

ATTACHMENT TO AGENDA ITEM

Ordinary Meeting

16 December 2014

Agenda Item 7.1 November 2014 Monthly Financial Report

Attachment 1 November 2014 Monthly Financial Report..... 299



MONTHLY FINANCIAL REPORT

2014/2015 FINANCIAL YEAR TO DATE AS AT

30 November 2014



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GREATER SHEPPARTON CITY COUNCIL

Summary for Monthly Finance Report – for November 2014

The November 2014 Financial Report provides a summary of the actual financial performance compared to budget for the first five months of the 2014/2015 financial year.

At the October special Council meeting the September Quarter Budget Review was adopted which is used as the basis of the Budget in this report.

The actual year to date accounting surplus of \$39.25m is \$546k (1.4%) over the year to date budget.

Income Statement

- The operating surplus is \$489k (1.3%) over the budget surplus with operating revenue \$88k (0.1%) more than the budget and operating expenditure \$400k (0.9%) less than the budget.
- Written Down Value of Asset Disposals is \$100k over the budget. These are timing issues and are often difficult to predict.

Capital Works

- Year to date capital expenditure of \$8.61m is \$26k (0.3%) under the budget. Council has expended 22.2% of the capital works budget during the first five months of the year 2014/2015.

Balance Sheet

- Year to date working capital (current assets less current liabilities) is \$65.91m which is \$655k more than the year to date budget. This is mainly due to decrease in the current liabilities payable.

Investments

- Total investment of \$28.98m is tracking \$2.11m ahead the same time last year.
- Council recently invested \$2.0m with the Bendigo Bank in support of their Community Enterprise Foundation. In addition to Council receiving a competitive commercial rate of interest, the Bendigo Bank will channel a portion of their profit to the Foundation for redistribution to the local community through charitable grants and scholarships. This investment is compliant with Council's Investment Policy.
- Council has a diverse investment portfolio, which includes local banking institutions and actively manages investments to preserve capital, manage cash flows and generate return.

Rates Debtors

- Declared rates and charges were recorded in August. The second rates instalment was due in November.
- Rates debtors of \$47.43m is tracking \$3.17m more than the same time last year. This is primarily due to the budgeted increase in the total rates and charges and the increasing use of the 10 monthly direct debit payment

Sundry Debtors

- Sundry Debtors of \$1.59m is tracking \$64k less than the same time last year. Sundry Debtors are within acceptable limits and are being actively managed.

Greater Shepparton City Council
Income Statement
for period ended November 2014

	2014/2015 Sept Qtr Budget \$	2014/2015 YTD Budget \$	2014/2015 YTD Actual \$	YTD Variance (Fav)/Unfav \$	YTD Variance (Fav)/Unfav %	Note
Revenues from Operating Activities						
Rates and Charges	63,952,257	63,783,058	63,784,062	(1,004)	(0.0%)	
Operating Grants and Contributions	24,441,461	10,605,276	10,736,689	(131,413)	(1.2%)	
User Charges	16,241,121	6,796,419	6,769,051	27,368	0.4%	
Statutory Fees	2,591,210	866,835	791,927	74,908	8.6%	
Parking Fees and Fines	1,940,000	784,032	749,368	34,664	4.4%	
Rent	565,982	314,523	315,194	(671)	(0.2%)	
Interest	1,177,801	475,913	478,083	(2,170)	(0.5%)	
Other	777,014	273,987	363,917	(89,930)	(32.8%)	1
Total Operating Revenue	111,686,846	83,900,043	83,988,290	(88,247)	(0.1%)	
Expenses from Operating Activities						
Employee Costs	43,157,400	17,472,035	17,301,069	(170,966)	(1.0%)	
Materials and Consumables	33,276,456	13,252,787	12,985,097	(267,691)	(2.0%)	
External Contracts	15,087,501	6,379,581	6,367,726	(11,855)	(0.2%)	
Utilities	3,263,279	1,203,933	1,210,800	6,867	0.6%	
Borrowing Costs	1,125,875	25,621	25,620	(1)	(0.0%)	
Depreciation and Amortisation	21,013,353	8,740,698	8,783,857	43,159	0.5%	
Total Operating Expenses	116,923,864	47,074,655	46,674,170	(400,485)	(0.9%)	
UNDERLYING OPERATING RESULT	(5,237,018)	36,825,388	37,314,120	(488,733)	(1.3%)	
<i>Non-operating Income and Expenditure</i>						
Capital Grants and Contributions	6,111,709	187,673	276,991	(89,318)	(47.6%)	2
Contributed Assets	3,000,000	2,000,000	2,059,817	(59,817)	(3.0%)	
Proceeds from Sale of Assets	880,000	37,830	45,680	(7,850)	(20.7%)	
Written Down Value of Asset Disposals	(860,000)	(350,502)	(450,510)	100,008	28.5%	3
Total Non Operating Items	9,131,709	1,875,001	1,931,977	(56,976)	(3.0%)	
ACCOUNTING SURPLUS/(DEFICIT)	3,894,691	38,700,389	39,246,098	(545,709)	(1.4%)	

Greater Shepparton City Council

Notes to the Income Statement

for the period ended 30 November 2014

Notes

- 1 Revenue from operating activities – Other is \$90k over the budget. This is largely due to income received from Strathbogie Shire for the Goulburn Valley regional Collaborative Alliance Service planning \$92k.
- 2 Capital Grants and Contributions is \$89k over the budget. This is largely due to contribution received for Kialla Greens Estate \$40k and grants received for Shepparton War Memorial \$22k.
- 3 Written Down Value of Asset Disposals is \$100k behind budget primarily due to timing of disposals of assets.

