

Greater Shepparton City Council

MONTHLY FINANCIAL REPORT

May 2024

Overview

The May 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 Operating Result is projecting to be a deficit of \$0.02m. This improvement on previous months is mostly due to additional insurance claim income for property damage relating to October 2022 Flood Event and March 2023 storm event.
- In accordance with the Reserve Accounting Policy adopted by Council at the May Ordinary Council Meeting, approximately \$4m of property settlement income received this financial year from the October 2022 Floods, will be transferred to a reserve to be spent in future financial years.
- Council has completed 79% of the Projected Full Year Forecast capital works. This includes \$20.3 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 \$3.04m to \$44.37m largely due to project cost reductions and rebudgets into future financial years. Further explanation is provided in the notes to the Capital Works Statement.

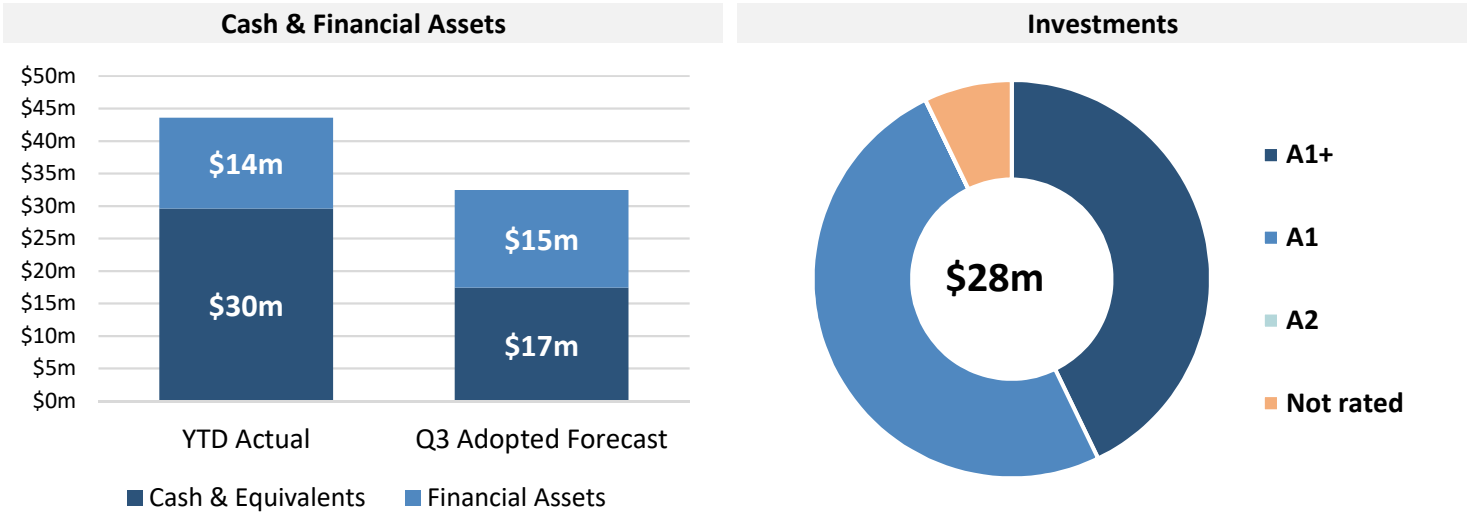
Financial Sustainability Indicators

Operating Result (Internal Non-Audited Indicator)

