

ATTACHMENT TO AGENDA ITEM

Ordinary Meeting

20 June 2017

Agenda Item 8.3 May 2017 Monthly Financial Report

Attachment 1 May 2017 - Monthly Financial Statements..... 289

**MONTHLY FINANCIAL REPORT
MAY 2017**

Operating Performance

Adjusted underlying result			
Adjusted underlying surplus (or deficit) as a percentage of underlying revenue			
YTD ACTUAL	YTD ADOPTED FORECAST Q3	ADOPTED BUDGET	ADOPTED FORECAST Q3
15.09%	14.28%	3.85%	5.94%

- Expected range of -20% to 20%; Target band of >0%.
- YTD Actual and YTD Adopted Forecast Q3 are high due to the full amount of 2016/2017 rates revenue being raised in July. The underlying surplus will reduce throughout the financial year as expenditure is incurred.
- Full Year Adopted Forecast Q3 is within acceptable levels and is an improved position from the Adopted Budget, largely due to the reclassification of recurrent capital grants.

Financial Health

Working Capital			
Current assets as a percentage of current liabilities			
YTD ACTUAL	YTD ADOPTED FORECAST Q3	ADOPTED BUDGET	ADOPTED FORECAST Q3
226.73%	231.29%	140.12%	172.10%

- Expected range of 100% to 400%; Target band of 120% to 200%.
- YTD Actual and YTD Adopted Forecast Q3 are high due to the full amount of 2016/2017 rates revenue being raised in July. Receivables will reduce throughout the financial year as rates instalments fall due.
- Variance between Adopted Budget and Adopted Forecast Q3 is largely due to high levels of cash and investments due to capital works program not yet complete.
- VAGO indicate that any level of liquidity higher than 150% is considered low risk.

Financial Obligations

Loans and borrowings			
Loans and borrowings as a percentage of rates			
YTD ACTUAL	YTD ADOPTED FORECAST Q3	ADOPTED BUDGET	ADOPTED FORECAST Q3
22.17%	22.45%	31.18%	27.23%

- Expected range of 0% to 70%; 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.
- Borrowings for the Greater Shepparton Regional Sports Precinct are included in the adopted forecast.

Other Financial Performance

Rates Debtors	Sundry Debtors	Investments
\$6.42m	0-30 days \$2.11m or 83% of total outstanding sundry debtors.	\$35.50m with average rate of 2.04%
Same time last year \$6.40m	31-60 days \$286k or 11% of total outstanding sundry debtors.	54.93% at A1+, 22.53% at A1, 5.63% at A2
	61+ days \$143k or 6% of total outstanding sundry debtors.	\$575k in interest income to date

Operating Performance				
May 2017				
	YTD Adopted Forecast Q3		Projected Full Year vs Adopted Forecast Q3	
	vs YTD Actual (Fav)/Unfav		(Fav)/Unfav	
Income				
Rates and Charges	Steady	(\$0.04m)	Steady	(\$0.03m)
Statutory Fees	Favourable	(\$0.48m)	Steady	(\$0.07m)
User Charges	Favourable	(\$1.09m)	Steady	\$0.06m
Grants	Favourable	(\$1.43m)	Favourable	(\$6.16m)
Contributions	Steady	(\$0.16m)	Steady	(\$0.06m)
Other Revenue	Steady	\$0.06m	Steady	(\$0.01m)
Total Income	Favourable	(\$3.13m)	Favourable	(\$6.27m)
Expense				
Employee Costs	Steady	\$0.36m	Steady	\$0.17m
Materials and Consumables	Unfavourable	\$0.58m	Steady	(\$0.28m)
Bad and Doubtful Debts	Steady	(\$0m)	Steady	\$0m
Depreciation and Amortisation	Steady	\$0.03m	Steady	\$0.26m
Borrowing Costs	Steady	\$0m	Steady	\$0m
Other Expenses	Steady	\$0.05m	Steady	\$0.04m
Total Expense	Steady	\$1.02m	Steady	\$0.18m

Notes:

- Statutory Fees are \$345k greater than YTD Adopted Forecast Q3. This favourable variance is mostly due to the timing of animal registration income \$230k. Animal registrations fell due in April, but appear to be tracking higher than expected. Favourable variance also impacted by building permit income received earlier than expected \$47k and Commonwealth Home Support fees received earlier than expected \$37k.

