	19,658	20,027	(369) ▬
Capital Contributions	0	0	0 ▬	1,386	1,416	(30) ▬
Proceeds from Sale of Assets	4	4	0 ▬	1,167	1,167	0 ▬
<b>Total Capital Income</b>	<b>123</b>	<b>1,253</b>	<b>(1,131)</b>	<b>22,210</b>	<b>22,609</b>	<b>(399)</b>
<b>Capital Expenditure</b>						
Renewal	413	571	158 ▲	29,085	27,957	(1,128) ▬
Upgrade	188	280	92 ▬	13,148	12,444	(704) ▬
New	171	391	220 ▲	26,982	28,186	1,204 ▬
Expansion	11	16	5 ▬	754	861	107 ▲
Project Management Office	109	109	(0) ▬	0	1,736	1,736 ↑
<b>Total Capital Expenditure</b>	<b>891</b>	<b>1,366</b>	<b>475</b>	<b>69,968</b>	<b>71,184</b>	<b>1,216</b>