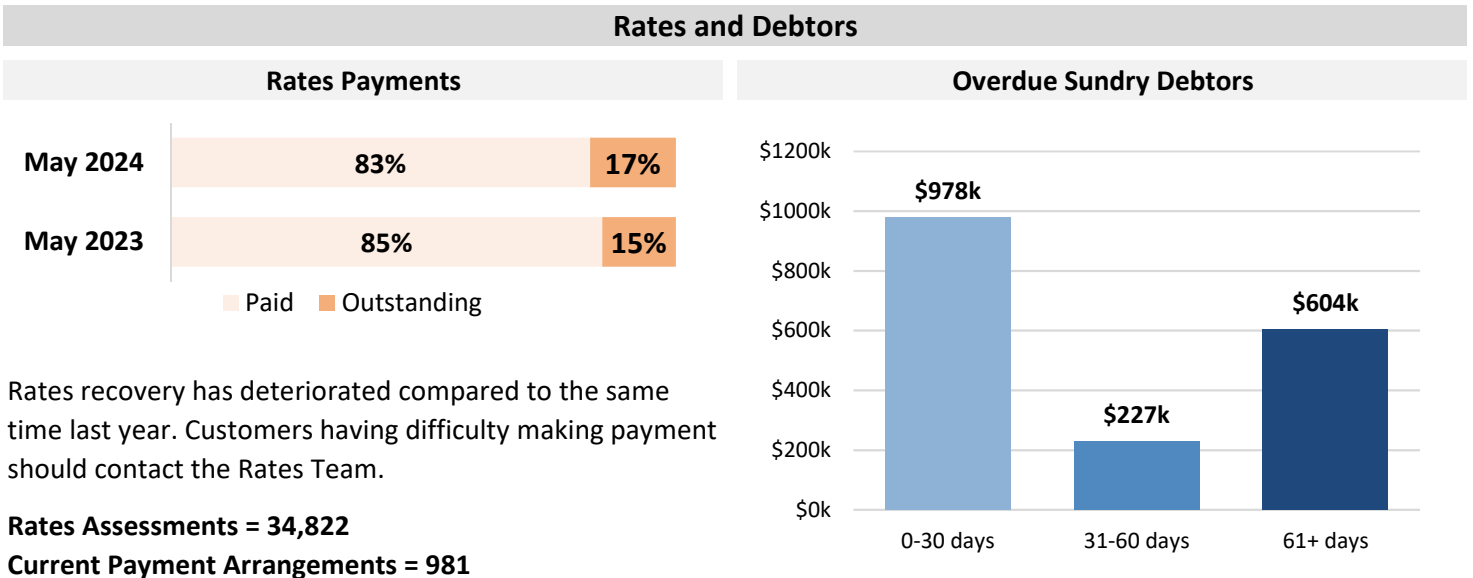
	Adopted Budget	Q3 Adopted Forecast	Projected Full Year
Accounting Result	31.9	8.1	6.7
Less Capital & Non Operating Items	(39.8)	(29.3)	(23.0)
Adjusted Underlying Result	(7.8)	(21.2)	(16.3)
Adjust for early receipt of 2023/2024 Federal Financial Assistance Grants	0.0	16.3	16.3
Operating Result Surplus/(Deficit)	(7.8)	(4.9)	(0.0)

Financial Plan 2021-2031 Indicators

Indicator	Financial Plan Target	Adopted Budget	Q3 Adopted Review	Projected Full Year
% Adjusted Underlying Result	As above (greater than 0%)	(5.2%)	(15.3%)	(11.4%)
Capital Renewal & Upgrade / Depreciation	Ensure sufficient spend on renewing/ upgrading existing assets (greater than 100%)	119%	83%	79%
Liquidity	Maintain sufficient working capital to meet obligations as they fall due (greater than 100%)	139%	161%	N/A

