

ATTACHMENT TO AGENDA ITEM

Ordinary Meeting

17 September 2013

Agenda Item 8.1 August 2013 Monthly Financial Report

Attachment 1 August 2013 Monthly Financial Report..... 269

MONTHLY FINANCIAL REPORT

**2013/2014 FINANCIAL YEAR TO DATE AS AT
31 AUGUST 2013**

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Greater Shepparton City Council

August 2013 Financial Report

Operating Result

The August 2013 Financial Report provides a summary of the actual financial performance compared to budget for the first two months of the 2013/2014 financial year. The actual year to date operating deficit of \$9.01m is \$235k less than the year to date budget.

Actual operating revenue is currently more than budget by \$552k. \$299k relates to receiving an insurance claim for the Visitor Information Centre. \$114k is due to receiving a grant for the Digital Enterprise Program which was not budget for.

Expenditure is currently more than budget by \$892k which is mainly due to the timing of external contract payments:
Waste Area \$278k.

Capital grants received to date are more than budget by \$494k which includes \$200k for the Safer Cities CCTV Project and \$140k for the Goulburn Broken Greenhouse Alliance.

Capital Works

Year to date capital expenditure of \$2.15m is \$138k less than budget.

Investments

Investments of \$26.61m are held at an average interest rate of 3.84%. Council has a diverse investment portfolio, which includes local banking institutions and actively manages investments to maximise returns within Council's Investment Policy.

Rate Debtors

Rates first instalment's are due at the end of September.

Sundry Debtors

Sundry Debtors are at similar when compared for the same period in 2012/2013. Sundry Debtors are within acceptable limits and are being actively managed. The most significant debtor invoice is for \$220k which is payable by the Department of Justice for Public Safety Infrastructure.

Further details and explanations are contained in the financial report.

Greater Shepparton City Council
Income Statement
for period ending August 2013

	2013/2014 Adopted Budget \$	2013/2014 YTD Budget \$	2013/2014 YTD Actual \$	YTD Variance (Fav)/Unfav \$	YTD Variance (Fav)/Unfav %	Note
Revenues from Operating Activities						
Rates and Charges	60,289,137	0	(41,119)	41,119	100.0%	
Operating Grants and Contributions	15,162,865	3,084,335	3,678,731	(594,396)	(19.3%)	1
User Charges	15,387,140	2,447,648	2,429,770	17,878	0.7%	
Statutory Fees	2,370,047	294,284	293,071	1,213	0.4%	
Parking Fees and Fines	1,969,000	285,000	254,539	30,461	10.7%	
Rent	627,601	241,404	264,899	(23,495)	(9.7%)	
Interest	1,143,500	157,211	149,304	7,907	5.0%	
Other	580,542	71,772	104,874	(33,102)	(46.1%)	
Total Operating Revenue	97,529,832	6,581,654	7,134,069	(552,415)	(8.4%)	
Expenses from Operating Activities						
Employee Costs	40,007,805	6,421,045	6,725,761	304,716	4.7%	
Materials and Consumables	25,068,281	5,101,018	4,994,786	(106,232)	(2.1%)	
External Contracts	11,229,865	1,761,218	2,316,505	555,287	31.5%	2
Utilities	3,029,156	512,290	536,158	23,868	4.7%	
Borrowing Costs	1,176,277	30,000	21,372	(8,628)	(28.8%)	
Depreciation and Amortisation	18,452,495	2,952,332	3,075,416	123,084	4.2%	
Total Operating Expenses	98,963,879	16,777,903	17,669,998	892,095	5.3%	
UNDERLYING OPERATING RESULT	(1,434,047)	(10,196,249)	(10,535,929)	339,680	(3.3%)	
Non-operating Income and Expenditure						
Capital Grants and Contributions	7,057,186	1,007,818	1,501,530	(493,712)	(49.0%)	3
Proceeds from Sale of Assets	702,500	23,500	21,974	1,526	6.5%	
Contributed Assets	3,000,000	0	0	0	0.0%	
Written Down Value of Assets Sold	(512,621)	(82,018)	0	82,018	(100.0%)	
ACCOUNTING SURPLUS/(DEFICIT)	8,813,018	(9,246,949)	(9,012,424)	234,525	(2.5%)	

Greater Shepparton City Council
Notes to the Income Statement
31 August 2013

Notes

- 1 Operating grants and contributions are tracking \$594k ahead of the year to date budget. Of this year to date variance \$299k relates to receiving part of the insurance claim for the Visitor Information Centre. \$114k is due to receiving a grant for the Digital Enterprise Program which was not budget for.
- 2 Contract payments are more then budget by \$555k. \$278k relates to an overstated accrual of August in the Waste Management area.
- 3 Capital grants received to date are more than budget by \$494k, which includes \$200k for the Safer Cities CCTV Project and \$140k for the Goulburn Broken Greenhouse Alliance.