Greater Shepparton City Council

Balance Sheet
as at November 2014

	June 2014 Actual \$	Sept Qtr Budget June 2015 \$	Budget November 2014 \$	Actual November 2014 \$	YTD Variance (Fav)/Unfav \$	Variance (Fav)/Unfav %	Note
Current Assets							
Cash	5,163,078	1,880,000	3,631,336	3,842,331	(210,995)	(5.8%)	
Receivables	6,258,295	6,410,000	55,202,657	55,202,657	0	0.0%	
Investments	38,772,408	25,283,408	28,982,321	28,982,321	0	0.0%	
Other	106,323	649,000	102,924	102,924	0	0.0%	
Total Current Assets	50,300,104	34,222,408	87,919,237	88,130,232	(210,995)	(0.2%)	
Current Liabilities							
Payables	10,924,298	10,273,892	11,250,196	10,806,552	(443,645)	(3.9%)	
Interest Bearing Liabilities	457,675	460,000	457,675	457,675	0	0.0%	
Trust Funds	2,095,126	2,051,000	2,320,003	2,320,003	0	0.0%	
Employee Benefits	8,648,527	8,711,000	8,636,239	8,636,239	0	0.0%	
Total Current Liabilities	22,125,626	21,495,892	22,664,113	22,220,468	(443,645)	(2.0%)	
Net Current Assets	28,174,478	12,726,516	65,255,124	65,909,764	(654,640)	(1.0%)	
Non Current Assets							
Investment in Associates	1,382,400	1,382,400	1,382,400	1,382,400	0	0.0%	
Infrastructure	826,866,943	847,680,193	828,407,247	828,298,316	108,931	0.0%	
Other	1,046,469	1,183,299	1,046,469	1,046,469	0	0.0%	
Total Non Current Assets	829,295,812	850,245,892	830,836,116	830,727,185	108,931	0.0%	
Total Assets	879,595,916	884,468,300	918,755,353	918,857,417	(102,064)	(0.0%)	
Non Current Liabilities							
Employee Benefits	926,896	992,000	926,896	926,896	0	0.0%	
Interest Bearing Liabilities	14,354,475	15,896,799	14,275,036	14,275,036	0	0.0%	
Total Non Current Liabilities	15,281,371	16,888,799	15,201,932	15,201,932	0	0.0%	
Total Liabilities	37,406,997	38,384,691	37,866,045	37,422,401	(443,645)	(1.2%)	
Net Assets	842,188,919	846,083,609	880,889,307	881,435,016	(545,709)	(0.1%)	
Represented By							
Accumulated Surplus	316,300,143	320,194,833	355,000,532	355,546,241	(545,709)	(0.2%)	
Reserves	525,888,776	525,888,776	525,888,776	525,888,776	0	0.0%	
Total Equity	842,188,919	846,083,609	880,889,307	881,435,016	(545,709)	(0.1%)	

Greater Shepparton City Council
Notes to the Balance Sheet
for the period ended 30 November 2014

