

Finance Report

1 July 2020 to 30 September 2020



Finance Report - 30 September 2020

1. Comprehensive Income Statement

	Budget 30 Jun 2021 \$'000	Forecast 30 Jun 2021 \$'000	YTD Forecast 30 Sep 2020 \$'000	Actual 30 Sep 2020 \$'000	% of YTD Forecast	Note
Operating Revenue						
Rates and charges	(21,679)	(21,678)	(21,600)	(21,336)	99%	
Statutory fees and fines	(534)	(504)	(96)	(92)	95%	
User fees	(6,032)	(5,797)	(1,527)	(991)	65%	
Contributions - cash	0	0	0	0		
Grants - operating	(7,979)	(8,420)	(2,941)	(3,150)	107%	
Grants - capital	(4,670)	(5,171)	(1,243)	(1,961)	158%	1
Net gain on disposal of property, infrastructure and equipment	0	0	0	(206)		
Other income	(641)	(465)	(230)	(185)	80%	
	(41,535)	(42,034)	(27,638)	(27,920)	101%	
Operating Expenses						
Employee benefits	18,559	20,115	6,635	5,124	77%	2
Materials and services	12,362	13,030	4,043	2,661	66%	3
Bad and doubtful debts	0	0	0	0		
Depreciation and amortisation	12,140	11,084	2,771	2,753	99%	
Finance costs	126	126	31	32	102%	
Other expenses	4,808	4,774	1,882	1,588	84%	
	47,995	49,128	15,363	12,159	79%	
(Surplus) Deficit resulting from operations	6,460	7,094	(12,275)	(15,760)		

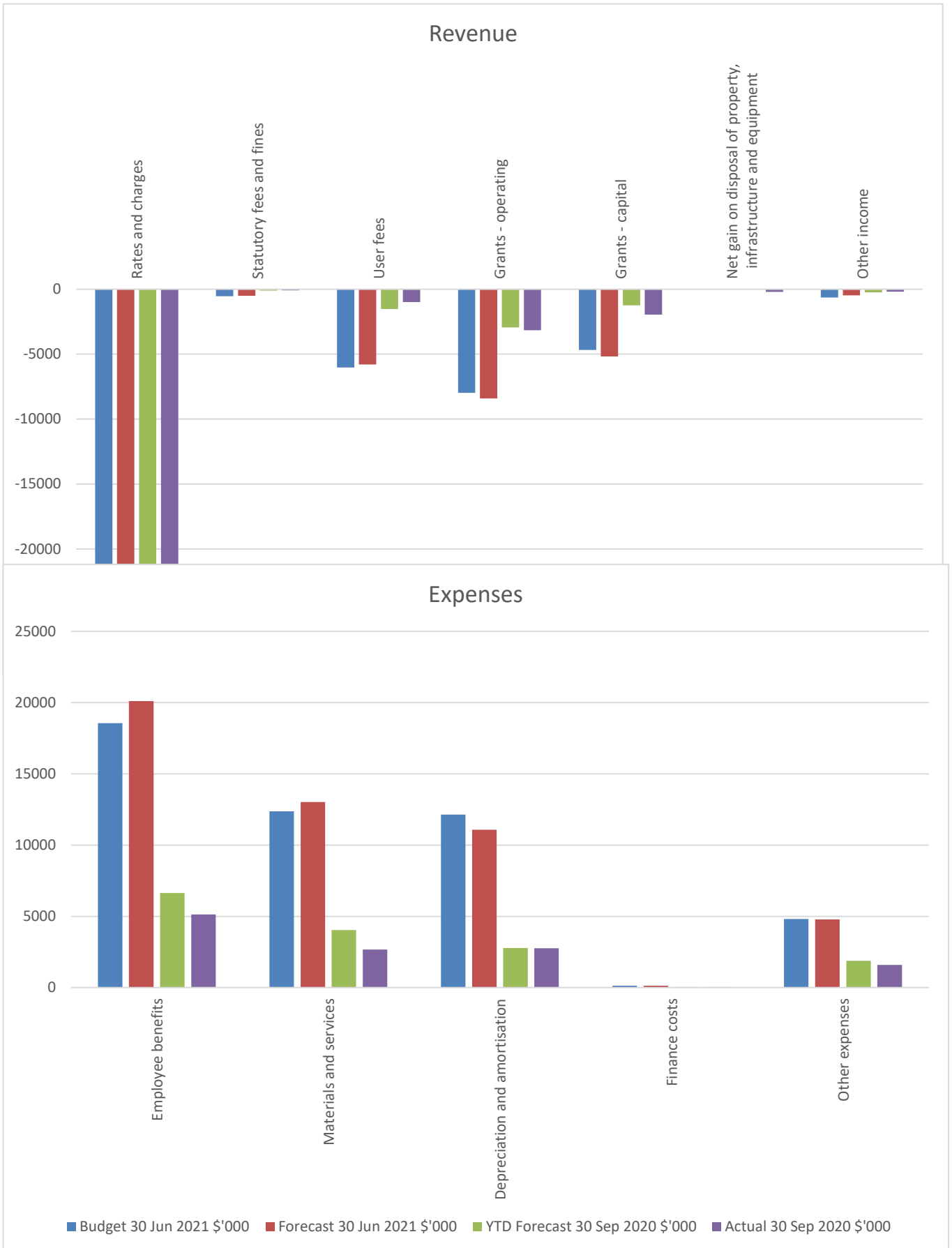
Notes:

1. Capital grants for the Dunkeld Visitor Centre and Pedrina Park have been more than forecast for at this point in the financial year.

