

Finance Report

1 July 2020 to 31 March 2021



Finance Report - 31 March 2021

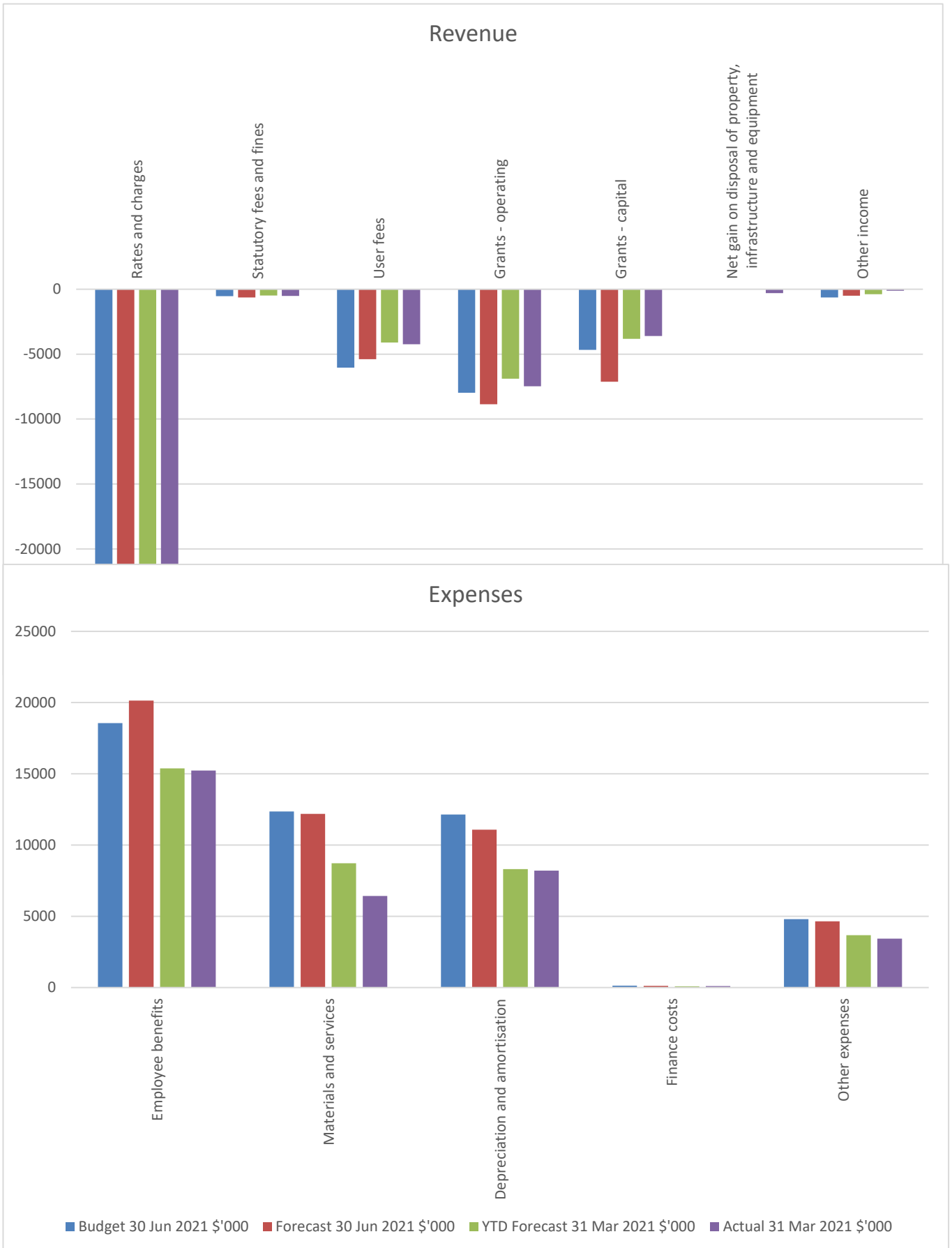
1. Comprehensive Income Statement

	Budget 30 Jun 2021 \$'000	Forecast 30 Jun 2021 \$'000	YTD Forecast 31 Mar 2021 \$'000	Actual 31 Mar 2021 \$'000	% of YTD Forecast	Note
Operating Revenue						
Rates and charges	(21,679)	(21,663)	(21,662)	(21,861)	101%	
Statutory fees and fines	(534)	(634)	(480)	(508)	106%	
User fees	(6,032)	(5,392)	(4,105)	(4,233)	103%	
Contributions - cash	0	0	0	0		
Grants - operating	(7,979)	(8,862)	(6,891)	(7,469)	108%	
Grants - capital	(4,670)	(7,118)	(3,817)	(3,599)	94%	
Net gain on disposal of property, infrastructure and equipment	0	0	0	(294)		
Other income	(641)	(502)	(387)	(108)	28%	1
	(41,535)	(44,170)	(37,342)	(38,072)	102%	
Operating Expenses						
Employee benefits	18,559	20,143	15,382	15,233	99%	
Materials and services	12,362	12,198	8,728	6,432	74%	2
Bad and doubtful debts	0	0	0	0		
Depreciation and amortisation	12,140	11,084	8,313	8,210	99%	
Finance costs	126	126	94	96	102%	
Other expenses	4,808	4,647	3,682	3,425	93%	
	47,995	48,197	36,198	33,396	92%	
(Surplus) Deficit resulting from operations	6,460	4,026	(1,144)	(4,676)		

Notes:

1. Other Income - Interest Revenue has not yet been received for a number of investments and reimbursements for Pensioner concessions has not all been received yet.
2. Reduced contractor payments in some services such as Family Day Care, HILAC, Training, Regulatory Services and transfer stations as well as reduced materials expenses in aquatic facilities, business systems, events support, HILAC and Library.