Balance Sheet

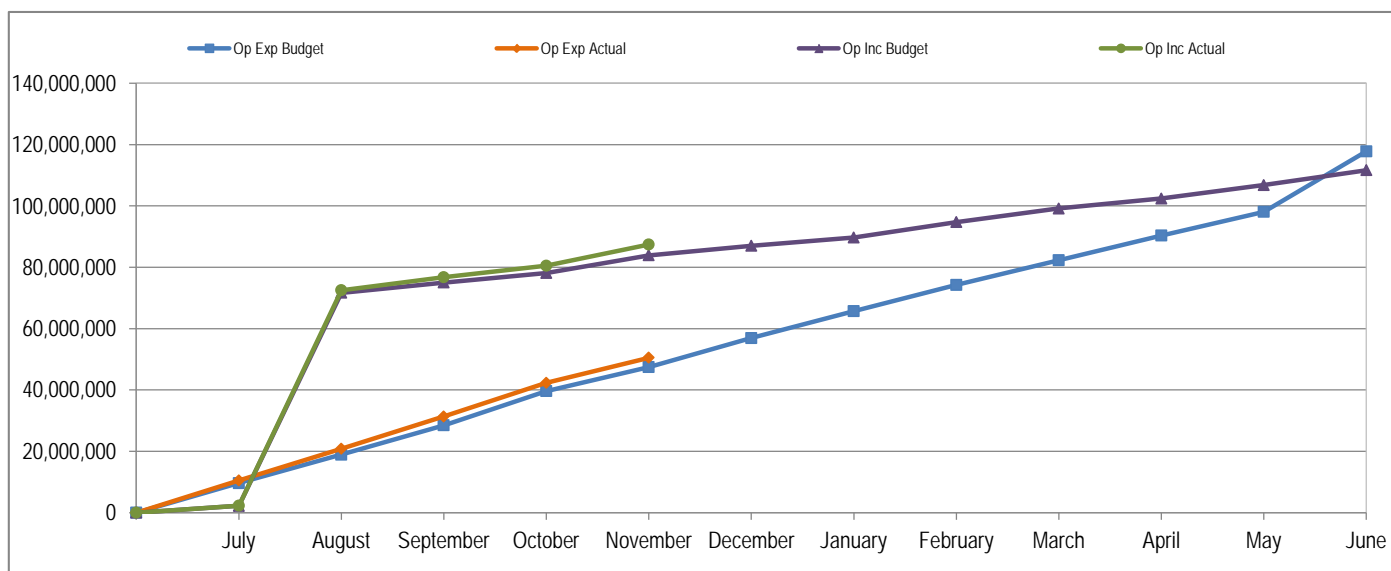
No significant variances.

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Greater Shepparton City Council
Cash Flow Statement
as at November 2014

	2014/2015 Sept Qtr Budget \$	2014/2015 YTD Budget \$	2014/2015 YTD Actual \$	Variance (Fav)/Unfav \$
<i>Cash flows from operating activities</i>				
Receipts from customers	86,525,325	28,595,984	28,550,648	45,336
Payments to suppliers	(97,036,298)	(42,513,563)	(42,513,563)	0
Net cash inflow(outflow) from customers(suppliers)	(10,510,973)	(13,917,579)	(13,962,915)	45,336
Interest received	1,177,801	475,913	478,083	(2,170)
Government receipts	28,963,047	10,782,949	11,003,680	(220,731)
Net cash inflow(outflow) from operating activities	19,629,875	(2,658,717)	(2,481,152)	(177,565)
<i>Cash flows from investing activities</i>				
Infrastructure, property, plant & equipment - proceeds	880,000	47,830	55,680	(7,850)
Infrastructure, property, plant & equipment - payments	(38,826,603)	(8,631,504)	(8,605,924)	(25,580)
Net cash inflow(outflow) from investing activities	(37,946,603)	(8,583,674)	(8,550,244)	(33,430)
<i>Cash flows from financing activities</i>				
Proceeds from interest bearing loans and borrowings	2,000,000	-	0	(0)
Repayment of interest-bearing loans and borrowings	(455,351)	(79,439)	(79,438)	(0)
Net cash inflow(outflow) from financing activities	1,544,649	(79,439)	(79,438)	(0)
Net increase(decrease) in cash and equivalents	(16,772,079)	(11,321,829)	(11,110,834)	(210,995)
Cash and equivalents at the beginning of the year	43,935,486	43,935,486	43,935,486	0
Cash and equivalents at the end of the year	27,163,407	32,613,657	32,824,652	(210,995)

Greater Shepparton City Council
Operating Budget vs Actual
 For the period ending November 2014