2. Employee Benefits are lower than the forecast due to 3 main areas. Capital works labour is generally spent over the October-March period, Casuals wages are far less than anticipated due to COVID service interruptions and there are no public holidays in the July-September quarter.

3. Materials & Services - When preparing the Working for Victoria Program budget, it was assumed approx \$600k would be spent on Materials whereas only \$63k was spent during the period. Other Reduced expenses during the period have occurred at HILAC and the business systems areas. Some of these are timing issues, others (like HILAC) will require further analysis and adjustment as a clearer path to service resumption is known.

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2. Balance Sheet

	Budget 30 Jun 2021 \$'000	Forecast 30 Jun 2021 \$'000	YTD Forecast 30 Sep 2020 \$'000	Actual 30 Sep 2020 \$'000	% of Forecast 0	Note
Current Assets						
Cash & Cash equivalents	9,843	8,474	6,611	10,331	156%	1
Trade & Other Receivables	6,383	4,431	16,027	15,660	98%	
Other Financial Assets	0	0	15,200	17,414	115%	1
Inventories	600	634	634	626	99%	
Non-Current Assets classified as held for resale	5,366	185	185	185	100%	
Other Assets (Prepayments & Accrued Income)	0	0	0	0		
	22,192	13,724	38,656	44,215	114%	
Non Current Assets						
Investments, Trade & Other Receivables	74	62	62	62	100%	
Investment Property	2,720	2,300	2,300	2,300	100%	
Property, Infrastructure, Plant & Equipment	318,748	361,544	354,109	352,459	100%	
	321,542	363,906	356,471	354,821	100%	
Total Assets	343,734	377,630	395,127	399,036	101%	
Current Liabilities						
Trade & Other Payables	(3,554)	(3,262)	(3,262)	(3,685)	113%	
Trust Funds & Deposits	(639)	(781)	(477)	(477)	100%	
Interest Bearing Loans & Liabilities	(707)	(714)	(141)	(140)	100%	
Provisions	(6,100)	(7,704)	(7,704)	(7,704)	100%	
	(11,000)	(12,462)	(11,584)	(12,007)	104%	
Non Current Liabilities						
Interest Bearing Loans & Liabilities	(4,213)	(4,199)	(3,205)	(3,206)	100%	
Provisions	(4,962)	(2,922)	(2,922)	(2,922)	100%	
	(9,175)	(7,121)	(6,126)	(6,128)	100%	
Net Assets	323,559	358,048	377,417	380,902	101%	
Accumulated Surplus	(136,564)	(136,590)	(155,959)	(159,444)	102%	
Asset Revaluation Reserve	(186,083)	(220,976)	(220,976)	(220,976)	100%	
Other Reserves	(912)	(482)	(482)	(482)	100%	
Net Equity	(323,559)	(358,048)	(377,417)	(380,902)	101%	

Notes:

1. Council's cash (includes other financial assets which are term deposits and cash investments) are \$27.745m with the YTD forecast being \$21.811m. The cash levels are due to the timing of Capital Works expenditure (\$1.8m less than forecast) and net operations being \$3.2m higher than forecast - See notes 1-3 for the income statement.

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Core Ratios	Prudential Guideline	Adopted Budget	Forecast Budget	YTD Actual
Working Capital Ratio/Liquidity Ratio <i>(Current Assets/Current Liabilities)</i>	> 150%	201.7%	110.1%	368.3%
Debt Servicing Ratio <i>(Interest as a % of total Revenue)</i>	< 5%	0.6%	0.6%	0.2%
Debt Commitment Ratio <i>(Interest & Loan repayments as a % of total Revenue)</i>	< 15%	1.7%	0.4%	0.6%

Reconciliation of Equity	Adopted Budget 2020/21 \$'000	Post Budget Adjustment 2019/20 Year \$'000	Movement to 30 Sep 2020 \$'000	Actual 30 Sep 2020 \$'000	Notes
Accumulated Surplus	133,564	10,120	15,760	159,444	
Asset Revaluation Reserve	186,083	34,893		220,976	
Other Reserves					
- Open Space/Subdividers	274	13		287	
- Parking Development	98			98	
- Drainage Headworks	97			97	
- Waste Management	443	(443)		0	<i>Closed 30/06/2020</i>
Total	320,559	44,583	15,760	380,902	