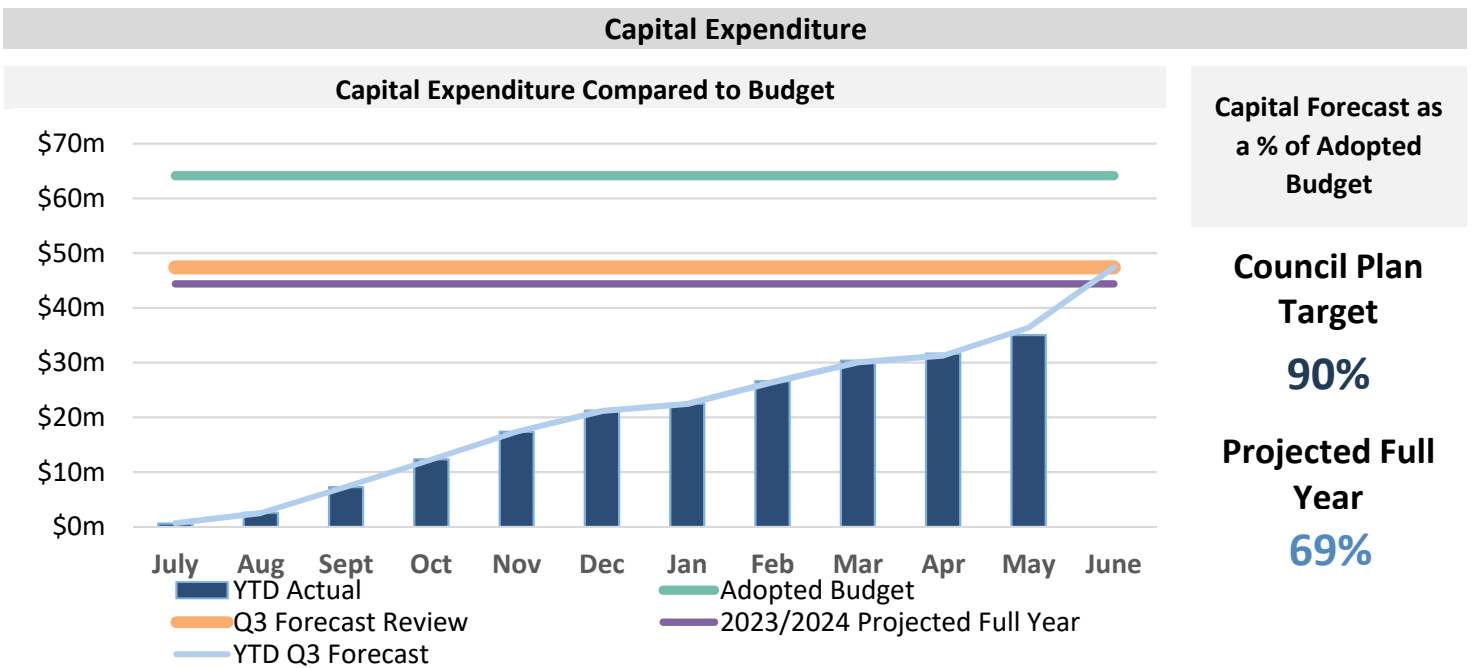


Total cash and financial assets is expected to reduce in the lead up to end of financial year. At May 2024, Council had \$28m invested. The weighted average interest rate of investments is 4.79% with YTD interest earned of \$1.6m. Stable cash rates are continuing to influence the investment yield.



Rates recovery has deteriorated compared to the same time last year. Customers having difficulty making payment should contact the Rates Team.

Rates Assessments = 34,822
Current Payment Arrangements = 981



Greater Shepparton City Council
Income Statement
period ended May 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	Q1 Adopted	Q2 Adopted	Q3 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
Revenues from Operating Activities												
Rates and Charges	91,731	91,864	92,301	(570) ▫	(437) ▫	91,773	91,910	92,185	92,101	92,389	(616) ▫	(287) ▫
Statutory Fees and Fines	4,462	4,318	4,449	13 ▫	(131) ▫	4,751	4,702	4,702	4,732	5,125	(374) ▫	(393) ▫
User Fees	16,990	14,177	14,579	2,411 ▼	(402) ▫	19,993	19,724	17,550	16,366	16,168	3,825 ▼	198 ▫
Grants - Operating	10,667	11,508	12,982	(2,315) ▲	(1,473) ▲	29,800	13,933	14,349	14,051	14,582	15,218 ▼	(531) ▫
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	864	3,050	5,064	(4,200) ▲	(2,014) ▲	876	3,801	4,467	4,601	8,920	(8,044) ▲	(4,319) ▲
Other Income	1,875	2,951	3,142	(1,267) ▲	(191) ▫	1,958	2,489	3,085	3,192	3,274	(1,316) ▲	(82) ▫
Total Operating Revenue	128,217	129,380	134,029	(5,812)	(4,648)	150,778	138,187	139,476	138,182	143,596	7,182	(5,414)
Expenses from Operating Activities												
Employee Costs	54,042	50,371	51,150	(2,891) ▫	780 ▫	59,397	59,573	58,215	56,636	56,324	(3,073) ▫	(312) ▫
Materials and Services	50,884	51,076	51,581	697 ▫	505 ▫	56,866	58,340	59,957	59,709	60,806	3,941 ▫	1,098 ▫
Depreciation	35,883	36,444	37,102	1,218 ▫	658 ▫	39,593	39,593	40,314	40,314	40,314	720 ▫	0 ▫
Amortisation - Leases and Intangibles	450	347	521	71 ▫	174 ▲	573	573	573	573	573	0 ▫	0 ▫
Bad & Doubtful Debts	235	282	282	47 ▫	(0) ▫	354	354	354	354	354	0 ▫	0 ▫
Borrowing Costs	424	578	596	172 ▼	18 ▫	628	628	635	635	635	7 ▫	0 ▫
Net Loss on Disposal of Assets	1,281	(414)	589	(692) ▲	1,003 ▫	473	473	473	451	190	(284) ▼	(261) ▼
Finance Costs - Leases	6	7	6	0 ▫	(0) ▫	7	7	7	7	7	0 ▫	0 ▫
Other Expenses	645	638	631	(14) ▫	(8) ▫	704	727	710	712	713	9 ▫	1 ▫
Total Operating Expenses	143,851	139,328	142,458	(1,393)	3,130	158,595	160,268	161,237	159,390	159,916	1,321	526
ADJUSTED UNDERLYING RESULT	(15,634)	(9,948)	(8,429)	(7,204)	(1,519)	(7,817)	(22,081)	(21,761)	(21,208)	(16,320)	8,502	(4,888)
Non-operating Income and Expenditure												
Grants - Capital Non Recurrent	16,524	1,670	1,814	14,710 ▼	(144) ▲	19,694	14,566	12,708	11,594	11,633	8,061 ▼	(39) ▫
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	10,612	7,263 ▼	6,598 ▼
Other Income (Capital)	0	0	7	(7) ▫	(7) ▼	0	0	0	7	7	(7) ▫	0 ↑
Total Non Operating Items	34,782	7,404	7,897	26,886	(493)	39,762	34,631	31,702	29,286	23,023	16,739	6,263
ACCOUNTING SURPLUS/(DEFICIT)	19,149	(2,544)	(533)	19,681	(2,012)	31,945	12,550	9,941	8,078	6,703	25,241	1,374