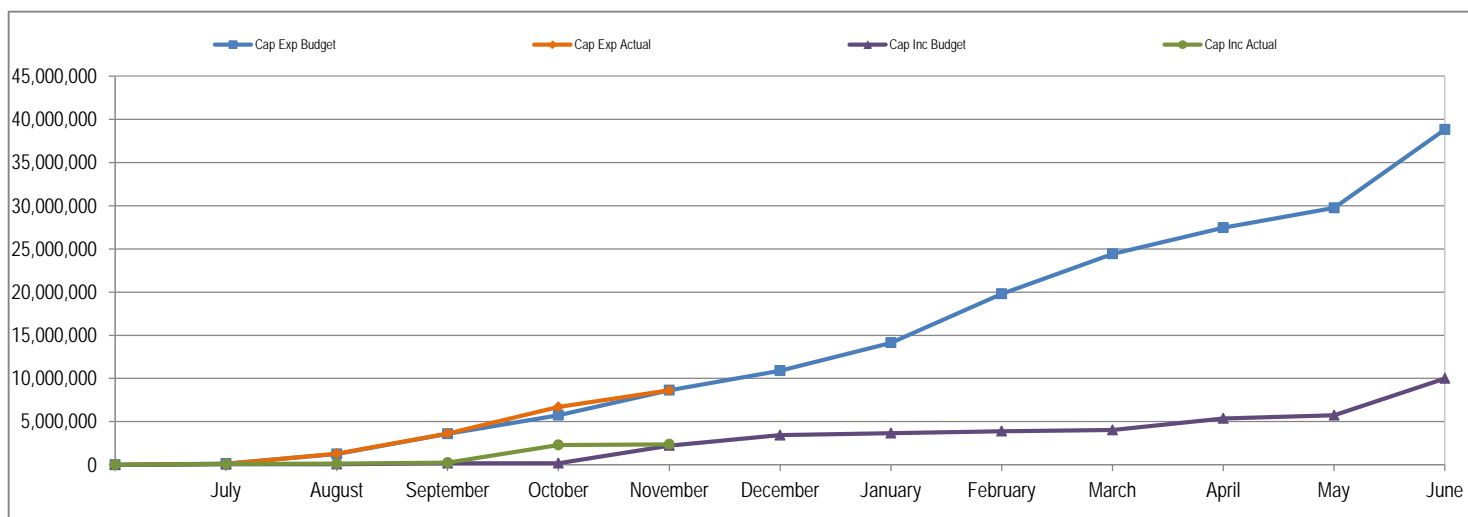
Directorate Responsible Department Account Type	Current Budget	2014-2015 YTD Budgets	2014-2015 YTD Actuals	2014-2015 YTD \$ Variance (Fav)/Unfav	2014-2015 YTD % Variance (Fav)/Unfav	Note
Business	(37,542,991)	(49,094,874)	(49,464,216)	(369,342)	(1%)	
Business Director	267,325	106,456	106,465	9	0.0%	
Operating Expense	267,325	106,456	106,465	9	0.0%	
Citizen Experience	435,038	229,561	277,985	48,424	21.1%	
Operating Expense	3,197,029	1,241,935	1,156,072	(85,863)	(7%)	
Operating Income	(2,761,991)	(1,012,374)	(878,087)	134,287	13.3%	1
Finance and Rates	(63,386,741)	(60,319,158)	(60,849,471)	(530,313)	(1%)	
Operating Expense	8,228,935	2,759,322	2,224,353	(534,969)	(19%)	2
Operating Income	(71,615,676)	(63,078,480)	(63,073,824)	4,656	0.0%	
Information Services	3,268,034	1,797,067	1,766,437	(30,630)	(2%)	
Operating Expense	3,268,034	1,797,067	1,766,437	(30,630)	(2%)	
Non Cash Items	21,873,353	9,091,200	9,234,368	143,168	1.6%	
Operating Expense	21,873,353	9,091,200	9,234,368	143,168	1.6%	
Community	9,632,789	3,554,810	3,542,542	(12,268)	(0%)	
Active Living	1,372,400	553,145	581,777	28,632	5.2%	
Operating Expense	5,286,126	2,010,950	2,039,583	28,633	1.4%	
Operating Income	(3,913,726)	(1,457,805)	(1,457,806)	(1)	(0%)	
Children & Youth Services	1,862,322	599,781	563,570	(36,211)	(6%)	
Operating Expense	9,547,285	3,919,462	3,919,634	172	0.0%	
Operating Income	(7,684,963)	(3,319,681)	(3,356,064)	(36,383)	(1%)	
Community Director	1,974,548	866,038	865,738	(300)	(0%)	
Operating Expense	2,122,754	1,011,744	1,011,844	100	0.0%	
Operating Income	(148,206)	(145,706)	(146,106)	(400)	(0%)	
Neighbourhoods	2,582,859	587,824	608,075	20,251	3.4%	
Operating Expense	6,885,039	2,409,541	2,426,469	16,928	0.7%	
Operating Income	(4,302,180)	(1,821,717)	(1,818,394)	3,323	0.2%	
Performing Arts & Conventions	955,978	391,700	391,701	1	0.0%	
Operating Expense	1,830,178	715,921	715,922	1	0.0%	
Operating Income	(874,200)	(324,221)	(324,221)	0	0.0%	
Shepparton Art Museum	884,682	556,322	531,679	(24,643)	(4%)	
Operating Expense	1,353,399	597,956	579,824	(18,132)	(3%)	
Operating Income	(468,717)	(41,634)	(48,144)	(6,510)	(16%)	