Finance Report - 31 March 2021



Finance Report - 31 March 2021

2. Balance Sheet

	Budget 30 Jun 2021 \$'000	Forecast 30 Jun 2021 \$'000	YTD Forecast 31 Mar 2021 \$'000	Actual 31 Mar 2021 \$'000	% of Forecast	Note
Current Assets						
Cash & Cash equivalents	9,843	15,726	3,700	6,073	164%	1
Trade & Other Receivables	6,383	4,431	6,707	6,478	97%	
Other Financial Assets	0	0	15,200	17,423	115%	1
Inventories	600	634	634	652	103%	
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	20,976	26,426	30,811	117%	
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	357,359	354,920	352,464	99%	
	321,542	359,722	357,283	354,826	99%	
Total Assets	343,734	380,697	383,709	385,637	101%	
Current Liabilities						
Trade & Other Payables	(3,554)	(3,262)	(3,262)	(1,787)	55%	2
Trust Funds & Deposits	(639)	(781)	(477)	(349)	73%	3
Interest Bearing Loans & Liabilities	(707)	(714)	(427)	(426)	100%	
Provisions	(6,100)	(7,704)	(7,704)	(7,704)	100%	
	(11,000)	(12,462)	(11,871)	(10,267)	86%	
Non Current Liabilities						
Interest Bearing Loans & Liabilities	(4,213)	(4,199)	(2,631)	(2,634)	100%	
Provisions	(4,962)	(2,922)	(2,922)	(2,920)	100%	
	(9,175)	(7,121)	(5,553)	(5,553)	100%	
Net Assets	323,559	361,115	366,285	369,818	101%	
Accumulated Surplus	(136,564)	(139,657)	(144,827)	(148,360)	102%	
Asset Revaluation Reserve	(186,083)	(220,976)	(220,976)	(220,976)	100%	
Other Reserves	(912)	(482)	(482)	(482)	100%	
Net Equity	(323,559)	(361,115)	(366,285)	(369,818)	101%	

Notes:

- Cash holdings remain strong (\$23m compared to year end projection of \$16m), however with only one rate instalment and one Victoria Grants Commission payment to be received, cash will reduce quickly in the last quarter of the year due to capital works and various project contract payments due.
- Trade & Other Payables - a large proportion of March payables were paid at the end of March. Year end anticipates the full month of June outstanding coupled with a traditionally higher spend in that month.
- Trust funds and deposits are lower due to the winding back of contractors retentions as projects are completed.

Finance Report - 31 March 2021

Core Ratios	Prudential Guideline	Adopted Budget	Forecast Budget	YTD Actual
Working Capital Ratio/Liquidity Ratio <i>(Current Assets/Current Liabilities)</i>	> 150%	201.7%	168.3%	300.1%
Debt Servicing Ratio <i>(Interest as a % of total Revenue)</i>	< 5%	0.6%	0.6%	0.4%
Debt Commitment Ratio <i>(Interest & Loan repayments as a % of total Revenue)</i>	< 15%	1.7%	1.2%	1.4%

Reconciliation of Equity	Adopted Budget 2020/21 \$'000	Post Budget Adjustment 2019/20 Year \$'000	Movement to 31 Mar 2021 \$'000	Actual 31 Mar 2021 \$'000	Notes
Accumulated Surplus	133,564	10,120	4,676	148,360	
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	4,676	369,818	