Greater Shepparton City Council

Balance Sheet**31 August 2013**

	DRAFT Actual June 2013 \$	Adopted Budget June 2014 \$	Actual August 2013 \$	Variance \$	Variance %	Note
Current Assets						
Cash	1,244,296	1,000,000	4,073,947	(3,073,947)	(307.4%)	
Receivables	5,927,819	5,995,000	4,182,647	1,812,353	30.2%	
Investments	35,427,341	21,965,000	26,609,951	(4,644,951)	(21.1%)	1
Other	161,029	79,000	121,730	(42,730)	(54.1%)	
Total Current Assets	42,760,485	29,039,000	34,988,276	(5,949,276)	(20.5%)	
Current Liabilities						
Payables	7,086,100	8,375,000	6,657,816	(1,717,184)	(20.5%)	2
Interest Bearing Liabilities	389,095	460,000	344,658	(115,342)	(25.1%)	
Trust Funds	1,996,381	2,051,000	2,095,542	44,542	2.2%	
Employee Benefits	8,146,761	7,900,000	8,299,447	399,447	5.1%	
Total Current Liabilities	17,618,337	18,786,000	17,397,463	(1,388,537)	(7.4%)	
NET CURRENT ASSETS	25,142,148	10,253,000	17,590,813	(7,337,813)	(71.6%)	
Non Current Assets						
Infrastructure	657,766,450	681,426,000	821,962,881	(140,536,881)	(20.6%)	3
Other	1,157,661	1,157,000	1,183,299	(26,299)	(2.3%)	
Total Non Current Assets	658,924,111	682,583,000	823,146,180	(140,563,180)	(20.6%)	
Total Assets	701,684,596	711,622,000	858,134,456	(146,512,456)	(20.6%)	
Non Current Liabilities						
Payables	166,602	406,000	57,471	(348,529)	(85.8%)	
Employee Benefits	907,758	907,000	953,953	46,953	5.2%	
Interest Bearing Liabilities	14,776,528	14,366,000	14,811,605	445,605	3.1%	
Total Non Current Liabilities	15,850,888	15,679,000	15,823,029	144,029	0.9%	
Total Liabilities	33,469,225	34,465,000	33,220,492	(1,244,508)	(3.6%)	
Net Assets	668,215,371	677,157,000	824,913,964	(147,756,964)	(21.8%)	
Represented By						
Accumulated Surplus	308,354,210	317,181,000	300,425,756	16,755,244	5.3%	
Reserves	359,861,161	359,976,000	524,488,208	(164,512,208)	(45.7%)	
Total Equity	668,215,371	677,157,000	824,913,964	(147,756,964)	(21.8%)	

Greater Shepparton City Council
Notes to the Balance Sheet
31 August 2013

Balance Sheet

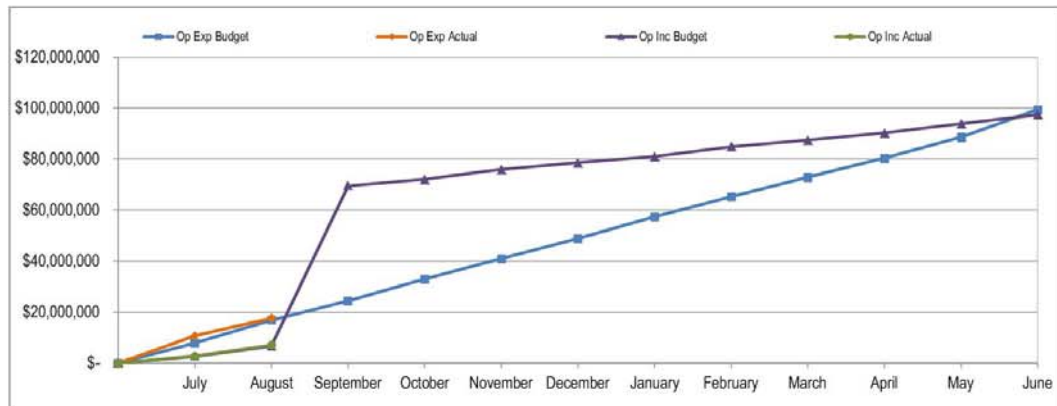
- 1 Investments include grants received in advance such as the \$5.52m from the Victoria Grants Commission. The investment specific page of this document contains further information.
- 2 Payables relates to the accounts payable by the Council. This is primarily a timing variance.
- 3 Infrastructure includes the increased valuation of infrastructure assets of \$164 million.

