

December 2016 Quarterly

# Finance Report



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# 1 Comprehensive Income Statement

For the quarter ended 31 December 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	%
<b>Income</b>								
Rates and charges		47,577	47,496	47,837	81	0%	(260)	(1%)
Statutory fees and fines		732	678	1,525	54	8%	(793)	(52%)
User charges		2,896	2,920	5,771	(24)	1%	(2,875)	(50%)
Grants - Operating	1	4,111	3,832	7,526	279	7%	(3,415)	(45%)
Grants - Capital	2	1,153	666	2,509	487	73%	(1,356)	(54%)
Contributions - monetary		1,338	1,307	2,693	31	2%	(1,355)	(50%)
Contributions - non-monetary assets	3	1,952	-	7,840	1,952	0%	(5,888)	(75%)
Other Income		538	396	792	142	36%	(254)	(32%)
<b>Total Income</b>		<b>60,296</b>	<b>57,294</b>	<b>76,493</b>	<b>3,003</b>	<b>5%</b>	<b>(16,197)</b>	<b>(21%)</b>
<b>Expenses</b>								
Employee costs	4	13,182	13,428	27,567	245	2%	14,385	52%
Materials and services	5	9,802	13,251	26,237	3,449	26%	16,435	63%
Bad and doubtful debts		29	41	79	12	29%	51	64%
Depreciation		5,434	5,669	11,338	235	4%	5,904	52%
Borrowing costs		532	537	1,077	5	1%	545	51%
Asset write offs		3	-	1,243	(3)	0%	1,240	100%
Net loss/(gain) on disposal of property infrastructure, plant and equipment	6	(73)	323	83	397	123%	157	188%
Other Expenses		486	550	1,103	64	12%	617	56%
<b>Total expenses</b>		<b>29,395</b>	<b>33,799</b>	<b>68,728</b>	<b>4,404</b>	<b>13%</b>	<b>39,333</b>	<b>57%</b>
<b>Surplus/(deficit) for the year</b>		<b>30,902</b>	<b>23,495</b>	<b>7,766</b>	<b>7,407</b>	<b>32%</b>	<b>23,136</b>	<b>298%</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>30,902</b>	<b>23,495</b>	<b>14,151</b>	<b>7,407</b>	<b>32%</b>	<b>16,751</b>	<b>118%</b>

1. Grants - Operating, variance mainly relates to timing; Commonwealth Aged and Family Services payment schedule bought forward.
2. Grants - Capital, variance mainly due to timing, including Anglesea Kinder Design (\$175k) budgeted in 2015/16 and received in 2016/17
3. Contributions - non-monetary assets, variance mainly due to timing of developers granting assets to Council earlier than budgeted.
4. Employee costs, variance mainly relates to timing.
5. Materials and Services, variance mainly relates to timing.
6. Net loss/(gain) on disposal of assets, variance mainly due to timing of asset sales

