

## Greater Shepparton City Council

# MONTHLY FINANCIAL REPORT

### April 2024

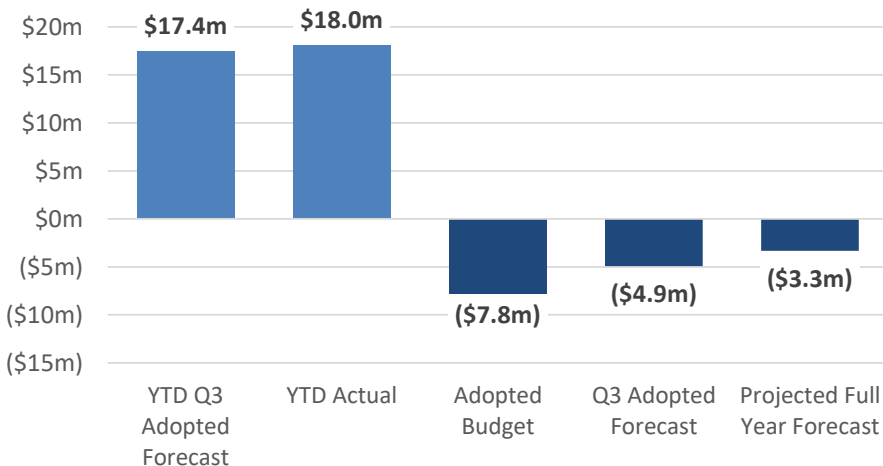
#### Overview

The April 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 projected operating deficit has improved slightly to \$3.3m, mostly due to insurance claim income for property damage relating to October 2022 Flood Event and March 2023 storm event.
- Council has completed 67% of the Projected Full Year Forecast capital works. This includes \$20.05 million on Roads, including road sealing and gravel resheeting programs, as well as the now completed delivery of works to repair Council roads that were impacted by the October 2022 Flood.
- Since the Q3 Adopted Forecast, the full year projection of capital works has decreased by \$492k to \$46.92m largely due to project cost reductions and rebudgets into future financial years. Further explanation is provided in the notes to the Capital Works Statement.
- Ending liquidity for 2023/2024 is projected to be 161%, which is an increase from the Adopted Budget, due to reductions in current year capital works expenditure.

#### Financial Sustainability Indicators

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



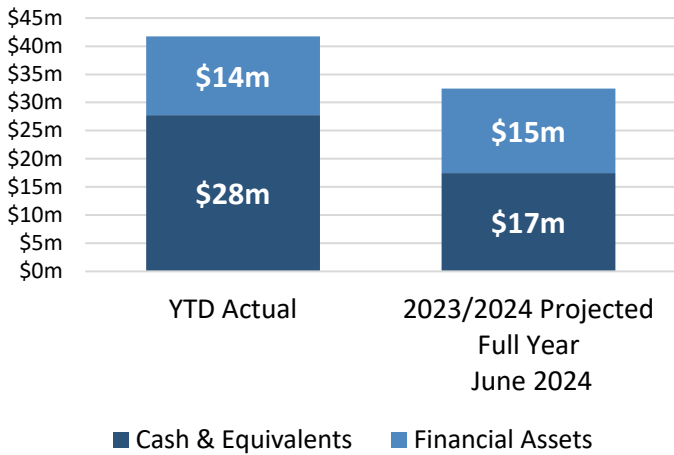
The Operating Result adjusts Council's accounting result to reflect the true operating result.

Income that does not fund Council operations is removed (capital & non-cash income) and the Federal Financial Assistance Grants income is adjusted to remove the impact of early receipts.

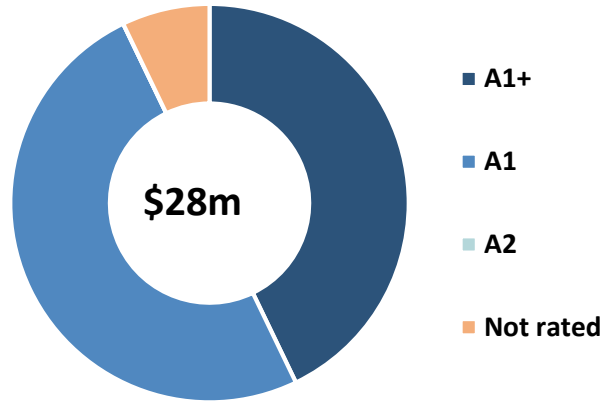
Refer to the income statement for explanations on material movements.

Indicator	Financial Plan Target	Adopted Budget	Q3 Adopted Review	Projected Full Year	Status
<b>\$ Adjusted Underlying Result</b>	Achieve and maintain a true underlying surplus (greater than \$0)	(\$7.8m)	(\$21.2m)	(\$19.6m)	<b>Improving</b>
<b>% Adjusted Underlying Result</b>	As above (greater than 0%)	(5.2%)	(15.3%)	(13.9%)	<b>Improving</b>
<b>Capital Renewal &amp; Upgrade / Depreciation</b>	Ensure sufficient spend on renewing/upgrading existing assets (greater than 100%)	119%	83%	83%	<b>Steady</b>
<b>Liquidity</b>	Maintain sufficient working capital to meet obligations as they fall due (greater than 100%)	139%	161%	161%	<b>Steady</b>

Cash & Financial Assets



Investments



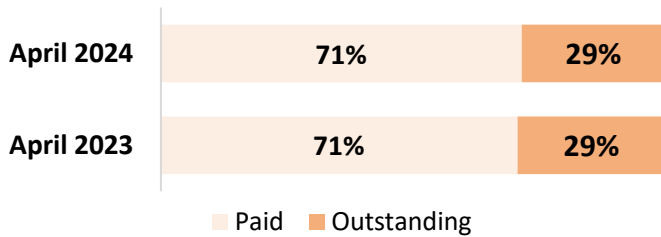
Total cash and financial assets is expected to reduce in the lead up to end of financial year.