Notes to the Income Statement for period ended May 2024

1	User Fees Projected Full Year has decreased by \$3.83m since the 2023/2024 Adopted Budget. This unfavourable variance is mostly due to lower than anticipated commercial waste volumes at Cosgrove Landfill (\$2.57m), and a reduction in income for Council's long day care centres (\$1.5m). This is mainly due to lower utilisation caused by staff shortages.
2	Grants - Operating is \$1.47m more than YTD Q3 Adopted Forecast. This favourable variance is mostly due to additional funding received from the Council Flood Support Fund for the January 2024 flood and rain event (\$500k). This favourable variance is also impacted by additional funding for Maternal and Child Health (\$132k) and Children Services (\$102k), as well as the timing of grant funding for the Wheeler St - New Dookie Rd Intersection (\$167k), completed in 2022/2023. 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	Grants - Capital Recurrent 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	Contributions - Monetary is \$2.01m more than YTD Q3 Adopted Forecast. Projected Full Year is \$4.32m more than Q3 Adopted Forecast and \$8.04m 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	Other income Projected Full Year has increased by \$1.32m since 2023/2024 Adopted Budget. This favourable variance is mostly due to higher than projected treasury investment income (\$744k), an increase in the forecast for fuel rebate from council fleet (\$120k), and an increase in expected income for SAM Building cleaning costs (\$354k).
6	Employee Cost Projected Full Year has decreased by \$3.07m since 2023/2024 Adopted Budget. This favourable variance is primarily due to vacant positions across the organisation. A large portion of this relates to Early Childhood Education (\$820k), Maternal and Child Health (\$773k), Works (\$470k) and Building Services (\$318k).
7	Materials & Services Projected Full Year has increased by \$1.10m since Q3 Adopted Forecast. This unfavourable variance is mostly due to an increase in legal fee expenditure (\$591k), mostly relating to the length and complexity of VCAT hearings for Strategic and Statutory Planning, as well as an increase in reactive building maintenance (\$522k). Projected Full Year has increased by \$3.94m since 2023/2024 Adopted Budget. This unfavourable variance is mostly due to expenditure relating to the October 2022 flood event (\$1.45m) 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 (\$1.24m).
8	Net Loss on Disposal of Assets is \$1m more than YTD Q3 Adopted Forecast. This unfavourable variance is mostly due to the write off of plant items sold or disposed of during the financial year (\$780k).
9	Grants - Capital Non Recurrent Projected Full Year has reduced by \$8.06m 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.
10	Contributions - Monetary (Capital) 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 31 May 2024

