

5 April 2017 Monthly Financial Report

Abstract

The Monthly Financial Report for April 2017 is designed to identify and explain any major variances to budget at an organisational level for the period ending 30 April 2017. Council's year to date net operating surplus of \$59.61 million is \$9.18 million or 18% above the September Amended Budget surplus of \$50.43 million. The favourable year to date variance is attributable to a number of factors which are outlined in **Section 2 of Attachment 1**.

Capital works actual expenditure is \$30.50 million compared to a year to date budget of \$38.37 million. Priority projects expenditure of \$9.59 million was achieved, which is \$1.29 million below budget phasing.

Council's Balance Sheet and cash position are sound and depict a satisfactory result. At the end of April, Council's cash position stood at \$128.99 million which has increased by \$34.28 million from June 2016.

Officers' recommendation

That Council resolve to receive and note the Monthly Financial Report for April 2017 (Attachment 1).

**Responsible director: Marilyn Kearney
Corporate Services**

1. Purpose

The purpose of this report is to present to Council the Monthly Financial Report for April 2017. The Monthly Financial Report is designed to identify and explain major variances at an organisational level and is provided in **Attachment 1**.

2. Policy implications and relevance to council plan

This report is consistent with the Council Plan 2013-17 and the Boroondara Public Health and Wellbeing Plan. In particular, the Council Plan theme of Responsible management and the strategic objective "Sound financial and risk management practices are carried out".

3. Background

The year to date annual budget referred to in this report reflects the September 2016 Amended Budget, approved by Council on 12 September 2016 which includes the carry forward funding for 2015-16 priority projects and capital works forward commitments.

4. Outline of key issues/options

Year to date actual vs. year to date September Amended Budget

The year to date operating surplus of \$59.61 million is \$9.18 million or 18% above the September Amended Budget surplus of \$50.43 million.

Balance Sheet and Cash Flow Statement

Cash and investment holdings are \$128.99 million as at 30 April 2017 which has increased by \$34.28 million from June 2016. The Balance Sheet indicates a satisfactory financial position with total current assets of \$156.55 million and total current liabilities of \$32.74 million.

Please refer to **page 9 of Attachment 1** for further detail.

Capital Works

Council's year to date performance in gross capital works expenditure is \$30.50 million which is \$7.87 million below year to date budget phasing of \$38.37 million. It is expected that capital works expenditure will largely catch up to the forecast level by June.

Priority Projects

Council's year to date performance in gross priority project expenditure is \$9.59 million which is \$1.29 million below year to date budget phasing of \$10.88 million.

Refer to **page 3 and 4 of Attachment 1** for graphical representation of capital works and priority projects year to date budget, actual and committed expenditure.

5. Consultation/communication

Consultation with relevant department managers has been undertaken in preparation of the report. The report has also been distributed to the Executive Leadership Team for review and approval.

6. Financial and resource implications

Council's current operating and cash flow position is sound.

7. Governance issues

The implications of this report have been assessed in accordance with the requirements of the Victorian Charter of Human Rights and Responsibilities.

The officers responsible for this report have no direct or indirect interests requiring disclosure.

8. Social and environmental issues

There are no direct impacts resulting from this report.

Manager: Greg Hall, Chief Financial Officer

Report officer: Callista Clarke, Senior Management Accountant

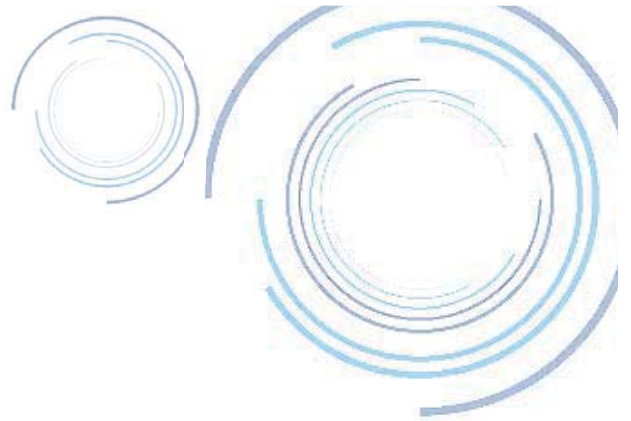
Attachment 1



CITY OF BOROONDARA

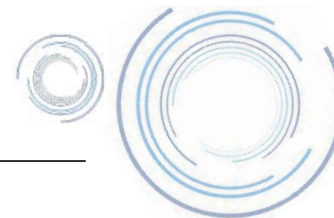
MONTHLY FINANCIAL REPORT

APRIL 2017



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Monthly Financial Report – April 2017

1. Executive Overview

1.1 Introduction and overview

The Monthly Performance Report for April 2017 has been prepared in accordance with Australian Accounting Standards.

This monthly report is designed to identify major variations against the September Amended Budget at an organisational level.

The year to date and Annual Budget referred to in this report reflects the September Amended Budget approved by Council on 12 September 2016 which includes the carry forward funding for 2015-16 priority projects and capital works forward commitments.

