

# Finance Report

**1 July 2020 to 30 June 2021**  
**Preliminary ONLY**



# Finance Report - 30 June 2021 - Preliminary ONLY

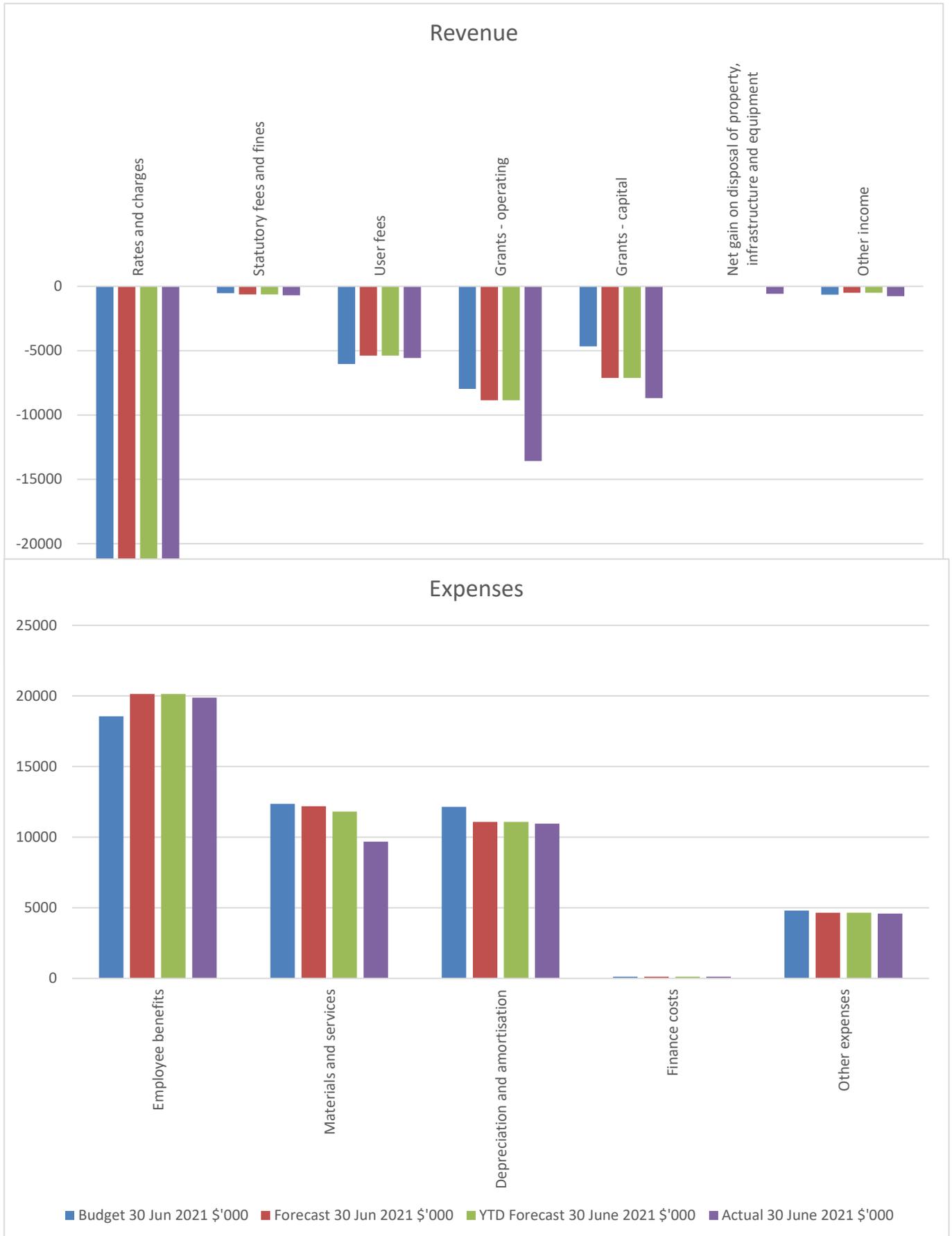
## 1. Comprehensive Income Statement

	Budget 30 Jun 2021 \$'000	Forecast 30 Jun 2021 \$'000	YTD Forecast 30 June 2021 \$'000	Actual 30 June 2021 \$'000	% of YTD Forecast	Note
<b>Operating Revenue</b>						
Rates and charges	(21,679)	(21,663)	(21,663)	(21,758)	100%	
Statutory fees and fines	(534)	(634)	(634)	(692)	109%	
User fees	(6,032)	(5,392)	(5,392)	(5,563)	103%	
Contributions - cash	0	0	0	0		
Grants - operating	(7,979)	(8,862)	(8,862)	(13,584)	153%	1
Grants - capital	(4,670)	(7,118)	(7,118)	(8,683)	122%	2
Net gain on disposal of property, infrastructure and equipment	0	0	0	(578)		
Other income	(641)	(502)	(502)	(765)	153%	3
	<b>(41,535)</b>	<b>(44,170)</b>	<b>(44,170)</b>	<b>(51,622)</b>	<b>117%</b>	
<b>Operating Expenses</b>						
Employee benefits	18,559	20,143	20,143	19,887	99%	
Materials and services	12,362	12,198	11,816	9,683	82%	4
Bad and doubtful debts	0	0	0	0		
Depreciation and amortisation	12,140	11,084	11,084	10,959	99%	
Finance costs	126	126	126	125	100%	
Other expenses	4,808	4,647	4,647	4,592	99%	
	<b>47,995</b>	<b>48,197</b>	<b>47,815</b>	<b>45,247</b>	<b>95%</b>	
<b>(Surplus) Deficit resulting from operations</b>	<b>6,460</b>	<b>4,026</b>	<b>3,644</b>	<b>(6,375)</b>		

### Notes:

- Operating Grants - Victoria Grants Commission prepaid \$4.1m of the 2021/22 Financial Assistance Grant allocation in the 2020/21 Year
- Several capital grants have been received in advance of the 2021/22 year. Under accounting standards, these will be adjusted and transferred to the balance sheet as unperformed contracts and appear as revenue in the appropriate year.
- Other Income includes: \$100k insurance reimbursement, Drummuster revenue \$50k, private works income \$22k and other smaller revenue items