	FULL YEAR					YEAR TO DATE	MOVEMENT
	Total	Adopted	Q1 Adopted	Q2 Adopted	Q3 Adopted	YTD	June 2023
	Actual June 2023 \$ ' 000	Budget June 2024 \$ ' 000	Forecast June 2024 \$ ' 000	Forecast June 2024 \$ ' 000	Forecast June 2024 \$ ' 000	Actual May 2024 \$ ' 000	vs. YTD Actual (Fav)/Unfav \$ ' 000
Current Assets							
Cash and Cash Equivalent	37,376	14,269	16,197	15,610	17,456	29,576	7,800
Receivables	16,609	13,725	13,609	13,517	13,200	21,033	(4,423)
Other Financial Assets	12,000	10,000	9,000	15,000	15,000	14,000	(2,000)
Inventories	125	159	125	125	125	211	(86)
Assets Held for Resale	454	-	454	-	-	189	264
Other Assets	3,095	1,804	1,723	1,723	1,723	820	2,275
Total Current Assets	69,658	39,957	41,107	45,975	47,504	65,828	3,830
Non Current Assets							
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	1,327,426	(1,516)
Intangible Assets	36,511	31,749	36,061	36,061	36,061	36,137	375
Right-of-use Assets	262	123	139	139	139	132	130
Total Non Current Assets	1,364,554	1,453,480	1,431,968	1,423,363	1,419,821	1,365,567	(1,013)
Total Assets	1,434,212	1,493,437	1,473,075	1,469,338	1,467,325	1,431,395	2,816
Current Liabilities							
Trade & Other Payables	15,297	9,588	9,725	9,746	9,596	14,103	(1,193)
Trust Funds	6,047	5,103	6,047	6,047	6,047	7,633	1,586
Provisions	10,616	10,721	10,616	10,621	10,621	10,212	(403)
Interest Bearing Liabilities	2,870	3,221	3,221	3,155	3,155	730	(2,140)
Lease Liabilities	146	133	133	133	133	11	(135)
Total Current Liabilities	34,975	28,766	29,742	29,702	29,552	32,689	(2,286)
Non Current Liabilities							
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	-
Total Non Current Liabilities	34,845	38,272	33,243	32,610	32,610	34,846	1
Total Liabilities	69,820	67,038	62,986	62,312	62,162	67,535	(2,285)
Net Assets	1,364,392	1,426,399	1,410,089	1,407,026	1,405,163	1,363,860	532
Represented By							
Accumulated Surplus	530,006	547,738	542,556	539,946	538,083	529,474	532
Reserves	834,386	878,661	867,534	867,080	867,080	834,386	-
Total Equity	1,364,392	1,426,399	1,410,089	1,407,026	1,405,163	1,363,860	532

Greater Shepparton City Council
Cash Flow Statement
for period ended May 2024

	FULL YEAR					YEAR TO DATE
	Total	Adopted	Q1 Adopted	Q2 Adopted	Q3 Adopted	YTD
	Actual June 2023 \$ ' 000	Budget June 2024 \$ ' 000	Forecast June 2024 \$ ' 000	Forecast June 2024 \$ ' 000	Forecast June 2024 \$ ' 000	Actual May 2024 \$ ' 000
Cash flows from operating activities						
Receipts from customers	109,289	116,430	117,927	116,557	115,525	110,363
Payments to suppliers	(119,241)	(118,288)	(120,907)	(121,136)	(119,461)	(107,923)
Net cash inflow(outflow) from customers(suppliers)	(9,952)	(1,858)	(2,980)	(4,579)	(3,935)	2,440
Interest received	838	896	1,342	1,481	1,640	1,515
Government receipts	49,782	50,634	30,234	30,323	28,970	20,513
Contributions	4,007	3,068	5,991	6,251	5,083	16,973
Net cash inflow(outflow) from operating activities	44,675	52,740	34,587	33,476	31,758	41,440
Cash flows from investing activities						
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	1,426
Infrastructure, property, plant & equipment - payments	(40,652)	(64,125)	(58,177)	(50,958)	(47,416)	(45,739)
Net cash inflow(outflow) from investing activities	(35,796)	(52,978)	(54,030)	(52,811)	(49,247)	(46,313)
Cash flows from financing activities						
Finance Cost	(722)	(618)	(618)	(617)	(617)	(630)
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)	(2,140)
Interest Paid - Lease Liability	(11)	(7)	(7)	(7)	(7)	(6)
Repayment of Lease Liability	(235)	(129)	(146)	(146)	(146)	(151)
Net cash inflow(outflow) from financing activities	(3,748)	(1,720)	(1,737)	(2,431)	(2,431)	(2,928)
Net increase(decrease) in cash and equivalents	5,131	(1,958)	(21,179)	(21,766)	(19,920)	(7,800)
Cash and equivalents at the beginning of the year	32,245	16,254	37,376	37,376	37,376	37,376
Cash and equivalents at the end of the year	37,376	14,296	16,197	15,610	17,456	29,576