1.2 Key financial highlights and overview

Key financial summary	ANNUAL ORIGINAL BUDGET	YTD ACTUAL	YTD SEPTEMBER BUDGET	YTD VARIANCE	YTD VARIANCE	STATUS YTD VARIANCE	FULL YEAR MARCH FORECAST	ANNUAL SEPTEMBER AMENDED BUDGET	FORECAST VARIANCE	STATUS FULL YEAR VARIANCE
	\$'000	(1) \$'000	(2) \$'000	(1) - (2) \$'000	(1) / (2) %		(3) \$'000	(4) \$'000	(3) - (4) \$'000	
Surplus for the year	26,606	59,613	50,433	9,180	18%	✓	26,793	21,908	4,885	✓
Recurrent income	217,010	215,299	210,635	4,664	2%	✓	221,986	218,654	3,332	✓
Recurrent expenditure	179,749	145,212	148,989	3,777	3%	✓	180,139	180,354	215	✓
Capital works										
Expenditure *	59,745	30,500	38,369	7,869	21%	✓	49,630	51,793	2,163	✓
Priority projects										
Expenditure *	9,350	9,587	10,875	1,288	12%	✓	14,374	15,422	(1,048)	✓
Closing cash and investments **	85,618	128,988	105,743	23,245	22%	✓	105,683	98,417	7,266	✓

* Please refer to page 10 and 11 for further explanation of variances.

** Please refer to page 9 for further details and explanation of closing cash and investments.

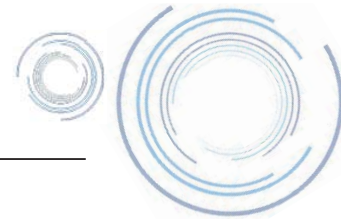
Status legend:

✓	Above budgeted revenue or under budgeted expenditure.
—	Below budgeted revenue or over budgeted expenditure by <10%.
✘	Below budgeted revenue or over budgeted expenditure by >10%.

The overall financial position at 30 April 2017 is satisfactory with a working capital ratio of 4.78 to 1 (including cash contingency for emergency response works and reserve funds of \$12.41 million).

Storm Events - August, September and December 2016

During August, September and December 2016, the City encountered heavy rainfalls more than the median for this period, resulting in an increase in volume of drainage requests. A cash contingency of 0.5% (or \$0.72 million) of general rate revenue has been provided for works in response to emergency situations. Actual expenditure as at 30 April 2017 is \$210,000. Considering these events, the cash contingency will be reduced to \$508,000.



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Surplus Result

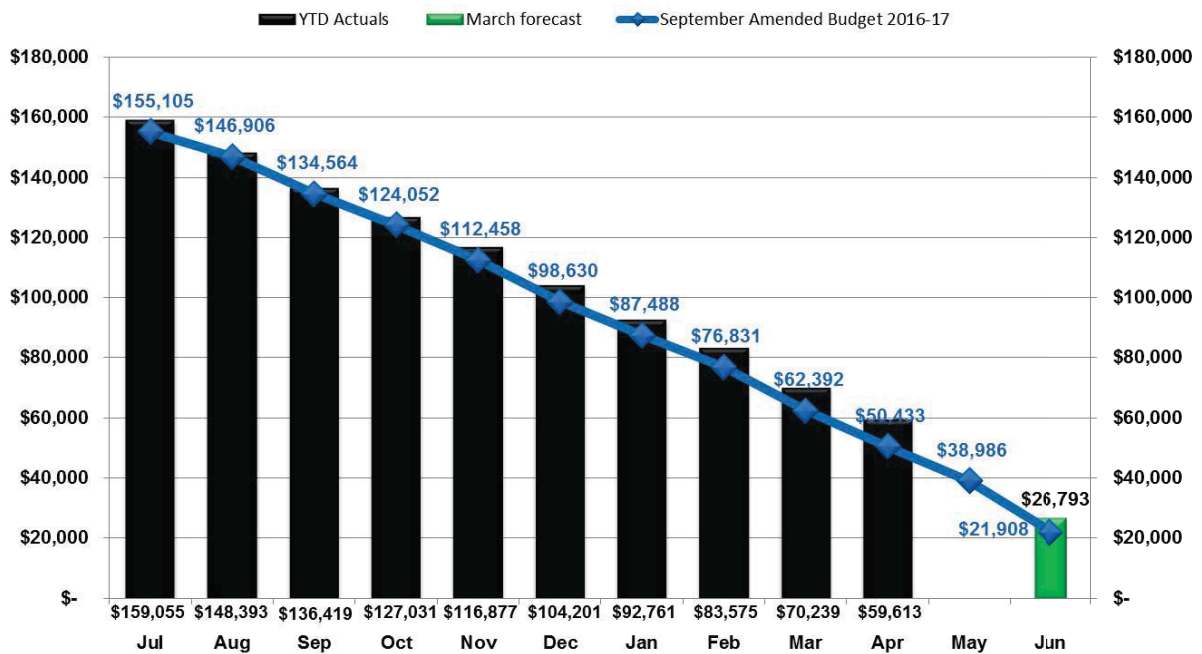
Year to date actual vs. year to date September Amended Budget

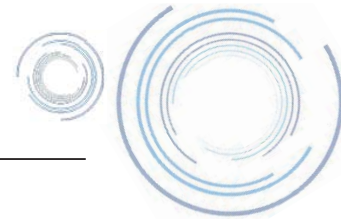
The year to date operating surplus of \$59.61 million is \$9.18 million or 18% above the September Amended Budget surplus of \$50.43 million.

The favourable year to date variance is attributable to a number of factors which are outlined in **Section 2**.

Please refer to the graphical representation below of actual year to date surplus result versus the September Amended Budget.