- These are preliminary reports only and not all invoices have been processed for goods received during June.

# Finance Report - 30 June 2021 - Preliminary ONLY



# Finance Report - 30 June 2021 - Preliminary ONLY

## 2. Balance Sheet

	Budget 30 Jun 2021 \$'000	Forecast 30 Jun 2021 \$'000	YTD Forecast 30 June 2021 \$'000	Actual 30 June 2021 \$'000	% of Forecast	Note
<b>Current Assets</b>						
Cash & Cash equivalents	9,843	526	526	9,890	1881%	1
Trade & Other Receivables	6,383	4,431	4,431	3,393	77%	
Other Financial Assets	0	15,200	15,200	16,809	111%	1
Inventories	600	634	634	556	88%	
Non-Current Assets classified as held for resale	5,366	185	185	185	100%	
Other Assets (Prepayments & Accrued Income)	0	0	382	0		
	<b>22,192</b>	<b>20,976</b>	<b>21,358</b>	<b>30,833</b>	<b>144%</b>	
<b>Non Current Assets</b>						
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	357,359	353,358	99%	
	<b>321,542</b>	<b>359,722</b>	<b>359,722</b>	<b>355,721</b>	<b>99%</b>	
<b>Total Assets</b>	<b>343,734</b>	<b>380,697</b>	<b>381,080</b>	<b>386,553</b>	<b>101%</b>	
<b>Current Liabilities</b>						
Trade & Other Payables	(3,554)	(3,262)	(3,262)	(1,037)	32%	2
Trust Funds & Deposits	(639)	(781)	(781)	(373)	48%	3
Interest Bearing Loans & Liabilities	(707)	(714)	(529)	(529)	100%	
Provisions	(6,100)	(7,704)	(7,704)	(7,704)	100%	
	<b>(11,000)</b>	<b>(12,462)</b>	<b>(12,277)</b>	<b>(9,643)</b>	<b>79%</b>	
<b>Non Current Liabilities</b>						
Interest Bearing Loans & Liabilities	(4,213)	(4,199)	(4,384)	(2,385)	54%	4
Provisions	(4,962)	(2,922)	(2,922)	(3,009)	103%	
	<b>(9,175)</b>	<b>(7,121)</b>	<b>(7,306)</b>	<b>(5,394)</b>	<b>74%</b>	
<b>Net Assets</b>	<b>323,559</b>	<b>361,115</b>	<b>361,497</b>	<b>371,517</b>	<b>103%</b>	
Accumulated Surplus	(136,564)	(139,657)	(140,039)	(150,059)	107%	
Asset Revaluation Reserve	(186,083)	(220,976)	(220,976)	(220,976)	100%	
Other Reserves	(912)	(482)	(482)	(482)	100%	
<b>Net Equity</b>	<b>(323,559)</b>	<b>(361,115)</b>	<b>(361,497)</b>	<b>(371,517)</b>	<b>103%</b>	