## 2 Balance Sheet

As at 31 December 2016

	Notes	YTD	YTD	Annual	Variances		Variances	
		Actuals	Budget	Budget	Actual v		Actual v	
		\$'000	\$'000	\$'000	YTD Budget	%	Annual Budget	%
					\$'000		\$'000	
<b>Assets</b>								
<b>Current assets</b>								
Cash and cash equivalents	1	12,069	9,698	3,041	2,371	24%	9,028	297%
Trade and other receivables	2	23,649	28,692	4,655	(5,044)	18%	18,993	408%
Other financial assets	3	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	194	318	87	44%	(37)	12%
Other assets	4	470	-	-	470	0%	470	0%
<b>Total current assets</b>		<b>64,800</b>	<b>51,122</b>	<b>20,552</b>	<b>13,679</b>	<b>27%</b>	<b>44,248</b>	<b>215%</b>
<b>Non current assets</b>								
Trade and other receivables		117	201	138	(84)	42%	(22)	16%
Other financial assets		1,000	1,500	1,500	(500)	33%	(500)	33%
Property, infrastructure plant & equipment	5	456,668	406,879	424,798	49,788	12%	31,870	8%
Investments in associates and joint ventures		537	580	580	(43)	7%	(43)	7%
<b>Total non current assets</b>		<b>458,321</b>	<b>409,160</b>	<b>427,016</b>	<b>49,161</b>	<b>12%</b>	<b>31,305</b>	<b>7%</b>
<b>Total assets</b>		<b>523,121</b>	<b>460,282</b>	<b>447,568</b>	<b>62,840</b>	<b>14%</b>	<b>75,553</b>	<b>17%</b>
<b>Liabilities</b>								
<b>Current liabilities</b>								
Trade and other payables	6	3,064	3,912	3,218	848	22%	154	5%
Trust funds and deposits		1,730	1,323	1,323	(407)	31%	(407)	31%
Provisions		7,657	7,639	9,178	(19)	0%	1,521	17%
Interest bearing liabilities		344	325	748	(20)	6%	404	54%
Other Liabilities		85	-	-	(85)	0%	(85)	0%
<b>Total current liabilities</b>		<b>12,880</b>	<b>13,199</b>	<b>14,467</b>	<b>318</b>	<b>2%</b>	<b>1,587</b>	<b>11%</b>
<b>Non current liabilities</b>								
Provisions	7	12,046	11,211	8,180	(835)	7%	(3,866)	47%
Interest bearing liabilities		14,937	14,937	15,188	-	0%	252	2%
<b>Total non current liabilities</b>		<b>26,983</b>	<b>26,148</b>	<b>23,368</b>	<b>(835)</b>	<b>3%</b>	<b>(3,615)</b>	<b>15%</b>
<b>Total liabilities</b>		<b>39,863</b>	<b>39,347</b>	<b>37,836</b>	<b>(517)</b>	<b>1%</b>	<b>(2,028)</b>	<b>5%</b>
<b>Net assets</b>		<b>483,258</b>	<b>420,935</b>	<b>409,733</b>	<b>62,323</b>	<b>15%</b>	<b>73,525</b>	<b>18%</b>
<b>Equity</b>								
Accumulated surplus		228,219	218,095	202,896	10,125	5%	25,323	12%
Assets revaluation reserve		236,349	184,425	190,810	51,924	28%	45,539	24%
Other reserves		18,690	18,416	16,027	274	1%	2,663	17%
<b>Total equity</b>		<b>483,258</b>	<b>420,935</b>	<b>409,733</b>	<b>62,323</b>	<b>15%</b>	<b>73,525</b>	<b>18%</b>

- Higher cash and cash equivalents due to timing variances in revenue and expenditure.
- Trade and other receivables variance mainly due to lower 2016/17 opening balance, lower infringement debtors, and timing variances.
- Other financial assets variance mainly due to higher 2016/17 opening balance.
- Other Assets actuals include pre-paid expenses and accrued revenue, which was included in trade and other receivables in budget.
- Property, infrastructure plant & equipment variance mainly due to higher 2016/17 opening balance (post asset revaluation 30/06/16).
- Trade and other payables variance mainly due to lower creditors balance, due to timing variances in expenditure.
- Provisions variance mainly due to higher 2016/17 opening balance.

### 3 Statement of Cash Flows

For the quarter ended 31 December 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	26,761	23,582	47,795	3,180	13%	(21,033)	44%	
Grants	5,347	4,656	10,192	691	15%	(4,845)	48%	
Contributions	1,338	3,977	2,693	(2,639)	66%	(1,355)	50%	
Interest received	763	248	792	516	208%	(29)	4%	
User charges and statutory fees	3,381	4,807	7,700	(1,427)	30%	(4,319)	56%	
Net GST refund/payment	1,105	1,963	4,140	(858)	44%	(3,035)	73%	
Employee costs	(13,342)	(14,809)	(27,454)	1,466	10%	14,111	51%	
Materials and Services	(11,809)	(18,517)	(33,403)	6,707	36%	21,594	65%	
Deposits received/(refunded)	59	-	-	59	0%	59	0%	
Other Payments	-	-	(1,290)	-	0%	1,290	100%	
<b>Net cash provided from operating activities</b>	<b>13,602</b>	<b>5,907</b>	<b>11,165</b>	<b>7,695</b>	<b>130%</b>	<b>2,437</b>	<b>22%</b>	
<b>Cash Flows from investing activities</b>								
Proceeds from sale of property, plant & equipment	156	209	587	(53)	25%	(431)	73%	
Payments for property, plant, equipment & infrastructure assets	(3,350)	(6,276)	(18,197)	2,926	47%	14,847	82%	
Cash Flows from investing activities	(4,500)	-	-	(4,500)	0%	(4,500)	0%	
<b>Net cash used in investing activities</b>	<b>(7,694)</b>	<b>(6,067)</b>	<b>(17,610)</b>	<b>(1,627)</b>	<b>27%</b>	<b>9,916</b>	<b>56%</b>	
<b>Cash flows from financing activities</b>								
Finance costs	(532)	(32)	(1,077)	(501)	1580%	545	51%	
Proceeds from interest bearing loans and borrowings	-	-	1,000	()	100%	(1,000)	100%	
Repayment of interest bearing loans and borrowings	(284)	(304)	(628)	20	6%	344	55%	
<b>Net cash provided from financing activities</b>	<b>(816)</b>	<b>(335)</b>	<b>(706)</b>	<b>(481)</b>	<b>144%</b>	<b>(111)</b>	<b>16%</b>	
<b>Net increase/(decrease) in cash &amp; cash equivalents held</b>	<b>5,092</b>	<b>(495)</b>	<b>(7,151)</b>	<b>5,586</b>	<b>1129%</b>	<b>12,243</b>	<b>171%</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>12,069</b>	<b>9,698</b>	<b>3,041</b>	<b>2,371</b>	<b>24%</b>	<b>9,028</b>	<b>297%</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>41,169</b>	<b>23,448</b>	<b>16,791</b>	<b>17,721</b>	<b>76%</b>	<b>24,378</b>	<b>145%</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 31 December 2016