Surplus Result 2016-17
YTD Surplus Result Vs Sept Amended Budget \$'000

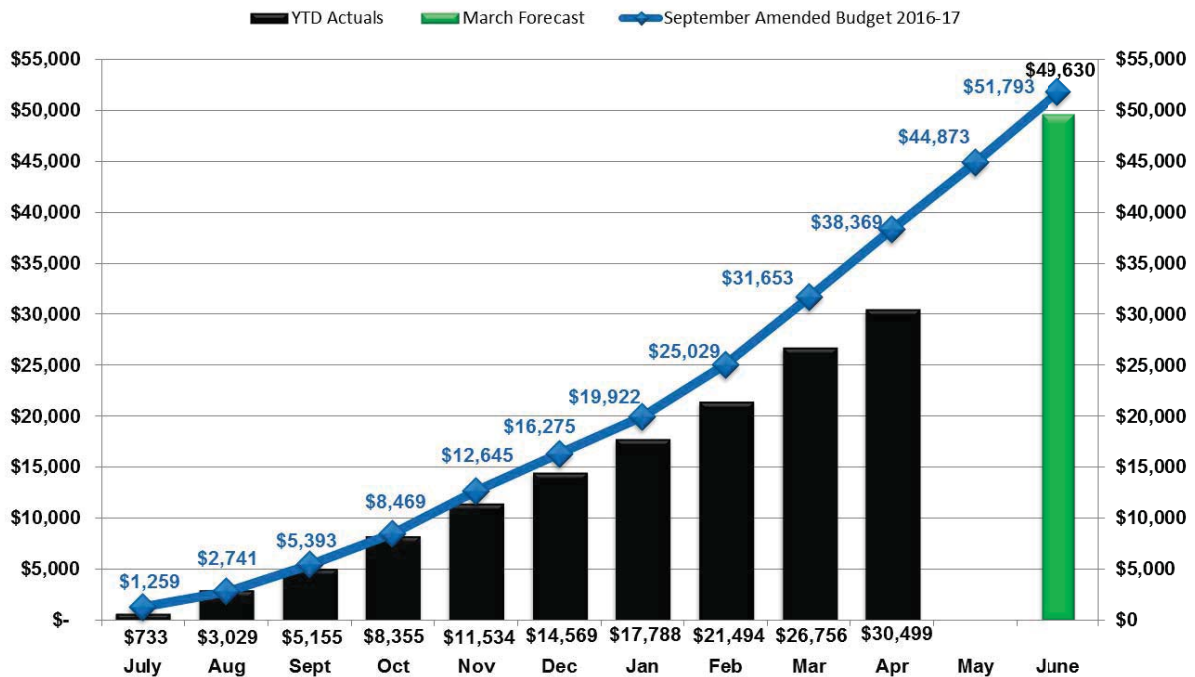




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Capital Works

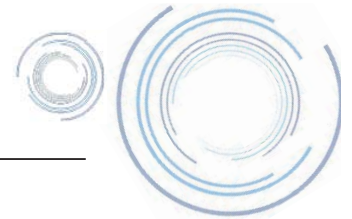
**Capital Works Projects 2016-17
Cumulative Budget Vs Actual Expenditure
All Projects - \$'000**



Council's year to date performance in gross capital works expenditure is \$30.5 million which is \$7.87 million below year to date budget phasing of \$38.37 million (year to date actual and commitments as at 30 April 2017 equates to \$58.25 million). It is expected that capital works expenditure will largely catch up to the forecast level by June.

Capital works committed expenditure as at 30 April 2017 is \$27.75 million (year to date actual and commitments equates to \$58.25 million) and includes committed expenditure for multiyear projects with the most significant being North East Community Hub and Balwyn Library Redevelopment.

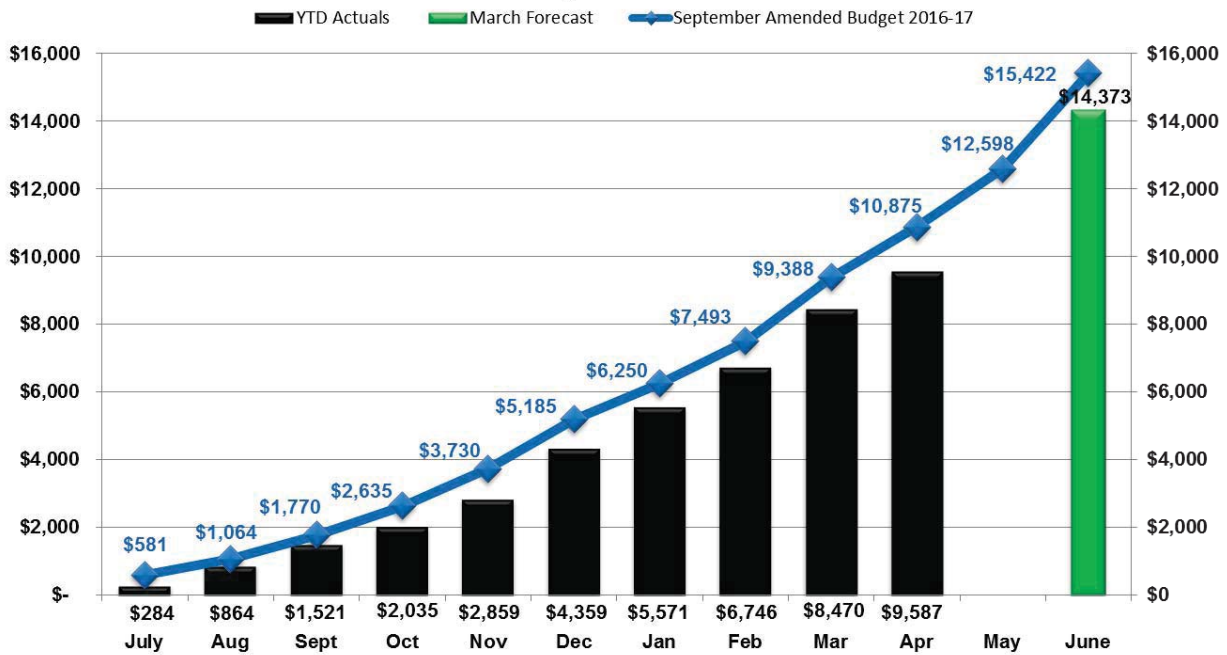
Please refer to **Section 2.4 Capital Works** for further explanation.



