

March 2017 Quarterly

# Finance Report



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# 1 Comprehensive Income Statement

For the quarter ended 31 March 2017

	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		47,700	47,578	47,837	123	0%	(137)	0%
Statutory fees and fines		1,299	1,154	1,525	145	13%	(226)	15%
User charges		4,555	4,533	5,771	22	0%	(1,216)	21%
Grants - Operating	1	5,830	5,606	7,526	224	4%	(1,697)	23%
Grants - Capital	2	2,270	1,716	2,509	554	32%	(239)	10%
Contributions - monetary	3	2,584	1,957	2,693	627	32%	(109)	4%
Contributions - non-monetary assets	4	7,561	-	7,840	7,561	0%	(279)	4%
Other Income		861	594	792	267	45%	69	9%
<b>Total Income</b>		<b>72,661</b>	<b>63,137</b>	<b>76,493</b>	<b>9,524</b>	<b>15%</b>	<b>(3,833)</b>	<b>5%</b>
<b>Expenses</b>								
Employee costs	5	19,413	19,760	27,567	348	2%	8,154	30%
Materials and services	6	15,170	18,827	26,237	3,657	19%	11,067	42%
Bad and doubtful debts		66	61	79	(5)	8%	13	17%
Depreciation		8,097	8,504	11,338	406	5%	3,241	29%
Borrowing costs		797	806	1,077	9	1%	280	26%
Asset write offs		69	-	1,243	(69)	0%	1,174	94%
Net loss/(gain) on disposal of property infrastructure, plant and equipment		(157)	89	83	246	277%	241	289%
Other Expenses		791	816	1,103	25	3%	311	28%
<b>Total expenses</b>		<b>44,246</b>	<b>48,864</b>	<b>68,728</b>	<b>4,618</b>	<b>9%</b>	<b>24,482</b>	<b>36%</b>
							-	
<b>Surplus/(deficit) for the year</b>		<b>28,414</b>	<b>14,273</b>	<b>7,766</b>	<b>14,141</b>	<b>99%</b>	<b>20,649</b>	<b>266%</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	7	14,758	-	6,385	(14,758)	0%	(8,374)	131%
<b>Total Comprehensive Result</b>		<b>43,173</b>	<b>14,273</b>	<b>14,151</b>	<b>28,900</b>	<b>202%</b>	<b>29,022</b>	<b>205%</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 and receipts of grants not in the adopted budget.
3. Contributions - monetary, variance mainly due to receipt of funds not in the adopted budget.
4. Contributions - non-monetary assets, variance mainly due to timing of developers granting assets to Council earlier than budgeted.
5. Employee costs, variance mainly relates to timing.
6. Materials and Services, variance mainly relates to timing.
7. Land revaluation processed as at 31 December 2016.