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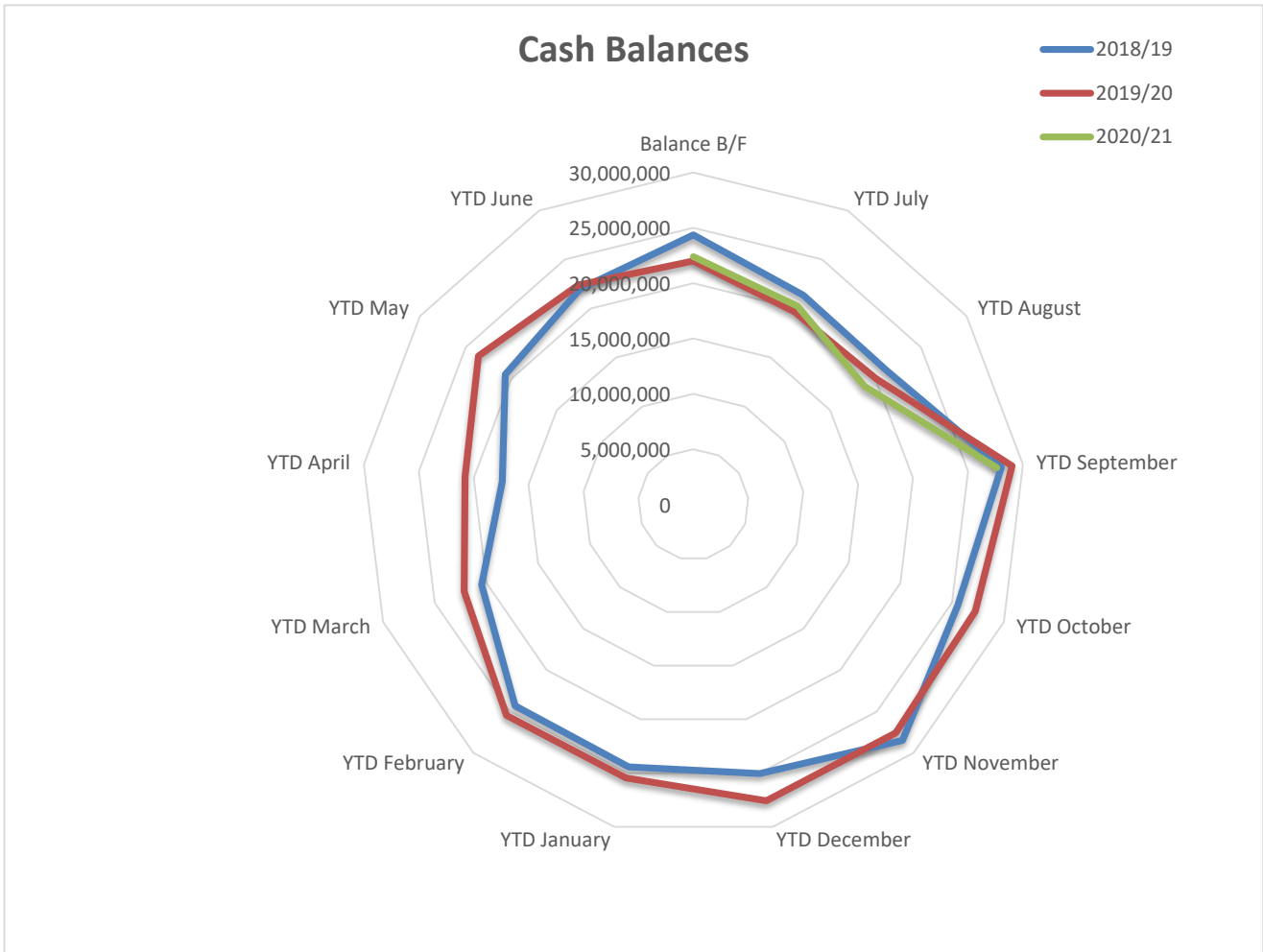
3. Cash Flow Statement

	Budget 30 Jun 2021 \$'000	Forecast 30 Jun 2021 \$'000	YTD Forecast 30 Sep 2020 \$'000	YTD Actual 30 Sep 2020 \$'000	% of YTD Forecast	Note
Cash flows from Operations						
Operating Revenue						
Rates and charges	21,678	21,678	9,677	9,740	101%	
Grants - operating	7,979	8,420	2,941	3,150	107%	
Grants - capital	4,671	5,171	1,243	1,961	158%	1
Interest	310	365	18	12	66%	2
User fees	6,042	5,797	1,527	991	65%	3
Statutory fees and fines	524	504	96	92	95%	
Other revenue	332	100	213	173	81%	
	41,536	42,034	15,715	16,119	103%	
Operating Expenses						
Employee benefits	(20,218)	(20,115)	(6,635)	(5,124)	77%	4
Materials and consumables	(10,703)	(11,430)	(3,661)	(2,661)	73%	5
Other expenses	(4,809)	(5,992)	(1,882)	(1,588)	84%	
	(35,730)	(37,536)	(12,178)	(9,374)	77%	
Net Cash Flows From Operating Act	5,806	4,498	3,536	6,745	191%	
Cash Flows From Financing Activities						
Finance Costs	(126)	(126)	(31)	(32)	102%	
Proceeds from Borrowings	2,000	2,000	0	0	0%	
Repayment of Borrowings	(573)	(573)	(141)	(140)	100%	
Net cash flows from financing activities	1,301	1,301	(172)	(172)	100%	
Cash Flows From Investing Activities						
Payments for investing activities	(14,911)	(20,419)	(4,260)	(3,150)	74%	6
Proceeds from Asset Sales	480	575	164	206		
Net Cash Flows From Investing Activities	(14,431)	(19,844)	(4,096)	(2,945)	72%	
Net Cash Flows From Movements in Balance Sheet	0	393	417	1,992		
Net increase (decrease) in Cash	(7,324)	(13,652)	(314)	5,620		
Cash (Overdraft) at the beginning of the period	15,360	22,125	22,125	22,125		
Cash (Overdraft) at the end of the period	8,036	8,473	21,811	27,745		

Notes:

- Capital Grants - See Note 1 for the Income Statement
- Interest Revenue - Council will not received the amount of interest forecast for the year. Officers will recalculate the amount anticipated to be earned in line with reinvestments which have occurred in the past months.
- User fees have been substantially affected by COVID Service interruptions. As services begin to re-open, total estimates of lost/forgone revenue will be calculated and re-forecast.
- Employee Benefits - See Note 2 for the Income Statement
- Materials & Services - See Note 3 for the Income Statement
- See detailed Capital Works report as attached and as provided separately by the Director Infrastructure.