Finance Report - 31 March 2021

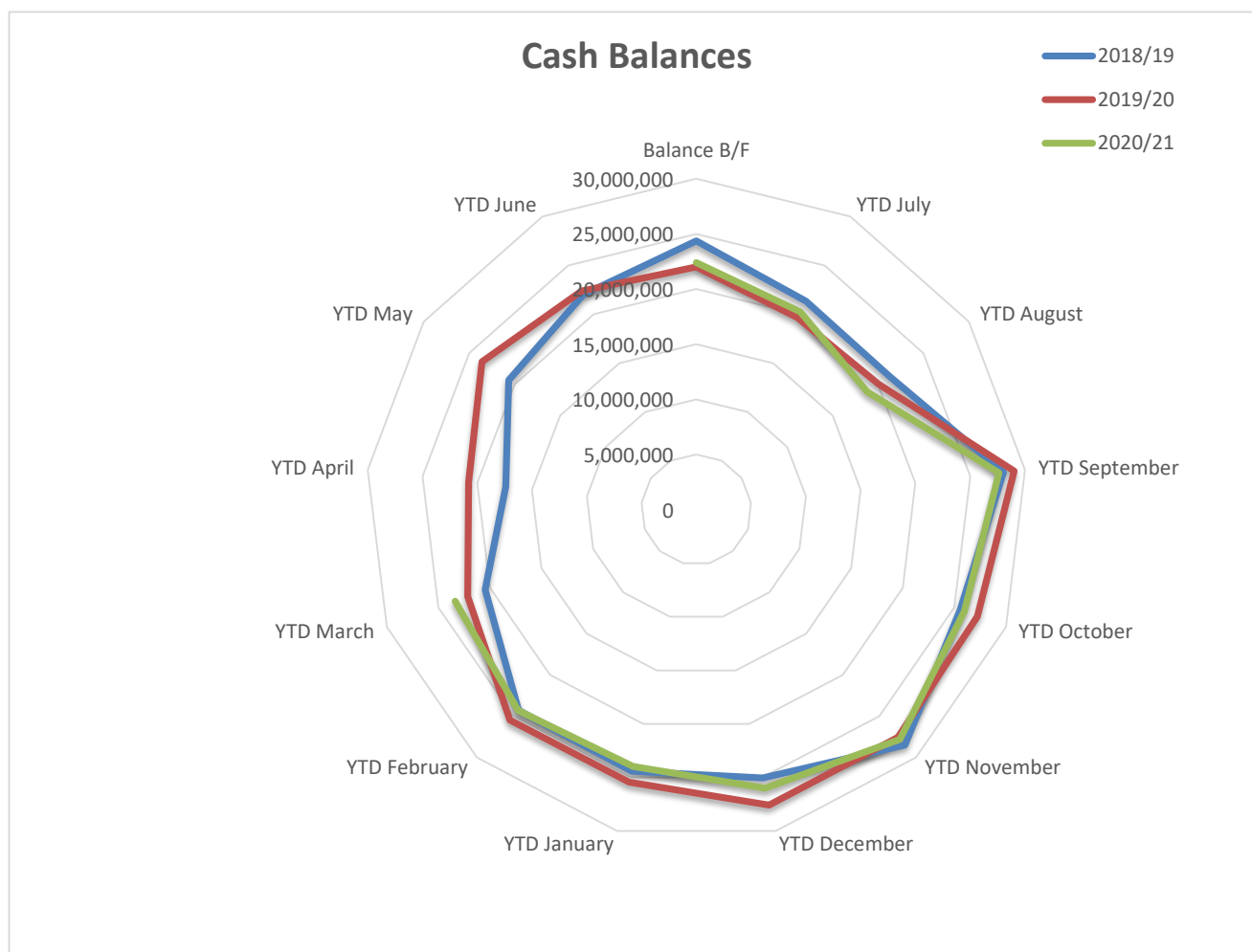
3. Cash Flow Statement

	Budget 30 Jun 2021 \$'000	Forecast 30 Jun 2021 \$'000	YTD Forecast 31 Mar 2021 \$'000	YTD Actual 31 Mar 2021 \$'000	% of YTD Forecast	Note
Cash flows from Operations						
Operating Revenue						
Rates and charges	21,678	21,663	18,326	18,525	101%	
Grants - operating	7,979	8,862	6,891	7,469	108%	
Grants - capital	4,671	7,118	3,817	3,599	94%	
Interest	310	196	109	57	52%	1
User fees	6,042	5,392	4,105	4,233	103%	
Statutory fees and fines	524	634	480	508	106%	
Other revenue	332	306	278	51	18%	2
	41,536	44,170	34,006	34,442	101%	
Operating Expenses						
Employee benefits	(20,218)	(20,143)	(15,382)	(15,233)	99%	
Materials and consumables	(10,703)	(10,598)	(8,346)	(6,432)	77%	3
Other expenses	(4,809)	(5,865)	(3,682)	(3,425)	93%	
	(35,730)	(36,605)	(27,409)	(25,090)	92%	
Net Cash Flows From Operating Activities	5,806	7,565	6,597	9,352	142%	
Cash Flows From Financing Activities						
Finance Costs	(126)	(126)	(94)	(96)	102%	
Proceeds from Borrowings	2,000	2,000	0	0	0%	4
Repayment of Borrowings	(573)	(573)	(427)	(426)	100%	
Net cash flows from financing activities	1,301	1,301	(522)	(522)	100%	
Cash Flows From Investing Activities						
Payments for investing activities	(14,911)	(16,535)	(11,170)	(7,890)	71%	5
Proceeds from Asset Sales	480	876	721	294	41%	6
Net Cash Flows From Investing Activities	(14,431)	(15,659)	(10,449)	(7,595)	73%	
Net Cash Flows From Movements in Balance Sheet	0	393	1,149	137		
Net increase (decrease) in Cash	(7,324)	(6,400)	(3,225)	1,371		
Cash (Overdraft) at the beginning of the period	17,167	22,125	22,125	22,125		
Cash (Overdraft) at the end of the period	9,843	15,725	18,900	23,496		

Notes:

- Interest has been reforecast, however the timing of payment will be at the term of the investment - usually in the final weeks of June.
- Other Revenue includes items such as reimbursements which will be received prior to year end.
- Reduced contractor payments in some services such as Family Day Care, HILAC, Training, Regulatory Services and transfer stations as well as reduced materials expenses in aquatic facilities, business systems, events support, HILAC and Library.
- The proposed loan has not yet been drawn down.
- See detailed Capital Works Expenditure Report
- Motor vehicle sales were postponed to April with Heavy fleet to be postponed to the 2021/22 financial year.