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Greater Shepparton City Council
Cash Flow Statement
for period ending August 2013

	2013/2014 Adopted Budget \$	2013/2014 YTD Actual \$
<i>Cash flows from operating activities</i>		
Receipts from customers	80,321,000	5,115,823
Payments to suppliers	(77,794,000)	(15,753,434)
Net cash inflow(outflow) from customers(suppliers)	2,527,000	(10,637,611)
Interest received	1,131,000	149,304
Government receipts	21,973,000	5,160,261
Net cash inflow(outflow) from operating activities	25,631,000	(5,328,046)
<i>Cash flows from investing activities</i>		
Property, infrastructure, plant & equipment - receipts	703,000	21,974
Property, infrastructure, plant & equipment - payments	(36,203,000)	(2,126,578)
Net cash inflow(outflow) from investing activities	(35,500,000)	(2,104,604)
<i>Cash flows from financing activities</i>		
Repayment of interest-bearing loans and borrowings	(426,000)	(68,952)
Net cash inflow(outflow) from financing activities	(426,000)	(68,952)
Net increase(decrease) in cash and equivalents	(10,295,000)	(7,501,602)
Cash and equivalents at the beginning of the year	33,260,000	38,185,500
Cash and equivalents at the end of the year	22,965,000	30,683,898

Greater Shepparton City Council
Operating Budget vs Actual
 2013/2014 Financial Year to period ending August 2013



Department Account Type	2013-2014 Adopted Budget	2013-2014 YTD Budget	2013-2014 YTD Actual	YTD \$ Variance (Fav)/Unfav	YTD % Variance (Fav)/Unfav	Note
Office of the CEO	7,879,001	1,795,438	1,588,798	(206,640)	(12%)	
Corporate Performance	3,389,104	1,247,942	954,065	(293,877)	(24%)	
Operating Expense	3,454,104	1,312,942	1,345,231	32,289	2.5%	
Operating Income	(65,000)	(65,000)	(391,166)	(326,166)	(502%)	1
Marketing and Communications	1,684,651	178,524	180,193	1,669	0.9%	
Operating Expense	1,684,651	178,524	180,193	1,669	0.9%	
People Performance	2,805,246	368,972	454,539	85,567	23.2%	
Operating Expense	2,815,246	370,572	459,733	89,161	24.1%	
Operating Income	(10,000)	(1,600)	(5,194)	(3,594)	(225%)	
Business	(34,263,866)	2,871,762	2,968,882	97,120	3.4%	
Business Director	271,676	45,276	45,098	(178)	(0%)	
Operating Expense	271,676	45,276	45,098	(178)	(0%)	
Accounting Only	19,010,116	3,041,550	3,075,416	33,866	1.1%	
Operating Expense	19,010,116	3,041,550	3,075,416	33,866	1.1%	
Finance and Rates	(57,199,650)	(1,348,964)	(1,330,549)	18,415	1.4%	
Operating Expense	7,610,311	1,122,128	1,071,371	(50,757)	(5%)	
Operating Income	(64,809,961)	(2,471,092)	(2,401,920)	69,172	2.8%	
Strategic Assets	384,692	(129,430)	(116,823)	12,607	9.7%	
Operating Expense	2,277,972	329,134	363,913	34,779	10.6%	
Operating Income	(1,893,280)	(458,564)	(480,736)	(22,172)	(5%)	
Customer Experience	765,097	254,477	268,412	13,935	5.5%	
Operating Expense	3,548,245	624,591	604,298	(20,293)	(3%)	
Operating Income	(2,783,148)	(370,114)	(335,887)	34,227	9.2%	
Information Services	2,504,203	1,008,853	1,027,328	18,475	1.8%	
Operating Expense	2,504,703	1,009,103	1,027,555	18,452	1.8%	
Operating Income	(500)	(250)	(227)	23	9.1%	
Community	10,663,249	1,593,456	1,681,250	87,794	5.5%	
Community Director	1,958,791	317,450	360,098	42,648	13.4%	
Operating Expense	2,129,691	454,094	518,304	64,210	14.1%	
Operating Income	(170,900)	(136,644)	(158,206)	(21,562)	(16%)	
Neighbourhoods	2,056,761	184,164	296,000	111,836	60.7%	
Operating Expense	6,120,282	822,735	972,994	150,259	18.3%	2
Operating Income	(4,063,521)	(638,571)	(676,994)	(38,423)	(6%)	