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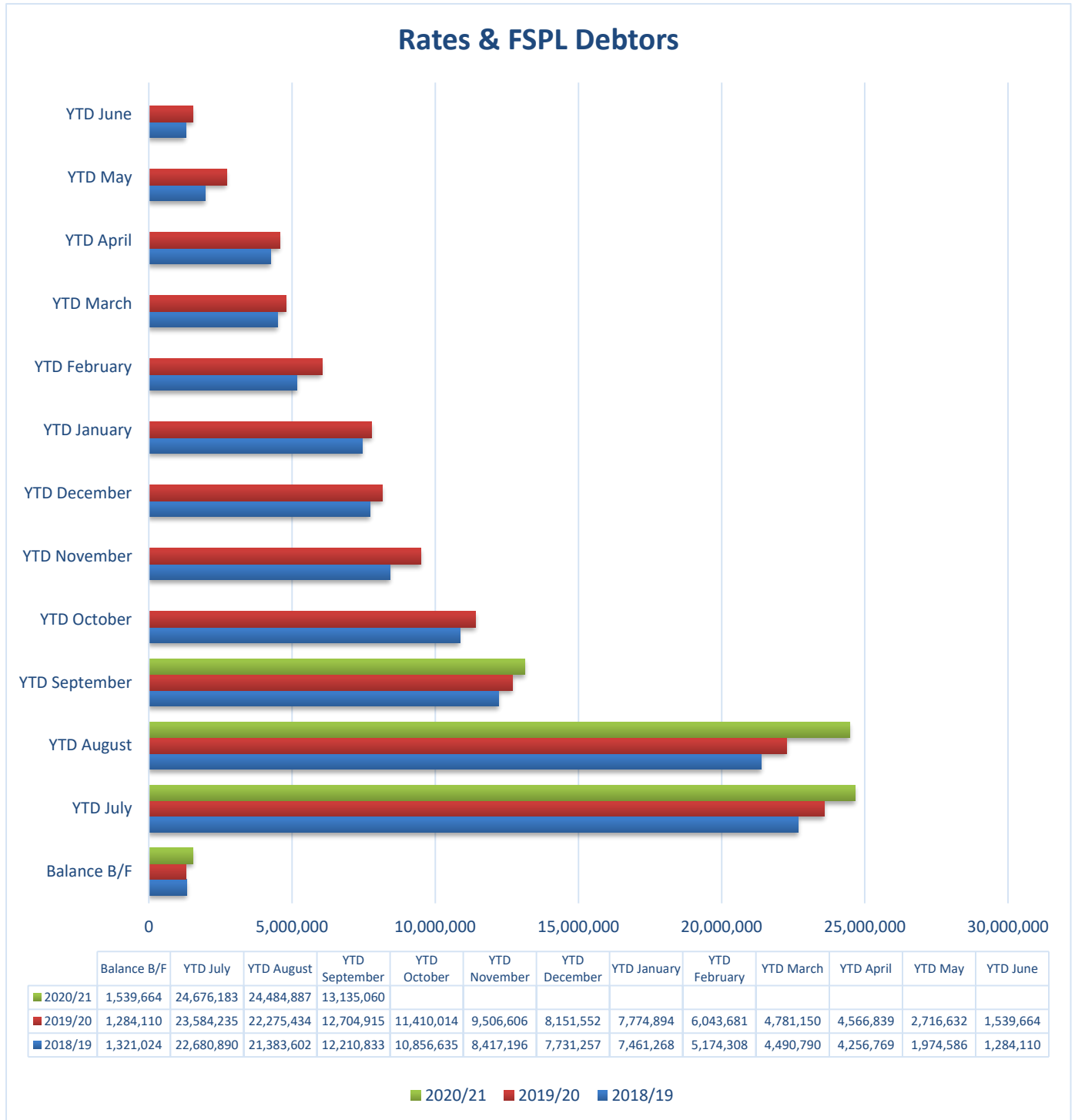


Council's Cash balances have a consistent pattern of earning and consumption.

Reconciliation of Cash	Balance B/Fwd 01/07/20	Cumulative Balance 30/09/20	Cumulative Balance 31/12/20	Cumulative Balance 31/03/21	Cumulative Balance 30/06/21
General Account - Working Capital	7,197,820	10,210,563			
Section 86 Committee Holdings	135,253	135,253			
Cash Floats	4,027	4,027			
Yatchaw Drainage Special Rate Account	35,577	35,577			
Investment - Unrestricted					
General Account	0	3,000,000			
Investment - Specific Purpose					
Prepaid FAGS	3,993,171	3,993,171			
Trusts	530,033	530,033			
Reserves	481,219	481,219			
Landfill Rehabilitation	4,000,000	3,614,000			
Defined Benefit Shortfall	2,000,000	2,000,000			
Yatchaw Drainage	87,703	87,703			
Investment - Restricted					
Sir Irving Benson Bequest	653,673	653,673			
Long Service Leave	3,400,000	3,000,000			
Total Cash & Investments	22,518,476	27,745,218			

