

ATTACHMENT TO AGENDA ITEM

Ordinary Meeting

20 February 2018

Agenda Item 9.1 January 2018 Monthly Financial Report

Attachment 1 January 2018 - Monthly Financial Statements 428

MONTHLY FINANCIAL REPORT

JANUARY 2018

Operating Performance

Adjusted underlying result			
Adjusted underlying surplus (or deficit) as a percentage of underlying revenue			
YTD ACTUAL	YTD ADOPTED FORECAST Q1	ADOPTED BUDGET	ADOPTED FORECAST Q1
34.24%	32.86%	-0.50%	1.03%

- Expected end of year range of -20% to 20%; Target band of >0%.
- YTD Actual and YTD Adopted Budget are high due to the full amount of 2017/2018 rates revenue being raised in July. The underlying surplus will reduce throughout the financial year as expenditure is incurred.

Financial Health

Working Capital			
Current assets as a percentage of current liabilities			
YTD ACTUAL	YTD ADOPTED FORECAST Q1	ADOPTED BUDGET	ADOPTED FORECAST Q1
409.67%	377.97%	174.40%	214.77%

- Expected range of 100% to 400%; Target band of 120% to 200%.
- YTD Actual and YTD Adopted Budget are high due to the full amount of 2017/2018 rates revenue being raised in July. Receivables will reduce throughout the financial year as rates instalments fall due.
- VAGO indicate that any level of liquidity higher than 100% is considered low risk.

Financial Obligations

Loans and borrowings			
Loans and borrowings as a percentage of rates			
YTD ACTUAL	YTD ADOPTED FORECAST Q1	ADOPTED BUDGET	ADOPTED FORECAST Q1
25.69%	26.04%	33.08%	33.24%

- 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.

Other Financial Performance

Rates Debtors

\$37.50m
Same time last year \$42.31m
3rd instalment due 28 February

Sundry Debtors

0-30 days \$2.74m or 91% of total outstanding sundry debtors.
31-60 days \$82k or 3% of total outstanding sundry debtors.
61+ days \$180k or 6% of total outstanding sundry debtors.

Investments

\$31.50m with average rate of 1.83%;
61.91% at A1+, 25.39% at A1, 6.35% at A2.
\$392k in interest income to date

Operating Performance January 2018

	YTD Adopted Forecast Q1 vs YTD Actual (Fav)/Unfav		Projected Full Year vs Adopted Forecast Q1 (Fav)/Unfav	
Income				
Rates and Charges	Steady	(\$0.27m)	Steady	(\$0.38m)
Statutory Fees	Unfavourable	\$0.18m	Steady	\$0.16m
User Charges	Favourable	(\$1.22m)	Steady	\$0.42m
Grants	Favourable	(\$1.5m)	Steady	(\$0.13m)
Contributions	Favourable	(\$0.35m)	Favourable	(\$0.16m)
Other Revenue	Favourable	(\$0.16m)	Steady	(\$0.08m)
Total Income	Favourable	(\$3.32m)	Steady	(\$0.18m)
Expense				
Employee Costs	Unfavourable	\$1.7m	Steady	\$0.13m
Materials and Consumables	Steady	(\$0.26m)	Steady	(\$0.02m)
Bad and Doubtful Debts	Steady	\$0m	Steady	\$0m
Depreciation and Amortisation	Steady	(\$0.25m)	Steady	\$0.16m
Borrowing Costs	Unfavourable	\$0.32m	Steady	\$0m
Other Expenses	Steady	(\$0.04m)	Steady	(\$0.01m)
Total Expense	Steady	\$1.48m	Steady	\$0.27m

Notes:

