

September 2016 Quarterly  
**Finance Report**



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# 1 Comprehensive Income Statement

For the quarter ended 30 September 2016

	Notes	YTD	YTD	Annual	Variances		Variances	
		Actuals	Budget	Budget	Actual v	Actual v	YTD Budget	Annual Budget
		\$'000	\$'000	\$'000	\$'000	%	\$'000	%
<b>Income</b>								
Rates and charges		47,475	47,365	47,837	110	0%	(362)	(1%)
Statutory fees and fines		248	293	1,525	(45)	(15%)	(1,277)	(84%)
User charges		1,464	1,500	5,771	(35)	(2%)	(4,307)	(75%)
Grants - Operating		1,972	2,057	7,526	(85)	(4%)	(5,554)	(74%)
Grants - Capital		238	271	2,509	(32)	(12%)	(2,270)	(90%)
Contributions - monetary		480	560	2,693	(80)	(14%)	(2,213)	(82%)
Contributions - non-monetary assets		-	-	7,840	-	0%	(7,840)	(100%)
Other Income		239	198	792	41	21%	(553)	(70%)
<b>Total Income</b>		<b>52,117</b>	<b>52,243</b>	<b>76,493</b>	<b>(126)</b>	<b>(0%)</b>	<b>(24,376)</b>	<b>(32%)</b>
<b>Expenses</b>								
Employee costs	1	5,762	6,052	27,567	290	5%	21,805	79%
Materials and services	2	4,566	6,618	26,237	2,052	31%	21,671	83%
Bad and doubtful debts		17	20	79	3	17%	63	79%
Depreciation		2,741	2,835	11,338	93	3%	8,597	76%
Borrowing costs		263	263	1,077	-	0%	814	76%
Asset write offs		-	-	1,243	-	0%	1,243	100%
Net loss/(gain) on disposal of property infrastructure, plant and equipment		11	27	83	16	61%	72	87%
Other Expenses		274	283	1,103	9	3%	829	75%
<b>Total expenses</b>		<b>13,633</b>	<b>16,098</b>	<b>68,728</b>	<b>2,465</b>	<b>15%</b>	<b>55,094</b>	<b>80%</b>
<b>Surplus/(deficit) for the year</b>		<b>38,484</b>	<b>36,145</b>	<b>7,766</b>	<b>2,339</b>	<b>6%</b>	<b>30,718</b>	<b>396%</b>
<b>Other Comprehensive Income</b>								
<b>Items that will not be reclassified to surplus or deficit in future periods</b>								
Net asset revaluation increment		-	-	6,385	-	0%	6,385	100%
<b>Total Comprehensive Result</b>		<b>38,484</b>	<b>36,145</b>	<b>14,151</b>	<b>2,339</b>	<b>6%</b>	<b>24,333</b>	<b>172%</b>