At April 2024, Council had \$28m invested. The weighted average interest rate of investments is 4.79% with YTD interest earned of \$1.48m.

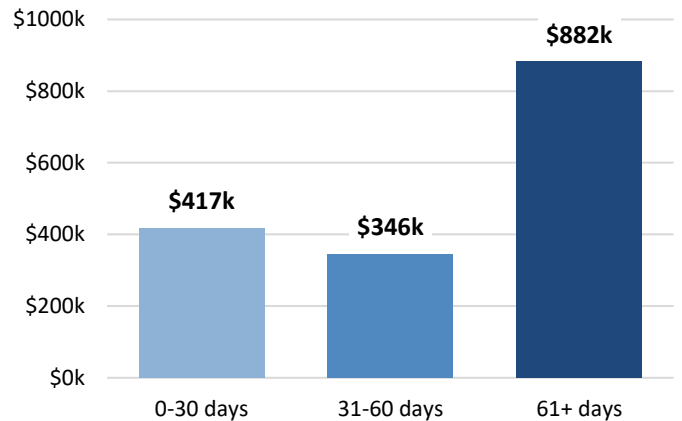
Stable cash rates are continuing to influence the investment yield.

Rates and Debtors

Rates Payments



Overdue Sundry Debtors



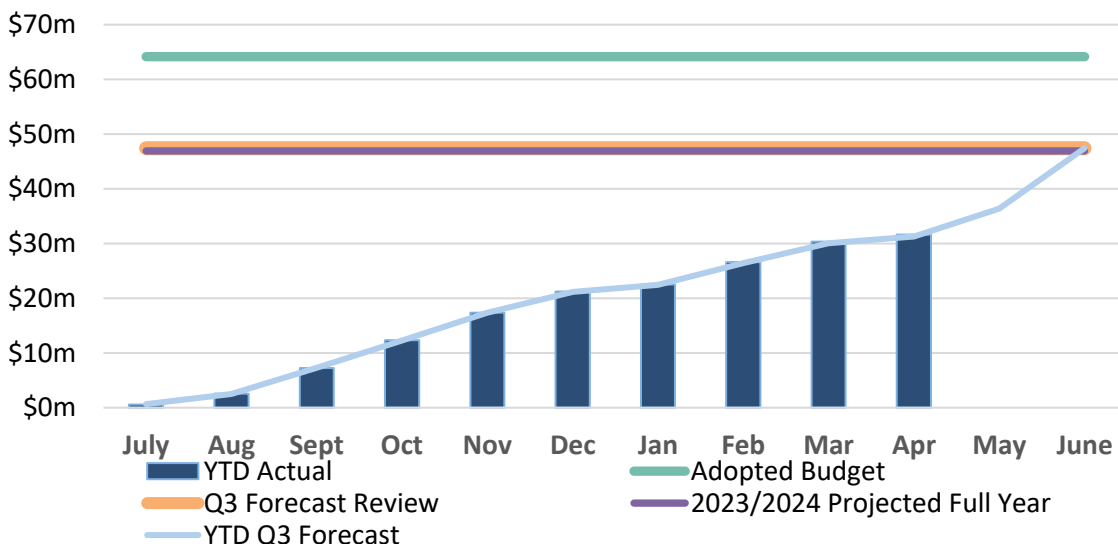
Rates debt collection is on track compared to the prior financial year.