- Statutory Fees is \$176k less than YTD Adopted Forecast Q1. This unfavourable variance is mostly due to the timing of Building Services income. Please see income statement for more detail.
- User Charges is \$1.22m more than YTD Adopted Forecast Q1. This favourable variance is mostly due to the timing of income at Cosgrove Landfill. Please see income statement for more detail.
- Operating Grants is \$1.5m more than YTD Adopted Forecast Q1. This favourable variance is mostly due to the timing of grant income for Early Childhood Education, Federal funding for Local Roads, Commonwealth Home Support Program, Shepparton Art Museum, and DHHS Under 65. Please see income statement for more detail.
- Operating Contributions is \$351k more than YTD Adopted Forecast Q1. This favourable variance is mostly due to additional income for Recreational Land Fund, Shepparton Art Museum, Insurance Claims and Council Elections. Please see income statement for more detail.
- Other Revenue is \$157k more than YTD Adopted Forecast Q1. This favourable variance is mostly due to additional income from insurance premiums and Council owned rented properties, as well as the timing of income from the Aerodrome and investment interest. Please see income statement for more detail.
- Employee Costs is \$1.7m more than YTD Adopted Forecast Q1. This unfavourable variance is mostly due to the timing of Active Living salary and casual expenditure and Council contributions to superannuation funds. Please see income statement for more detail.

Capital Works Performance January 2018

ADOPTED BUDGET	ADOPTED FORECAST Q1	PROJECTED FULL YEAR	YTD ACTUAL
\$39.38m	\$40.33m	\$39.81m	\$15.93m

PROGRESS

*40.44% of Adopted Budget spent; 60.72% committed

*39.02% of current full year projection spent; 58.59% committed

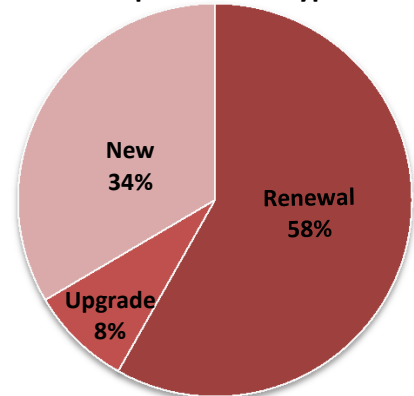
* Same time last year: \$14.34m (31.52%) of the 2016/2017 Adopted Budget had been spent

RENEWAL

Asset Renewal	
Asset renewal as a percentage of depreciation	
ADOPTED BUDGET	PROJECTED FULL YEAR
108.73%	101.52%

- 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 January 2018

	YEAR TO DATE					FULL YEAR					Notes
	2017/2018 YTD Adopted Budget \$	2017/2018 YTD Adopted Forecast Q1 \$	2017/2018 YTD Actual \$	YTD Adopted Budget Variance (Fav)/Unfav %	YTD Adopted Forecast Q1 Variance (Fav)/Unfav %	2017/2018 Adopted Budget \$	2017/2108 Adopted Forecast Q1 \$	2017/2018 Projected Full Year \$	Adopted Budget Variance (Fav)/Unfav %	Adopted Forecast Q1 Variance (Fav)/Unfav %	