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Priority Projects

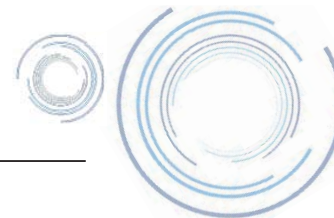
**Priority Projects 2016-17
Cumulative Budget Vs Actual Expenditure
All Projects - \$'000**



Council's year to date performance in gross priority project expenditure is \$9.59 million which is \$1.29 million below year to date budget phasing of \$10.88 million (year to date actual and commitments as at 30 April 2017 equates to \$12.92 million).

Priority projects committed expenditure as at 30 April 2017 is \$3.33 million (year to date actual and commitments equates to \$12.92 million).

Please refer to **Section 2.3 Priority Projects** for further explanation.



Monthly Financial Report – April 2017

2. Financial overview

2.1 Income Statement

The year to date operating surplus of \$59.61 million is \$9.18 million or 18% above the year to date September Amended Budget surplus of \$50.43 million.

Year to date total recurrent and non-recurrent income is \$4.20 million (\$4.66 million - \$465,000) above budget while year to date total recurrent and non-recurrent expenditure is \$5.07 million (\$3.78 million + \$1.29 million) below budget.

The following table only includes explanations on major income and expenditure line variances over \$75,000 against the year to date budget.

<u>Definitions</u>
<p>Timing (T) = Year to date expenditure or income level is less/more than anticipated in the budget phasing. Anticipated this variance will correct by end of financial year without management action.</p>
<p>Permanent (P) = The dollars outlined as a permanent variance are anticipated to add/reduce the end of year result.</p>
<p>Forecast = Where a permanent variance has been determined, an expected full year forecast variance has been noted.</p>
<p>Phasing = When anticipated spread of expenditure/income across the financial year is expected to be spent/received.</p>

Year to date actual vs. year to date budget variations.

Income			March 2017 Forecast permanent variance from Amended budget
Income line	Expected variance (P)ermanent (T)iming	Explanation Year to date actual vs year to date budget variations	
Rates and charges (including waste) (\$281,000)	T/P	<p>Lower than budgeted income:</p> <ul style="list-style-type: none"> • (\$281,000) - rates and charges. 	(\$90,000)
Statutory fees and fines \$1.85 million	P	<p>Higher than budgeted income:</p> <ul style="list-style-type: none"> • \$884,000 - parking management - primarily in fines income. 	\$500,000
	P	<ul style="list-style-type: none"> • \$691,000 - scheme control - lodgement fee income increased in volume due to planning applications 	\$483,000
	P	<ul style="list-style-type: none"> • \$222,000 - perin court charges - infringement income. 	\$150,000



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Income			March 2017 Forecast permanent variance from Amended budget
Income line	Expected variance (P)ermanent (T)iming	Explanation Year to date actual vs year to date budget variations	
User Fees (\$418,000)	P	<p>Lower than budgeted income:</p> <ul style="list-style-type: none"> • (\$162,000) - transfer station and yard maintenance. <p><i>Note: Only variances greater than \$75,000 have been explained. In addition to the above, the lower than budgeted variance includes other minor unfavourable variances across a number of line items including home care, asset protection and tree control.</i></p>	(\$178,000)
Grants - Operating \$794,000	T/P T/P	<p>Higher than budgeted income:</p> <ul style="list-style-type: none"> • \$302,000 - Vic Roads School Crossing grant ahead of year to date planned budget phasing and will self-correct by 30 June 2017. • Maternal and Child Health - additional funding received \$82,000. <p>Health, Ageing and Disability Services including:</p> <ul style="list-style-type: none"> • \$224,000 - immunisation services part due to being ahead of planned budget phasing \$157,000 and additional funding received for meningococcal vaccinations \$67,000. • \$93,000 - Home Care funding ahead of planned budget phasing and will self-correct by 30 June 2017. <p><i>Note: Only variances greater than \$75,000 have been explained. In addition to the above, the higher than budgeted variance includes other minor favourable variances across a number of line items.</i></p>	\$86,000 \$88,000
Contributions - cash \$1.84 million	T/P	<p>Higher than budgeted income:</p> <ul style="list-style-type: none"> • \$1.84 million - developers open space contributions ahead of year to date planned budget phasing. A favourable permanent variance of \$1.50 million is reflected in the March forecast. <p><i>Note: Officers will continue to monitor the likely timing of receipts. The nature of these payments makes timing difficult to predict.</i></p>	\$1.50 million