Finance Report - 31 March 2021

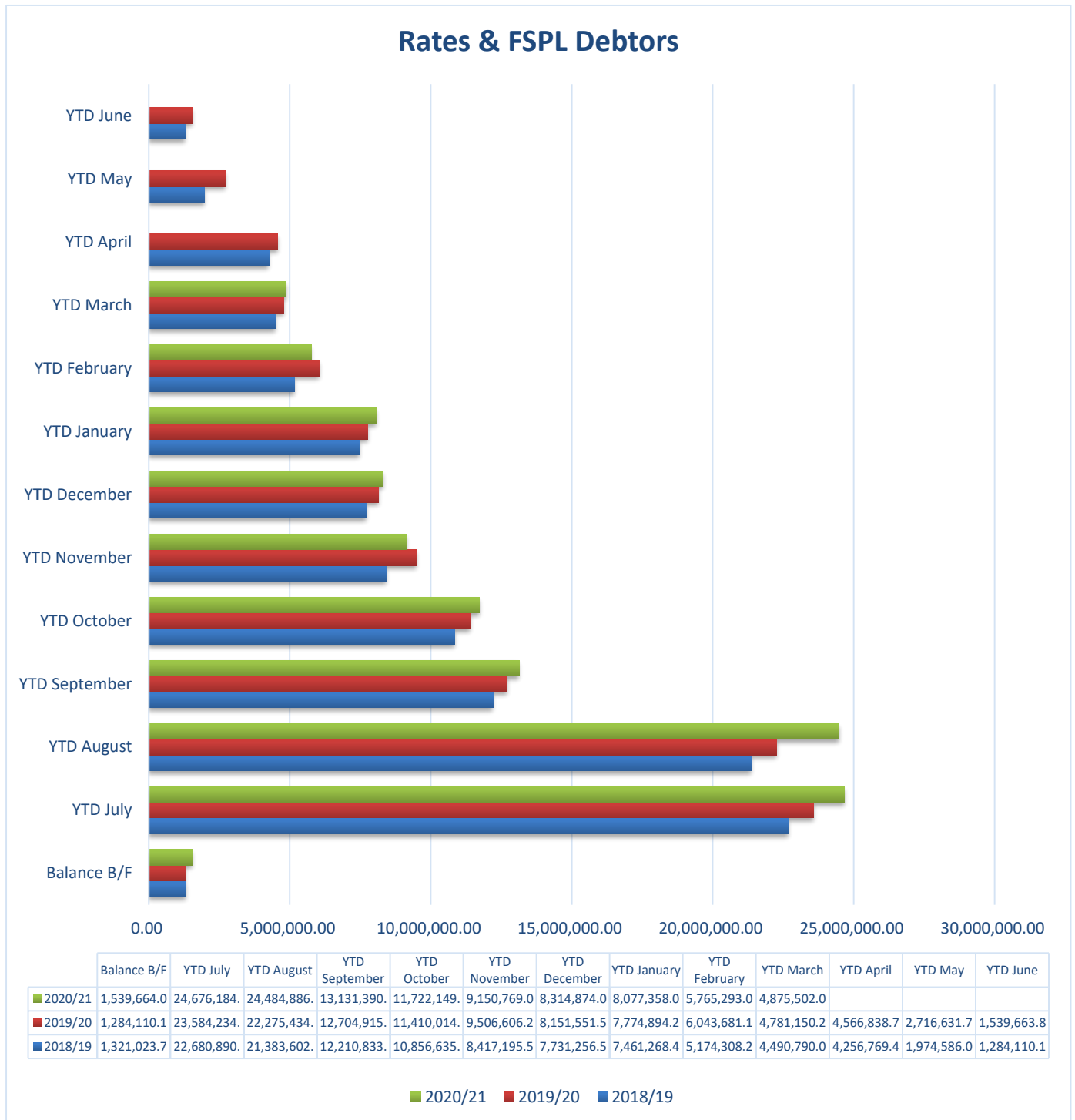


Council's Cash balances have a consistent pattern of earning and consumption.

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	10,212,387	8,588,233	5,953,326	
Section 86 Committee Holdings	135,253	135,253	135,253	134,364	
Cash Floats	4,027	4,027	4,027	4,027	
Yatchaw Drainage Special Rate Account	35,577	35,577	35,577	35,577	
Investment - Unrestricted					
General Account	0	2,999,997	7,000,000	7,000,000	
Investment - Specific Purpose					
Prepaid FAGS	3,993,171	3,993,174	0	0	
Trusts	530,033	530,030	530,027	530,024	
Reserves	481,219	481,222	481,225	481,228	
Landfill Rehabilitation	4,000,000	3,614,000	3,614,000	3,614,000	
Defined Benefit Shortfall	2,000,000	2,000,000	2,000,000	2,000,000	
Yatchaw Drainage	87,703	87,703	87,703	87,703	
Investment - Restricted					
Sir Irving Benson Bequest	653,673	653,673	655,803	655,803	
Long Service Leave	3,400,000	3,000,000	3,000,000	3,000,000	
Total Cash & Investments	22,518,476	27,747,043	26,131,848	23,496,052	