Greater Shepparton City Council
Capital Works Statement
 period ended May 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	
Aerodrome		175	97	102	(73) ▾	5 ▾	175	175	108	97	141	(34) ▾	44 ▾
Bridges	1	2,014	591	490	(1,524) ▾	(100) ▾	2,144	2,142	2,142	1,742	1,231	(913) ▾	(511) ▾
Buildings	2	2,004	1,390	1,186	(819) ▾	(204) ▾	2,096	2,228	2,220	1,814	1,687	(409) ▾	(127) ▾
Computer & Telecommunications	3	566	295	208	(358) ▾	(87) ▾	676	687	687	421	334	(341) ▾	(86) ▾
Drainage	4	2,621	1,025	259	(2,362) ▾	(766) ▾	4,126	4,126	2,835	2,296	2,154	(1,972) ▾	(142) ▾
Fixture Fittings and Furniture		55	86	86	31 ▾	0 ▾	55	90	90	90	97	42 ▾	8 ▾
Footpaths & Cycleways	5	2,973	2,194	1,955	(1,018) ▾	(239) ▾	3,225	3,225	3,208	3,094	2,636	(589) ▾	(458) ▾
Land		0	26	17	17 ▾	(9) ▾	0	0	0	26	26	26 ▾	0 ▾
Land Improvements		40	16	38	(2) ▾	22 ▾	163	140	178	68	66	(97) ▾	(1) ▾
Parks, Open Space & Streetscape	6	4,096	2,632	2,452	(1,644) ▾	(181) ▾	6,022	5,739	3,988	3,822	3,645	(2,376) ▾	(177) ▾
Plant Machinery & Equipment	7	5,676	3,480	3,565	(2,112) ▾	85 ▾	5,976	6,121	6,121	5,147	4,997	(979) ▾	(150) ▾
Recreational Leisure and Community Facilities	8	2,235	1,024	883	(1,351) ▾	(140) ▾	2,359	2,412	2,543	3,117	2,614	255 ▾	(503) ▾
Roads	9	29,561	20,344	20,299	(9,262) ▾	(45) ▾	30,131	24,011	23,002	22,167	21,288	(8,843) ▾	(879) ▾
Waste Management	10	2,034	1,471	1,787	(247) ▾	315 ▾	5,186	5,302	2,052	1,471	1,471	(3,715) ▾	0 ▾
Other Infrastructure		333	258	270	(63) ▾	12 ▾	615	578	581	557	497	(118) ▾	(60) ▾
Project Management Office	11	1,100	1,415	1,411	311 ▾	(5) ▾	1,202	1,202	1,202	1,489	1,489	287 ▾	0 ▾
Total Capital Works		55,484	36,344	35,007	(20,476)	(1,336)	64,151	58,177	50,957	47,416	44,374	(19,777)	(3,042)
Capital Works Area		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		Variance	Variance						(Fav)/Unfav	(Fav)/Unfav
		(Fav)/Unfav	(Fav)/Unfav		(Fav)/Unfav	(Fav)/Unfav						\$'000	\$'000
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Renewal		36,584	25,229	24,468	(12,116) ▾	(761) ▾	37,185	30,885	31,197	28,706	27,650	(9,535) ▾	(1,056) ▾
Upgrade		8,288	2,779	2,773	(5,515) ▾	(6) ▾	10,087	10,692	6,019	4,836	4,175	(5,912) ▾	(661) ▾
New		8,078	6,137	5,650	(2,428) ▾	(487) ▾	13,883	13,603	11,967	10,652	10,018	(3,864) ▾	(633) ▾
Expansion		1,434	784	706	(728) ▾	(78) ▾	1,794	1,794	1,774	1,733	1,041	(753) ▾	(692) ▾
Project Management Office		1,100	1,415	1,411	311 ▾	(5) ▾	1,202	1,202	0	1,489	1,489	287 ▾	0 ▾
Total Capital Works		55,484	36,344	35,007	(20,476)	(1,336)	64,151	58,177	50,957	47,416	44,374	(19,777)	(3,042)