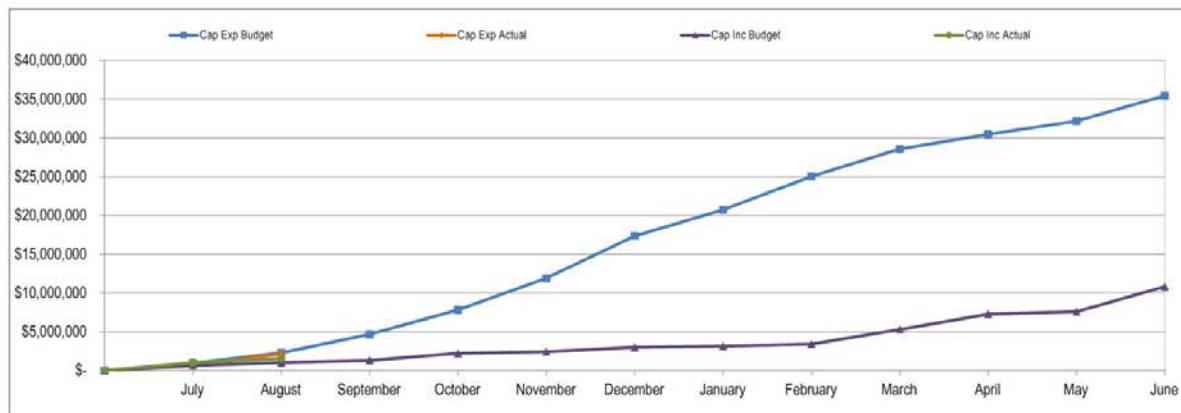
Department Account Type	2013-2014 Adopted Budget	2013-2014 YTD Budget	2013-2014 YTD Actual	YTD \$ Variance (Fav)/Unfav	YTD % Variance (Fav)/Unfav	Note
Active Living	1,622,802	241,052	141,798	(99,254)	(41%)	
Operating Expense	5,292,884	789,430	701,409	(88,021)	(11%)	
Operating Income	(3,670,082)	(548,378)	(559,611)	(11,233)	(2%)	
Youth and Childrens' Services	1,403,890	207,524	257,763	50,239	24.2%	
Operating Expense	8,442,892	1,429,066	1,604,294	175,228	12.3%	3
Operating Income	(7,039,002)	(1,221,542)	(1,346,531)	(124,989)	(10%)	4
Arts, Events and Tourism	3,621,005	643,266	625,591	(17,675)	(3%)	
Operating Expense	5,097,403	794,176	794,637	461	0.1%	
Operating Income	(1,476,398)	(150,910)	(169,046)	(18,136)	(12%)	
Infrastructure	16,853,752	2,711,888	2,961,500	249,612	9.2%	
Infrastructure Director	341,266	57,606	52,862	(4,744)	(8%)	
Operating Expense	341,266	57,606	52,862	(4,744)	(8%)	
Projects	2,745,944	312,643	257,394	(55,249)	(18%)	
Operating Expense	3,019,888	352,721	370,663	17,942	5.1%	
Operating Income	(273,944)	(40,078)	(113,269)	(73,191)	(183%)	
Works	6,549,959	1,426,773	1,445,440	18,667	1.3%	
Operating Expense	12,050,026	2,306,783	2,309,073	2,290	0.1%	
Operating Income	(5,500,067)	(880,010)	(863,633)	16,377	1.9%	
Recreation and Parks	7,216,583	914,866	1,205,804	290,938	31.8%	
Operating Expense	7,623,629	961,695	1,214,707	253,012	26.3%	5
Operating Income	(407,046)	(46,829)	(8,903)	37,926	81.0%	
Sustainability	814,532	1,305,723	1,335,668	29,945	2.3%	
Sustainable Development Director	292,463	48,666	47,631	(1,035)	(2%)	
Operating Expense	292,463	48,666	47,631	(1,035)	(2%)	
Planning	1,772,664	205,677	162,048	(43,629)	(21%)	
Operating Expense	2,139,366	310,827	296,260	(14,567)	(5%)	
Operating Income	(366,702)	(105,150)	(134,211)	(29,061)	(28%)	
Building	43,881	22,196	30,690	8,494	38.3%	
Operating Expense	777,881	139,636	128,492	(11,144)	(8%)	
Operating Income	(734,000)	(117,440)	(97,803)	19,637	16.7%	
Investment Attraction	1,183,500	172,689	78,301	(94,388)	(55%)	
Operating Expense	1,544,500	206,449	223,544	17,095	8.3%	
Operating Income	(361,000)	(33,760)	(145,243)	(111,483)	(330%)	6
Environment	(2,477,976)	856,495	1,016,998	160,503	18.7%	
Operating Expense	11,321,522	1,782,533	1,928,743	146,210	8.2%	
Operating Income	(13,799,498)	(926,038)	(911,745)	14,293	1.5%	
Grand Total	1,946,668	10,278,267	10,536,097	257,830	2.5%	

Notes

1. Corporate Performance income is ahead of budget by \$326k. \$299k of this year to date variance relates to receiving an insurance claim for the Visitor Information Centre.
2. Neighbourhoods expenditure is more than budget by \$150k. Majority of the variance relates to the timing of invoices for Aged Households \$60k, Aged Respite \$31k and Aged Personal Care \$20k.
3. Youth and Childrens' expenditure is more than budget by \$175k which relates to the relief salaries for Childcare Centres \$119k.
4. Youth and Childrens' income is ahead of budget by \$125k. \$83k of this year to date variance related to the timing of Preschool Coordination grants \$43k and Nancy Vibert Child Care Benefit grants \$41k.
5. Recreation and Parks expenditure is more than budget by \$253k. \$66k relates to Midland Highway Median Strip works. \$36k regarding Civic Presentation and Asset Maintenance salaries and \$35k due to Power, Water and Gas utilities area.
6. Investment Attraction income is ahead of budget by \$111k. This is due to receipt of a grant for \$114k for the Digital Enterprise Program.