### Notes:

- Cash holdings remain strong (\$27m compared to year end projection of \$16m), partially due to the receipt of \$4m of prepaid Financial Assistance grants, a number of Capital grants for 2021/22 projects (which will be accrued to the balance sheet as unperformed contracts) and reduced expenditure on capital works.
- Trade & Other Payables - there are still a number of outstanding invoices from June which have not yet been received or processed which results in lower expenses and lower accrued payables at the time of writing the report.
- Trust funds and deposits are lower due to the winding back of contractors retentions as projects are completed.
- Loans are lower due to Council not exercising the take up of a \$2m loan due to substantial cash holdings.

## Finance Report - 30 June 2021 - Preliminary ONLY

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%	319.8%
Debt Servicing Ratio <i>(Interest as a % of total Revenue)</i>	< 5%	0.6%	0.6%	0.6%
Debt Commitment Ratio <i>(Interest &amp; Loan repayments as a % of total Revenue)</i>	< 15%	1.7%	1.6%	1.4%

Reconciliation of Equity	Adopted Budget 2020/21 \$'000	Post Budget Adjustment 2019/20 Year \$'000	Movement to 30 June 2021 \$'000	Actual 30 June 2021 \$'000	Notes
Accumulated Surplus	133,564	10,120	6,375	<b>150,059</b>	
Asset Revaluation Reserve	186,083	34,893		<b>220,976</b>	
Other Reserves					
- Open Space/Subdividers	274	13		<b>287</b>	
- Parking Development	98			<b>98</b>	
- Drainage Headworks	97			<b>97</b>	
- Waste Management	443	(443)		<b>0</b>	<i>Closed 30/06/2020</i>
<b>Total</b>	<b>320,559</b>	<b>44,583</b>	<b>6,375</b>	<b>371,517</b>	