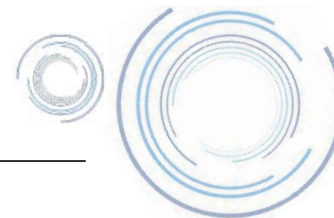
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Income			
Income line	Expected variance (P)ermanent (T)iming	Explanation Year to date actual vs year to date budget variations	March 2017 Forecast permanent variance from Amended budget
Rental income (\$363,000)	T/P	Lower than budgeted income: <ul style="list-style-type: none"> \$193,000 - due to timing of seasonal Sportsground rental income and will self-correct by 30 June 2017. \$145,000 - Camberwell Fresh Food Market primarily due to a number of vacant tenants during the year. 	(\$116,000) (\$136,000)
Other income \$689,000	P T/P	Higher than budgeted income: <ul style="list-style-type: none"> \$455,000 - right of ways income. \$97,000 - other reimbursements primarily relating to legal fees for 2015-16 (\$49,000) and refund for fringe benefits tax on car parking due to ATO private ruling (\$32,000). 	\$391,000 \$85,000
Interest \$549,000	P	Higher than budgeted income: <ul style="list-style-type: none"> \$528,000 - interest on investments. 	\$500,000
Expenditure			
Expense line	Expected variance (P)ermanent (T)iming	Explanation Year to date actual vs year to date budget variations	March 2017 Forecast permanent variance from Amended budget
Other Expenses \$976,000	T/P T T/P T/P	Lower than budgeted expenditure: <ul style="list-style-type: none"> \$195,000 - leased assets (operating) primarily in green waste collections. \$173,000 - timing of special rates expenditure. \$165,000 - grants and subsidies. \$124,000 - training across the organisation. 	\$54,000 \$96,000 \$41,000
Employee costs \$1.25 million	T T T	Lower than budgeted expenditure: <ul style="list-style-type: none"> \$3.84 million - salaries and associated costs primarily due to department restructures and staff vacancies. Partially offset by higher expenditure: <ul style="list-style-type: none"> (\$1.88 million) - temporary staff filling vacancies across the organisation. (\$597,000) - overtime, casuals and relievers filling vacancies across the organisation. 	\$2.84 million (\$1.82 million) (\$682,000)



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Expenditure			March 2017 Forecast permanent variance from Amended budget
Expense line	Expected variance (P)ermanent (T)iming	Explanation Year to date actual vs year to date budget variations	
Materials and services \$1.54 million	T/P	Lower than budgeted expenditure: • \$362,000 - consultancy costs across the organisation primarily in Asset Management and Strategic Planning.	\$122,000
	T/P	• \$326,000 - professional services and advice.	(\$100,000)
	T/P	• \$326,000 - specialist tree work and block tree pruning in Parks & Gardens.	\$150,000
	T/P	• \$289,000 - electricity expense.	\$114,000
	T	• \$252,000 - watering costs, primarily in Parks & Gardens.	
	T/P	• \$247,000 - petrol/distillate.	\$244,000
	T/P	• \$197,000 - postage expense.	\$98,000
	T/P	• \$192,000 - legal fees.	\$23,000
	T/P	• \$155,000 - printing expense.	\$94,000
	T/P	• \$141,000 - trade services.	(\$35,000)
	T/P	• \$112,000 - mobile and internet expense.	(\$7,000)
	T/P	• \$128,000 - tipping fee expense, including non-landfill.	\$60,000
	T	• \$81,000 - drainage cleaning and maintenance.	
	T	Offset by higher than budgeted expenditure: • (\$929,000) - capital works in progress (items expensed due to not meeting the asset capitalisation criteria - this is a non-cash accounting entry).	\$200,000
	T/P	• (\$474,000) - footpaths and reinstatements - concrete and asphalt.	(\$697,000)
T/P	• (\$330,000) - software licences, maintenance and contracts.	\$137,000	
P	• (\$249,000) - perin court filing fees.	(\$154,000)	
T	• (\$77,000) - waste recycling disposal expense.		
<p><i>Note: Only variances greater than \$75,000 have been explained. In addition to the above, the lower than budgeted variance includes other minor favourable variances across a number of account line items primarily due to timing.</i></p>			



Monthly Financial Report – April 2017

2.2 Balance Sheet and Cash Flow Statement

Cash and investment holdings are \$128.99 million as at 30 April 2017 which has increased by \$34.28 million from 30 June 2016.

Total cash and investment holdings are \$23.25 million higher than year to date budget primarily due to:

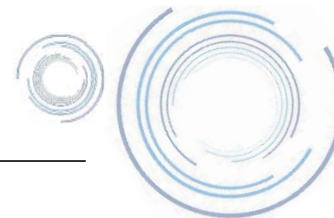
- Higher than budgeted rates and charges of \$1.22 million due to timing.
- Higher than budgeted statutory fees and fines of \$1.08 million primarily due to parking management and town planning.
- Higher than budgeted developer open space contributions of \$2.00 million.
- Employee costs are lower than budgeted primarily due to department restructures, staff vacancies and substantial amounts of annual leave taken over the December and January period. The favourable annual leave component will partially self-correct over the remaining course of the year due to the leave accrual process.
- Materials and service lower than budgeted due to timing of outflows \$3.99 million.
- Lower payments for property, infrastructure, plant and equipment of \$11.64 million due to timing of cash outflows relating to the capital works program.

Partially offset by:

- Lower than budgeted user charges and other receipts from customers of (\$1.04 million) due to the timing and settlement of debtors.

The Balance Sheet as at 30 April 2017 indicates a satisfactory result with total current assets of \$156.55 million and total current liabilities of \$32.74 million.

The working capital ratio of 4.78 to 1 (includes a cash contingency for emergency response works and reserve funds of \$12.41 million) reflects the increase in current debtors resulting from the striking of the rates which will reduce by 30 June 2017 as Council funds its operating programs and capital works. The rate debt will be repaid over the remainder of the financial year in accordance with the payment options chosen by ratepayers.