1. Employee costs variance mainly relates to timing; projection of potential year end employee cost savings.

2. Materials and services variance mainly relates to timing.

## 2 Balance Sheet

As at 30 September 2016

Notes	YTD	YTD	Annual	Variances		Variances		
	Actuals	Budget	Budget	Actual v	Actual v	Actual v	Actual v	
	\$'000	\$'000	\$'000	YTD Budget	%	Annual Budget	%	
				\$'000		\$'000		
<b>Assets</b>								
<b>Current assets</b>								
	3,075	8,930	3,041	(5,856)	(66%)	34	1%	
Cash and cash equivalents								
Trade and other receivables	1	40,116	42,149	4,655	(2,033)	(5%)	35,461	762%
Other financial assets		28,100	12,250	12,250	15,850	129%	15,850	129%
Inventories		232	287	287	(56)	(19%)	(56)	(19%)
Non-current assets classified as held for sale		281	281	318	()	(0%)	(37)	(12%)
Other assets	1	755	-		755	0%	755	0%
<b>Total current assets</b>		<b>72,558</b>	<b>63,897</b>	<b>20,552</b>	<b>8,660</b>	<b>14%</b>	<b>52,006</b>	<b>253%</b>
<b>Non current assets</b>								
Trade and other receivables		171	201	138	(30)	(15%)	33	24%
Other financial assets		1,000	1,500	1,500	(500)	(33%)	(500)	(33%)
Property, infrastructure plant & equipment	2	455,404	405,092	424,798	50,312	12%	30,606	7%
Investments in associates and joint ventures		537	580	580	(43)	(7%)	(43)	(7%)
<b>Total non current assets</b>		<b>457,112</b>	<b>407,373</b>	<b>427,016</b>	<b>49,739</b>	<b>12%</b>	<b>30,095</b>	<b>7%</b>
<b>Total assets</b>		<b>529,669</b>	<b>471,270</b>	<b>447,568</b>	<b>58,399</b>	<b>12%</b>	<b>82,101</b>	<b>18%</b>
<b>Liabilities</b>								
<b>Current liabilities</b>								
Trade and other payables	3	619	3,275	3,218	2,656	81%	2,599	81%
Trust funds and deposits	3	2,812	1,323	1,323	(1,489)	(113%)	(1,489)	(113%)
Provisions		7,861	8,317	9,178	456	5%	1,317	14%
Interest bearing liabilities		479	479	748	()	(0%)	269	36%
Other Liabilities		85	-		(85)	0%	(85)	0%
<b>Total current liabilities</b>		<b>11,856</b>	<b>13,395</b>	<b>14,467</b>	<b>1,539</b>	<b>11%</b>	<b>2,611</b>	<b>18%</b>
<b>Non current liabilities</b>								
Provisions		12,036	11,211	8,180	(825)	(7%)	(3,857)	(47%)
Interest bearing liabilities		14,937	14,937	15,188		0%	252	2%
<b>Total non current liabilities</b>		<b>26,973</b>	<b>26,148</b>	<b>23,368</b>	<b>(825)</b>	<b>(3%)</b>	<b>(3,605)</b>	<b>(15%)</b>
<b>Total liabilities</b>		<b>38,829</b>	<b>39,543</b>	<b>37,836</b>	<b>713</b>	<b>2%</b>	<b>(994)</b>	<b>(3%)</b>
<b>Net assets</b>		<b>490,840</b>	<b>431,727</b>	<b>409,733</b>	<b>59,113</b>	<b>14%</b>	<b>81,107</b>	<b>20%</b>
<b>Equity</b>								
Accumulated surplus		235,805	232,741	202,896	3,064	1%	32,909	16%
Assets revaluation reserve		236,349	184,425	190,810	51,924	28%	45,539	24%
Other reserves		18,686	14,561	16,027	4,125	28%	2,659	17%
<b>Total equity</b>		<b>490,840</b>	<b>431,727</b>	<b>409,733</b>	<b>59,113</b>	<b>14%</b>	<b>81,107</b>	<b>20%</b>

1. Other Assets actuals includes Pre-Paid Expenses and Accrued Revenue; included in trade and other receivables in budget

2. The property infrastructure plant and equipment annual movement mainly relates to the revaluation at 30.6.16

3. Trust funds and deposits actual includes Fire Service Levy \$1.2m; included in trade and other payables in budget

### 3 Statement of Cash Flows

For the quarter ended 30 September 2016

Notes	YTD Actuals \$'000	YTD Budget \$'000	Annual Budget \$'000	Variances Actual v YTD Budget		Variances Actual v Annual Budget	
				\$'000	%	\$'000	%
<b>Cash flow from operating activities</b>							
Rates and charges	9,839	9,767	47,795	72	1%	(37,956)	(79%)
Grants	2,310	2,410	10,192	(100)	(4%)	(7,882)	(77%)
Contributions	480	560	2,693	(80)	(14%)	(2,213)	(82%)
Interest received	345	198	792	147	74%	(448)	(57%)
User charges and statutory fees	1,358	1,845	7,700	(487)	(26%)	(6,342)	(82%)
Net GST refund/payment	934	801	4,140	133	17%	(3,206)	(77%)
Employee costs	(5,865)	(6,052)	(27,454)	186	(3%)	21,588	(79%)
Materials and Services	(7,959)	(7,789)	(33,403)	(169)	2%	25,444	(76%)
Other Payments	(301)	(311)	(1,290)	10	(3%)	989	(77%)
<b>Net cash provided from operating activities</b>	<b>1,140</b>	<b>1,429</b>	<b>11,165</b>	<b>(289)</b>	<b>(20%)</b>	<b>(10,025)</b>	<b>(90%)</b>
<b>Cash Flows from investing activities</b>							
Proceeds from sale of property, plant & equipment	70	154	587	(84)	(55%)	(517)	(88%)
Deposits received/(refunded)	2 1,140	-	-	1,140	0%	1,140	0%
Payments for property, plant, equipment & infrastructure assets	(1,340)	(2,433)	(18,197)	1,092	(45%)	16,857	(93%)
Cash Flows from investing activities	(4,500)	-	-	(4,500)	0%	(4,500)	0%
<b>Net cash used in investing activities</b>	<b>(4,630)</b>	<b>(2,278)</b>	<b>(17,610)</b>	<b>(2,352)</b>	<b>103%</b>	<b>12,980</b>	<b>(74%)</b>
<b>Cash flows from financing activities</b>							
Finance costs	(263)	(263)	(1,077)	-	(0%)	814	(76%)
Proceeds from interest bearing loans and borrowings	-	-	1,000	-	0%	(1,000)	(100%)
Repayment of interest bearing loans and borrowings	(149)	(149)	(628)	-	(0%)	479	(76%)
<b>Net cash provided from financing activities</b>	<b>(412)</b>	<b>(412)</b>	<b>(706)</b>	<b>(0%)</b>	<b>(0%)</b>	<b>293</b>	<b>(42%)</b>
<b>Net decrease in cash &amp; cash equivalents held</b>	<b>(3,902)</b>	<b>(1,262)</b>	<b>(7,151)</b>	<b>(2,640)</b>	<b>209%</b>	<b>3,249</b>	<b>(45%)</b>
Cash & cash equivalents at the beginning of the period	6,977	10,192	10,192	(3,215)	(32%)	(3,215)	(32%)
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>3,075</b>	<b>8,930</b>	<b>3,041</b>	<b>(5,856)</b>	<b>(66%)</b>	<b>34</b>	<b>1%</b>
<b>Investments (current and non-current financial assets)</b>	<b>29,100</b>	<b>13,750</b>	<b>13,750</b>	<b>15,350</b>	<b>112%</b>	<b>15,350</b>	<b>112%</b>
<b>Total cash &amp; investments at the end of the period</b>	<b>32,175</b>	<b>22,680</b>	<b>16,791</b>	<b>9,494</b>	<b>42%</b>	<b>15,384</b>	<b>92%</b>