Revenues from Operating Activities											
Rates and Charges	74,083,049	74,064,891	74,330,811	(0.3%)	(0.4%)	74,191,715	74,370,687	74,748,687	(0.8%)	(0.5%)	
Statutory Fees	1,515,498	1,849,544	1,673,098	(10.4%)	9.5%	3,751,436	3,115,571	2,951,130	21.3%	5.3%	1
User Charges	5,351,128	8,799,699	10,022,383	(87.3%)	(13.9%)	18,557,836	19,508,984	19,091,169	(2.9%)	2.1%	2
Operating Grants	5,272,139	8,461,957	9,963,805	(89.0%)	(17.7%)	16,945,759	16,478,932	16,612,162	2.0%	(0.8%)	3
Operating Contributions	369,138	512,439	863,720	(134.0%)	(68.6%)	696,262	944,830	1,109,743	(59.4%)	(17.5%)	4
Other	1,090,377	1,069,923	1,226,993	(12.5%)	(14.7%)	2,262,581	1,994,814	2,078,134	8.2%	(4.2%)	5
Total Operating Revenue	87,681,329	94,758,453	98,080,810	(11.9%)	(3.5%)	116,405,589	116,413,818	116,591,025	(0.2%)	(0.2%)	
Expenses from Operating Activities											
Employee Costs	28,264,693	26,374,241	28,078,061	(0.7%)	6.5%	47,979,746	47,664,230	47,792,600	(0.4%)	0.3%	6
Materials and Consumables	15,246,668	23,937,566	23,682,099	55.3%	(1.1%)	48,164,990	49,313,441	49,297,827	2.4%	(0.0%)	
Bad & Doubtful Debts	7,595	11,497	12,431	63.7%	8.1%	132,000	149,586	150,520	14.0%	0.6%	
Depreciation and Amortisation	13,116,769	13,116,833	12,868,191	(1.9%)	(1.9%)	22,485,890	22,486,000	22,643,795	0.7%	0.7%	
Borrowing Costs	550,000	600,000	916,725	66.7%	52.8%	1,223,000	1,223,000	1,223,000	0.0%	0.0%	7
Other Expenses	67,735	287,573	248,790	267.3%	(13.5%)	519,671	505,231	499,231	(3.9%)	(1.2%)	
Total Operating Expenses	57,253,460	64,327,710	65,806,296	14.9%	2.3%	120,505,297	121,341,488	121,606,973	0.9%	0.2%	
UNDERLYING OPERATING RESULT	30,427,869	30,430,743	32,274,514	(6.1%)	(6.1%)	(4,099,708)	(4,927,670)	(5,015,948)	(22.3%)	(1.8%)	
Non-operating Income and Expenditure											
Capital Grants	100,000	1,041,800	1,902,560	(1,802.6%)	(82.6%)	6,851,408	5,851,378	5,861,385	14.4%	(0.2%)	8
Capital Contributions	38,000	755,798	1,021,936	(2,589.3%)	(35.2%)	1,910,749	2,658,820	2,850,218	(49.2%)	(7.2%)	9
Contributed Assets	0	0	3,520,017	(100.0%)	(100.0%)	2,000,000	2,000,000	3,600,000	(80.0%)	(80.0%)	10
Proceeds from Sale of Assets	27,000	4,154	298,848	(1,006.8%)	(7,094.2%)	1,012,500	1,030,500	1,030,500	(1.8%)	0.0%	11
Written Down Value of Asset Disposals	0	0	(236,807)	100.0%	100.0%	(473,262)	(473,262)	(473,262)	0.0%	0.0%	
Total Non Operating Items	165,000	1,801,752	6,506,555	(3,843.4%)	(261.1%)	11,301,395	11,067,436	12,868,841	(13.9%)	(16.3%)	
ACCOUNTING SURPLUS/(DEFICIT)	30,592,869	32,232,495	38,781,068	(26.8%)	(20.3%)	7,201,687	6,139,766	7,852,893	(9.0%)	(27.9%)	