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Greater Shepparton City Council
Capital Budget vs Actual
 2013/2014 Financial Year to period ending August 2013



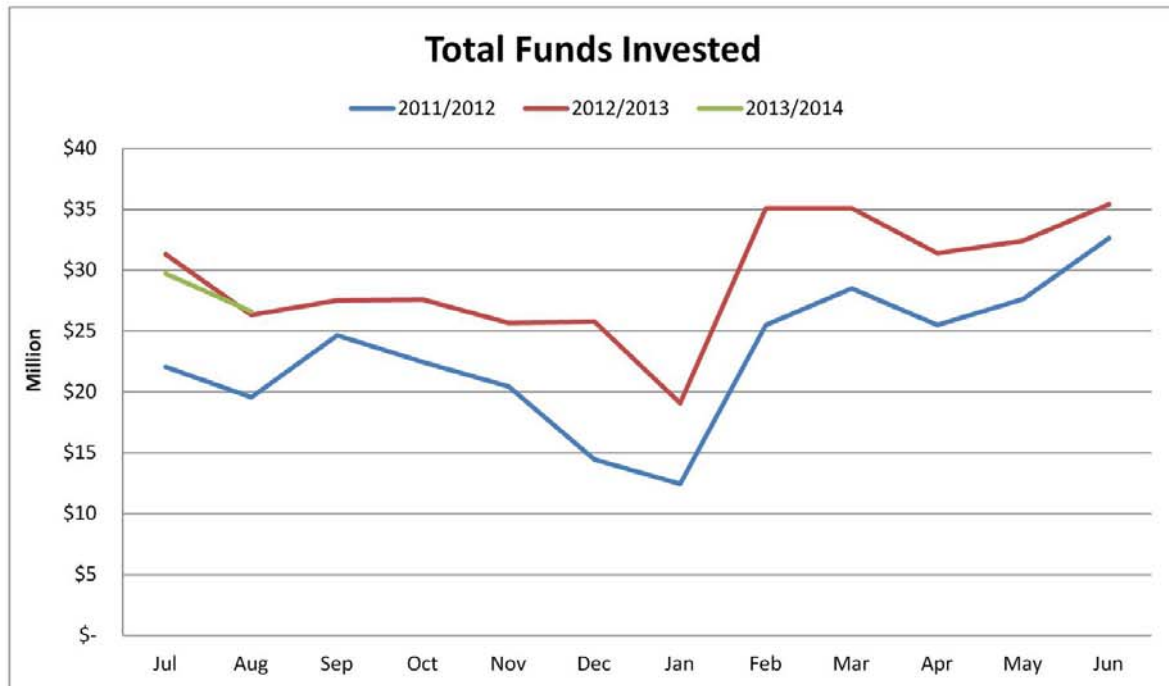
Capital Works Area	2013/2014 Adopted Budget	2013/2014 YTD Budget	2013/2014 YTD Actual	2013/2014 YTD Variance (Fav./Unfav.)		
				Variance \$	Variance %	Note
Buildings	3,386,250	280,760	131,445	(149,315)	(53%)	1
Drains	3,717,400	172,546	213,680	41,134	24%	
Open Space	4,528,500	467,644	90,947	(376,697)	(81%)	2
Other	1,362,675	49,328	98,708	49,380	100%	
Plant & Equipment	4,117,545	360,000	365,651	5,651	2%	
Roads	17,011,775	917,062	1,206,114	289,052	32%	3
Waste Management	2,078,600	38,098	41,293	3,195	8%	
Total Capital Works	36,202,745	2,285,438	2,147,838	(137,600)	(6%)	

Capital Works Type	2013/2014 Adopted Budget	2013/2014 YTD Budget	2013/2014 YTD Actual	2013/2014 YTD Variance (Fav./Unfav.)		
				Variance \$	Variance %	Note
Renewal	16,829,873	1,021,705	1,134,562	112,857	9.9%	
Upgrade	9,245,662	893,149	424,400	(468,749)	(110%)	
New	10,127,210	370,584	588,876	218,292	37.1%	
Total Capital Works	36,202,745	2,285,438	2,147,838	(137,600)	(6%)	