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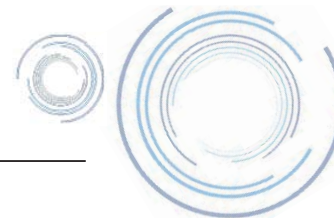
2.3 Priority Projects

Council's year to date performance in gross priority project expenditure is \$9.59 million which is \$1.29 million below year to date budget phasing primarily due to expenditure delays, most significant being:

- **80821 - Digital Transformation - (\$309,000)**
Re-development of the website is nearing completion and has incorporated feedback from community members and customers. The release of first stage of the new website is on track for end of May 2017. There has been a delay in the implementation of resources and procurement activities however other project activity is on schedule. A proposed forward commitment to 2017-18 of \$1.54 million has been reflected in the March forecast.
- **80879 - Health and Wellbeing - Active Ageing - (\$207,000)**
Project activity is on schedule however the planned budget phasing is ahead of year to date expenditure. A change request for the Website Design and Build Services is currently being conducted.
- **80861 - Leadership and Change Management Program - (\$200,000)**
Commencement has been delayed due to a lengthier than expected procurement process. It is a multi-year project which is expected to be completed in 2018-19. A proposed forward commitment of \$100,000 has been reflected in the March forecast.
- **80793 - Customer Experience Improvement Strategy Implementation - (\$174,000)**
By agreement from the Boroondara Customer First Steering Committee, a number of Year 2 actions of the Customer Experience Improvement Strategy have been re-scoped and re-phased in line with a program-wide review of projects and initiatives. The remaining deliverables for 2016-17 include a Customer Experience Evaluation Framework and customer experience induction training for staff.

Priority projects committed expenditure as at 30 April 2017 is \$3.33 million (year to date actual and commitments equates to \$12.92 million).

Refer to **page 4 Executive overview** for graphical representation of priority projects year to date budget, actual and committed expenditure.



 Monthly Financial Report – April 2017

2.4 Capital Works

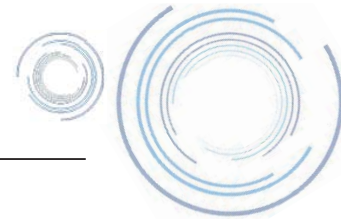
Council's year to date performance in gross capital works expenditure is \$30.50 million which is \$7.87 million below year to date budget phasing primarily due to expenditure delays, most significant being:

- **72402 & 72597 - Library Redevelopment Balwyn (\$1.22 million)**
The commencement of this project was delayed as the original contractor withdrew its tender after award and the contract had to be re-awarded by Council with associated delayed expenditure. Works commenced in January 2017 and is programmed to be completed in early 2018.
- **71636 - Roads Resheeting (\$611,000)**
Road resheeting works is slightly behind schedule and is programmed to be completed before the end of the financial year. Savings on this account are offset by over expenditure on Full Road Reconstruction & Kerb replacements.
- **72591 - Kew Junction parking guidance system (\$400,000)**
Detailed investigation of available technology delayed the delivery of this project. A proposed forward commitment of \$350,000 has been reflected in the March forecast.
- **71794 - Future Information Technology Expenditure (\$399,000)**
The new storage system has been supplied and installation is now complete. There has been a delay in the timing of project expenditure which will be finalised by 30 June 2017. Savings are anticipated in the delivery of this project.
- **72434 - Nettleton Park Pavilion - (\$366,000)**
A construction contract was awarded in February 2017 and has since commenced, completion is scheduled for August 2017. A proposed forward commitment of \$150,000 has been reflected in the March forecast.
- **72012 - Shopping Centre Improvement Plan - Design and implementation (\$339,000)**
Construction work is underway. Project works are slightly behind schedule but are programmed to be completed by June 2017.
- **72417 - Hawthorn Citizens Youth Club - (\$332,000)**
A construction contract was awarded in December 2016 and works commenced in early 2017. The progress of works has been delayed by latent conditions.

It is expected that capital works expenditure will largely catch up to the forecast level by June.

Capital works committed expenditure as at 30 April 2017 is \$27.75 million (year to date actual and commitments equates to \$58.25 million) and includes committed expenditure for multiyear projects with the most significant being North East Community Hub and Balwyn Library Redevelopment.

Refer to **page 3 Executive overview** for graphical representation of capital works year to date budget and actual expenditure.