Notes to the Capital Works Statement for period ended May 2024

1	Bridges is \$100k less than YTD Q3 Adopted Forecast. This favourable variance is mostly due to the timing of works for the major culvert renewal on Stewarton Road Dookie (\$150k) and Bridge Road Caniambo (\$116k). Projected Full Year has decreased by \$913k since 2023/2024 Adopted Budget and \$511k since Q3 Adopted Forecast. These favourable variances are mostly due to the rebudget of the Merrigum - Ardmona Major Culvert renewal into the 2024/2025 financial year and well as the Watt Road Bridge and Toolamba Bridge upgrade investigations (\$400k) moving into future financial years operating budget.
2	Buildings is \$204k less than YTD Q3 Adopted Forecast. This favourable variance is mostly due to the timing of Building Renewals works. Projected Full Year is \$409k less than the 2023/2024 Adopted Budget. This favourable variance is mostly due to reallocating \$280k to Recreational Leisure and Community Facilities for the Tatura Park Fire Services system. The variance is also impacted by the rebudget of part of the public toilet replacement program (\$64k) into the 2024/2025 financial year due to powercor electrical requirements at the Cussen Park site, as well as savings in the 2030 Zero Emissions Projects (\$63k) due to items of the program being picked up as part of other capital projects, for example sustainable materials used in road and path renewals.
3	Computer and Telecommunications Projected Full Year has decreased by \$341k since 2023/2024 Adopted Budget. This favourable variance is mostly due to savings in the Desktop Virtualisation (Desktop refresh) project (\$139k) and Firewall Upgrade (\$50k). This favourable variance is also impacted by reduction in the cost of plotter replacements (\$85k) as well as the UPS and Battery Replacement project (\$72k) being reallocated to operating due to the expense now being under a lease arrangement.
4	Drainage is \$766k less than YTD Q3 Adopted Forecast. This favourable variance is mostly due to the timing of settlement for the land purchase associated with the South West Retention Basin (\$679k). Projected Full Year is \$1.97m 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 (\$2.4m), due to unanticipated electrical capacity upgrades to be completed by Powercor.
5	Footpaths & Cycleways is \$239k less than YTD Q3 Adopted Forecast. Projected Full Year is \$589k less than the Adopted Budget and \$458k less than Q3 Adopted Forecast. These favourable variances are mostly due to the rebudget of projects into the 2024/2025 financial year including the Lauriston Estate St Lukes Shared Path (\$250k) and the South Growth Corridor Riverwood shared path (\$50k). The variance is also favourably impacted by a reduction in the expected cost for the Yanha Gurtji Shared Path Route 1 (\$171k).
6	Parks, Open Space and Streetscape Projected Full Year is \$177k less than Q3 Adopted Forecast. This favourable variance is mostly due to the rebudget of the Bike Jumps investigation and design (\$200k) into the 2024/2025 financial year. Projected Full Year is \$2.38m 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. This favourable variance 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.
7	Plant Machinery & Equipment Projected Full Year is \$979k less than 2023/2024 Adopted Budget and \$150k less than Q3 Adopted Forecast. These favourable variances are 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.
8	Recreational Leisure and Community Facilities is \$140k less than YTD Q3 Adopted Forecast and Projected Full Year is \$503k less than Q3 Adopted Forecast. These favourable variances are mostly due to the rebudget of projects into the 2024/2025 financial year including the Tatura Park Outdoor Sand Arena Fence (\$269k), the Shepparton Sports and Events Centre Stage 1 (\$198k) and Sports Infrastructure Renewals (\$44k). Projected Full Year is \$255k more than the 2023/2024 Adopted Budget. This unfavourable variance is primarily 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). This is partially offset by the rebudget of the Tatura Park Western Oval Lighting upgrade (\$308k) due to an unsuccessful funding outcome. This project will now be delivered as part of the 2024/2025 capital works program and associated funding.
9	Roads Projected Full Year is \$8.84m less than 2023/2024 Adopted Budget. This favourable variance is mostly 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.
10	Waste Management 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.
11	Project Management Office 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 May 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
			(Fav)/Unfav	(Fav)/Unfav				(Fav)/Unfav	(Fav)/Unfav	
	\$'000	\$'000	\$'000	\$	\$	\$'000	\$'000	\$'000	\$	\$
Revenues from Operating Activities										
Rates and Charges	91,731	91,864	92,301	(570) ▬	(437) ▬	91,773	92,185	92,389	(616) ▬	(203) ▬
Statutory Fees	4,462	4,318	4,449	13 ▬	(131) ▬	4,751	4,702	5,125	(374) ▬	(423) ▬
User Charges*	16,990	14,177	14,579	2,411 ▼	(402) ▬	19,993	17,550	16,168	3,825 ▼	1,382 ▬
Operating Grants*	10,667	11,045	12,315	(1,648) ▲	(1,270) ▲	28,732	30,074	29,751	(1,018) ▬	324 ▬
Operating Contributions*	864	105	1,191	(327) ▲	(1,086) ▲	876	1,572	1,828	(951) ▲	(256) ▲
Other Income*	1,875	2,951	3,142	(1,267) ▲	(191) ▬	1,958	3,085	3,274	(1,316) ▲	(189) ▬
Total Operating Revenue	126,590	124,460	127,977	(1,388)	(3,518)	148,083	149,168	148,533	(451)	634
Expenses from Operating Activities										
Employee Costs*	53,709	50,106	50,842	(2,867) ▬	736 ▬	59,064	57,950	56,059	(3,005) ▬	(1,891) ▬
Materials and Services*	46,659	47,812	48,437	1,778 ▬	625 ▬	52,637	56,693	57,621	4,984 ▬	928 ▬
Bad & Doubtful Debts	35,883	36,444	37,102	1,218 ▬	658 ▬	39,593	40,314	40,314	720 ▬	0 ▬
Depreciation	450	347	521	71 ▬	174 ▲	573	573	573	0 ▬	0 ▬
Amortisation	235	282	282	47 ▬	(0) ▬	354	354	354	0 ▬	0 ▬
Borrowing Costs	424	578	596	172 ▲	18 ▬	628	635	635	7 ▬	0 ▬
Finance Costs - Leases	1,620	755	2,015	395 ▲	1,260 ▲	1,620	1,620	1,620	0 ▬	0 ▬
Other Expenses	645	638	631	(14) ▬	(8) ▬	704	710	713	9 ▬	3 ▬
Total Operating Expenses	139,625	136,962	140,425	800	3,464	155,173	158,848	157,889	2,715	(960)
ADJUSTED OPERATING RESULT SURPLUS/(DEFICIT)	(13,035)	(12,502)	(12,448)	(587)	(54)	(7,091)	(9,681)	(9,355)	2,265	(325)