Directorate Responsible Department Account Type	Current Budget	2014-2015 YTD Budgets	2014-2015 YTD Actuals	2014-2015 YTD \$ Variance (Fav)/Unfav	2014-2015 YTD % Variance (Fav)/Unfav	Note
Infrastructure	19,824,971	7,051,085	7,274,212	223,127	3.2%	
Infrastructure Director	306,741	132,118	141,209	9,091	6.9%	
Operating Expense	306,741	132,118	141,209	9,091	6.9%	
Parks & Sport	7,304,893	2,705,285	2,700,575	(4,710)	(0%)	
Operating Expense	8,295,475	2,887,536	2,879,709	(7,827)	(0%)	
Operating Income	(990,582)	(182,251)	(179,134)	3,117	1.7%	
Projects	7,730,678	3,008,621	3,199,337	190,716	6.3%	
Operating Expense	8,204,313	3,175,245	3,367,449	192,204	6.1%	
Operating Income	(473,635)	(166,624)	(168,111)	(1,487)	(1%)	
Strategic Assets	280,150	(470,357)	(456,199)	14,158	3.0%	
Operating Expense	7,137,566	3,002,609	3,017,598	14,989	0.5%	
Operating Income	(6,857,416)	(3,472,966)	(3,473,797)	(831)	(0%)	
Transport & Road Reserves	4,202,509	1,675,418	1,689,289	13,871	0.8%	
Operating Expense	7,772,751	3,195,328	3,220,982	25,654	0.8%	
Operating Income	(3,570,242)	(1,519,910)	(1,531,693)	(11,783)	(1%)	
Office of the CEO	8,894,656	4,159,877	3,971,588	(188,289)	(5%)	
Corporate Performance	3,575,115	1,853,740	1,794,149	(59,591)	(3%)	
Operating Expense	3,699,750	1,904,397	1,940,894	36,497	1.9%	
Operating Income	(124,635)	(50,657)	(146,745)	(96,088)	(190%)	
Marketing and Communications	1,677,898	685,013	526,356	(158,657)	(23%)	
Operating Expense	1,677,898	685,013	526,356	(158,657)	(23%)	3
People Performance	3,641,643	1,621,124	1,651,084	29,960	1.8%	
Operating Expense	3,648,143	1,627,624	1,661,491	33,867	2.1%	
Operating Income	(6,500)	(6,500)	(10,408)	(3,908)	(60%)	
Sustainable Development	5,287,593	(2,145,532)	(2,206,482)	(60,950)	(3%)	
Building	90,990	8,854	8,657	(197)	(2%)	
Operating Expense	759,990	301,355	291,075	(10,280)	(3%)	
Operating Income	(669,000)	(292,501)	(282,418)	10,083	3.4%	
Environment	(254,569)	(4,167,611)	(4,182,204)	(14,593)	(0%)	
Operating Expense	15,005,379	6,551,580	6,566,427	14,847	0.2%	
Operating Income	(15,259,948)	(10,719,191)	(10,748,631)	(29,440)	(0%)	
Investment Attraction	3,295,699	1,300,578	1,251,640	(48,938)	(4%)	
Operating Expense	4,159,202	1,540,801	1,566,256	25,455	1.7%	
Operating Income	(863,503)	(240,223)	(314,616)	(74,393)	(31%)	
Planning	1,827,173	594,477	597,256	2,779	0.5%	
Operating Expense	2,238,173	789,382	793,395	4,013	0.5%	
Operating Income	(411,000)	(194,905)	(196,140)	(1,235)	(1%)	
Sustainable Development Director	328,300	118,170	118,169	(1)	(0%)	
Operating Expense	328,300	118,170	118,169	(1)	(0%)	
Grand Total	6,097,018	(36,474,634)	(36,882,356)	(407,722)	(1%)	

Notes to Operating Budget v Actual

1. Citizen Experience operating income is \$134k less than budget. This is largely due to dog and cat register fees and fines \$78k and parking infringements fines \$59k. This is primarily due to timing of income receipts as dog and cat register fees are typically lower at this time of year.
2. Finance and Rates operating expense is \$535k less than budget. This is largely due to accrual adjustments of \$526k. This includes the reversal of expenses due to purchase orders received in previous financial years that were no longer required or were greater than the actual invoice received.
3. Marketing and Communications expense is \$159k less than budget. This is largely due to timing of Shepparton Show Me advertisement and promotional expenses.

Greater Shepparton City Council
Capital Budget vs Actual
 period ended November 2014