- User Charges Projected Full Year is \$3.14m less than 2016/2017 Adopted Forecast. This unfavourable variance is mostly due to lower levels of commercial waste going to Cosgrove landfill \$4.76m.

- Operating Grants are \$1.43m greater than YTD Adopted Forecast Q3. This favourable variance is mostly due to Roads to Recovery funding received earlier than budgeted \$730k and the early receipt of grants money for the Art Museum \$120k and Activities in the Park \$93k. Projected Full Year is \$6.16m greater than Adopted Forecast Q3 due to the predicted early receipt of 50% 17/18 Federal Financial Assistance Grant Funds from the Victorian Grants Commission.

- Materials and Consumables are \$3.48m greater than YTD Adopted Forecast. This unfavourable variance is largely due to the timing of Waste Bins Collection/Disposal \$886k, ICT Annual Maintenance \$559k, STS Operations \$357k and Family Day Care Operations \$283k.

Capital Works Performance May 2017

ADOPTED BUDGET	ADOPTED FORECAST Q3	PROJECTED FULL YEAR	YTD ACTUAL
\$45.49m	\$42.06m	\$42.36m	\$32.46m

PROGRESS

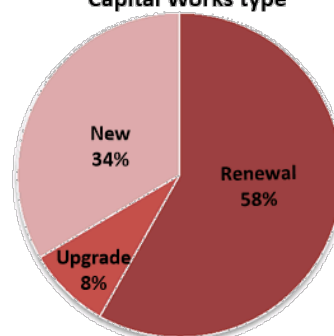
- * 71.36% of Adopted Budget spent, 106% committed
- * 77.18% of current full year projection spent, 114.7% committed
- * Same time last year: \$29.17m of the 2015/2016 Adopted Budget had been spent

RENEWAL

Asset Renewal	
Asset renewal as a percentage of depreciation	
ADOPTED BUDGET	PROJECTED FULL YEAR
120.04%	105.02%

- 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



MAJOR PROJECTS PERFORMANCE (multiple year projects, > \$2m)

Greater Shepparton Regional Sports Precinct			
Original Approved Estimate	Current Approved Estimate	Current Forecast	* Budget increase to \$21m approved at May 2016 Councillor briefing
\$13.44m	\$21.0m	\$21.0m	
Shepparton Art Museum			
Original Approved Estimate	Current Approved Estimate	Current Forecast	
\$34.5m	\$34.5m	\$34.5m	
Cosgrove 3 Landfill			
Original Approved Estimate	Current Approved Estimate	Current Forecast	* Includes next 3 years of expenditure.
\$20.5m	\$20.5m	\$20.5m	
Verney Road Stages 2 & 3			
Original Approved Estimate	Current Approved Estimate	Current Forecast	* Stage 3 contract awarded at February 2017 Council Meeting - more than original estimate
\$4.2m	\$3.77m	\$3.81m	