Finance Report - 31 March 2021

4. Debtor Analysis

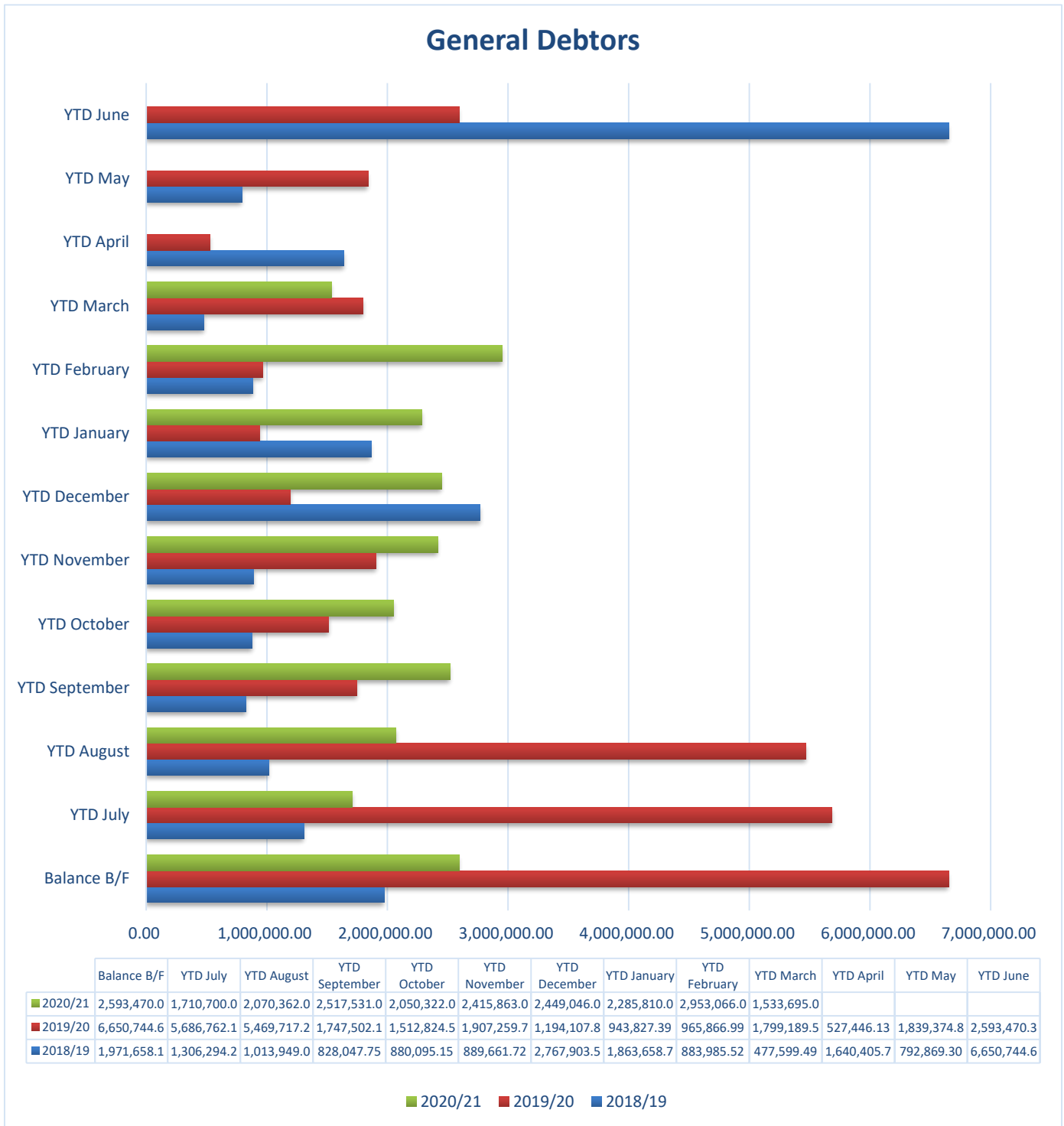


Notes:

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.

Finance Report - 31 March 2021



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.