Monthly Financial Report – April 2017

3. Financial statements

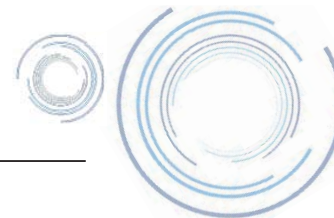
3.1 Income Statement

	ANNUAL ORIGINAL BUDGET	YTD ACTUAL	YTD SEPTEMBER BUDGET	YTD VARIANCE	YTD VARIANCE	FULL YEAR MARCH FORECAST	ANNUAL SEPTEMBER AMENDED BUDGET	MARCH FORECAST VARIANCE
	\$'000s	\$'000s	\$'000s	\$'000s	%	\$'000s	\$'000s	(3) - (4)
Recurrent income								
Rates and charges	166,223	166,341	166,622	(281)	0%	166,532	166,621	(89)
Statutory fees and fines	13,087	12,653	10,799	1,854	17%	14,331	13,146	1,185
User fees	14,284	11,798	12,216	(418)	-3%	13,879	14,329	(450)
Grants - operating	13,803	12,597	11,803	794	7%	14,058	13,836	222
Contributions - cash	2,260	4,940	3,100	1,840	59%	4,954	3,460	1,494
Rental income	2,869	1,936	2,299	(363)	-16%	2,513	2,676	(163)
Other income	2,154	2,461	1,772	689	39%	2,849	2,216	633
Interest	2,330	2,573	2,024	549	27%	2,870	2,370	500
Total recurrent income	217,010	215,299	210,635	4,664	2%	221,986	218,654	3,332
Recurrent expenditure								
Employee costs	79,513	64,275	65,526	1,251	2%	79,795	80,230	435
Materials and services	53,002	42,478	44,017	1,539	3%	53,485	53,029	(456)
Bad and doubtful debts	1,119	385	396	11	3%	1,125	1,119	(6)
Depreciation and amortisation	32,391	26,808	26,808	-	0%	32,182	32,182	-
Finance costs	2,534	2,124	2,124	-	0%	2,534	2,534	-
Other expenses	11,190	9,142	10,118	976	10%	11,018	11,260	242
Total recurrent expenditure	179,749	145,212	148,989	3,777	3%	180,139	180,354	215
Net recurrent operating surplus	37,261	70,087	61,646	8,441	14%	41,847	38,300	3,547
Non-recurrent income								
Priority projects income	150	342	325	17	5%	704	494	(210)
Capital works income	1,545	655	1,137	(482)	-42%	1,616	1,536	(80)
Total non-recurrent income	1,695	997	1,462	(465)	-32%	2,320	2,030	290
Non-recurrent expenditure								
Priority projects expenditure	9,350	9,587	10,875	1,288	12%	14,374	15,422	1,048
Total non-recurrent expenditure	9,350	9,587	10,875	1,288	12%	14,374	15,422	(1,048)
Net non recurrent operating surplus (deficit)	(7,655)	(8,590)	(9,413)	823	-9%	(12,054)	(13,392)	(1,338)
Net gain (loss) on disposal of property, infrastructure, plant and equipment	(3,000)	(1,884)	(1,800)	(84)	5%	(3,000)	(3,000)	-
Surplus for the year ¹	26,606	59,613	50,433	9,180	18%	26,793	21,908	4,885

Note: All numbers are rounded to the nearest thousand.

1. The full year March forecast end of year budgeted surplus result is forecast to be \$26.79 million.

Refer to **Section 2 Financial Overview** for details on Council's financial performance.



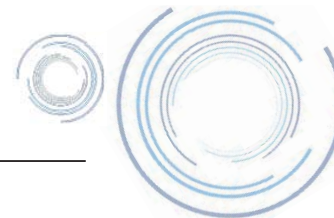
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3.2 Balance Sheet

	30 Apr 2017	30 Jun 2016	30 Apr 2016
	\$'000	\$'000	\$'000
Current assets			
Cash and cash equivalents ¹	128,988	38,211	109,688
Other financial assets ¹	-	56,500	-
Trade and other receivables	26,705	11,201	24,904
Prepayments	856	1,293	691
Total current assets	156,549	107,205	135,283
Non-current assets			
Trade and other receivables	27	27	60
Financial assets	4	4	4
Property, plant and equipment, infrastructure	3,301,773	3,303,521	2,728,126
Intangible assets	1,030	739	287
Investment property	9,169	8,713	9,657
Total non-current assets	3,312,003	3,313,004	2,738,134
Total assets	3,468,552	3,420,209	2,873,417
Current liabilities			
Trade and other payables	11,112	21,381	9,181
Interest-bearing loans and borrowings	1,066	4,049	1,014
Provisions	16,178	15,274	15,283
Trust funds and deposits	4,292	3,204	10,366
Prepaid income	93	103	105
Total current liabilities	32,741	44,011	35,949
Non-current liabilities			
Provisions	1,986	1,986	2,003
Interest-bearing loans and borrowings	48,948	48,948	52,997
Investments in associates	739	739	1,264
Total non-current liabilities	51,673	51,673	56,264
Total liabilities	84,414	95,684	92,213
Net assets	3,384,138	3,324,525	2,781,204
Equity			
Accumulated surplus	900,494	844,634	864,538
Asset revaluation reserve	2,471,233	2,471,233	1,908,058
Reserves ²	12,411	8,658	8,608
Total equity	3,384,138	3,324,525	2,781,204
Working capital ratio	4.78		

Note: All numbers are rounded to the nearest thousand.

1. Cash reflects balances in the general ledger not actual bank account balances.
2. Reserve funds comprise of Strategic Acquisition Fund (\$434,000), Open Space Development Fund (\$7.69 million), Defined Benefits Superannuation future call up reserve (\$4.00 million) and Drainage reserve (\$283,000).



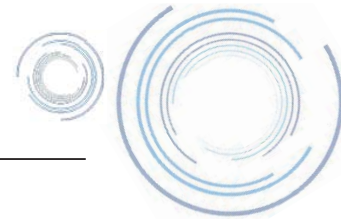
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3.3 Statement of Cash Flows