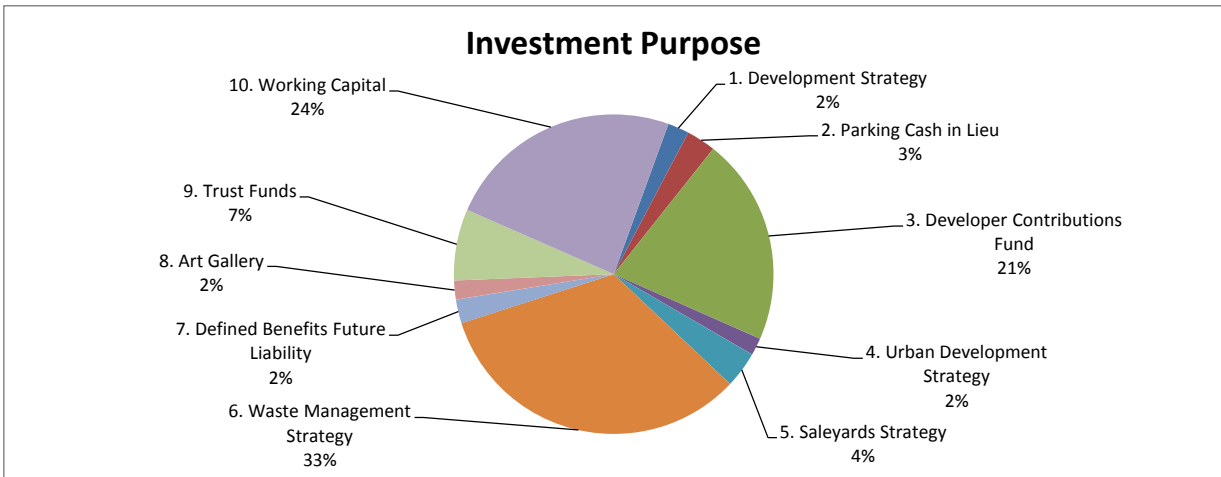
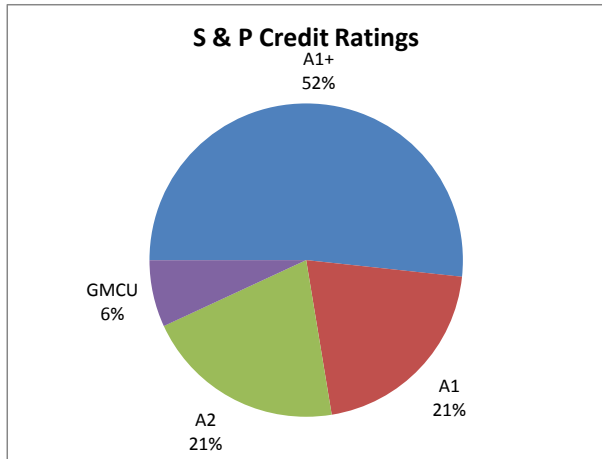
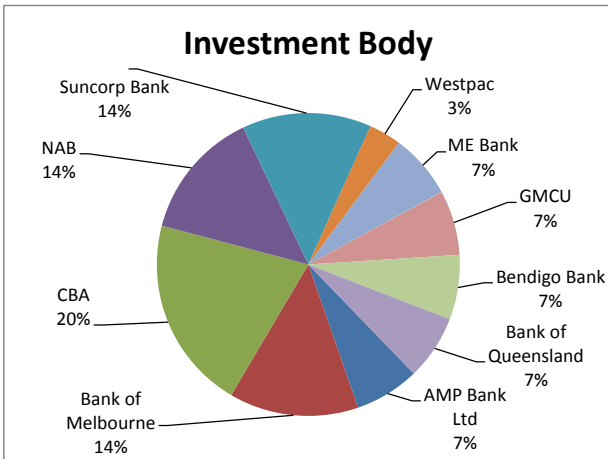
Capital Works Area	2014/2015 Sept Qtr Budget	2014/2015 YTD Budget	2014/2015 YTD Actual	2014/2015 YTD Variance (Fav.)/Unfav.		
				Variance \$	Variance %	Note
Buildings	6,358,037	1,044,560	983,570	(60,990)	(6%)	
Drains	2,172,246	903,953	837,240	(66,713)	(7%)	
Open Space	8,611,060	1,377,920	1,376,743	(1,177)	(0%)	
Other	765,612	104,850	91,423	(13,427)	(13%)	
Plant & Equipment	5,941,933	860,370	825,346	(35,024)	(4%)	
Roads	13,236,715	4,207,256	4,305,975	98,719	2%	
Waste Management	1,741,000	132,595	185,627	53,032	40%	
Total Capital Works	38,826,603	8,631,504	8,605,924	(25,580)	(0.3%)	

Capital Works Type	2014/2015 Sept Qtr Budget	2014/2015 YTD Budget	2014/2015 YTD Actual	2014/2015 YTD Variance (Fav.)/Unfav.		
				Variance \$	Variance %	Note
Renewal	20,836,592	5,602,913	5,573,843	(29,070)	(1%)	
Upgrade	4,496,126	547,352	606,090	58,738	10%	
New	13,493,885	2,481,239	2,425,990	(55,249)	(2%)	
Total Capital Works	38,826,603	8,631,504	8,605,924	(25,580)	(0.3%)	

Notes to Capital Budget v Actual

No significant variances.