1. The forecast opening balance of cash & investments used in the budget is \$7.6m lower than the actual cash balance.

### 4 Statement of Changes in Equity

As at 30 September 2016

Notes	YTD Actuals \$'000	YTD Budget \$'000	Annual Budget \$'000	Variances Actual v YTD Budget		Variances Actual v Annual Budget	
				\$'000	%	\$'000	%
Equity Opening Balance	452,356	395,582	395,582	56,774	14%	56,774	14%
Surplus for the Year	38,484	36,145	7,766	2,339	6%	30,718	396%
Net Asset Revaluation	-	-	6,385	-	0%	(6,385)	(100%)
<b>Total Equity</b>	<b>490,840</b>	<b>431,727</b>	<b>409,733</b>	<b>59,113</b>	<b>14%</b>	<b>81,107</b>	<b>20%</b>

## 5 Statement of Capital Works

As at 30 September 2016

Notes	YTD	YTD	Annual	Variances		Variances		
	Actuals	Budget	Budget	Actual v	YTD Budget	Actual v	Annual Budget	
	\$'000	\$'000	\$'000	\$'000	%	\$'000	%	
<b>Capital Works</b>								
Land	-	-	850	-	0%	850	100%	
Buildings	256	538	3,587	282	52%	3,331	93%	
Plant, machinery & equipment	-	161	1,074	161	100%	1,074	100%	
Computers & Telecomms	-	68	450	68	100%	450	100%	
Fixtures, Fitting & Furniture	-	3	20	3	100%	20	100%	
Roads	1	285	869	5,791	583	67%	5,505	95%
Bridges		18	7	45	(11)	(169%)	27	60%
Footpaths & Cycleways		175	73	483	(103)	(141%)	308	64%
Drainage		113	98	650	(16)	(16%)	537	83%
Parks, Open Space & Streetscapes		81	501	3,274	420	84%	3,193	98%
Recreation, Leisure & Communities		522	137	912	(385)	(282%)	390	43%
Expensed Capital Works	2	58	616	4,574	558	91%	4,516	99%
Landfill Provision		18	339	2,622	321	95%	2,603	99%
Contingency (excl. Expensed Capital Works)		-	-	1,061	-	0%	1,061	100%
<b>Total Capital Works</b>	<b>3</b>	<b>1,527</b>	<b>3,408</b>	<b>25,392</b>	<b>1,880</b>	<b>55%</b>	<b>23,865</b>	<b>94%</b>
<b>Represented by:</b>								
Renewal		224	911	6,216	687	75%	5,992	96%
Upgrade		271	576	3,925	305	53%	3,654	93%
Expansion		-	-	-	-	0%	-	0%
New		845	956	8,056	111	12%	7,211	90%
Expensed Capital Works		169	625	4,574	456	73%	4,405	96%
Landfill Provision Works		18	339	2,622	321	95%	2,603	99%
<b>Total Capital Works</b>		<b>1,527</b>	<b>3,408</b>	<b>25,392</b>	<b>1,880</b>	<b>55%</b>	<b>23,865</b>	<b>94%</b>

1. Cape Otway Road Widening project split over four quarters but project to be expended in second half of the financial year
2. Surf Coast Highway Beach Road traffic lights project budget split over four quarters but project won't commence until second half of financial year
3. Generally all project spend variations are only timing and spending of carry forward of unspent budgeted funds