Greater Shepparton City Council

Income Statement
 for period ended May 2017

	YEAR TO DATE					FULL YEAR					Notes
	2016/2017 YTD Adopted Budget	2016/2017 YTD Adopted Forecast Q3	2016/2017 YTD Actual	YTD Adopted Budget Variance (Fav)/Unfav %	YTD Adopted Forecast Q3 Variance (Fav)/Unfav %	2016/2017 Adopted Budget	2016/2017 Adopted Forecast Q3	2016/2017 Projected Full Year	Adopted Budget Variance (Fav)/Unfav %	Adopted Forecast Q3 Variance (Fav)/Unfav %	
	\$	\$	\$			\$	\$	\$			
Revenues from Operating Activities											
Rates and Charges	71,134,644	71,824,736	71,862,574	(1.0%)	(0.1%)	71,181,622	71,851,783	71,884,469	(1.0%)	(0.0%)	
Statutory Fees	2,757,027	2,620,483	3,101,760	(12.5%)	(18.4%)	3,147,663	3,540,941	3,615,807	(14.9%)	(2.1%)	1
User Charges	14,709,932	14,530,464	15,618,040	(6.2%)	(7.5%)	20,595,998	17,523,543	17,460,519	15.2%	0.4%	2
Operating Grants	19,939,257	20,795,841	22,222,909	(11.5%)	(6.9%)	22,838,467	22,805,292	28,961,520	(26.8%)	(27.0%)	3
Operating Contributions	436,139	619,532	783,378	(79.6%)	(26.4%)	480,444	951,537	1,015,822	(111.4%)	(6.8%)	4
Other	1,261,604	1,238,295	1,174,295	6.9%	5.2%	1,422,027	1,373,467	1,382,018	2.8%	(0.6%)	
Total Operating Revenue	110,238,603	111,629,351	114,762,955	(4.1%)	(2.8%)	119,666,221	118,046,563	124,320,155	(3.9%)	(5.3%)	
Expenses from Operating Activities											
Employee Costs	41,983,996	41,646,523	42,002,440	0.0%	0.9%	46,463,647	45,877,956	46,046,941	(0.9%)	0.4%	
Materials and Consumables	33,224,682	36,130,401	36,709,290	10.5%	1.6%	46,330,015	45,541,952	45,257,814	(2.3%)	(0.6%)	5
Bad & Doubtful Debts	23,150	23,771	23,089	(0.3%)	(2.9%)	144,000	144,000	144,004	0.0%	0.0%	
Depreciation and Amortisation	20,199,399	20,745,002	20,775,911	2.9%	0.1%	22,044,545	22,420,000	22,681,000	2.9%	1.2%	6
Borrowing Costs	650,000	347,066	347,067	(46.6%)	0.0%	1,250,000	960,000	960,000	(23.2%)	0.0%	
Other Expenses	200,290	273,544	327,876	63.7%	19.9%	284,500	306,500	344,000	20.9%	10.9%	
Total Operating Expenses	96,281,517	99,166,306	100,185,674	4.1%	1.0%	116,516,707	115,250,408	115,433,759	(0.9%)	0.2%	
UNDERLYING OPERATING RESULT	13,957,086	12,463,045	14,577,281	(4.4%)	(17.0%)	3,149,514	2,796,155	8,886,396	(182.2%)	(217.8%)	
Non-operating Income and Expenditure											
Capital Grants	2,590,822	5,209,005	7,632,663	(194.6%)	(46.5%)	7,462,860	7,844,746	7,844,782	(5.1%)	(0.0%)	7
Capital Contributions	456,000	1,022,733	1,340,195	(193.9%)	(31.0%)	844,000	1,562,694	1,507,784	(78.6%)	3.5%	8
Contributed Assets	1,817,450	402,011	868,146	52.2%	(116.0%)	2,000,000	2,000,000	2,000,000	0.0%	0.0%	9
Proceeds from Sale of Assets	1,782,768	762,698	811,054	54.5%	(6.3%)	1,782,770	2,047,300	2,091,456	(17.3%)	(2.2%)	10
Written Down Value of Asset Disposals	(1,645,323)	(1,513,762)	(2,257,860)	(37.2%)	(49.2%)	(1,668,323)	(2,466,982)	(3,288,482)	(97.1%)	(33.3%)	11
Total Non Operating Items	5,001,717	5,882,685	8,394,198	(67.8%)	(42.7%)	10,421,307	10,987,758	10,155,540	2.6%	7.6%	
ACCOUNTING SURPLUS/(DEFICIT)	18,958,803	18,345,730	22,971,479	(21.9%)	(25.2%)	13,570,821	13,783,913	19,041,936	(40.3%)	(38.1%)	