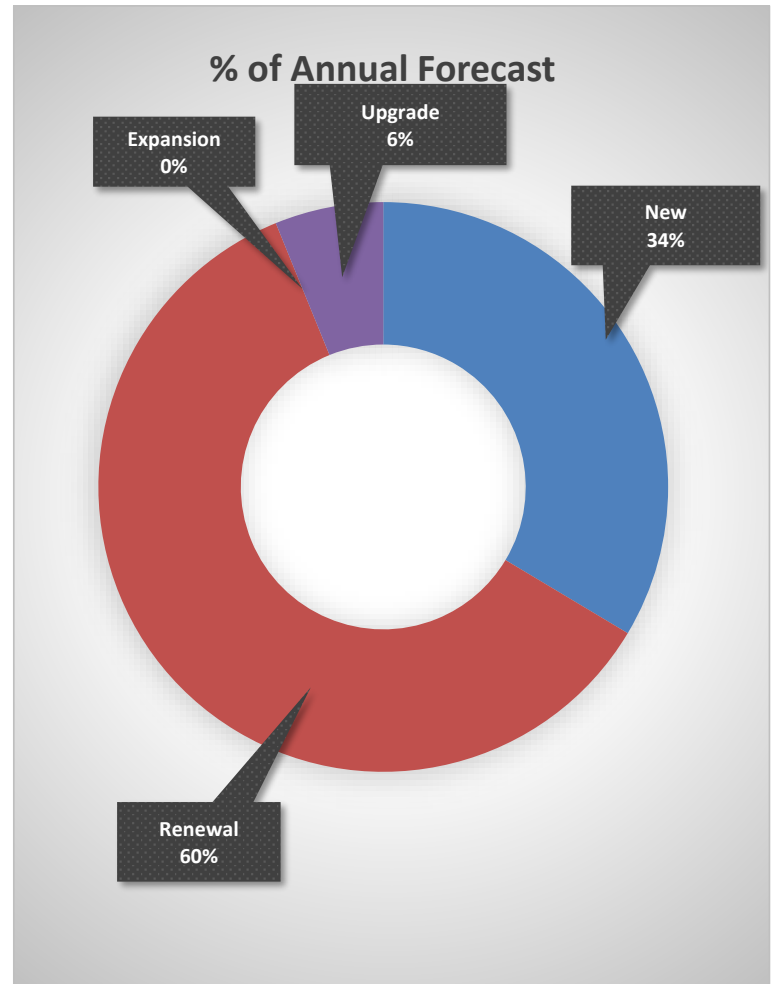
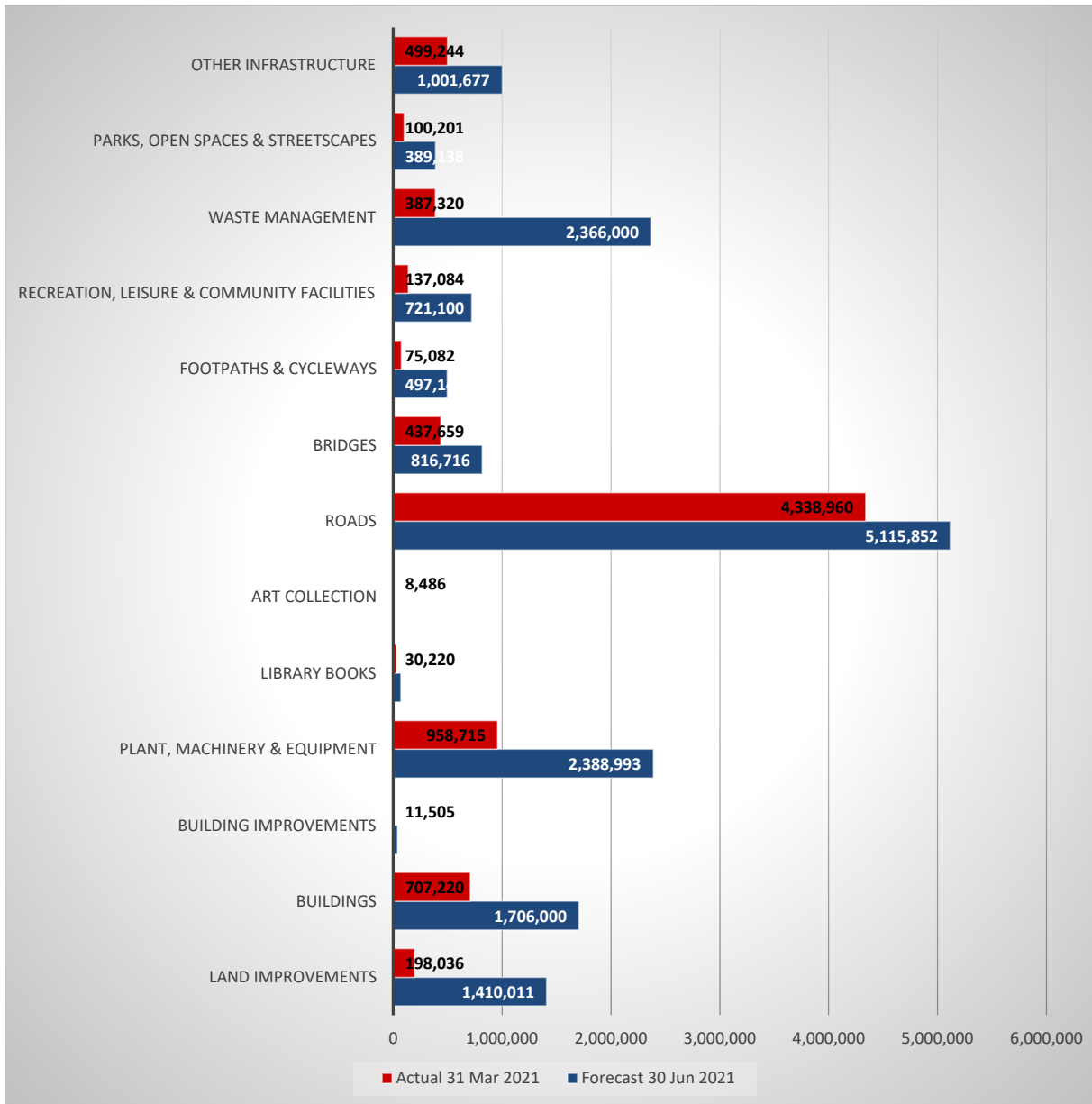
Finance Report - 31 March 2021