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4. Debtor Analysis



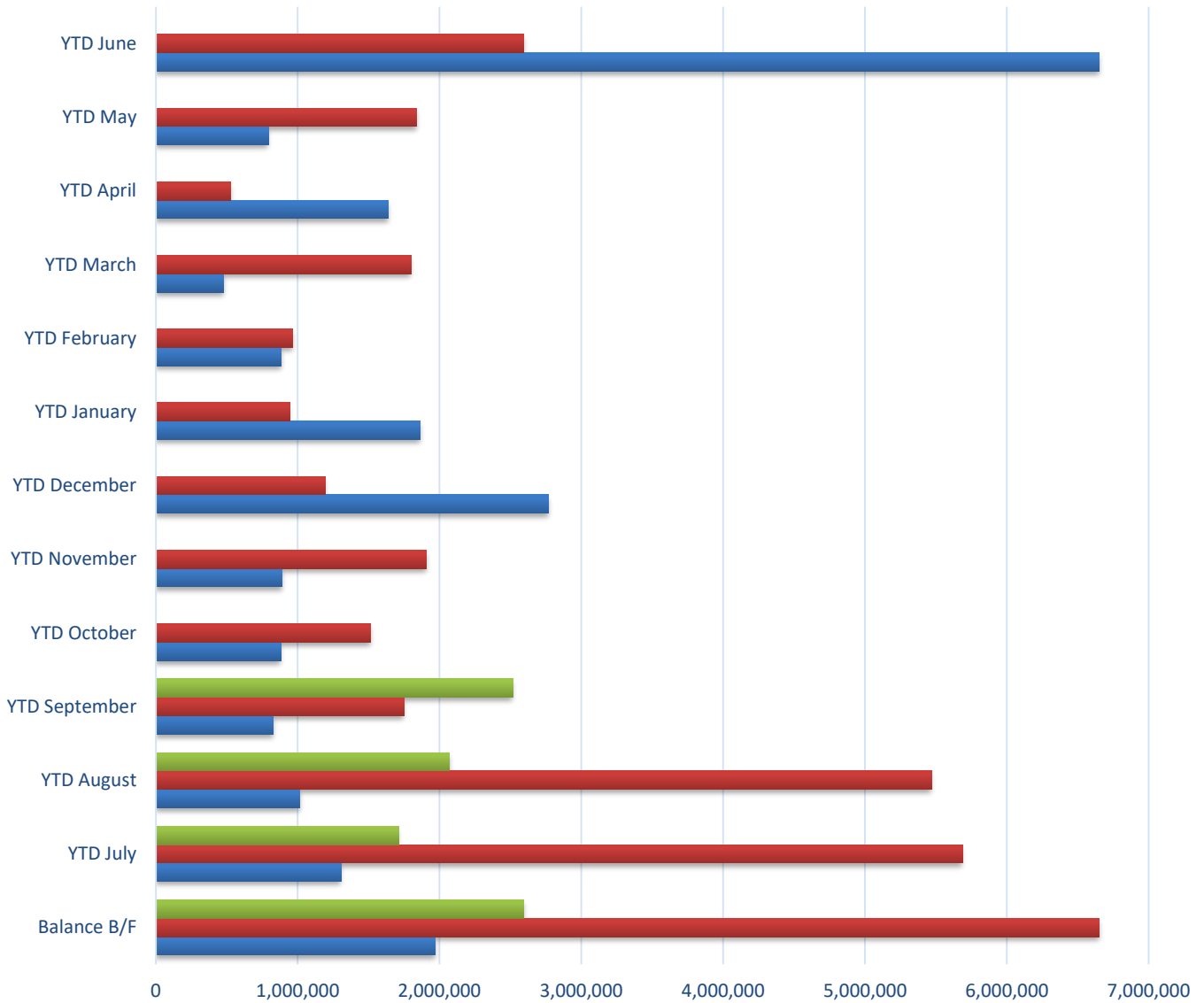
Notes:

1. Rates and Fire Services Property Levy (FSPL) debtor collection has a clear pattern of 50% of the revenue collected before the end of October

2. Debt Collection on all debts has been suspended from March 2020. It is not envisaged to commence formal debt collection prior to 1 July 2021. Informal methods (general discussions with customers, assistance with payment plans and hardship policy agreements) have continued throughout the period. At the 30 June 2020, approx \$300k more rates were outstanding, however most of this related to existing debt collection matters, rather than a large number of additional ratepayers.

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General Debtors



■ 2020/21 ■ 2019/20 ■ 2018/19

Notes:

1. Debtors at the end of 2018/19 were substantially higher (blue bars) due to the final claims for works under Flood recovery. This was paid during the first 3 months of 2019/20 (red bars). Debt levels for 2020/21 (green bars) are more on trend.