Notes to the Income Statement for period ended May 2017

- 1) Statutory Fees are \$345k greater than YTD Adopted Forecast Q3. This favourable variance is mostly due to the timing of animal registration income \$230k. Animal registrations fell due in April, but appear to be tracking higher than expected. Favourable variance also impacted by building permit income received earlier than expected \$47k and Commonwealth Home Support fees received earlier than expected \$37k.
- 2) User charges Projected Full Year is \$3.14m less than 2016/2017 Adopted Budget. This unfavourable variance is mostly due to lower levels of commercial waste going to Cosgrove landfill \$4.76m.
- 3) Operating Grants are \$1.43m greater than YTD Adopted Forecast Q3. This favourable variance is mostly due to Roads to Recovery funding received earlier than budgeted \$730k and the early receipt of grants money for Regional Partnerships for the Shepparton Art Museum \$120k and The Victoria Health Grant for Activities in the Park \$93k. Projected Full Year is \$6.16m greater than Adopted Forecast Q3 due to the predicted early receipt of 50% 17/18 Federal Financial Assistance Grant Funds from the Victorian Grants Commission.
- 4) Operating Contributions Projected Full Year is \$535k more than 2016/2017 Adopted Budget. This favourable variance is mostly due to additional contributions for Recreational Land Fund \$120k; developer contributions \$111k; insurance claims \$90k; Pine Lodge Cemetery \$80k; and Northern bypass assessment \$79k.
- 5) Materials and Consumables are \$3.48m greater than YTD Adopted Budget. This unfavourable variance is largely due to the timing of Waste Bins Collection/Disposal \$886k, ICT Annual Maintenance \$559k, STS Operations \$357k and Family Day Care Operations \$283k.
- 6) Borrowing Costs are \$303k less than YTD Adopted Budget. This favourable variance is largely due to Council paying down an existing loan by \$2m and also capitalising the interest from the Greater Shepparton Regional Sports Precinct loan.
- 7) Capital Grants are \$2.42m greater than YTD Adopted Forecast Q3. This favourable variance is predominantly due to the receipt of Shepparton Alternate Route grant \$1m and Greater Shepparton Regional Sports Precinct Boulevard grant \$1.3m.
- 8) Capital Contributions are \$317k greater than YTD Adopted Forecast Q3. This favourable variance is largely due to the receipt of New SAM contributions \$100k as well as the timing of North Growth Corridor contributions \$114k and Sports Field Lighting Mooroopna contributions \$63k.
- 9) Contributed Assets are \$466k greater than YTD Adopted Forecast Q3. This favourable variance is due to the timing of the Developer Gifted Assets \$466k.
- 10) Proceeds from sale of assets projected full year is \$309k more than 2016/2017 Adopted Budget. This favourable variance is mostly due to the sale of Council land \$1.66m, but is partially offset by a reduction in sales of council plant and equipment \$1.45m.