	ANNUAL ORIGINAL BUDGET	YEAR TO DATE			ANNUAL SEPTEMBER AMENDED BUDGET
		YTD	YTD	YTD	
		ACTUAL	ANNUAL	VARIANCE	
		(1)	BUDGET	(unfav)	
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Rates and waste charges ¹	166,123	151,181	149,958	1,223	166,521
Statutory fees and fines ²	11,917	11,479	10,403	1,076	12,077
User charges and other fines ³	15,879	12,397	13,438	(1,041)	15,927
Grants - operating	14,755	13,126	12,803	323	14,957
Grants - capital	1,545	580	1,109	(529)	1,506
Contributions - monetary ⁴	2,260	5,127	3,130	1,997	3,490
Interest received	2,330	2,169	2,020	149	2,370
Other receipts	5,525	4,760	4,688	72	5,591
Net GST refund	9,740	8,497	8,234	263	9,785
Trust funds and deposits taken ⁵	99	1,088	-	1,088	85
Employee costs ⁶	(81,563)	(67,415)	(69,437)	2,022	(82,094)
Materials and services ⁷	(68,311)	(59,340)	(63,329)	3,989	(75,879)
Other payments	(12,189)	(10,037)	(10,999)	962	(12,254)
Net cash provided by operating activities	68,110	73,612	62,018	11,594	62,082
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment ⁸	(59,745)	(34,724)	(46,368)	11,644	(51,793)
Proceeds from sale of property, plant and equipment	-	3	-	3	-
Payments of loans and advances	-	12	-	12	-
Net cash used in investing activities	(59,745)	(34,709)	(46,368)	11,659	(51,793)
Cash flows from financing activities					
Finance costs	(2,534)	(1,643)	(1,635)	(8)	(2,534)
Repayment of borrowings	(4,049)	(2,983)	(2,983)	-	(4,049)
Net cash provided by (used in) financing activities	(6,583)	(4,626)	(4,618)	(8)	(6,583)
Net increase (decrease) in cash and cash equivalents	1,782	34,277	11,032	23,245	3,706
Cash and cash equivalents at beginning of year	83,836	94,711	94,711	-	94,711
Cash and cash equivalents at end of year	85,618	128,988	105,743	23,245	98,417

Note: All numbers are rounded to the nearest thousand.

1. Rates and waste charges are \$1.22 million higher than budget due to timing.
2. Higher than budgeted statutory fees and fines of \$1.08 million primarily due to parking management and town planning.
3. Lower than budgeted user charges and other receipts from customers of (\$1.04 million) due to the timing and settlement of debtors.
4. Developer contributions \$2.00 million higher than budgeted due to additional contributions received during the year.
5. Trust funds and deposits includes the fire services property levy received which relates to the timing of fire services property levy and levy interest amounts received and subsequently remitted to the State Revenue Office (SRO) which are to be made in four payments in accordance with Section 41(1) of the FSPL Act. An instalment is due and payable to the Commissioner of State Revenue 28 days after the due date of rates instalments. Levy monies are to be remitted to the SRO by the following dates each financial year - 28 October; 28 December; 28 March; and 28 June.
6. Employee costs are lower than budgeted primarily due to department restructures, staff vacancies and substantial amounts of annual leave taken over the December and January period. The favourable annual leave component will partially self-correct over the remaining course of the year due to the leave accrual process.
7. Materials and services lower than budget due to timing of outflows \$3.99 million.
8. Payments for property, plant and equipment differs from that presented in the capital works statement due to settlement of the 30 June 2016 creditors. Works delivered in the 2015-16 financial year have previously been brought to account and accrued against the 2015-16 capital works statement.



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3.4 Capital Works expenditure by asset group

	ANNUAL ORIGINAL BUDGET	YTD ACTUAL (1)	YTD SEPTEMBER BUDGET (2)	YTD VARIANCE (1) - (2)	YTD VARIANCE %	COMMIT	FULL YEAR MARCH FORECAST (3)	ANNUAL SEPTEMBER AMENDED BUDGET (4)	MARCH FORECAST VARIANCE (3) - (4)
	\$'000s	\$'000s	\$'000s	\$'000s	%	\$'000s	\$'000s	\$'000s	\$'000s
Infrastructure									
Bridges	56	3	30	27	90%	-	56	56	-
Drainage	4,646	2,991	3,524	533	15%	311	4,490	4,660	170
Footpaths and cycleways	1,885	1,032	1,518	486	32%	118	2,047	2,045	(2)
Off street carparks	1,291	452	813	361	44%	34	1,350	1,371	21
Parks, open space and streetscapes	4,053	1,337	2,623	1,286	49%	849	3,656	3,834	178
Recreational, leisure & com facilities	1,861	1,222	1,814	592	33%	270	1,860	1,882	22
Roads	10,007	7,622	7,857	235	3%	519	9,957	10,007	50
Total Infrastructure	23,799	14,659	18,179	3,520	19%	2,101	23,416	23,855	439
Plant and Equipment									
Computers and telecommunications	2,379	1,123	2,271	1,148	51%	581	2,326	2,934	608
Fixtures, fittings and furniture	163	205	168	(37)	-22%	53	249	193	(56)
Library books	1,080	871	880	9	1%	57	985	985	-
Plant machinery and equipment	1,409	998	1,355	357	26%	141	1,342	1,462	120
Total Plant and Equipment	5,031	3,197	4,674	1,477	32%	832	4,902	5,574	672
Property									
Building	29,992	12,295	14,922	2,627	18%	24,712	20,595	21,673	1,078
Building improvements	715	347	594	247	42%	98	715	691	(24)
Land improvements	208	2	-	(2)	100%	11	2	-	(2)
Total Property	30,915	12,644	15,516	2,872	19%	24,821	21,312	22,364	1,052
Total capital works expenditure	59,745	30,500	38,369	7,869	21%	27,754	49,630	51,793	2,163
Represented by:									
Asset renewal expenditure	42,540	24,817	29,617	4,800	16%	16,175	37,537	38,357	820
Asset upgrade expenditure	1,777	416	939	523	56%	130	1,486	1,509	23
New asset expenditure	14,336	5,197	7,413	2,216	30%	10,548	9,597	10,835	1,238
Asset expansion expenditure	1,092	70	400	330	83%	901	1,010	1,092	82
Total capital works expenditure	59,745	30,500	38,369	7,869	21%	27,754	49,630	51,793	2,163

Note: All numbers are rounded to the nearest thousand.