Notes	YTD Actuals \$'000	YTD Budget \$'000	Annual Budget \$'000	Variances Actual v		Variances Actual v	
				\$'000	%	\$'000	%
Equity Opening Balance	452,356	395,582	395,582	56,774	14%	56,774	14%
Surplus for the Year	30,902	23,495	7,766	7,407	32%	23,136	298%
Net Asset Revaluation	-	-	6,385	-	0%	(6,385)	(100%)
<b>Total Equity</b>	<b>483,258</b>	<b>419,077</b>	<b>409,733</b>	<b>64,181</b>	<b>15%</b>	<b>73,525</b>	<b>18%</b>

## 5 Statement of Capital Works

As at 31 December 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	1	473	1,614	3,587	1,141	71%	3,114	87%
Plant, machinery & equipment		29	483	1,074	454	94%	1,044	97%
Computers & Telecomms		47	203	450	155	77%	403	90%
Fixtures, Fitting & Furniture		2	9	20	7	74%	18	88%
Roads	2	1,014	2,606	5,791	1,592	61%	4,777	82%
Bridges		37	20	45	(17)	84%	8	17%
Footpaths & Cycleways		321	218	483	(104)	48%	162	33%
Drainage		278	293	650	14	5%	372	57%
Parks, Open Space & Streetscapes	3	277	1,503	3,274	1,225	82%	2,996	92%
Recreation, Leisure & Communities		1,063	411	912	(652)	159%	(151)	17%
Expensed Capital Works	4	210	1,847	4,574	1,637	89%	4,364	95%
Landfill Provision		156	1,018	2,622	862	85%	2,465	94%
Contingency (excl. Expensed Capital Works)		-	-	1,061	-	0%	1,061	100%
<b>Total Capital Works</b>	<b>5</b>	<b>3,909</b>	<b>10,223</b>	<b>25,392</b>	<b>6,315</b>	<b>62%</b>	<b>21,484</b>	<b>85%</b>
<b>Represented by:</b>								
Renewal		1,062	2,733	6,216	1,671	61%	5,154	83%
Upgrade		639	1,727	3,925	1,089	63%	3,287	84%
Expansion		-	-	-	-	0%	-	0%
New		1,649	2,869	8,056	1,219	43%	6,407	80%
Expensed Capital Works		403	1,876	4,574	1,474	79%	4,171	91%
Landfill Provision Works		156	1,018	2,622	862	85%	2,465	94%
<b>Total Capital Works</b>		<b>3,909</b>	<b>10,223</b>	<b>25,392</b>	<b>6,315</b>	<b>62%</b>	<b>21,484</b>	<b>85%</b>

1. Kurrambee Myaring Centre project budgeted over four quarters but to be mainly expended in second half of year.
2. Cape Otway Rd widening project budgeted over four quarters but to be mainly expended in second half of year.
3. Grenville oval road and carpark project budgeted over four quarters but to be mainly expended in second half of year.
4. Anglesea Landfill projects to be delivered in second half of the financial year.
5. Generally all project spend variations are only timing and spending of carry forward of unspent budgeted funds.