Notes to the Income Statement for period ended January 2018

- 1) Statutory Fees is \$176k less than YTD Adopted Forecast Q1. This unfavourable variance is mostly due to the timing of income for Building Services \$179k. Projected Full Year is \$800k less than 2017/2018 Adopted Budget. This unfavourable variance is mostly due to the reclassification of Aged Services fees from Statutory Fees to User Charges \$504k. Also impacted by the reclassification of Building Services income from Statutory Fees to User Charges \$327k.
- 2) User Charges is \$1.22m more than YTD Adopted Forecast Q1. This favourable variance is mostly due to the timing of income from Cosgrove Landfill \$1.06m. Despite this favourable variance, Projected Full Year is expected to be \$417k less than Adopted Forecast Q1. This unfavourable variance is mostly due to lower commercial waste volumes at Cosgrove Landfill due to market volatility and price competition \$982k. This unfavourable variance is partially offset by additional user fees in the Parking Enforcement \$299k, Building Services \$254k and Aquamoves \$147k areas.
- 3) Operating Grants is \$1.5m more than YTD Adopted Forecast Q1. This favourable variance is mostly due to the timing of grant income for Early Childhood Education \$429k, Federal funding for Local Roads \$376k, Commonwealth Home Support Program \$318k, Shepparton Art Museum Regional Partnerships Program \$120k and DHHS under 65 \$84k. Despite these favourable variances overall Operating Grants is expected to increase by less than 1%.
- 4) Operating Contributions is \$351k more than YTD Adopted Forecast Q1. This favourable variance is mostly due to additional income for insurance claims \$79k, Recreational Land Fund \$68k, Shepparton Art Museum from University of Melbourne \$59k and Sidney Myer Association \$45k, and failure to vote fines from the last Council election \$34k. Projected Full Year is also impacted by this additional income, projecting to be \$413k more than 2017/2018 Adopted Budget. This favourable variance is also impacted by additional cash contributions from developers \$200k.
- 5) Other revenue is \$157k more than YTD Adopted Forecast Q1. This favourable variance is mostly due to the timing of interest income from investments \$57k and rental income from the Aerodrome \$24k. Also impacted by additional income from insurance premiums \$39k and Council owned rented properties \$22k.
- 6) Employee Costs is \$1.7m more than YTD Adopted Forecast. This unfavourable variance is mostly due to the timing of salary and casual expenditure as Aquamoves \$1.2m and Council contributions to superannuation funds \$365k. Despite these unfavourable variance Projected Full Year is expected to be \$187k less than 2017/2018 Adopted Budget.
- 7) Borrowing Costs is \$316k more than YTD Adopted Forecast Q1. This unfavourable variance is mostly due to the timing of interest repayments on Council's Loans \$316k.
- 8) Capital Grants is \$861k more than YTD Adopted Forecast Q1. This favourable variance is mostly due to Federal funding for the Greater Shepparton Regional Sports Precinct \$719k and additional grant funding from Building Better Regions Fund for Stage 1 Maude Street (plaza/bus interchange) \$173k. Projected Full Year is expected to be \$990k less than 2017/2018 Adopted Budget. This unfavourable variance is mostly due to the Federal funding for new Shepparton Art Museum \$1m being moves to a future financial year.
- 9) Capital Contributions is \$266k more than YTD Adopted Forecast Q1 and Projected Full Year is \$939k more than 2017/2018 Adopted Budget. These favourable variances are mostly due to additional developer contributions \$454k for Kialla Green Estate, Seven Creeks Estate, North Growth Corridor and Northside Estate. Additional contributions also received from GV Water for Verney Road Reconstruction \$336k, Mooroopna Football Club for Mooroopna Recreational Reserve Field Lighting \$30k, Shepparton United Soccer Club for Greater Shepparton Regional Sports Precinct \$25k, and for Artwork Acquisitions \$50k. Favourable YTD variance also impacted by the timing of contributions for the new Shepparton Art Museum \$80k.
- 10) Contributed Assets is \$3.52m more than YTD Adopted Forecast Q1. These favourable variances are mostly due to contributed assets relating to Jammjack Estate \$1.19m, Kialla Lakes Stage 36 \$1.17m, Connolly Park Stage 7 \$571k, Seven Creeks Stage 11 \$466k, and 210 Doyles Rd \$114k. Projected Full Year is \$1.6m more than 2017/2018 Adopted Budget and Adopted Forecast Q1 due to additional contributed assets from various completed estates.
- 11) Proceeds from sale of assets is \$295k more than YTD Adopted Forecast Q1. This favourable variance is mostly due to the timing of sales of plant and equipment.