Rates Assessments = 34,765

Current Payment Arrangements = 930

Capital Expenditure

Capital Expenditure Compared to Budget



Capital Forecast as a % of Adopted Budget

Council Plan Target  
90%

Projected Full

73%

Refer to the Capital Works Statement for further information

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

Notes	YEAR TO DATE					FULL YEAR						
	2023/2024	2023/2024	2023/2024	YTD Adopted	YTD	2023/2024	2023/2024	2023/2024	2023/2024	2023/2024	Adopted	Q3 Adopted
	YTD	YTD	YTD	Budget	Q3 Adopted	Adopted	Adopted	Adopted	Adopted	Projected	Budget	Forecast
	Adopted	Q3 Adopted	Actuals	Variance	Forecast	Budget	Forecast	Forecast	Forecast	Full Year	Variance	Variance
			(Fav)/Unfav	(Fav)/Unfav						(Fav)/Unfav	(Fav)/Unfav	
	\$ ' 000	\$ ' 000	\$ ' 000	\$ ' 000	\$ ' 000	\$ ' 000	\$ ' 000	\$ ' 000	\$ ' 000	\$ ' 000	\$ ' 000	\$ ' 000
<b>Revenues from Operating Activities</b>												
Rates and Charges	91,729	91,850	92,307	(578) ▬	(457) ▬	91,773	91,910	92,185	92,101	92,389	(616) ▬	(287) ▬
Statutory Fees and Fines	4,102	3,933	3,987	115 ▬	(54) ▬	4,751	4,702	4,702	4,732	4,806	(55) ▬	(74) ▬
User Fees	15,510	12,748	12,910	2,600 ▼	(163) ▬	19,993	19,724	17,550	16,366	16,268	3,725 ▼	98 ▬
Grants - Operating	9,840	10,489	11,026	(1,185) ▲	(537) ▬	29,800	13,933	14,349	14,051	14,608	15,192 ▼	(557) ▬
Grants - Capital Recurrent	1,627	1,512	1,512	115 ▬	0 ▬	1,627	1,627	3,139	3,139	3,139	(1,512) ▲	0 ▬
Contributions - Monetary	851	2,889	4,498	(3,647) ▲	(1,609) ▲	876	3,801	4,467	4,601	6,303	(5,427) ▲	(1,702) ▲
Other Income	1,814	2,791	2,866	(1,052) ▲	(75) ▬	1,958	2,489	3,085	3,192	3,295	(1,337) ▲	(103) ▬
<b>Total Operating Revenue</b>	<b>125,475</b>	<b>126,212</b>	<b>129,106</b>	<b>(3,631)</b>	<b>(2,895)</b>	<b>150,778</b>	<b>138,187</b>	<b>139,476</b>	<b>138,182</b>	<b>140,808</b>	<b>9,970</b>	<b>(2,627)</b>
<b>Expenses from Operating Activities</b>												
Employee Costs	48,930	45,617	45,919	(3,010) ▬	302 ▬	59,397	59,573	58,215	56,636	56,962	(2,435) ▬	327 ▬
Materials and Services	46,854	45,230	45,905	(950) ▬	674 ▬	56,866	58,340	59,957	59,709	60,695	3,829 ▬	986 ▬
Depreciation	32,413	32,918	33,585	1,172 ▬	666 ▬	39,593	39,593	40,314	40,314	40,314	720 ▬	0 ▬
Amortisation - Leases and Intangibles	440	347	371	(68) ▬	25 ▬	573	573	573	573	573	0 ▬	0 ▬
Bad & Doubtful Debts	235	282	282	47 ▬	(0) ▬	354	354	354	354	354	0 ▬	0 ▬
Borrowing Costs	401	526	373	(27) ▬	(152) ▬	628	628	635	635	635	7 ▬	0 ▬
Net Loss on Disposal of Assets	1,281	(414)	345	(936) ▲	758 ▬	473	473	473	451	190	(284) ▼	(261) ▼
Finance Costs - Leases	6	6	5	(0) ▬	(1) ▬	7	7	7	7	7	0 ▬	0 ▬
Other Expenses	599	569	576	(23) ▬	7 ▬	704	727	710	712	712	8 ▬	0 ▬
<b>Total Operating Expenses</b>	<b>131,158</b>	<b>125,081</b>	<b>127,362</b>	<b>(3,796)</b>	<b>2,280</b>	<b>158,595</b>	<b>160,268</b>	<b>161,237</b>	<b>159,390</b>	<b>160,441</b>	<b>1,846</b>	<b>1,052</b>
<b>ADJUSTED UNDERLYING RESULT</b>	<b>(5,683)</b>	<b>1,130</b>	<b>1,744</b>	<b>(7,427)</b>	<b>(614)</b>	<b>(7,817)</b>	<b>(22,081)</b>	<b>(21,761)</b>	<b>(21,208)</b>	<b>(19,633)</b>	<b>11,816</b>	<b>(1,575)</b>
<b>Non-operating Income and Expenditure</b>												
Grants - Capital Non Recurrent	16,524	1,670	1,806	14,718 ▼	(136) ▲	19,694	14,566	12,708	11,594	11,625	8,069 ▼	(31) ▬
Contributions - Monetary (Capital)	383	365	706	(323) ▲	(342) ▲	2,192	2,190	1,784	475	771	1,421 ▼	(297) ▲
Contributions - Non Monetary	17,875	5,369	5,369	12,506 ▼	0 ▬	17,875	17,875	17,210	17,210	17,210	665 ▬	0 ▬
Other Income (Capital)	0	0	7	(7) ▬	(7) ▼	0	0	0	7	7	(7) ▬	0 ↑
<b>Total Non Operating Items</b>	<b>34,782</b>	<b>7,404</b>	<b>7,889</b>	<b>26,894</b>	<b>(485)</b>	<b>39,762</b>	<b>34,631</b>	<b>31,702</b>	<b>29,286</b>	<b>29,613</b>	<b>10,148</b>	<b>(328)</b>
<b>ACCOUNTING SURPLUS/(DEFICIT)</b>	<b>29,099</b>	<b>8,534</b>	<b>9,633</b>	<b>19,466</b>	<b>(1,099)</b>	<b>31,945</b>	<b>12,550</b>	<b>9,941</b>	<b>8,078</b>	<b>9,980</b>	<b>21,964</b>	<b>(1,903)</b>

Notes to the Income Statement for period ended April 2024	
1	<b>User Fees</b> Projected Full Year has decreased by \$3.73m since the 2023/2024 Adopted Budget. This unfavourable variance is mostly due to lower than anticipated commercial waste volumes at Cosgrove Landfill (\$2.27m), and a also a reduction in income for Council's long day care centres (\$1.41m). This is mainly due to lower utilisation caused by staff shortages.
2	<b>Grants - Operating</b> Projected full year has decreased by \$15.19m since 2023/2024 Adopted Budget. The unfavourable variance is primarily due to the early receipt of the 2023/2024 Federal Financial Assistance Grants (\$16.3m) in 2022/2023 financial year.
3	<b>Grants - Capital Recurrent</b> Projected Full Year has increased by \$1.51m since the 2023/2024 Adopted Budget. This favourable variance is primarily due to the recognition of Roads to Recovery funding that relates to projects completed in the 2022/2023 financial year. No change to current year funding or associated program.
4	<b>Contributions - Monetary</b> is \$1.61m more than YTD Q3 Adopted Forecast. Projected Full Year is \$1.70m more than Q3 Adopted Forecast and \$5.43m more than 2023/2024 Adopted Budget. These favourable variances are mostly due to insurance claims for property damage relating to October 2022 Flood Event and March 2023 storm event.
5	<b>Other income</b> Projected Full Year has increased by \$1.34m since 2023/2024 Adopted Budget. This favourable variance is mostly due to higher than projected treasury investment income (\$745k), an increase in the forecast for fuel rebate from council fleets (\$120k), and an increase in expected income for SAM Building cleaning costs (\$354k).
6	<b>Employee Cost</b> Projected Full Year has decreased by \$2.44m since 2023/2024 Adopted Budget. This favourable variance is primarily due to vacant positions across the organisation. A large portion of this relates to Maternal Child Health (\$790k), Early Childhood Education (\$646k) and Works (\$378k).
7	<b>Materials &amp; Services</b> Projected Full Year has increased by \$986k since Q3 Adopted Forecast. This unfavourable variance is mostly due to an increase in legal fee expenditure (\$485k), mostly relating to unexpected VCAT hearings for Strategic and Statutory Planning. Projected Full Year has increased by \$3.83m since 2023/2024 Adopted Budget. This unfavourable variance is mostly due to expenditure relating to the October 2022 flood event (\$1.38m) covered by insurance claim income as well as an increase in Council's waste disposal costs mostly due to an increase in FOGO volumes and contamination rates compared to original budget estimates (\$1.37m).
8	<b>Grants - Capital Non Recurrent</b> Projected Full Year has reduced by \$8.07m since 2023/2024 Adopted Budget. This unfavourable variance is mostly due to the revised October 2022 Floods Sealed Road Remediation program (reduction of \$7.69m from 2023/2024 Adopted Budget). The associated works were reduced from earlier anticipations to ensure the work completed complied with the Disaster Recovery Funding Arrangement (DRFA) eligibility requirements. Roads Capital expenditure has also reduced to reflect the revised program.
9	<b>Contributions - Monetary (Capital)</b> is \$342k more than YTD Q3 Adopted Forecast. Projected Full Year has also decreased by \$1.42m since 2023/2024 Adopted Budget. These variances are primarily due to the timing of developer contributions.