- 11) Written down value of asset disposals projected full year is \$1.62m more than 2016/2017 Adopted Budget. This unfavourable variance is mostly due to the write off of assets that no longer exist \$1.16m, from a review of Council's asset register.

Greater Shepparton City Council

Balance Sheet
as at May 2017

	Total Actual June 2016	Adopted Budget June 2017	Adopted Forecast Q3 June 2017	YTD Adopted Budget 2017	YTD Adopted Forecast Q3 2017	YTD Actual 2017	Adopted Budget Variance (Fav)/Unfav %	Adopted Forecast Q3 Variance (Fav)/Unfav %	Notes
	\$	\$	\$	\$	\$	\$			
Current Assets									
Cash and Cash Equivalent	13,275,933	6,955,000	12,022,749	37,879,475	29,742,936	32,289,317	14.8%	(8.6%)	1
Receivables	5,965,568	7,593,000	5,965,568	10,170,949	15,204,259	10,582,870	(4.0%)	30.4%	2
Other Financial Assets	27,042,827	16,100,000	22,042,827	15,042,827	15,042,827	15,042,827	0.0%	0.0%	
Inventories	73,754	93,670	73,754	-	-	176,904			
Other Assets	1,230,299	-	1,230,300	252,580	221,643	237,981	5.8%	(7.4%)	
Total Current Assets	47,588,381	30,741,670	41,335,198	63,345,831	60,211,665	58,329,899	7.9%	3.1%	
Non Current Assets									
Investment in Associates	1,493,041	1,513,596	1,493,041	1,493,041	1,493,041	1,493,041	0.0%	0.0%	
Infrastructure	1,020,986,172	1,059,655,000	1,040,622,998	1,023,756,454	1,025,221,391	1,031,423,001	(0.7%)	(0.6%)	3
Intangible Assets	972,944	1,013,338	972,944	1,013,337	972,944	972,944	4.0%	(0.0%)	
Total Non Current Assets	1,023,452,158	1,062,181,934	1,043,088,983	1,026,262,832	1,027,687,376	1,033,888,986	(0.7%)	(0.6%)	
Total Assets	1,071,040,539	1,092,923,604	1,084,424,181	1,089,608,663	1,087,899,041	1,092,218,885	(0.2%)	(0.4%)	
Current Liabilities									
Trade & Other Payables	9,986,238	8,359,377	10,040,114	13,388,696	12,995,656	9,993,072	(25.4%)	(23.1%)	
Trust Funds	3,093,498	2,748,204	3,093,498	2,968,496	2,445,985	3,776,674	27.2%	54.4%	
Provisions	11,499,520	9,324,000	9,932,003	9,913,247	9,919,592	11,474,698	15.8%	15.7%	4
Interest Bearing Liabilities	896,755	1,507,308	952,879	812,898	671,524	482,408	(40.7%)	(28.2%)	
Total Current Liabilities	25,476,011	21,938,889	24,018,494	27,083,337	26,032,757	25,726,852	(5.0%)	(1.2%)	
Non Current Liabilities									
Provisions	6,484,709	4,720,584	6,484,709	4,596,898	6,484,709	6,484,709	41.1%	(0.0%)	
Interest Bearing Liabilities	17,494,161	20,685,131	18,605,282	17,494,161	15,450,187	15,450,187	(11.7%)	(0.0%)	
Total Non Current Liabilities	23,978,870	25,405,715	25,089,991	22,091,059	21,934,896	21,934,896	(0.7%)	(0.0%)	
Total Liabilities	49,454,881	47,344,604	49,108,485	49,174,396	47,967,653	47,661,748	(3.1%)	(0.6%)	
Net Assets	1,021,585,658	1,045,579,000	1,035,315,696	1,040,434,267	1,039,931,388	1,044,557,137	(0.4%)	(0.4%)	
Represented By									
Accumulated Surplus	323,971,195	339,490,000	337,701,233	342,819,804	342,316,925	346,942,674	(1.2%)	(1.4%)	
Reserves	697,614,463	706,089,000	697,614,463	697,614,463	697,614,463	697,614,463	0.0%	0.0%	
Total Equity	1,021,585,658	1,045,579,000	1,035,315,696	1,040,434,267	1,039,931,388	1,044,557,137	(0.4%)	(0.4%)	