Greater Shepparton City Council

Balance Sheet

as at January 2018

	Total Actual June 2017	Adopted Budget June 2018	Adopted Forecast Q1 June 2018	YTD Adopted Budget 2018	YTD Adopted Forecast Q1 2017	YTD Actual 2018	Total Actual June 2017 Variance (Fav)/Unfav %	Adopted Budget Variance (Fav)/Unfav %
	\$	\$	\$	\$	\$	\$		
Current Assets								
Cash and Cash Equivalent	25,303,343	19,384,378	18,403,042	15,132,070	23,186,806	24,898,797	1.6%	(28.4%)
Receivables	7,208,640	6,377,264	7,208,640	51,009,847	50,910,409	44,148,892	(512.4%)	(592.3%)
Other Financial Assets	17,000,000	13,226,000	17,000,000	13,000,000	23,000,000	13,000,000	23.5%	1.7%
Inventories	73,983	74,000	73,983	131,508	150,432	170,013	(129.8%)	(129.7%)
Other Assets	1,050,880	1,230,000	1,050,880	850,021	889,620	446,887	57.5%	63.7%
Total Current Assets	50,636,846	40,291,642	43,736,545	80,123,446	98,137,267	82,664,590	(63.2%)	(105.2%)
Non Current Assets								
Investment in Associates	1,511,499	1,493,000	1,511,499	1,493,000	1,511,499	1,493,041	1.2%	(0.0%)
Infrastructure	1,058,401,546	1,073,331,000	1,076,243,585	1,055,574,787	1,045,148,401	1,064,743,132	(0.6%)	0.8%
Intangible Assets	847,819	973,000	847,819	973,000	847,819	847,813	0.0%	12.9%
Total Non Current Assets	1,060,760,865	1,075,797,000	1,078,602,903	1,058,040,787	1,047,507,719	1,067,083,986	(0.6%)	0.8%
Total Assets	1,111,397,711	1,116,088,642	1,122,339,448	1,138,164,233	1,145,644,986	1,149,748,575	(3.5%)	(3.0%)
Current Liabilities								
Trade & Other Payables	6,220,097	8,786,000	6,220,097	3,092,201	6,320,579	3,074,769	(50.6%)	(65.0%)
Trust Funds	2,716,657	3,094,000	2,716,657	6,415,512	4,249,419	5,941,269	118.7%	92.0%
Provisions	10,119,393	9,932,000	10,119,393	10,166,781	14,534,248	10,269,283	1.5%	3.4%
Interest Bearing Liabilities	1,307,898	1,291,000	1,307,898	437,340	859,931	893,022	(31.7%)	(30.8%)
Total Current Liabilities	20,364,044	23,103,000	20,364,044	20,111,834	25,964,177	20,178,342	(0.9%)	(12.7%)
Non Current Liabilities								
Provisions	7,093,881	6,485,000	7,093,881	567,568	7,093,881	7,093,881	0.0%	9.4%
Interest Bearing Liabilities	18,426,369	23,250,000	23,409,369	25,651,407	18,426,368	18,204,515	(1.2%)	(21.7%)
Total Non Current Liabilities	25,520,250	29,735,000	30,503,250	26,218,975	25,520,249	25,298,395.70	(0.9%)	(14.9%)
Total Liabilities	45,884,294	52,838,000	50,867,294	46,330,809	51,484,426	45,476,738	(0.9%)	(13.9%)
Net Assets	1,065,513,416	1,063,250,642	1,071,472,154	1,091,833,424	1,094,160,560	1,104,271,838	(3.6%)	(3.9%)
Represented By								
Accumulated Surplus	519,606,407	350,814,179	525,746,173	545,926,416	548,253,552	558,364,829	(7.5%)	(59.2%)
Reserves	545,907,009	712,436,463	545,725,981	545,907,008	545,907,008	545,907,008	0.0%	23.4%
Total Equity	1,065,513,416	1,063,250,642	1,071,472,154	1,091,833,424	1,094,160,560	1,104,271,838	(3.6%)	(3.9%)

Greater Shepparton City Council

Cash Flow Statement

as at January 2018

	2017/2018 Adopted Budget \$	2017/2018 Adopted Forecast Q1 \$	2017/2018 YTD Actual \$	Adopted Budget Variance (Fav)/Unfav \$	Adopted Forecast Q1 Variance (Fav)/Unfav \$
Cash flows from operating activities					
Receipts from customers	97,875,000	98,607,869	51,822,238	47.05%	47.45%
Payments to suppliers	(98,116,000)	(97,632,488)	(53,478,270)	45.49%	45.22%
Net cash inflow(outflow) from customers(suppliers)	(241,000)	975,381	(1,656,032)	(587.15%)	269.78%
Interest received	652,000	382,187	590,580	9.42%	(54.53%)
Government receipts	23,692,000	22,330,310	11,866,365	49.91%	46.86%
Contributions	2,602,000	3,603,650	5,373,608	(106.52%)	(49.12%)
Net cash inflow(outflow) from operating activities	26,705,000	27,291,528	16,174,521	39.43%	40.73%
Cash flows from investing activities					
Net movement in other financial assets	8,817,000	-	4,000,000	54.63%	#DIV/0!
Infrastructure, property, plant & equipment - proceeds	1,551,000	1,030,500	184,160	88.13%	82.13%
Infrastructure, property, plant & equipment - payments	(39,384,000)	(38,982,329)	(19,209,773)	51.22%	50.72%
Net cash inflow(outflow) from investing activities	(29,016,000)	(37,951,829)	(15,025,612)	48.22%	60.41%
Cash flows from financing activities					
Finance Cost	(1,223,000)	(1,223,000)	(916,725)	25.04%	25.04%
Proceeds from interest bearing loans and borrowings	6,000,000	6,000,000	-	100.00%	100.00%
Repayment of interest-bearing loans and borrowings	(1,017,000)	(1,017,000)	(636,730)	37.39%	37.39%
Net cash inflow(outflow) from financing activities	3,760,000	3,760,000	(1,553,454)	141.32%	141.32%
Net increase(decrease) in cash and equivalents	1,450,000	(6,900,301)	(404,546)	127.90%	94.14%
Cash and equivalents at the beginning of the year	17,934,378	25,303,343	25,303,343	(41.09%)	(0.00%)
Cash and equivalents at the end of the year	19,384,378	18,403,042	24,898,797	(28.45%)	(35.30%)