## Greater Shepparton City Council

## Balance Sheet

### as at 30 April 2024

	FULL YEAR					YEAR TO DATE	MOVEMENT
	Total Actual June 2023 \$ ' 000	Adopted Budget June 2024 \$ ' 000	Q1 Adopted Forecast June 2024 \$ ' 000	Q2 Adopted Forecast June 2024 \$ ' 000	Q3 Adopted Forecast June 2024 \$ ' 000	YTD Actual April 2024 \$ ' 000	June 2023 vs. YTD Actual (Fav)/Unfav \$ ' 000
<b>Current Assets</b>							
Cash and Cash Equivalent	37,376	14,269	16,197	15,610	17,456	27,750	9,626
Receivables	16,609	13,725	13,609	13,517	13,200	32,348	(15,739)
Other Financial Assets	12,000	10,000	9,000	15,000	15,000	14,000	(2,000)
Inventories	125	159	125	125	125	192	(67)
Assets Held for Resale	454	-	454	-	-	189	264
Other Assets	3,095	1,804	1,723	1,723	1,723	521	2,573
<b>Total Current Assets</b>	<b>69,658</b>	<b>39,957</b>	<b>41,107</b>	<b>45,975</b>	<b>47,504</b>	<b>75,000</b>	<b>(5,342)</b>
<b>Non Current Assets</b>							
Investment in Associates	1,872	1,885	1,872	1,872	1,872	1,873	(1)
Infrastructure	1,325,909	1,419,723	1,393,896	1,385,291	1,381,749	1,327,805	(1,896)
Intangible Assets	36,511	31,749	36,061	36,061	36,061	36,276	235
Right-of-use Assets	262	123	139	139	139	154	109
<b>Total Non Current Assets</b>	<b>1,364,554</b>	<b>1,453,480</b>	<b>1,431,968</b>	<b>1,423,363</b>	<b>1,419,821</b>	<b>1,366,107</b>	<b>(1,553)</b>
<b>Total Assets</b>	<b>1,434,212</b>	<b>1,493,437</b>	<b>1,473,075</b>	<b>1,469,338</b>	<b>1,467,325</b>	<b>1,441,108</b>	<b>(6,896)</b>
<b>Current Liabilities</b>							
Trade & Other Payables	15,297	9,588	9,725	9,746	9,596	14,323	(974)
Trust Funds	6,047	5,103	6,047	6,047	6,047	6,878	831
Provisions	10,616	10,721	10,616	10,621	10,621	10,018	(598)
Interest Bearing Liabilities	2,870	3,221	3,221	3,155	3,155	973	(1,896)
Lease Liabilities	146	133	133	133	133	44	(101)
<b>Total Current Liabilities</b>	<b>34,975</b>	<b>28,766</b>	<b>29,742</b>	<b>29,702</b>	<b>29,552</b>	<b>32,236</b>	<b>(2,739)</b>
<b>Non Current Liabilities</b>							
Provisions	19,159	24,036	19,007	19,002	19,002	19,160	1
Interest Bearing Liabilities	15,554	14,236	14,236	13,608	13,608	15,554	-
Lease Liabilities	133	-	-	-	-	133	-
<b>Total Non Current Liabilities</b>	<b>34,845</b>	<b>38,272</b>	<b>33,243</b>	<b>32,610</b>	<b>32,610</b>	<b>34,846</b>	<b>1</b>
<b>Total Liabilities</b>	<b>69,820</b>	<b>67,038</b>	<b>62,986</b>	<b>62,312</b>	<b>62,162</b>	<b>67,082</b>	<b>(2,738)</b>
<b>Net Assets</b>	<b>1,364,392</b>	<b>1,426,399</b>	<b>1,410,089</b>	<b>1,407,026</b>	<b>1,405,163</b>	<b>1,374,026</b>	<b>(9,634)</b>
<b>Represented By</b>							
Accumulated Surplus	530,006	547,738	542,556	539,946	538,083	539,640	(9,634)
Reserves	834,386	878,661	867,534	867,080	867,080	834,386	-
<b>Total Equity</b>	<b>1,364,392</b>	<b>1,426,399</b>	<b>1,410,089</b>	<b>1,407,026</b>	<b>1,405,163</b>	<b>1,374,026</b>	<b>(9,634)</b>

#### Notes to the Balance Sheet as at April 2024

**Receivables** YTD Actual balance is high due to the 2023/2024 rates being raised in July 2023. These balances will reduce throughout the financial year as rates debtors payments are received.