Notes to the Balance Sheet as at May 2017

- 1) Cash and Cash Equivalents is showing a high YTD balance due to cash being moved from on call (from held to maturity investments) in preparation of settling outstanding invoices prior to transferring to the new finance system.
- 2) Receivables is showing a high YTD Adopted Forecast Q3 and YTD Actual balance. This is due to May receivables of \$2.54m and the full amount of 2016/2017 rates being raised in July. This figure will reduce throughout the financial year as instalments fall due.
- 3) Infrastructure is showing a high YTD Actual balance due to the capitalisation of all completed capital projects up until the end of May.
- 4) Provisions is showing a high YTD Adopted Forecast Q3 variance of \$1.57m due to the current provision for Cosgrove Landfill 2 rehabilitation works to be completed in 2016/2017.

Greater Shepparton City Council
Cash Flow Statement
as at May 2017

	2016/2017 Adopted Budget \$	2016/2017 Adopted Forecast Q3 \$	2016/2017 YTD Adopted Budget \$	2016/2017 YTD Adopted Forecast Q3 \$	2016/2017 YTD Actual \$	Adopted Budget Variance (Fav)/Unfav \$	Adopted Forecast Q3 Variance (Fav)/Unfav \$
Cash flows from operating activities							
Receipts from customers	95,832,165	93,546,734	86,865,760	82,033,253	87,906,975	(1.20%)	(7.16%)
Payments to suppliers	(93,625,986)	(93,437,926)	(76,596,988)	(77,935,221)	(79,004,288)	(3.14%)	(1.37%)
Net cash inflow(outflow) from customers(suppliers)	2,206,179	108,808	10,268,772	4,098,032	8,902,687	13.30%	(117.24%)
Interest received	1,038,096	743,000	759,000	655,016	575,044	24.24%	12.21%
Government receipts	28,660,422	30,650,038	22,530,079	26,004,846	29,855,572	(32.51%)	(14.81%)
Contributions	1,324,000	2,514,231	2,721,978	2,056,665	2,135,962	21.53%	(3.86%)
Net cash inflow(outflow) from operating activities	33,228,697	34,016,077	36,279,829	32,814,559	41,469,264	(14.30%)	(26.37%)
Cash flows from investing activities							
Net movement in other financial assets	9,000,358	5,000,000	12,000,000	12,000,000	12,000,000	0.00%	0.00%
Infrastructure, property, plant & equipment - proceeds	389,000	2,047,300	1,782,768	762,698	811,054	54.51%	(6.34%)
Infrastructure, property, plant & equipment - payments	(45,485,000)	(42,523,806)	(24,725,198)	(26,493,983)	(32,461,546)	(31.29%)	(22.52%)
Net cash inflow(outflow) from investing activities	(36,095,642)	(35,476,506)	(10,942,430)	(13,731,285)	(19,650,492)	(79.58%)	(43.11%)
Cash flows from financing activities							
Finance Cost	(1,250,217)	(960,000)	(650,000)	(347,066)	(347,067)	46.61%	(0.00%)
Proceeds from interest bearing loans and borrowings	5,064,000	4,436,000	-	-	-		0.00%
Repayment of interest-bearing loans and borrowings	(1,200,838)	(3,268,755)	(83,857)	(2,269,205)	(2,458,321)	(2831.56%)	(8.33%)
Net cash inflow(outflow) from financing activities	2,612,945	207,245	(733,857)	(2,616,271)	(2,805,388)	(282.28%)	(7.23%)
Net increase(decrease) in cash and equivalents	(254,000)	(1,253,184)	24,603,542	16,467,003	19,013,384	22.72%	(15.46%)
Cash and equivalents at the beginning of the year	7,209,000	13,275,933	13,275,933	13,275,933	13,275,933	0.00%	0.00%
Cash and equivalents at the end of the year	6,955,000	12,022,749	37,879,475	29,742,936	32,289,317	14.76%	(8.56%)

Greater Shepparton City Council
Capital Works Statement
 period ended May 2017

Capital Works Area	2016/2017 YTD Adopted Budget	2016/2017 YTD Adopted Forecast Q3	2016/2017 YTD Actual	YTD Adopted Budget Variance (Fav)/Unfav %	YTD Adopted Forecast Q3 Variance (Fav)/Unfav %	2016/2017 Adopted Budget	2016/2017 Adopted Forecast Q3	2016/2017 Projected Full Year	Adopted Budget Variance (Fav)/Unfav %	Adopted Forecast Q3 Variance (Fav)/Unfav %	Note
	\$	\$	\$	%	%	\$	\$	\$	%	%	
Aerodrome	3,000	24,161	8,923	197%	(63%)	189,000	37,800	37,800	(80%)	0%	1
Bridges	0	25,871	16,091		(38%)	0	110,000	110,000		0%	2
Buildings	1,511,701	1,562,216	1,798,724	19%	15%	2,684,161	2,595,480	2,535,409	(6%)	(2%)	
Computer & Telecommunications	705,000	616,588	601,684	(15%)	(2%)	815,000	881,403	881,403	8%	0%	
Drainage	894,000	499,684	434,629	(51%)	(13%)	1,127,000	826,241	791,301	(30%)	(4%)	3
Fixture Fittings and Furniture	341,741	450,397	458,912	34%	2%	629,741	603,800	637,799	1%	6%	
Footpaths & Cycleways	423,401	141,725	100,666	(76%)	(29%)	694,450	444,102	435,299	(37%)	(2%)	4
Land	0	0	0			0	0	0			
Land Improvements	4,201,979	3,452,950	4,386,524	4%	27%	4,472,383	5,483,534	5,717,268	28%	4%	5
Off Street Car Parks	0	0	0			0	0	0			
Parks, Open Space & Streetscape	442,000	427,625	481,016	9%	12%	804,700	592,462	581,954	(28%)	(2%)	6
Plant Machinery & Equipment	2,172,245	1,611,180	1,532,420	(29%)	(5%)	2,355,937	2,359,273	2,400,097	2%	2%	
Recreational Leisure and Community Facilities	5,862,135	2,597,440	3,828,723	(35%)	47%	6,051,245	6,081,014	6,078,888	0%	(0%)	7
Roads	8,028,869	8,550,650	9,404,274	17%	10%	14,036,919	11,356,457	11,437,364	(19%)	1%	8
Waste Management	0	6,303,526	9,408,316		49%	11,624,916	10,682,588	10,717,588	(8%)	0%	9
Other Infrastructure	0	2,671	643		(76%)	0	2,671	2,643		(1%)	
Total Capital Works	24,586,071	26,266,684	32,461,546	32%	24%	45,485,452	42,056,825	42,364,813	(7%)	1%	