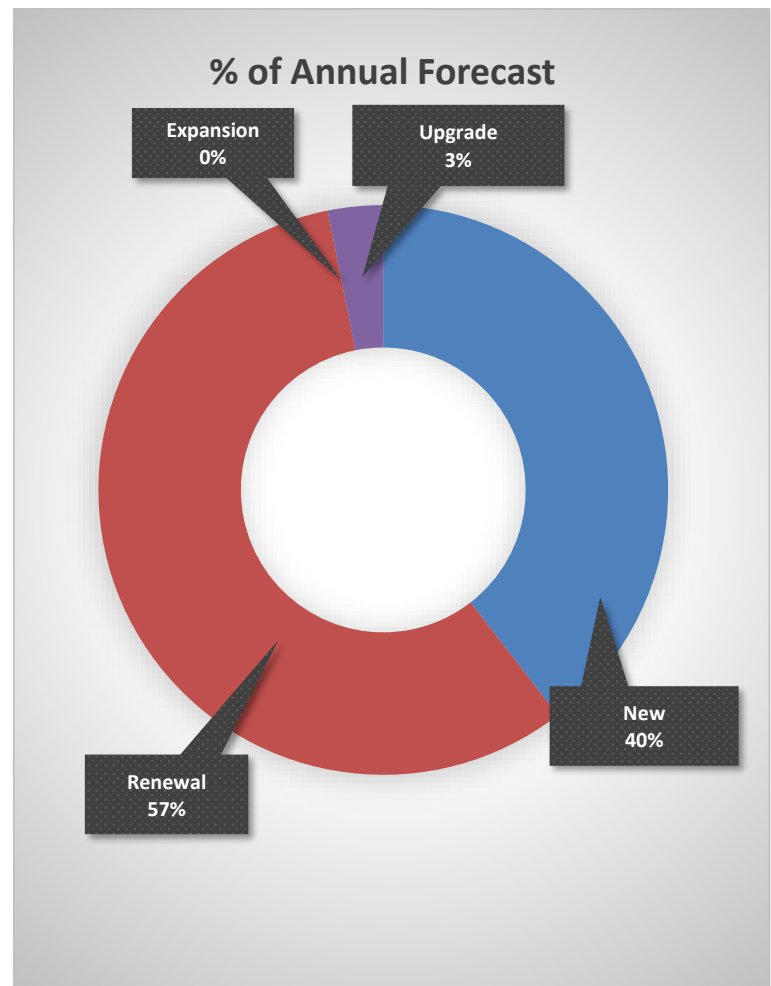
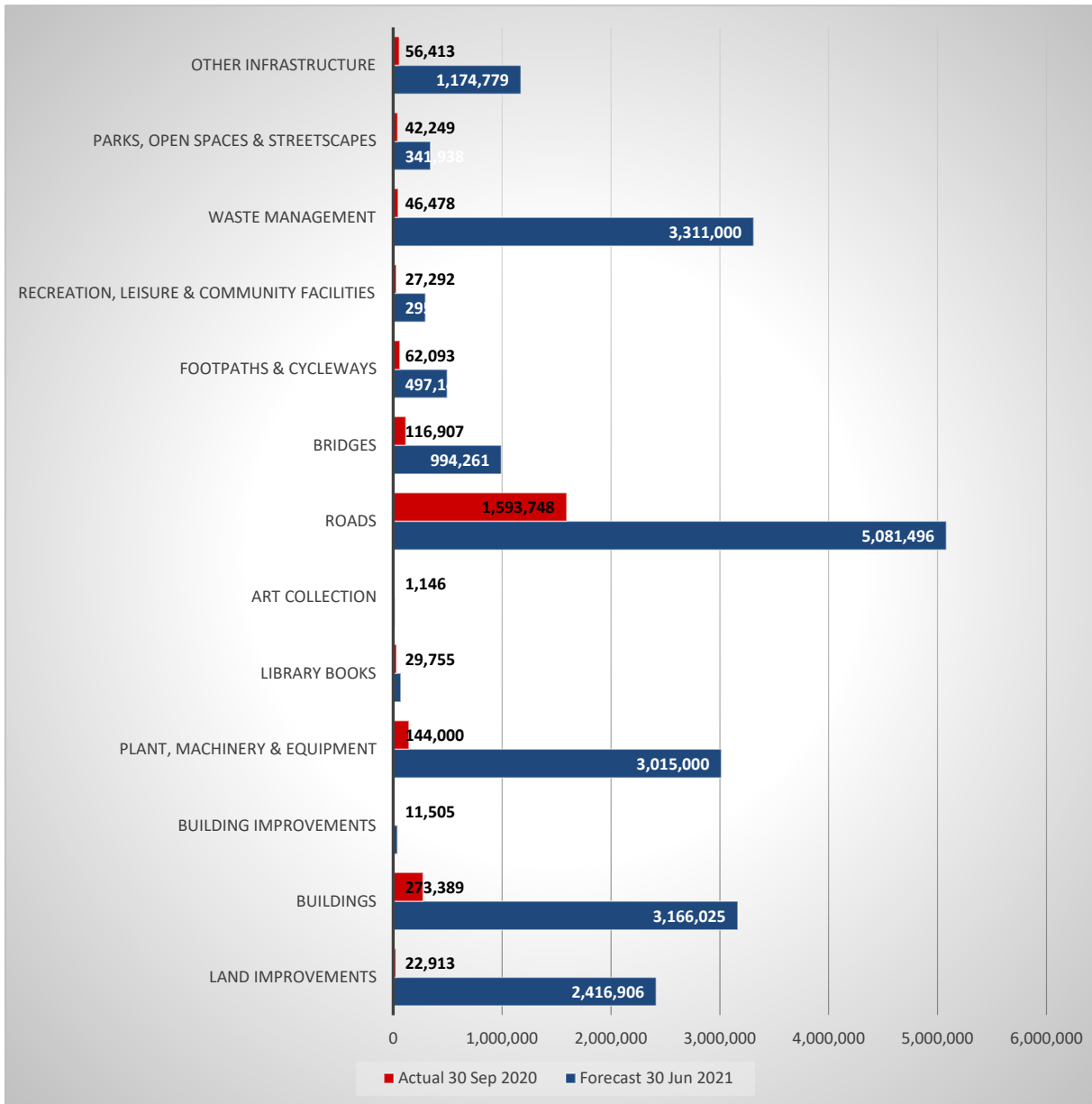
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5. Capital Works