**Other Financial Assets** YTD Actual from June 2023 is high 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 April 2024

	FULL YEAR					YEAR TO DATE
	Total Actual June 2023 \$ ' 000	Adopted Budget June 2024 \$ ' 000	Q1 Adopted Forecast June 2024 \$ ' 000	Q2 Adopted Forecast June 2024 \$ ' 000	Q3 Adopted Forecast June 2024 \$ ' 000	YTD Actual April 2024 \$ ' 000
	<b>Cash flows from operating activities</b>					
Receipts from customers	109,289	116,430	117,927	116,557	115,525	96,424
Payments to suppliers	(119,241)	(118,288)	(120,907)	(121,136)	(119,461)	(96,350)
<b>Net cash inflow(outflow) from customers(suppliers)</b>	<b>(9,952)</b>	<b>(1,858)</b>	<b>(2,980)</b>	<b>(4,579)</b>	<b>(3,935)</b>	<b>73</b>
Interest received	838	896	1,342	1,481	1,640	1,338
Government receipts	49,782	50,634	30,234	30,323	28,970	18,683
Contributions	4,007	3,068	5,991	6,251	5,083	15,649
<b>Net cash inflow(outflow) from operating activities</b>	<b>44,675</b>	<b>52,740</b>	<b>34,587</b>	<b>33,476</b>	<b>31,758</b>	<b>35,743</b>
<b>Cash flows from investing activities</b>						
Net movement in other financial assets	4,000	10,000	3,000	(3,000)	(3,000)	(2,000)
Infrastructure, property, plant & equipment - proceeds	856	1,147	1,147	1,147	1,169	1,411
Infrastructure, property, plant & equipment - payments	(40,652)	(64,125)	(58,177)	(50,958)	(47,416)	(42,343)
<b>Net cash inflow(outflow) from investing activities</b>	<b>(35,796)</b>	<b>(52,978)</b>	<b>(54,030)</b>	<b>(52,811)</b>	<b>(49,247)</b>	<b>(42,932)</b>
<b>Cash flows from financing activities</b>						
Finance Cost	(722)	(618)	(618)	(617)	(617)	(407)
Proceeds from interest bearing loans and borrowings	-	2,000	2,000	1,300	1,300	-
Repayment of interest-bearing loans and borrowings	(2,780)	(2,966)	(2,966)	(2,960)	(2,960)	(1,896)
Interest Paid - Lease Liability	(11)	(7)	(7)	(7)	(7)	(5)
Repayment of Lease Liability	(235)	(129)	(146)	(146)	(146)	(129)
<b>Net cash inflow(outflow) from financing activities</b>	<b>(3,748)</b>	<b>(1,720)</b>	<b>(1,737)</b>	<b>(2,431)</b>	<b>(2,431)</b>	<b>(2,438)</b>
<b>Net increase(decrease) in cash and equivalents</b>	<b>5,131</b>	<b>(1,958)</b>	<b>(21,179)</b>	<b>(21,766)</b>	<b>(19,920)</b>	<b>(9,626)</b>
Cash and equivalents at the beginning of the year	32,245	16,254	37,376	37,376	37,376	37,376
<b>Cash and equivalents at the end of the year</b>	<b>37,376</b>	<b>14,296</b>	<b>16,197</b>	<b>15,610</b>	<b>17,456</b>	<b>27,750</b>