Notes

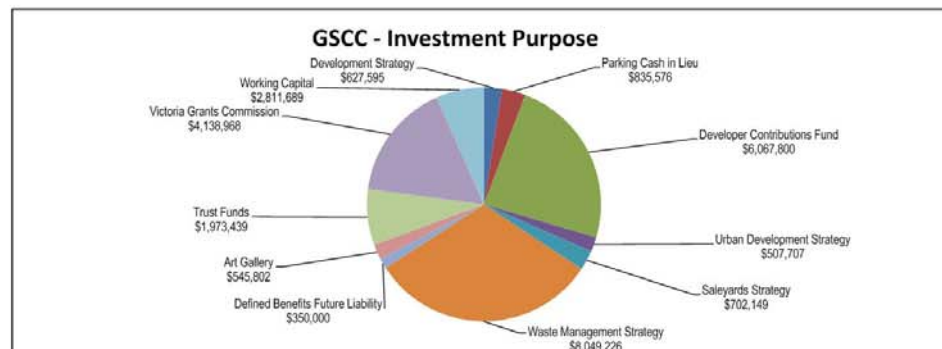
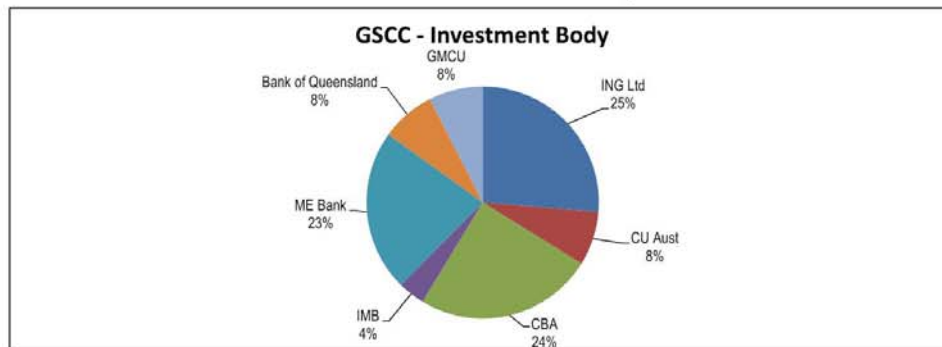
1. The Building works year to date variance of \$149k is due primarily the timing of works regarding the Aquamoves Utility Management Upgrade \$108k.
2. The Open Space year to date variance of \$377k is due to the timing of works regarding the Shepparton Sporting Precinct \$383k.
3. Roads are ahead of year to date budget by \$289k which is due primarily to the timing of works including Footpath upgrade \$76k, Ferguson Road Works \$69k, Vaughan St Reconstruction \$62k and Asphalt Overlay \$44k.

Greater Shepparton City Council
Investments Summary
 2013/2014 Financial Year to Date at 31 August 2013



GREATER SHEPPARTON CITY COUNCIL INVESTMENT REGISTER AT 31 AUGUST 2013				
Investment Body	Term (Days)	Rate	Maturity	Investment
CBA	1	2.40%	AT CALL	4,000,000
CBA	1	2.40%	AT CALL	500,000
IMB	91	4.00%	2/09/2013	1,000,000
ME Bank	90	4.25%	2/09/2013	2,000,000
ING Ltd	90	4.29%	4/09/2013	1,000,000
GMCU	184	4.35%	5/09/2013	2,000,000
CBA	60	3.75%	10/09/2013	541,221
CBA	60	3.75%	10/09/2013	35,437
CBA	91	3.80%	23/09/2013	33,293
ING Ltd	92	4.27%	24/09/2013	2,000,000
CBA	60	3.50%	8/10/2013	1,000,000
Bank of Queensland	123	4.28%	15/10/2013	2,000,000
CBA	60	3.50%	18/10/2013	500,000
ING Ltd	180	4.28%	27/11/2013	2,000,000
ME Bank	120	4.03%	13/12/2013	2,000,000
ME Bank	120	3.90%	17/12/2013	2,000,000
CU Aust	286	4.40%	18/12/2013	2,000,000
ING Ltd	179	3.94%	7/02/2014	2,000,000
TOTAL				22,109,951

Greater Shepparton City Council
Investments Summary
 2013/2014 Financial Year to Date at 31 August 2013



GSCC - INVESTMENT PURPOSE LISTING	
Purpose	Amount
1. Development Strategy	\$ 627,595
2. Parking Cash in Lieu	\$ 835,576
3. Developer Contributions Fund	\$ 6,067,800
4. Urban Development Strategy	\$ 507,707
5. Saleyards Strategy	\$ 702,149
6. Waste Management Strategy	\$ 8,049,226
7. Defined Benefits Future Liability	\$ 350,000
8. Art Gallery	\$ 545,802
9. Trust Funds	\$ 1,973,439
10. Victoria Grants Commission	\$ 4,138,968
11. Working Capital	\$ (1,688,311)
	22,109,951

Funds Held Notes:

** Balances reflect significant investment results as at 30 June 2013. Excluding Victoria Grants Commission and Working Capital, investment amounts are updated annually.

** 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 \$4 million and Local Government Infrastructure Program \$2 million.