	Incomplete Works 30 June 2020	Budget 30 Jun 2021	Forecast 30 Jun 2021	YTD Forecast 30 Sep 2020	Actual 30 Sep 2020	Actual + Committed 30 Sep 2020	% of Annual Forecast
Property							
Land	0	0	0	0	0	0	
Land Improvements	3,045,280	0	2,416,906	604,224	22,913	1,105,027	1%
Buildings	2,069,775	1,806,600	3,166,025	604,002	273,389	400,532	9%
Heritage Buildings	0	0	0	0	0	0	
Building Improvements	1,097	39,500	39,500	39,500	11,505	29,595	29%
	5,116,152	1,846,100	5,622,431	1,247,726	307,806	1,535,155	
Plant & Equipment							
Heritage Plant & Equipment	0	0	0	0	0	0	
Plant, Machinery & Equipment	0	2,635,000	3,015,000	729,999	144,000	893,540	5%
Fixtures, Fittings & Furniture	0	0	0	0	0	0	
Computers & Telecommunications	19,818	0	0	0	0	0	
Library Books	0	70,000	70,000	13,749	29,755	43,362	43%
Art Collection	0	15,000	15,000	3,750	1,146	11,486	8%
	19,818	2,720,000	3,100,000	747,498	174,901	948,389	
Infrastructure							
Roads	517,664	4,710,000	5,081,496	652,885	1,593,748	2,435,115	31%
Bridges	433,716	873,000	994,261	198,567	116,907	392,971	12%
Footpaths & Cycleways	210,737	445,000	497,145	124,287	62,093	75,251	12%
Drainage	0	0	0	0	0	0	
Recreation, Leisure & Community Facilities	200,163	329,000	295,632	161,907	27,292	132,118	9%
Waste Management	765,872	2,843,000	3,311,000	827,745	46,478	164,548	1%
Parks, Open Spaces & Streetscapes	628,440	150,000	341,938	85,482	42,249	106,215	12%
Aerodromes	0	0	0	0	0	0	
Off Street Carparks	0	0	0	0	0	0	
Other Infrastructure	1,046,957	995,000	1,174,779	213,693	56,413	289,849	5%
	3,803,550	10,345,000	11,696,251	2,264,566	1,945,179	3,596,067	
Total Capital Works	8,939,520	14,911,100	20,418,682	4,259,790	2,427,887	6,079,610	12%
Represented by:							
New	6,467,616	3,161,000	8,067,214	1,994,286	734,824	2,043,302	40%
Renewal	1,558,950	11,165,600	11,711,968	2,156,005	1,677,240	3,956,462	57%
Expansion	0	0	0	0	0	0	0%
Upgrade	912,954	584,500	639,500	109,499	15,823	79,845	3%
	8,939,520	14,911,100	20,418,682	4,259,790	2,427,887	6,079,610	100%

Note: Details of Capital project expenses are provided separately in a specific report from the Director Infrastructure.

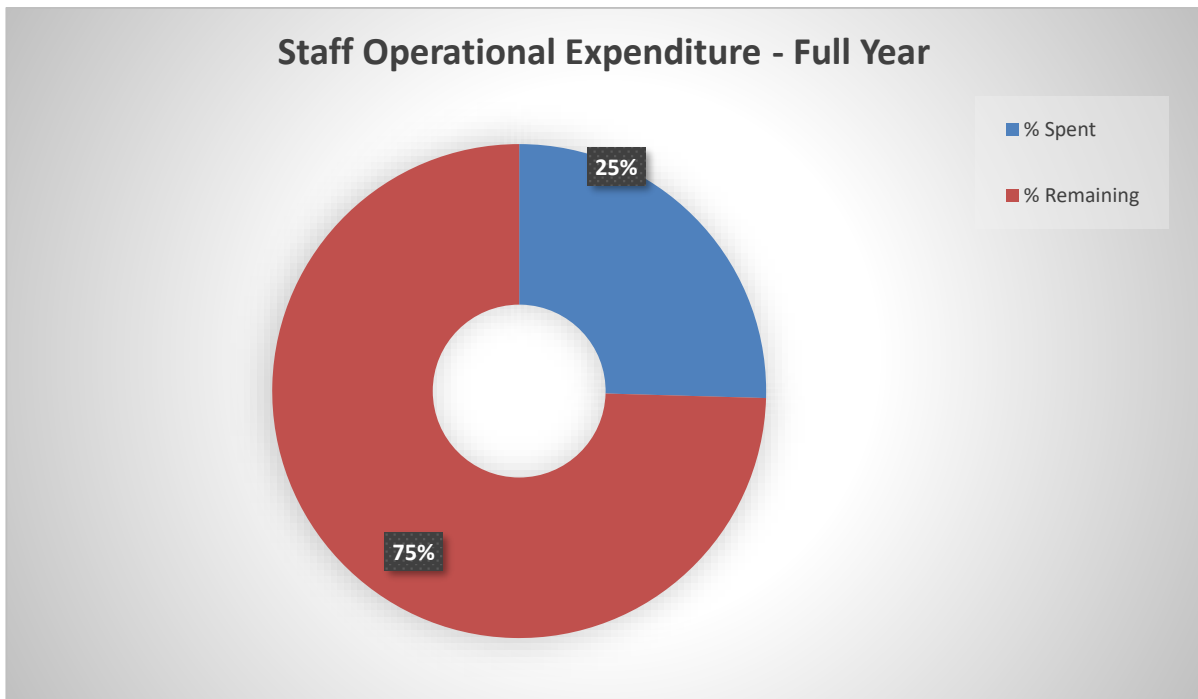
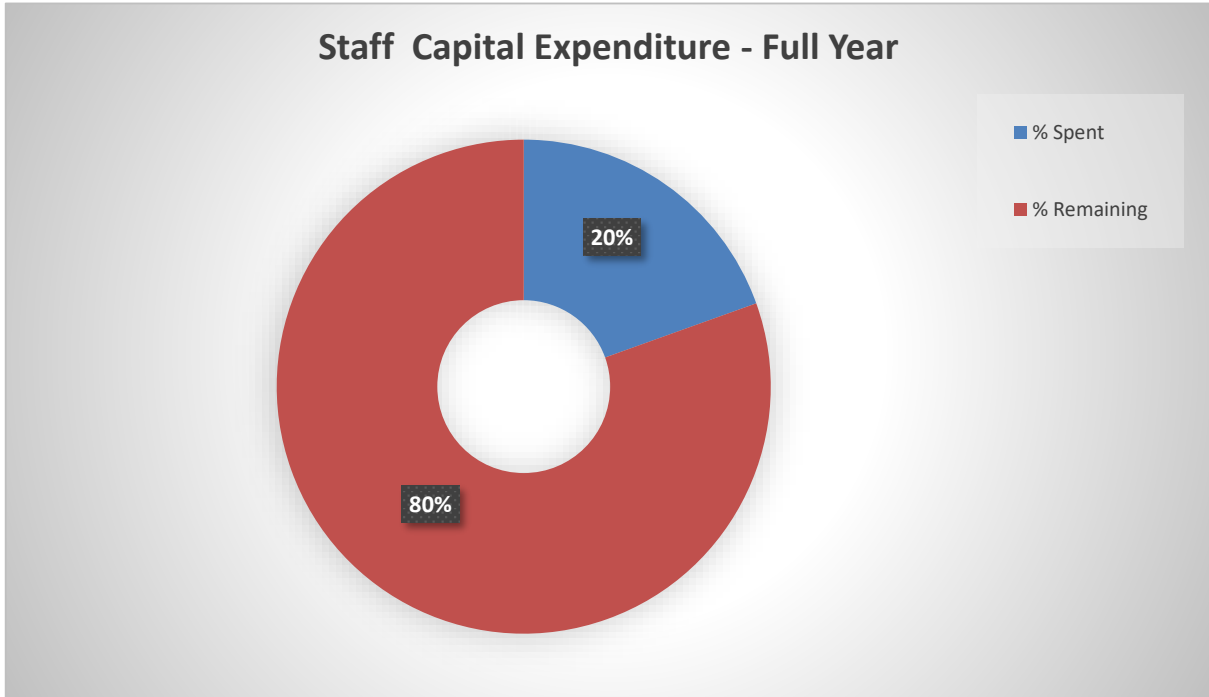
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6. Human Resources