Greater Shepparton City Council
Capital Works Statement
period ended January 2018

Capital Works Area	2017/2018 YTD Adopted Budget	2017/2018 YTD Adopted Forecast Q1	2017/2018 YTD Actual	YTD Adopted Budget Variance (Fav)/Unfav %	YTD Adopted Forecast Q1 Variance (Fav)/Unfav %	2017/2018 Adopted Budget	2017/2018 YTD Adopted Forecast Q1	2017/2018 Projected Full Year	Adopted Budget Variance (Fav)/Unfav %	Adopted Forecast Q1 Variance (Fav)/Unfav %	Note
	\$	\$	\$			\$	\$	\$			
Aerodrome	0	270,000	9,880	100%	(96%)	300,000	300,000	360,000	20%	20%	
Bridges	0	150,243	812	100%	(99%)	657,360	657,360	657,360	0%	0%	
Buildings	1,963,421	1,581,673	1,321,792	(33%)	(16%)	5,584,000	5,495,166	5,509,310	(1%)	0%	1
Computer & Telecommunications	60,000	224,841	220,222	267%	(2%)	260,000	513,660	513,905	98%	0%	2
Drainage	78,500	205,142	167,832	114%	(18%)	670,000	926,988	633,509	(5%)	(32%)	3
Fixture Fittings and Furniture	97,395	178,135	359,115	269%	102%	466,000	436,000	476,000	2%	9%	4
Footpaths & Cycleways	1,153,480	984,514	948,154	(18%)	(4%)	1,699,400	1,862,400	1,911,198	12%	3%	5
Land	0	0	0	0%	0%	20,000	20,000	20,000	0%	0%	
Land Improvements	70,000	108,625	106,253	52%	(2%)	1,090,000	1,006,717	1,088,717	(0%)	8%	
Off Street Car Parks	18,300	8,300	0	(100%)	(100%)	40,000	40,000	40,000	0%	0%	
Parks, Open Space & Streetscape	241,500	312,176	333,564	38%	7%	1,233,000	1,270,642	1,297,232	5%	2%	
Plant Machinery & Equipment	40,000	143,848	652,610	1532%	354%	2,620,940	2,700,616	2,775,361	6%	3%	6
Recreational Leisure and Community Facilities	1,648,000	1,758,789	1,996,023	21%	13%	3,681,574	4,034,718	4,412,908	20%	9%	7
Roads	4,696,721	7,185,723	8,142,802	73%	13%	13,561,262	13,455,452	14,504,566	7%	8%	8
Waste Management	405,573	1,310,944	1,188,608	193%	(9%)	6,500,000	6,608,319	4,608,319	(29%)	(30%)	9
Project Management Office	0	478,896	478,896		(0%)	1,000,000	1,000,000	1,000,000	0%	0%	
Total Capital Works	10,472,890	14,901,849	15,926,562	52%	7%	39,383,536	40,328,038	39,808,385	1%	(1%)	

Capital Works Area	2017/2018 YTD Adopted Budget	2017/2018 YTD Adopted Forecast Q1	2017/2018 YTD Actual	YTD Adopted Budget Variance (Fav)/Unfav %	YTD Adopted Forecast Q1 Variance (Fav)/Unfav %	2017/2018 Adopted Budget	2017/2018 YTD Adopted Forecast Q1	2017/2018 Projected Full Year	Adopted Budget Variance (Fav)/Unfav %	Adopted Forecast Q1 Variance (Fav)/Unfav %	Note
	\$	\$	\$			\$	\$	\$			
Renewal	7,604,774	9,656,979	9,950,235	31%	3%	24,448,488	20,561,290	22,989,080	(6%)	12%	
Upgrade	455,949	1,244,407	1,181,926	159%	(5%)	4,341,074	5,186,191	6,020,047	39%	16%	
New	2,352,167	3,490,067	4,293,305	83%	23%	9,386,574	13,373,157	9,591,858	2%	(28%)	
Expansion	60,000	31,500	22,200	(63%)	(30%)	207,400	207,400	207,400	0%	0%	
Project Management Office	0	478,896	478,896	100%	0%	1,000,000	1,000,000	1,000,000	0%	0%	
Total Capital Works	10,472,890	14,901,849	15,926,562	52%	7%	39,383,536	40,328,038	39,808,385	1%	(1%)	