## 2 Balance Sheet

As at 31 March 2017

Notes	YTD	YTD	Annual	Variances		Variances		
	Actuals	Budget	Budget	Actual v	Actual v	Actual v	Actual v	
	\$'000	\$'000	\$'000	YTD Budget	Annual Budget	YTD Budget	Annual Budget	
				\$'000	%	\$'000	%	
<b>Assets</b>								
<b>Current assets</b>								
Cash and cash equivalents	1	12,154	8,585	3,041	3,569	42%	9,113	300%
Trade and other receivables	2	13,002	15,743	4,655	(2,741)	17%	8,347	179%
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		318	281	78055456%	(37)	12%
Other assets	4	446	-	-	446	0%	446	0%
<b>Total current assets</b>		<b>54,215</b>	<b>36,866</b>	<b>20,552</b>	<b>17,349</b>	<b>47%</b>	<b>33,663</b>	<b>164%</b>
<b>Non current assets</b>								
Trade and other receivables		86	201	138	(114)	57%	(52)	38%
Other financial assets		1,000	1,500	1,500	(500)	33%	(500)	33%
Property, infrastructure plant & equipment	5	478,624	407,432	424,798	71,192	17%	53,826	13%
Investments in associates and joint ventures		537	580	580	(43)	7%	(43)	7%
<b>Total non current assets</b>		<b>480,247</b>	<b>409,713</b>	<b>427,016</b>	<b>70,535</b>	<b>17%</b>	<b>53,231</b>	<b>12%</b>
<b>Total assets</b>		<b>534,462</b>	<b>446,578</b>	<b>447,568</b>	<b>87,884</b>	<b>20%</b>	<b>86,894</b>	<b>19%</b>
<b>Liabilities</b>								
<b>Current liabilities</b>								
Trade and other payables	6	1,691	1,901	3,218	210	11%	1,527	47%
Trust funds and deposits		2,828	1,323	1,323	(1,505)	114%	(1,505)	114%
Provisions		7,138	7,186	9,178	48	1%	2,040	22%
Interest bearing liabilities		165	165	748	()	0%	583	78%
Other Liabilities		85	-	-	(85)	0%	(85)	0%
<b>Total current liabilities</b>		<b>11,907</b>	<b>10,575</b>	<b>14,467</b>	<b>(1,332)</b>	<b>13%</b>	<b>2,561</b>	<b>18%</b>
<b>Non current liabilities</b>								
Provisions	7	12,090	11,211	8,180	(879)	8%	(3,910)	48%
Interest bearing liabilities		14,937	14,937	15,188	-	0%	252	2%
<b>Total non current liabilities</b>		<b>27,026</b>	<b>26,148</b>	<b>23,368</b>	<b>(879)</b>	<b>3%</b>	<b>(3,658)</b>	<b>16%</b>
<b>Total liabilities</b>		<b>38,933</b>	<b>36,723</b>	<b>37,836</b>	<b>(2,210)</b>	<b>6%</b>	<b>(1,098)</b>	<b>3%</b>
<b>Net assets</b>		<b>495,529</b>	<b>409,855</b>	<b>409,733</b>	<b>85,674</b>	<b>21%</b>	<b>85,796</b>	<b>21%</b>
<b>Equity</b>								
Accumulated surplus		226,628	209,061	202,896	17,567	8%	23,732	12%
Assets revaluation reserve		251,107	184,425	190,810	66,682	36%	60,298	32%
Other reserves		17,794	16,369	16,027	1,425	9%	1,767	11%
<b>Total equity</b>		<b>495,529</b>	<b>409,855</b>	<b>409,733</b>	<b>85,674</b>	<b>21%</b>	<b>85,796</b>	<b>21%</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 March 2017

Notes	YTD	YTD	Annual	Variances		Variances		
	Actuals	Budget	Budget	Actual v	YTD Budget	Actual v	Annual Budget	
	\$'000	\$'000	\$'000	\$'000	%	\$'000	%	
<b>Cash flow from operating activities</b>								
Rates and charges	37,714	36,385	47,795	1,329	4%	(10,080)	21%	
Grants	8,238	7,580	10,192	657	9%	(1,955)	19%	
Contributions	2,584	1,957	2,693	627	32%	(109)	4%	
Interest received	987	594	792	393	66%	195	25%	
User charges and statutory fees	5,974	5,846	7,700	128	2%	(1,726)	22%	
Net GST refund/payment	1,846	2,804	4,140	(957)	34%	(2,294)	55%	
Employee costs	(19,668)	(19,760)	(27,454)	92	0%	7,785	28%	
Materials and Services	(20,467)	(24,963)	(33,403)	4,496	18%	12,936	39%	
Deposits received/(refunded)	1,157	-	-	1,157	0%	1,157	0%	
Other Payments	-	-	(1,290)	-	0%	1,290	100%	
<b>Net cash provided from operating activities</b>	<b>18,365</b>	<b>10,443</b>	<b>11,165</b>	<b>7,922</b>	<b>76%</b>	<b>7,200</b>	<b>64%</b>	
<b>Cash Flows from investing activities</b>								
Proceeds from sale of property, plant & equipment	371	507	587	(137)	27%	(216)	37%	
Payments for property, plant, equipment & infrastructure assets	(7,799)	(11,288)	(18,197)	3,490	31%	10,398	57%	
Cash Flows from investing activities	(4,500)	-	-	(4,500)	0%	(4,500)	0%	
<b>Net cash used in investing activities</b>	<b>(11,928)</b>	<b>(10,781)</b>	<b>(17,610)</b>	<b>(1,147)</b>	<b>11%</b>	<b>5,682</b>	<b>32%</b>	
<b>Cash flows from financing activities</b>								
Finance costs	(797)	(806)	(1,077)	9	1%	280	26%	
Proceeds from interest bearing loans and borrowings	-	-	1,000	-	0%	(1,000)	100%	
Repayment of interest bearing loans and borrowings	(463)	(463)	(628)	-	0%	165	26%	
<b>Net cash provided from financing activities</b>	<b>(1,260)</b>	<b>(1,269)</b>	<b>(706)</b>	<b>9</b>	<b>1%</b>	<b>(554)</b>	<b>79%</b>	
<b>Net increase/(decrease) in cash &amp; cash equivalents held</b>	<b>5,177</b>	<b>(1,607)</b>	<b>(7,151)</b>	<b>6,784</b>	<b>422%</b>	<b>12,328</b>	<b>172%</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>12,154</b>	<b>8,585</b>	<b>3,041</b>	<b>3,569</b>	<b>42%</b>	<b>9,113</b>	<b>300%</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>1</b>	<b>41,254</b>	<b>22,335</b>	<b>16,791</b>	<b>18,919</b>	<b>85%</b>	<b>24,463</b>	<b>146%</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 March 2017