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

Capital Works Area	Note	YEAR TO DATE					FULL YEAR						
		2023/2024	2023/2024	2023/2024	YTD	YTD Q3	2023/2024	2023/2024	2023/2024	2023/2024	2023/2024	Adopted	Q3 Adopted
		YTD	YTD Q3	YTD	Adopted	Adopted	Adopted	Q1 Adopted	Q2 Adopted	Q3 Adopted	Projected	Budget	Forecast
		Adopted	Adopted	Actual	Budget	Forecast	Budget	Forecast	Forecast	Forecast	Full Year	Variance	Forecast
			Variance	Variance							(Fav)/Unfav	(Fav)/Unfav	
			(Fav)/Unfav	(Fav)/Unfav							\$'000	\$'000	
		\$ ' 000	\$ ' 000	\$ ' 000	\$'000	\$'000	\$ ' 000	\$ ' 000	\$ ' 000	\$ ' 000	\$'000	\$'000	
Aerodrome		175	97	102	(73) ▾	5 ▾	175	175	108	97	141	(34) ▾	44 ▾
Bridges	1	1,787	7	20	(1,767) ▾	13 ▲	2,144	2,142	2,142	1,742	1,742	(402) ▾	0 ▾
Buildings	2	1,896	951	952	(944) ▾	1 ▲	2,096	2,228	2,220	1,814	1,814	(282) ▾	0 ▾
Computer & Telecommunications	3	566	195	195	(371) ▾	0 ▲	676	687	687	421	421	(255) ▾	0 ▾
Drainage	4	2,087	251	254	(1,833) ▾	3 ▲	4,126	4,126	2,835	2,296	2,288	(1,838) ▾	(8) ▾
Fixture Fittings and Furniture		55	86	86	31 ▾	0 ▾	55	90	90	90	89	34 ▾	(0) ▾
Footpaths & Cycleways		2,893	1,786	1,778	(1,114) ▾	(7) ▾	3,225	3,225	3,208	3,094	3,110	(114) ▾	17 ▾
Land		0	0	0	0 ▾	0 ▾	0	0	0	26	26	26 ▾	0 ▾
Land Improvements		35	10	10	(25) ▾	0 ▾	163	140	178	68	68	(96) ▾	0 ▾
Off Street Car Parks		0	0	0	0 ▾	0 ▾	0	0	0	0	0	0 ▾	0 ▾
Parks, Open Space & Streetscape	5	3,915	2,158	2,179	(1,736) ▾	21 ▲	6,022	5,739	3,988	3,822	3,536	(2,486) ▾	(286) ▾
Plant Machinery & Equipment	6	5,195	3,425	3,425	(1,770) ▾	0	5,976	6,121	6,121	5,147	4,967	(1,009) ▾	(180) ▾
Recreational Leisure and Community Facilities	7	2,113	659	676	(1,437) ▾	17 ▲	2,359	2,412	2,543	3,117	3,078	719 ▲	(39) ▾
Roads	8	29,084	19,775	20,046	(9,038) ▾	271 ▲	30,131	24,011	23,002	22,167	22,130	(8,002) ▾	(37) ▾
Waste Management	9	1,619	445	444	(1,175) ▾	(0) ▾	5,186	5,302	2,052	1,471	1,471	(3,715) ▾	0 ▾
Other Infrastructure		318	122	148	(170) ▾	26 ▾	615	578	581	557	555	(60) ▾	(2) ▾
Project Management Office	10	1,000	1,295	1,295	295 ▲	0 ▲	1,202	1,202	1,202	1,489	1,489	287 ▲	0 ▾
<b>Total Capital Works</b>		<b>52,739</b>	<b>31,260</b>	<b>31,611</b>	<b>(21,128)</b>	<b>351</b>	<b>64,151</b>	<b>58,177</b>	<b>50,957</b>	<b>47,416</b>	<b>46,924</b>	<b>(17,227)</b>	<b>(492)</b>
Capital Works Area		2023/2024	2023/2024	2023/2024	YTD	YTD Q3	2023/2024	2023/2024	2023/2024	2023/2024	Adopted	Q3 Adopted	
		YTD	YTD Q3	YTD	Adopted	Adopted	Adopted	Q1 Adopted	Q2 Adopted	Q3 Adopted	Budget	Forecast	
		Adopted	Adopted	Actual	Budget	Forecast	Budget	Forecast	Forecast	Forecast	Full Year	Full Year	
		Budget	Forecast		Variance	Variance	Budget	Forecast	Forecast	Forecast	Variance	Variance	
					(Fav)/Unfav	(Fav)/Unfav					(Fav)/Unfav	(Fav)/Unfav	
		\$ ' 000	\$ ' 000	\$ ' 000	\$'000	\$'000	\$ ' 000	\$ ' 000	\$ ' 000	\$ ' 000	\$'000	\$'000	
Renewal		35,478	23,209	23,300	(12,178) ▾	92 ▲	37,185	30,885	31,197	28,706	28,675	(8,509) ▾	(31) ▾
Upgrade		6,976	2,470	2,638	(4,338) ▾	167 ▲	10,087	10,692	6,019	4,836	4,867	(5,220) ▾	31 ▲
New		7,861	3,744	3,877	(3,984) ▾	133 ▲	13,883	13,603	11,967	10,652	10,184	(3,699) ▾	(468) ▾
Expansion		1,424	541	500	(924) ▾	(41) ▾	1,794	1,794	1,774	1,733	1,708	(86) ▾	(25) ▾
Project Management Office		1,000	1,295	1,295	295 ▲	0 ▲	1,202	1,202	0	1,489	1,489	287 ▲	0 ▾
<b>Total Capital Works</b>		<b>52,739</b>	<b>31,260</b>	<b>31,611</b>	<b>(21,128)</b>	<b>351</b>	<b>64,151</b>	<b>58,177</b>	<b>50,957</b>	<b>47,416</b>	<b>46,924</b>	<b>(17,227)</b>	<b>(492)</b>

## Notes to the Capital Works Statement for period ended April 2024

1	<b>Bridges</b> Projected Full Year has decreased by \$402k since 2023/2024 Adopted Budget. This favourable variance is due to the Watt Rd Bridge and Toolamba Bridge upgrade investigations moving into future financial year operating budget.
2	<b>Buildings</b> Projected Full Year has decreased by \$282k since 2023/2024 Adopted Budget. This favourable variance is mostly due to a reallocation to Recreational Leisure and Community Facilities, for the construction of the Tatura Park Fire Services system (\$280k).
3	<b>Computer and Telecommunications</b> Projected Full Year has decreased by \$255k since 2023/2024 Adopted Budget. This favourable variance is mostly due to savings in the Desktop Virtualisation (Desktop refresh) project (\$144k) and Firewall Upgrade (\$50k). It is also impacted by the UPS and Battery Replacement project (\$72k) which has been reallocated to operating due to the expense now being under a lease arrangement.
4	<b>Drainage</b> Projected Full Year is \$1.84m less than 2023/2024 Adopted Budget. This favourable variance is primarily due to the Margaret Street Pump Station Upgrade being rebudgeted into the 2024/2025 financial year (\$2.41m), due to unanticipated electrical capacity upgrades to be completed by Powercor.
5	<b>Parks, Open Space and Streetscape</b> Projected Full Year is \$286k less than Q3 Adopted Forecast. This favourable variance is mostly due to changes in the scope of the South Growth Corridor Edgewater Estate Landscaping project (\$120k). Projected Full Year is \$2.49m less than 2023/2024 Adopted Budget. This favourable variance is mostly due to Seven Creeks Cormorant Park (developer contribution project) \$1.75m rebudgeted into future financial years, due to slowing land sales delaying the next stage of the project. It is also impacted by adjustments to the works in kind agreement for the North East Growth Corridor preparation works (\$249k) as well as savings in playground and border renewals (\$166k) resulting from some items within the renewal schedule not being due for replacement (e.g. replaced as a result of flood damage from October 2022 floods). These items will be delivered in the future when required.
6	<b>Plant Machinery &amp; Equipment</b> Projected Full Year \$1.01m less than 2023/2024 Adopted Budget. This favourable variance is primarily due to the timing of delivery of plant items and the rebudget of the landfill compactor and private use vehicle renewals into the 2024/2025 financial year.
7	<b>Recreational Leisure and Community Facilities</b> Projected Full Year is \$719k more than 2023/2024 Adopted Budget. This unfavourable variance is mostly due to the reallocation of the Tatura Park Fire Services Project from building renewals and an increase in the total cost to accommodate the required scope of works as determined by Fire Services Victoria (\$708k), and inclusion of the re-design of the Shepparton Sports and Events Centre project (\$198k) to accommodate a staged approach.
8	<b>Roads</b> Projected Full Year is \$8m less than 2023/2024 Adopted Budget. This favourable variance is primarily due to the revised October 2022 Floods Sealed Road Remediation program, as the associated works were reduced from earlier anticipations to ensure the work completed complied with the Disaster Recovery Funding Arrangement (DRFA) eligibility requirements.
9	<b>Waste Management</b> Projected Full Year is \$3.72m less than 2023/2024 Adopted Budget. This favourable variance is due to the abandonment of the Shepparton and Ardmona Resource Recovery Centres upgrade projects (\$2.73m), due to the unavailability of external funding to support this project. This favourable variance is also impacted by savings in the kerbside transition program (\$968k) due to the purchase of the purple lid bins being less than originally anticipated.
10	<b>Project Management Office</b> Projected Full Year is \$287k more than 2023/2024 Adopted Budget. This unfavourable variances is due to full project management team not fully reflected in original 2023/2024 Adopted Budget