*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

	INCOME			
	2023/2024 Adopted Budget \$'000	2023/2024 Q3 Adopted Forecast \$'000	2023/2024 Projected Full Year \$'000	2023/2024 YTD Actuals \$'000
October 2022 Flood Event				
Grants - Operating	1,068	110	500	500
Contributions - Monetary	0	2,945	7,093	3,557
Employee Costs	0	0	0	0
Materials and Services	0	0	0	0
SUBTOTAL - Flood	1,068	3,055	7,593	4,057
Office handset renewal	0	0	0	0
Orrvale Rd and Poplar Ave Roundabout Enabling Works	0	0	0	0
Rain Event - June 2023	0	0	0	0
SUBTOTAL - Non-recurrent Operating	0	0	0	0
Benalla Road upgrade - Florence Street slip lane	0	149	316	316
Stadium/Munarra utilities upgrade	0	147	147	0
Edgewater Estate Intersection	0	0	0	0
Wheeler St - New Dookie Rd Intersection	0	167	167	167
Numurkah Road/Hawkins St Intersection	0	0	0	0
Murchison-Toolamba Community Hub Design V/Line Associated Works	0	0	0	0
SUBTOTAL - Non-Council Assets	0	464	630	483
Total excluded from Operating Statement	1,068	3,519	8,223	4,540

	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	308
	1,735	2,183	2,365	2,218
	2,068	2,448	2,630	2,527
	40	225	231	278
	173	15	15	11
	0	0	0	65
	213	240	246	354
	0	449	456	456
	0	0	0	0
	1,600	204	6	6
	0	7	7	7
	100	100	25	22
	80	80	80	80
	500	0	0	0
	2,280	840	574	571
	4,561	3,529	3,450	3,452

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 increased by \$380k since Q3 Adopted Forecast. This favourable variance is due to the receipt of \$500k for the Council Flood Support Fund relating to the January 2024 Flood Event. The previously forecasted Connecting Community to Builders (\$110k) will now be receipted and spent in 24/25 financial year.

Operating Contributions - Projected Full Year has increased by \$4.15m since Q3 Adopted Forecast. This favourable variance is due to insurance claim income for property damage relating to October 2022 Flood Event.

Employee Costs - Employee costs relates to the EMV Community Recovery Officer program.

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 May 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
Capital Income										
Capital Grants	18,151	3,181	3,326	14,825 ▼	(144) ▬	21,321	15,847	14,772	6,550 ▼	1,075 ▬
Capital Contributions	383	365	706	(323) ▲	(342) ▲	2,192	1,784	771	1,421 ▼	1,013 ▼
Proceeds from Sale of Assets	339	1,168	1,426	(1,087) ▲	(257) ▲	1,147	1,147	1,430	(284) ▲	(284) ▲
Total Capital Income	18,873	4,715	5,458	13,415	(743)	24,660	18,777	16,973	7,687	1,804
Capital Expenditure										
Renewal	36,584	25,229	24,468	(12,116) ▼	(761) ▬	37,185	31,197	27,650	(9,535) ▼	(3,547) ▼
Upgrade	8,288	2,779	2,773	(5,515) ▼	(6) ▬	10,087	6,019	4,175	(5,912) ▼	(1,844) ▼
New	8,078	6,137	5,650	(2,428) ▼	(487) ▬	13,883	11,967	10,018	(3,864) ▼	(1,949) ▼
Expansion	1,434	784	706	(728) ▼	(78) ▬	1,794	1,774	1,041	(753) ▼	(732) ▼
Project Management Office	1,100	1,415	1,411	311 ▲	(5) ▬	1,202	0	1,489	287 ▲	1,489 ↑↑
Total Capital Expenditure	55,484	36,344	35,007	(20,476)	(1,336)	64,151	50,957	44,374	(19,777)	(6,583)