Greater Shepparton City Council
Investments Summary
as at 30 November 2014

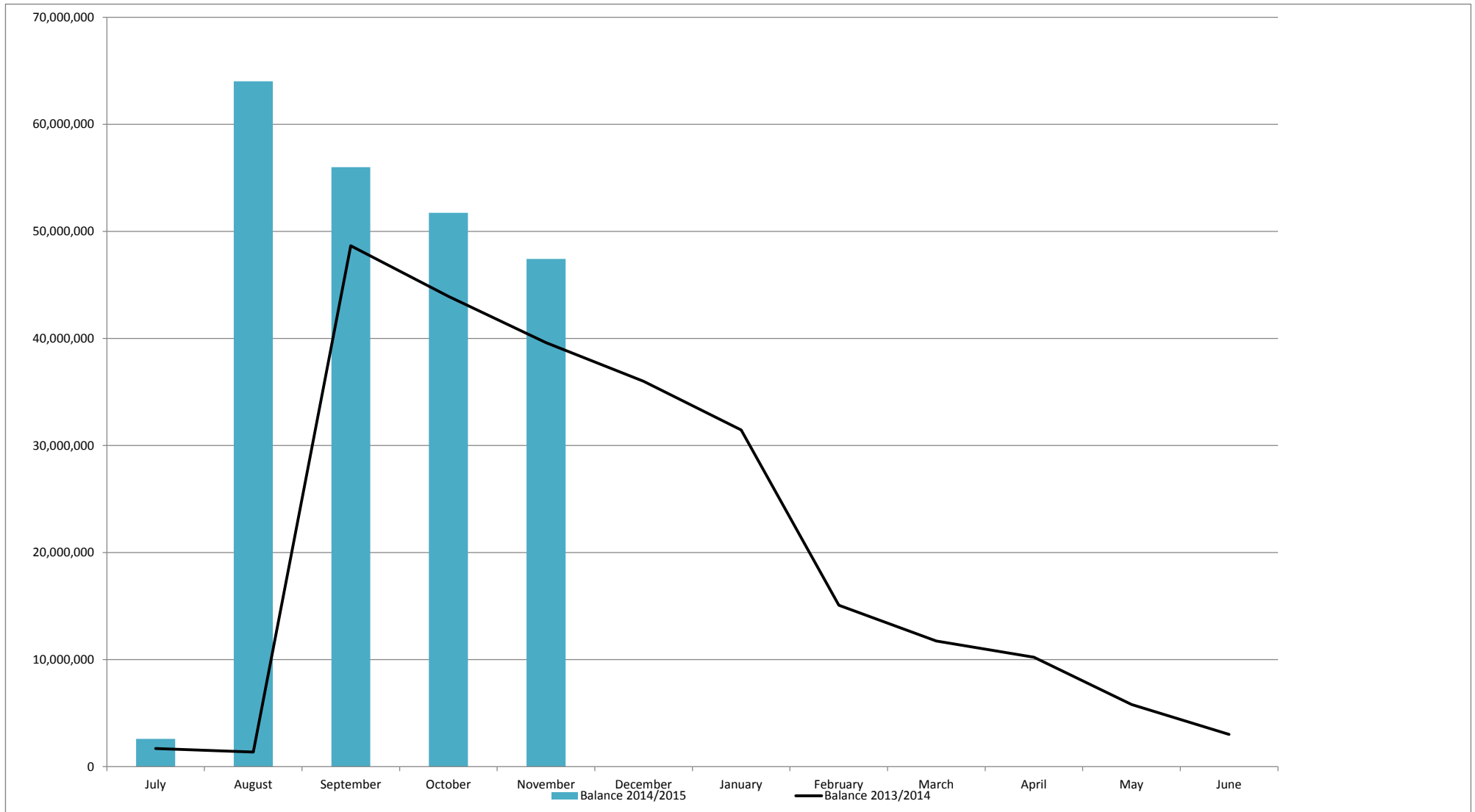


GSCC - INVESTMENT PURPOSE LISTING	
Purpose	Amount
1. Development Strategy	\$ 627,595
2. Parking Cash in Lieu	\$ 857,458
3. Developer Contributions Fund	\$ 6,067,800
4. Urban Development Strategy	\$ 507,707
5. Saleyards Strategy	\$ 1,062,682
6. Waste Management Strategy	\$ 9,563,912
7. Defined Benefits Future Liability	\$ 700,000
8. Art Gallery	\$ 559,559
9. Trust Funds	\$ 2,087,404
10. Working Capital	\$ 6,948,204
	28,982,321