Greater Shepparton City Council  
**Operating Statement**  
period ended April 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				
	2023/2024	2023/2024	2023/2024	YTD	YTD Q3	2023/2024	2023/2024	2023/2024	Adopted	Q3 Adopted
	YTD	YTD	YTD	Adopted	Adopted	Adopted	Q3 Adopted	Projected	Budget	Forecast
	Adopted	Q3 Adopted	Actuals	Budget	Forecast	Budget	Forecast	Full Year	Variance	Variance
	Budget	Forecast		Variance	Variance				(Fav)/Unfav	(Fav)/Unfav
	\$'000	\$'000	\$'000	(Fav)/Unfav	(Fav)/Unfav	\$'000	\$'000	\$'000	\$	\$
				\$	\$					
<b>Revenues from Operating Activities</b>										
Rates and Charges	91,729	91,850	92,307	(578) ▬	(457) ▬	91,773	92,185	92,389	(616) ▬	(203) ▬
Statutory Fees	4,102	3,933	3,987	115 ▬	(54) ▬	4,751	4,702	4,806	(55) ▬	(104) ▬
User Charges*	15,510	12,748	12,910	2,600 ▼	(163) ▬	19,993	17,550	16,268	3,725 ▼	1,282 ▬
Operating Grants*	9,840	10,489	11,026	(1,185) ▲	(537) ▬	28,732	30,074	30,277	(1,545) ▬	(203) ▬
Operating Contributions*	851	889	941	(90) ▬	(52) ▬	876	1,572	1,809	(932) ▲	(237) ▲
Other Income*	1,814	2,791	2,866	(1,052) ▲	(75) ▬	1,958	3,085	3,295	(1,337) ▲	(210) ▬
<b>Total Operating Revenue</b>	<b>123,848</b>	<b>122,700</b>	<b>124,038</b>	<b>(190)</b>	<b>(1,338)</b>	<b>148,083</b>	<b>149,168</b>	<b>148,844</b>	<b>(761)</b>	<b>324</b>
<b>Expenses from Operating Activities</b>										
Employee Costs*	48,679	45,362	45,635	(3,044) ▬	274 ▬	59,064	57,950	56,697	(2,367) ▬	(1,253) ▬
Materials and Services*	43,565	42,461	43,151	(414) ▬	690 ▬	52,637	56,693	57,316	4,679 ▬	623 ▬
Bad & Doubtful Debts	32,413	32,918	33,585	1,172 ▬	666 ▬	39,593	40,314	40,314	720 ▬	0 ▬
Depreciation	440	347	371	(68) ▬	25 ▬	573	573	573	0 ▬	0 ▬
Amortisation	235	282	282	47 ▬	(0) ▬	354	354	354	0 ▬	0 ▬
Borrowing Costs	401	526	373	(27) ▬	(152) ▼	628	635	635	7 ▬	0 ▬
Finance Costs - Leases	1,620	755	1,756	136 ▬	1,001 ▲	1,620	1,620	1,620	0 ▬	0 ▬
Other Expenses	599	569	576	(23) ▬	7 ▬	704	710	712	8 ▬	2 ▬
<b>Total Operating Expenses</b>	<b>127,951</b>	<b>123,219</b>	<b>125,730</b>	<b>(2,222)</b>	<b>2,511</b>	<b>155,173</b>	<b>158,848</b>	<b>158,221</b>	<b>3,047</b>	<b>(627)</b>
<b>ADJUSTED OPERATING RESULT SURPLUS/(DEFICIT)</b>	<b>(4,104)</b>	<b>(519)</b>	<b>(1,692)</b>	<b>(2,412)</b>	<b>1,173</b>	<b>(7,091)</b>	<b>(9,681)</b>	<b>(9,377)</b>	<b>2,286</b>	<b>(303)</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.