** 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.

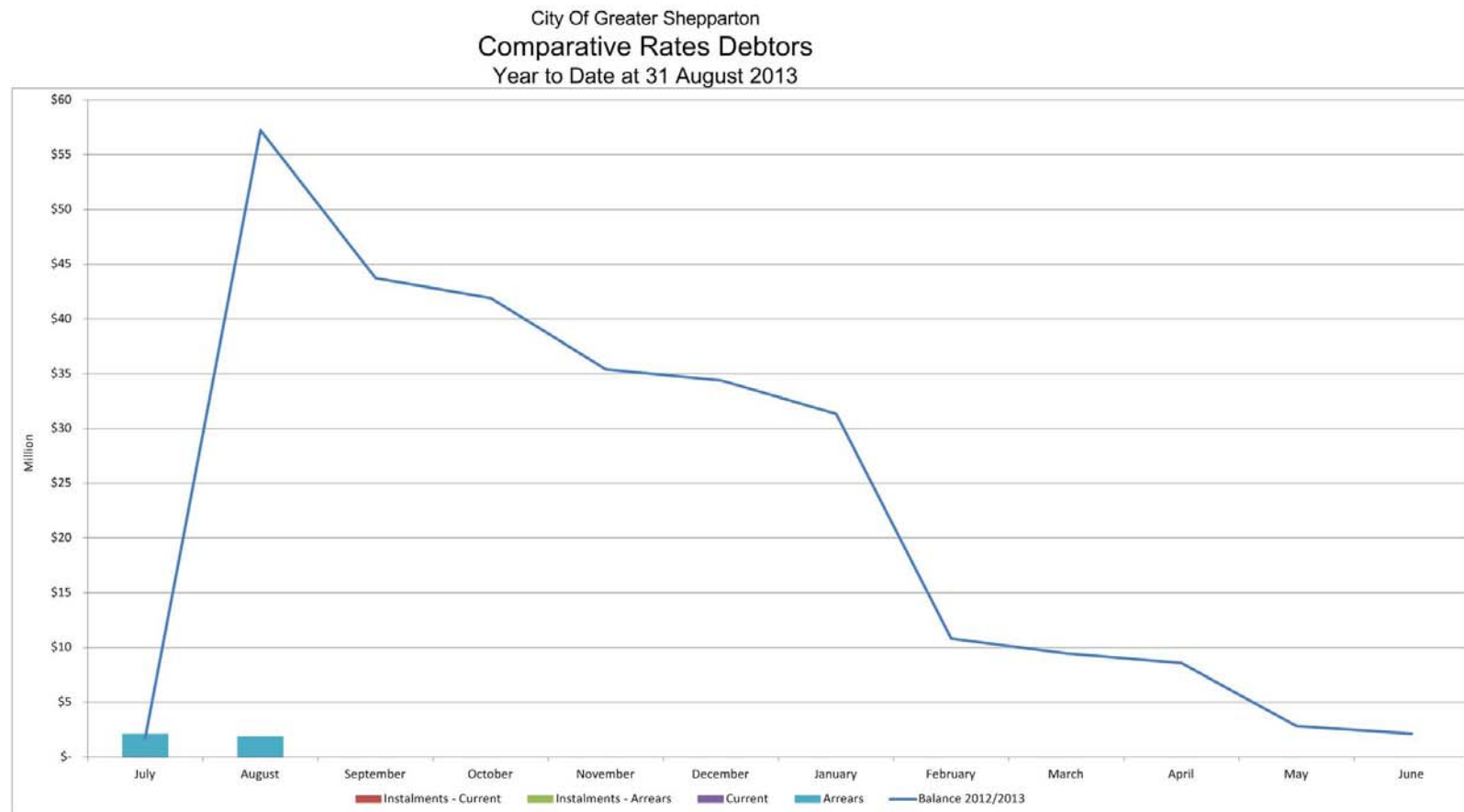
** Investment 7 is in accordance with the Council's Strategic Resource Plan 2013-2023.