	Budget 30 Jun 2021	Forecast 30 Jun 2021	YTD Forecast 30 Sep 2020	Actual 30 Sep 2020	% of YTD Forecast	% of Annual Forecast
Staff Expenditure						
Employee Costs - Operations	20,217,622	20,217,622	6,610,406	5,145,654	78%	25%
Employee Costs - Capital	2,015,996	2,015,996	361,713	393,617	109%	20%
Total Staff Expenditure	22,233,618	22,233,618	6,972,119	5,539,271	79%	



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7. Hardship Assistance - COVID-19 Support

On 8 July 2020, in conjunction with the adoption of the 2020/21 Budget, Council adopted a Hardship Assistance Policy - COVID-19 Support for the purpose of providing specific support to ratepayers, debtors and several groups of Council customers with hardship assistance and/or support during and post the 2019-2021 COVID-19 Pandemic.

The Policy provides for assistance in 6 broad areas, was to be retrospectively applied where cited. Quarterly reported was also included as part of the Policy.

It should be noted, that whilst some customers may not meet the COVID-19 Support assistance, some are being considered under delegation of the CEO and the general Hardship Policy and are therefore outside the scope of this report.

Reimbursement of Permit Expense	2019/20 Financial Year	2020/21 Quarter 1	2020/21 Quarter 2	2020/21 Quarter 3	2020/21 Quarter 4	Cumulative
Reimbursement of the Annual Fee paid by the Business						
No. of Applications received		7				7
No. of Applications not granted		1				1
No. of Applications granted		6				6
Value of Applications granted		\$2,900				\$2,900
Rate Relief 2019/20 Year (Final Instalment)	2019/20 Financial Year	2020/21 Quarter 1	2020/21 Quarter 2	2020/21 Quarter 3	2020/21 Quarter 4	Cumulative
Write off of Interest accrued on the final instalment						
No. of Applications received	5					5
No. of Applications not granted	4					4
No. of Applications granted	1					1
Value of Applications granted	\$28					\$28
Rate Relief 2020/21 Year (All Instalment)	2019/20 Financial Year	2020/21 Quarter 1	2020/21 Quarter 2	2020/21 Quarter 3	2020/21 Quarter 4	Cumulative
2% reimbursement of the total rate bill (Council charges only)						
No. of Applications received		7				7
No. of Applications not granted		3				3
No. of Applications granted		4				4
Value of Applications granted		\$331				\$331
Economic Assistance Landlords	2019/20 Financial Year	2020/21 Quarter 1	2020/21 Quarter 2	2020/21 Quarter 3	2020/21 Quarter 4	Cumulative
2% reimbursement of the total rate bill (Council charges only) on top of 2% rate relief						
No. of Applications received		1				1
No. of Applications not granted		1				1
No. of Applications granted		0				0
Value of Applications granted		\$0				\$0
Existing Customers in arrears	2019/20 Financial Year	2020/21 Quarter 1	2020/21 Quarter 2	2020/21 Quarter 3	2020/21 Quarter 4	Cumulative
Case by Case basis						
No. of Applications received						0
No. of Applications not granted						0
No. of Applications granted						0
Value of Applications granted						\$0
Not Elsewhere included eg Community/User Groups	2019/20 Financial Year	2020/21 Quarter 1	2020/21 Quarter 2	2020/21 Quarter 3	2020/21 Quarter 4	Cumulative
Case by Case basis						
No. of Applications received						0
No. of Applications not granted						0
No. of Applications granted	4					4
Value of Applications granted	\$28,915					\$28,915

Not granted may include applications under consideration

Total All Categories

No. of Applications received	5	15	0	0	0	20
No. of Applications not granted	4	5	0	0	0	9
No. of Applications granted	5	10	0	0	0	15
Value of Applications granted	\$28,943	\$3,231	\$0	\$0	\$0	\$32,174