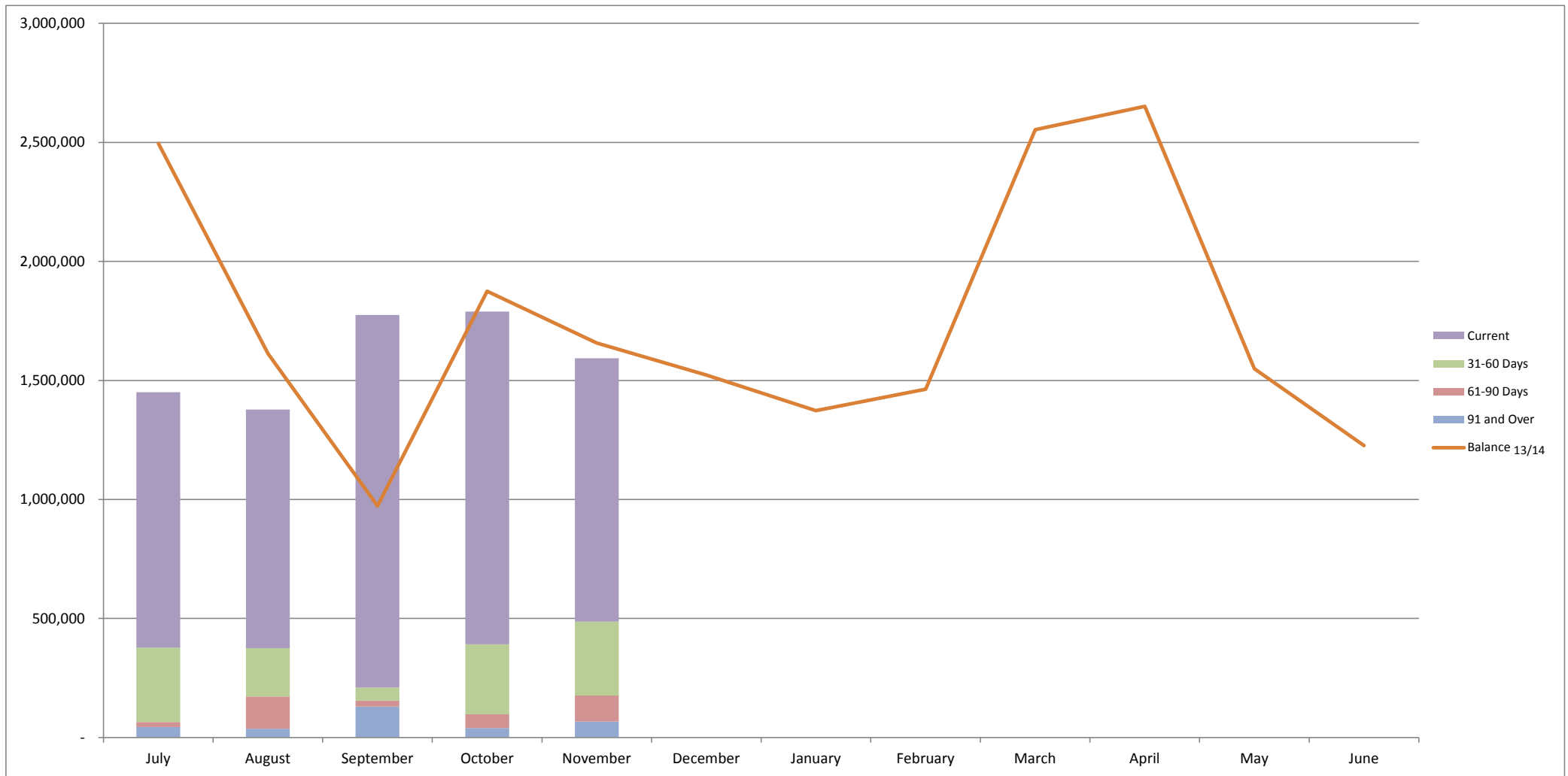
Funds Held Notes:

- ** 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
- ** 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 2014/2015 -2017/2018.
- ** 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.
- ** Investment 10 is funds held to cover previously committed operating and capital expenditure for the remainder of the financial year, and includes reserve amounts held at 30 June 2014.

Greater Shepparton City Council
Comparative Rates Debtors
2014/2015 Financial Year to Date at 30 November 2014



Greater Shepparton City Council
Sundry Debtors
as at 30 November 2014



COUNCILLORS EXPENSE REPORT NOVEMBER 2014

Month of November 2014	Cr Dinny Adem	Cr Jenny Houlihan	Cr Les Oroszvary	Cr Dennis Patterson	Cr Michael Polan	Cr Kevin Ryan	Cr Fern Summer	TOTAL
Councillor Allowance	2,067	6,395	2,067	2,067	2,067	2,067	2,067	18,796
Vehicle	-	1,372	-	-	-	-	-	1,372
Telephone Rent	14	27	14	14	27	41	27	164
Telephone Usage	13	85	46	56	89	78	44	413
Internet Connection	-	-	-	-	-	-	-	-
Travel	-	226	-	-	-	-	60	285
Training	-	-	-	-	-	-	-	-
Other	-	304	-	120	304	-	-	728
Shared Councillor Expense:								
Catering								672
Other								199
TOTAL	2,094	8,409	2,127	2,256	2,488	2,186	2,198	22,629

Councillor Expense Year to Date	Cr Dinny Adem	Cr Jenny Houlihan	Cr Les Oroszvary	Cr Dennis Patterson	Cr Michael Polan	Cr Kevin Ryan	Cr Fern Summer	TOTAL
Councillor Allowance	11,091	32,626	10,541	10,541	10,541	10,541	10,541	96,421
Vehicle	-	6,860	-	-	-	-	-	6,860
Telephone Rent	69	136	68	68	136	204	109	791
Telephone Usage	50	433	400	354	383	315	691	2,627
Internet Connection	-	-	-	-	-	-	-	-
Travel	-	857	-	160	-	-	108	1,126
Training	-	-	-	-	-	-	1,105	1,105
Other	745	648	-	358	1,546	25	384	3,706
Shared Councillor Expense:								
Catering								7,329
Other								6,115
TOTAL	11,954	41,560	11,009	11,481	12,607	11,086	12,938	126,079