** Investment 8 relates to Art Work sale proceeds and are held for future collection acquisitions.

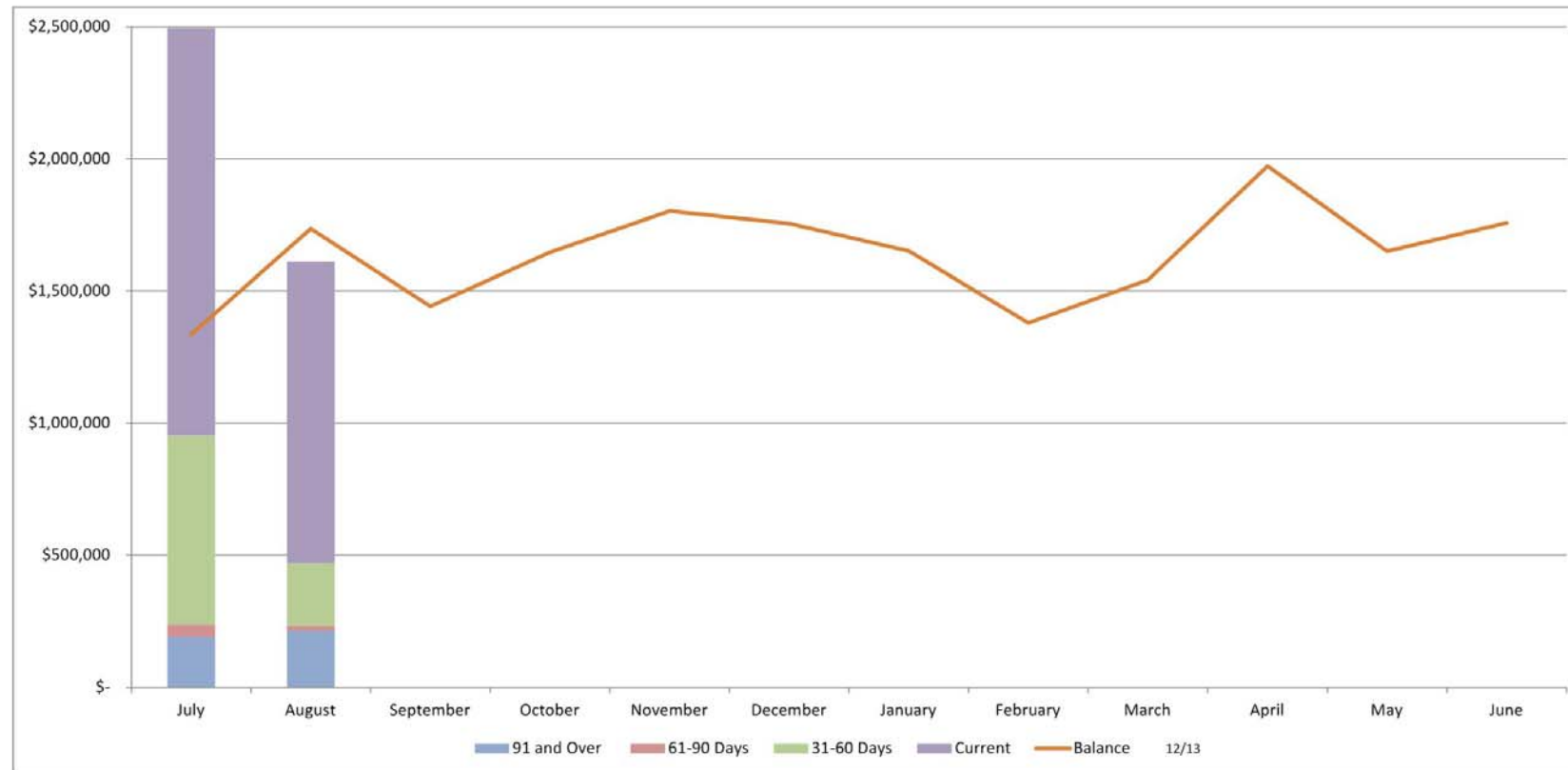
** Investment 9 is funds identified and held by council in trust and therefore unavailable for use by Council.

** Investments 10 and 11 are funds held to cover operating and capital expenditure for the remainder of the financial year, and includes minor reserve amounts held at 30 June 2013.

Council's Investment and Cash Management Policy has been complied with and there are no breaches to report.



City Of Greater Shepparton
Comparative Sundry Debtors
 Year to Date at 31 August 2013



COUNCILLORS EXPENSE REPORT August 2013

Month of August 2013	Cr Jenny Houlihan	Cr Milvan Muto	Cr Les Oroszvary	Cr Dennis Patterson	Cr Michael Polan	Cr Kevin Ryan	Cr Fern Summer	TOTAL
Councillor Allowance	\$6,225	\$0	\$2,012	\$2,012	\$2,012	\$2,012	\$2,012	\$16,284
Vehicle	\$1,823	\$0	\$0	\$0	\$0	\$0	\$0	\$1,823
Telephone Rent	\$27	\$41	\$14	\$14	\$59	\$41	\$14	\$209
Telephone Usage	\$64	\$0	\$83	\$40	\$3	\$67	\$49	\$305
Travel	\$920	\$0	\$0	\$144	\$0	\$0	\$182	\$1,246
Training	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Shared Councillor Expense:								
Catering								\$1,692
TOTAL	\$9,059	\$41	\$2,108	\$2,209	\$2,074	\$2,120	\$2,257	\$21,559

Year to Date	Cr Jenny Houlihan	Cr Milvan Muto	Cr Les Oroszvary	Cr Dennis Patterson	Cr Michael Polan	Cr Kevin Ryan	Cr Fern Summer	TOTAL
Councillor Allowance	\$19,090	\$2,079	\$6,169	\$6,169	\$6,169	\$6,169	\$6,169	\$52,015
Vehicle	\$3,646	\$0	\$0	\$0	\$0	\$0	\$0	\$3,646
Telephone Rent	\$82	\$123	\$41	\$41	\$208	\$123	\$41	\$658
Telephone Usage	\$176	\$0	\$656	\$130	\$283	\$215	\$197	\$1,658
Travel	\$1,048	\$0	\$0	\$144	\$0	\$0	\$182	\$1,375
Training	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0
Shared Councillor Expense:								
Catering								\$1,779
Previous Councillors expenses								\$348
TOTAL	\$24,042	\$2,202	\$6,866	\$6,485	\$6,660	\$6,507	\$6,589	\$61,479