Notes to the Capital Works Statement for period ended January 2018

- 1) Buildings is \$260k less than YTD Adopted Forecast Q1. This favourable variance is mostly due to the timing of payments for Deakin Reserve female change room works \$226k.
- 2) Computers and Telecommunications is \$254k more than 2017/2018 Adopted Budget. This unfavourable variance is mostly due to the finance system replacement project rebudgeted from the 2016/2017 capital works program.
- 3) Drainage Projected Full Year is \$293k less than Adopted Forecast Q1. This favourable variance is mostly due to the rebudget of Marlboro Drive drainage \$240k and Seven Creeks Wetland Planting \$90k into the 2018/2019 capital works program.
- 4) Fixtures Fittings and Furniture is \$181k more than YTD Adopted Forecast Q1. This unfavourable variance is mostly due to the timing of works for KidsTown equipment and furniture renewals \$234k.
- 5) Footpaths and Cycleways Projected Full Year is \$212k more than 2017/2018 Adopted Budget. This unfavourable variance is mostly due to \$100k reclassified from Land Improvements for Seven Creeks shared paths, \$47k rebudgeted from 2016/2017 for Tallygaroopna walking track, additional \$23k for footpath and drainage works on Rushworth Rd/Impey St intersection, additional \$22k for a pedestrian island on Murchison-Violet Town Rd and additional \$20k for pedestrian facilities for the Disability Discrimination Act.
- 6) Plant, Machinery and Equipment is \$508k more than YTD Adopted Forecast Q1. This unfavourable variance is mostly due to the timing of plant purchases \$508k.
- 7) Recreational Leisure and Community Facilities is \$237k more than YTD Adopted Forecast Q1. This unfavourable variance is mostly due to the timing of works at the Greater Shepparton Regional Sports Precinct \$885k. This is partially offset by favourable timing variances for BMX Track Lighting \$170k, Tallygaroopna Power Upgrade \$137k, Victoria Park Lake Master Plan Implementation \$75k, Community Football Complex Security Lighting \$73k, Athletic Facility long/triple jump pit renewal \$70k, and Joe Ford Drive playground \$60k. Projected Full Year is \$731k more than 2017/2018 Adopted Budget and \$378k more than Adopted Forecast Q1. These unfavourable variances are mostly due to additional \$400k for Greater Shepparton Regional Sports Precinct Boulevard works, \$200k of which was rebudgeted from the 2016/2017 capital works program and \$200k required for additional security at the facility during construction. This variance is also impacted by an additional \$111k required for the Greater Shepparton Regional Sports Precinct main pavilion.
- 8) Roads is \$957k more than YTD Adopted Forecast Q1. This unfavourable variance is mostly due to the timing of works for gravel resheeting \$777k, Shepparton alternate route \$480k and additional expenses for Verney Road stage 2 \$295k. These unfavourable variances are partially offset by favourable variances in road sealing \$268k and Roads for Renewal asphalt works \$247k. Projected full year is currently \$943k more than 2017/2018 Adopted Budget and \$1.09m more than Adopted Forecast Q1. These unfavourable variances are mostly due to \$445k rebudgeted from 2016/2017 for Welsford st stages 3 and 4, as well as an additional \$106k for the project. Unfavourable variance also impacted by an additional \$450k for Verney Rd Reconstruction and \$138k for Nixon St and Welsford St signals. The unfavourable variance partially is offset by Seven Creeks Intersection with GV Highway project being reclassified to operating \$470k.
- 9) Waste Management Projected Full Year is \$1.89m less than Adopted Budget and \$2m less than Adopted Forecast Q1. These unfavourable variances are mostly due to Cosgrove 3 landfill \$2m being rebudgeted into the 2018/2019 capital works program.