5. Capital Works

	Incomplete Works 30 June 2020	Budget 30 Jun 2021	Forecast 30 Jun 2021	YTD Forecast 31 Mar 2021	Actual 31 Mar 2021	Actual + Committed 31 Mar 2021	% of Annual Forecast
Property							
Land	0	0	0	0	0	0	
Land Improvements	3,045,280	0	1,410,011	1,057,509	198,036	585,735	14%
Buildings	2,069,775	1,806,600	1,706,000	830,001	707,220	2,214,050	41%
Heritage Buildings	0	0	0	0	0	0	
Building Improvements	1,097	39,500	39,500	39,500	11,505	30,386	29%
	5,116,152	1,846,100	3,155,511	1,927,010	916,761	2,830,171	
Plant & Equipment							
Heritage Plant & Equipment	0	0	0	0	0	0	
Plant, Machinery & Equipment	0	2,635,000	2,388,993	1,644,247	958,715	1,254,880	40%
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	41,247	30,220	30,220	43%
Art Collection	0	15,000	12,986	9,738	8,486	11,486	65%
	19,818	2,720,000	2,471,979	1,695,232	997,421	1,296,587	
Infrastructure							
Roads	517,664	4,710,000	5,115,852	4,234,121	4,338,960	4,419,019	85%
Bridges	433,716	873,000	816,716	637,534	437,659	576,798	54%
Footpaths & Cycleways	210,737	445,000	497,145	372,861	75,082	90,158	15%
Drainage	0	0	0	0	0	0	
Recreation, Leisure & Community Facilities	200,163	329,000	721,100	227,721	137,084	137,084	19%
Waste Management	765,872	2,843,000	2,366,000	1,171,994	387,320	1,498,798	16%
Parks, Open Spaces & Streetscapes	628,440	150,000	389,138	232,646	100,201	125,380	26%
Aerodromes	0	0	0	0	0	0	
Off Street Carparks	0	0	0	0	0	0	
Other Infrastructure	1,046,957	995,000	1,001,677	670,886	499,244	794,460	50%
	3,803,550	10,345,000	10,907,628	7,547,763	5,975,551	7,641,697	
Total Capital Works	8,939,520	14,911,100	16,535,118	11,170,005	7,889,733	11,768,454	48%
Represented by:							
New	6,467,616	3,161,000	5,552,810	3,212,427	1,411,894	4,119,377	34%
Renewal	1,558,950	11,165,600	9,964,140	7,543,640	6,327,848	7,299,737	60%
Expansion	0	0	0	0	0	0	0%
Upgrade	912,954	584,500	1,018,168	413,938	149,991	349,340	6%
	8,939,520	14,911,100	16,535,118	11,170,005	7,889,733	11,768,454	100%