	YTD	YTD	Annual	Variances		Variances	
	Actuals	Budget	Budget	Actual v	%	Actual v	%
	\$'000	\$'000	\$'000	\$'000	%	\$'000	%
Equity Opening Balance	452,356	395,582	395,582	56,774	14%	56,774	14%
Surplus for the Year	28,414	14,273	7,766	14,141	99%	20,649	266%
Net Asset Revaluation	14,758	-	6,385	14,758	0%	8,374	131%
<b>Total Equity</b>	<b>495,529</b>	<b>409,855</b>	<b>409,733</b>	<b>85,674</b>	<b>21%</b>	<b>85,796</b>	<b>21%</b>

## 5 Statement of Capital Works

As at 31 March 2017

Notes	YTD	YTD	Annual	Variances		Variances		
	Actuals	Budget	Budget	Actual v	Actual v	Annual Budget		
	\$'000	\$'000	\$'000	YTD Budget	YTD Budget	\$'000	%	
				\$'000	%	\$'000	%	
<b>Capital Works</b>								
Land	-	-	850	-	0%	850	100%	
Buildings	1	1,227	2,332	3,587	1,105	47%	2,361	66%
Plant, machinery & equipment		604	698	1,074	94	13%	470	44%
Computers & Telecomms		245	293	450	48	16%	205	46%
Fixtures, Fitting & Furniture		28	13	20	(15)	116%	(8)	40%
Roads	2	2,227	3,764	5,791	1,537	41%	3,563	62%
Bridges		39	29	45	(10)	33%	6	13%
Footpaths & Cycleways		338	314	483	(24)	8%	145	30%
Drainage		359	423	650	64	15%	291	45%
Parks, Open Space & Streetscapes		1,441	2,128	3,274	686	32%	1,832	56%
Recreation, Leisure & Communities		1,291	593	912	(698)	118%	(379)	42%
Expensed Capital Works	3	776	2,710	4,574	1,935	71%	3,798	83%
Landfill Provision		536	1,471	2,622	934	64%	2,085	80%
Contingency (excl. Expensed Capital Works)		-	-	1,061	-	0%	1,061	100%
<b>Total Capital Works</b>	<b>4</b>	<b>9,111</b>	<b>14,767</b>	<b>25,392</b>	<b>5,656</b>	<b>38%</b>	<b>16,281</b>	<b>64%</b>
<b>Represented by:</b>								
Renewal		2,688	3,947	6,216	1,259	32%	3,528	57%
Upgrade		1,311	2,495	3,925	1,184	47%	2,614	67%
Expansion		-	-	-	-	0%	-	0%
New		3,800	4,144	8,056	344	8%	4,256	53%
Expensed Capital Works		776	2,710	4,574	1,934	71%	3,798	83%
Landfill Provision Works		536	1,471	2,622	934	64%	2,085	80%
<b>Total Capital Works</b>		<b>9,111</b>	<b>14,767</b>	<b>25,392</b>	<b>5,656</b>	<b>38%</b>	<b>16,281</b>	<b>64%</b>

1. Torquay Nth Early Learning Ctr & Spring Creek Recreation Netball Courts projects timing.
2. Cape Otway Rd widening and Horse Shoe Bend Road South Beach Road Intersection projects timing.
3. Surf Coast Highway Beach Rd Traffic Lights and South Beach Rd Surf Coast Hwy Intersection projects timing.
4. Generally all project spend variations are only timing and spending of carry forward of unspent budgeted funds.