**Projects excluded from the Operating Statement**

October 2022 Flood Event
Grants - Operating
Contributions - Monetary
Employee Costs
Materials and Services
<b>SUBTOTAL - Flood</b>
Office handset renewal
Orrvale Rd and Poplar Ave Roundabout Enabling Works
Rain Event - June 2023
<b>SUBTOTAL - Non-recurrent Operating</b>
Benalla Road upgrade - Florence Street slip lane
Stadium/Munarra utilities upgrade
Edgewater Estate Intersection
Wheeler St - New Dookie Rd Intersection
Numurkah Road/Hawkins St Intersection
Murchison-Toolamba Community Hub Design
V/Line Associated Works
<b>SUBTOTAL - Non-Council Assets</b>
<b>Total excluded from Operating Statement</b>

INCOME			
2023/2024 Adopted Budget \$'000	2023/2024 Q3 Adopted Forecast \$'000	2023/2024 Projected Full Year \$'000	2023/2024 YTD Actuals \$'000
1,068	110	0	0
0	2,945	4,494	3,557
0	0	0	0
0	0	0	0
<b>1,068</b>	<b>3,055</b>	<b>4,494</b>	<b>3,557</b>
0	0	0	0
0	0	0	0
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
0	149	316	0
0	147	147	0
0	0	0	0
0	167	167	0
0	0	0	0
0	0	0	0
<b>0</b>	<b>464</b>	<b>630</b>	<b>0</b>
<b>1,068</b>	<b>3,519</b>	<b>5,125</b>	<b>3,557</b>

EXPENSE			
2023/2024 Adopted Budget \$'000	2023/2024 Q3 Adopted Forecast \$'000	2023/2024 Projected Full Year \$'000	2023/2024 YTD Actuals \$'000
0	0	0	0
0	0	0	0
333	265	265	284
1,735	2,183	2,225	1,866
<b>2,068</b>	<b>2,448</b>	<b>2,490</b>	<b>2,150</b>
40	225	231	231
173	15	15	11
0	0	0	65
<b>213</b>	<b>240</b>	<b>246</b>	<b>308</b>
0	449	456	456
0	0	0	0
1,600	204	264	6
0	7	7	7
100	100	100	22
80	80	80	57
500	0	0	0
<b>2,280</b>	<b>840</b>	<b>907</b>	<b>548</b>
<b>4,561</b>	<b>3,529</b>	<b>3,644</b>	<b>3,006</b>

The impact of the October 2022 Flood Event on Council's financial position has continued into the 2023/2024 financial year. Funding opportunities and recovery expenditure will continue to be monitored. The figures included in these tables are only those for the 2023/2024 financial year, and as at the end of April, the following income and expenditure areas were impacted:

- Grants - Operating** - Projected Full Year has decreased by \$110k since Q3 Adopted Forecast. This unfavourable variance is mostly due to Connecting Community to Builders recruitment for a project officer not commencing until finalisation of planning structure.
- Operating Contributions** - Projected Full Year has increased by \$1.55m since Q3 Adopted Forecast. This favourable variance is mainly due to insurance claim for property damage relating to October 2022 Flood Event (\$1.5m) and additional contribution for the Goulburn Riverbank Stabilisation (\$50k).
- Employee Costs** - Employee costs relates to the EMV Community Recovery Officer program.
- Materials and Services** - YTD expenditure mostly relates to insurance related works (\$1.25m) with the remaining expenditure related to grant income received in the prior financial year.
- Capital** - Note Council has also undertaken \$8.83m of sealed roads remediation works which is not captured in the above, as these works are capital works and therefore not included in the income statement. YTD expenditure of the sealed roads remediation works is \$8.83m.

## Greater Shepparton City Council

**Capital Summary**

period ended April 2024

	YEAR TO DATE					FULL YEAR				
	2023/2024 YTD Adopted Budget	2023/2024 YTD Q3 Adopted Forecast	2023/2024 YTD Actual	YTD Adopted Budget Variance (Fav)/Unfav	YTD Q3 Adopted Forecast Variance (Fav)/Unfav	2023/2024 Adopted Budget	2023/2024 Q3 Adopted Forecast	2023/2024 Projected Full Year	Adopted Budget Variance (Fav)/Unfav	Q3 Adopted Forecast Variance (Fav)/Unfav
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Capital Income</b>										
Capital Grants	18,151	3,181	3,318	14,833 ▼	(136) ▬	21,321	15,847	14,764	6,558 ▼	1,083 ▬
Capital Contributions	383	365	706	(323) ▲	(342) ▲	2,192	1,784	771	1,421 ▼	1,013 ▼
Proceeds from Sale of Assets	339	1,168	1,411	(1,072) ▲	(243) ▲	1,147	1,147	1,430	(284) ▲	(284) ▲
<b>Total Capital Income</b>	<b>18,873</b>	<b>4,715</b>	<b>5,435</b>	<b>13,438</b>	<b>(721)</b>	<b>24,660</b>	<b>18,777</b>	<b>16,965</b>	<b>7,695</b>	<b>1,812</b>
<b>Capital Expenditure</b>										
Renewal	35,478	23,209	23,300	(12,178) ▼	92 ▬	37,185	31,197	28,675	(8,509) ▼	(2,521) ▬
Upgrade	6,976	2,470	2,638	(4,338) ▼	167 ▬	10,087	6,019	4,867	(5,220) ▼	(1,152) ▼
New	7,861	3,744	3,877	(3,984) ▼	133 ▬	13,883	11,967	10,184	(3,699) ▼	(1,783) ▼
Expansion	1,424	541	500	(924) ▼	(41) ▬	1,794	1,774	1,708	(86) ▬	(65) ▬
Project Management Office	1,000	1,295	1,295	295 ▲	0 ▬	1,202	0	1,489	287 ▲	1,489 ↑↑
<b>Total Capital Expenditure</b>	<b>52,739</b>	<b>31,260</b>	<b>31,611</b>	<b>(21,128)</b>	<b>351</b>	<b>64,151</b>	<b>50,957</b>	<b>46,924</b>	<b>(17,227)</b>	<b>(4,033)</b>