Capital Works Area	2016/2017 YTD Adopted Budget	2016/2017 YTD Adopted Forecast Q3	2016/2017 YTD Actual	YTD Adopted Budget Variance (Fav)/Unfav %	YTD Adopted Forecast Q3 Variance (Fav)/Unfav %	2016/2017 Adopted Budget	2016/2017 Adopted Forecast Q3	2016/2017 Projected Full Year	Adopted Budget Variance (Fav)/Unfav %	Adopted Forecast Q3 Variance (Fav)/Unfav %	Note
	\$	\$	\$	%	%	\$	\$	\$	%	%	
Renewal	9,539,360	16,058,781	19,547,625	105%	22%	26,462,620	23,974,108	23,819,599	(10%)	(1%)	
Upgrade	3,655,748	2,005,069	2,419,765	(34%)	21%	3,791,858	2,949,665	3,329,677	(12%)	13%	
New	11,390,963	8,202,834	10,494,156	(8%)	28%	15,230,974	15,133,052	15,215,537	(0%)	1%	
Expansion	0	0	0			0	0	0			
Total Capital Works	24,586,071	26,266,684	32,461,546	32%	24%	45,485,452	42,056,825	42,364,813	(7%)	1%	

Notes to the Capital Works Statement for period ended May 2017

- 1) Aerodrome projected full year is \$151k less than 2016/2017 Adopted Budget. This favourable variance is largely due to \$189k of aerodrome renewal works being re-budgeted to 2017/2018 as part of the Q2 Forecast Review.
- 2) Bridges projected full year is \$110k more than 2016/2017 Adopted Budget. This unfavourable variance is mostly due to \$60k of bridge renewal works re-budgeted from 2015/2016, and an increase of \$50k for Toolamba bridge works, approved as part of the Q2 Forecast Review.
- 3) Drainage projected full year is \$301k less than 2016/2017 Adopted Budget. This favourable variance is mostly due to \$357k of Marlboro Drive shared drainage works being re-budgeted to 2017/2018 as part of the Q1 Forecast Review.
- 4) Footpath & Cycleways projected full year is \$250k less than 2016/2017 Adopted Budget. This favourable variance is mostly due to a reduction in budget for shared paths of \$73k as part of the Q1 Forecast Review. \$90k was also reallocated as part of the Q1 forecast review and was later re-budgeted to 2017/2018 as part of the Q3 Forecast review.
- 5) Land Improvements is \$234k more than YTD Adopted Forecast Q3. This unfavourable variance is mostly due to additional sewer works at the Greater Shepparton Regional Sports Precinct \$216k. GV Water will be contributing to these additional works which will offset some of the additional expense. This variance is also impacted by the timing of works at the Regional Athletics Complex \$98k. Projected full year is \$1.12m more than 2016/2017 Adopted Budget. This unfavourable variance is mostly due to \$1.2m for Greater Shepparton Regional Sports Precinct being re-budgeted from 2015/2016 as part of the Q1 Forecast review.
- 6) Parks, Open Space & Streetscape projected full year is \$212k less than 2016/2017 Adopted Budget. This favourable variance is mostly due to \$300k for the Maude Street Mall Activation project re-budgeted to 2017/2018 as part of the Q2 Forecast Review.
- 7) Recreational Leisure & Community facilities is \$2.03m less than YTD Adopted Budget. This favourable variance is mostly due to delays in Greater Shepparton Sports Precinct boulevard works. This project was originally forecast to be completed by February, but is now expected to be completed by June. Q3 Adopted Forecast phasing has been adjusted to reflect this.
- 8) Roads projected full year is \$2.60m less than 2016/2017 Adopted Budget. This favourable variance is mostly due to \$1.01m of Verney Road Reconstruction works re-budgeted to 2017/2018 as part of the Q2 Forecast review. The favourable variance also impacted by \$532k of Welsford St upgrade works re-budgeted to 2017/2018 for as part of the Q2 and Q3 Forecast Reviews.
- 9) Waste Management projected full year is \$907k less than 2016/2017 Adopted Budget. This favourable variance mostly due to \$1.0m for Cosgrove 2 & 3 landfill works re-budgeted to 2017/2018 as part of the Q2 forecast review.