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

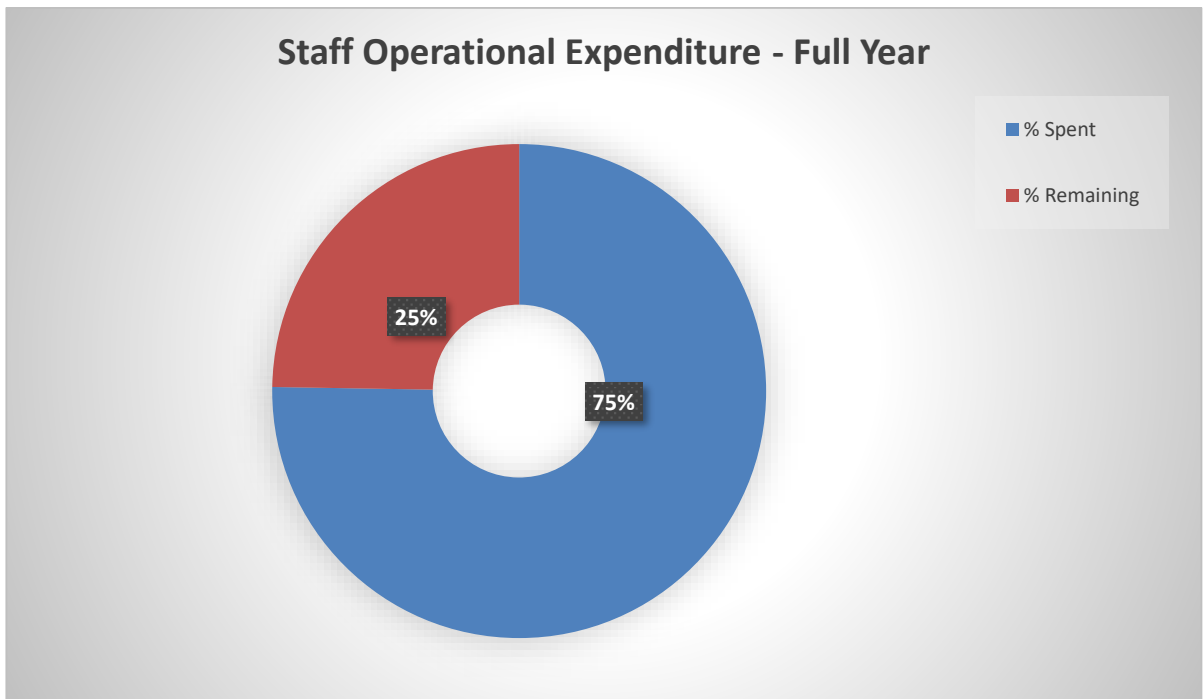
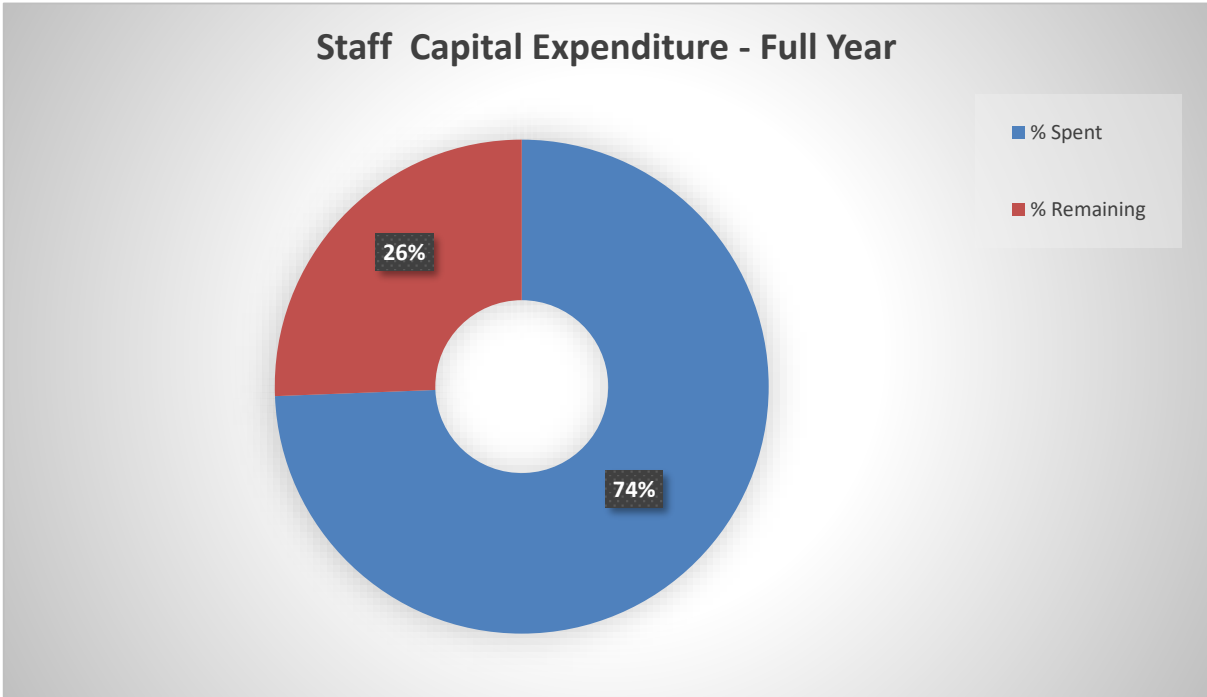
Finance Report - 31 March 2021



Finance Report - 31 March 2021

6. Human Resources

	Budget 30 Jun 2021	Forecast 30 Jun 2021	YTD Forecast 31 Mar 2021	Actual 31 Mar 2021	% of YTD Forecast	% of Annual Forecast
Staff Expenditure						
Employee Costs - Operations	20,217,622	20,267,580	15,475,563	15,254,127	99%	75%
Employee Costs - Capital	2,015,996	1,573,893	1,294,434	1,170,755	90%	74%
Total Staff Expenditure	22,233,618	21,841,473	16,769,997	16,424,882	98%	75%



Finance Report - 31 March 2021

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	14	1		22
No. of Applications not granted		1	3	0		4
No. of Applications granted		6	11	1		18
Value of Applications granted		\$2,900	\$2,225	\$400		\$5,525
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	1			6
No. of Applications not granted		4	0			4
No. of Applications granted		1	1			2
Value of Applications granted		\$28	\$6			\$35
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	3			10
No. of Applications not granted		3	0			3
No. of Applications granted		4	3			7
Value of Applications granted		\$331	\$1,072			\$1,403
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		9	13			22
No. of Applications not granted		3	5			8
No. of Applications granted	4	6	8			18
Value of Applications granted	\$28,915	\$837	\$1,828			\$31,580

Not granted may include applications under consideration

"Not Elsewhere Included" includes general hardship applications.

Total All Categories

No. of Applications received	0	29	31	1	0	61
No. of Applications not granted	0	12	8	0	0	20
No. of Applications granted	4	17	23	1	0	45
Value of Applications granted	\$28,915	\$4,097	\$5,131	\$400	\$0	\$38,543

8. Declaration by CEO

As per Section 97 of the Local Government Act 2020, as soon as practicable after the end of each quarter of the financial year, the Chief Executive Officer must ensure that a quarterly budget report is presented to the Council at a Council meeting which is open to the public.

A quarterly budget report must include a comparison of the actual and budgeted results to date, an explanation of any material variations and any other matters prescribed by the regulations.



Michael Tudball
Chief Executive Officer
20 April 2021