# Finance Report - 30 June 2021 - Preliminary ONLY

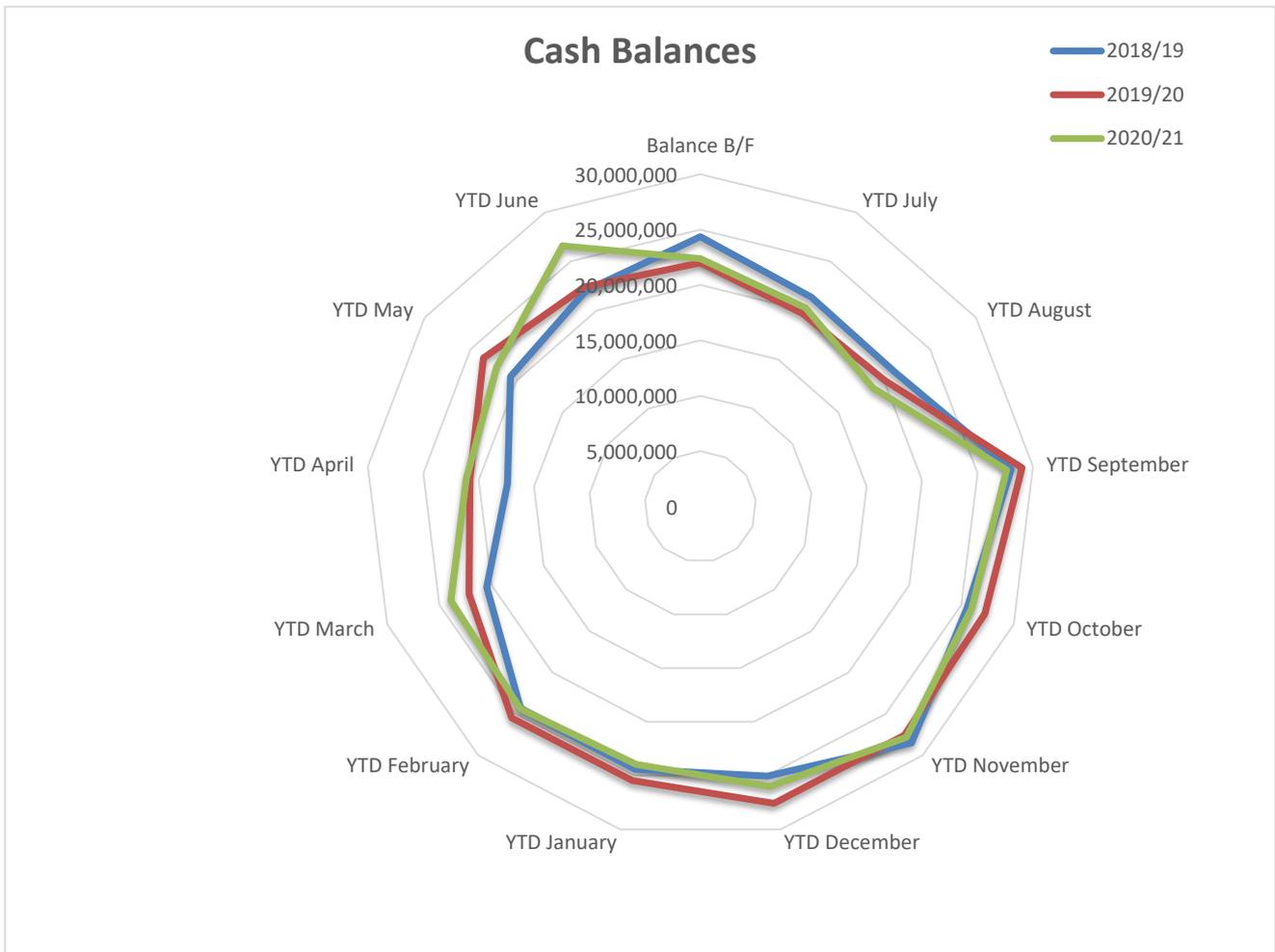
## 3. Cash Flow Statement

	Budget 30 Jun 2021 \$'000	Forecast 30 Jun 2021 \$'000	YTD Forecast 30 June 2021 \$'000	YTD Actual 30 June 2021 \$'000	% of YTD Forecast	Note
<b>Cash flows from Operations</b>						
<b>Operating Revenue</b>						
Rates and charges	21,678	21,663	18,343	18,438	101%	
Grants - operating	7,979	8,862	8,862	14,892	168%	
Grants - capital	4,671	7,118	7,118	8,683	122%	1
Interest	310	196	196	195	99%	
User fees	6,042	5,392	5,392	5,563	103%	
Statutory fees and fines	524	634	634	692	109%	
Other revenue	332	306	306	570	187%	2
	<b>41,536</b>	<b>44,170</b>	<b>40,851</b>	<b>49,033</b>	<b>120%</b>	
<b>Operating Expenses</b>						
Employee benefits	(20,218)	(20,143)	(20,143)	(19,887)	99%	
Materials and consumables	(10,703)	(10,598)	(10,631)	(8,499)	80%	3
Other expenses	(4,809)	(5,865)	(4,647)	(4,592)	99%	
	<b>(35,730)</b>	<b>(36,605)</b>	<b>(35,420)</b>	<b>(32,978)</b>	<b>93%</b>	
<b>Net Cash Flows From Operating Activities</b>	<b>5,806</b>	<b>7,565</b>	<b>5,430</b>	<b>16,055</b>	<b>296%</b>	
<b>Cash Flows From Financing Activities</b>						
Finance Costs	(126)	(126)	(126)	(125)	100%	
Proceeds from Borrowings	2,000	2,000	2,000	0	0%	4
Repayment of Borrowings	(573)	(573)	(573)	(572)	100%	
<b>Net cash flows from financing activities</b>	<b>1,301</b>	<b>1,301</b>	<b>1,301</b>	<b>(697)</b>	<b>-54%</b>	
<b>Cash Flows From Investing Activities</b>						
Payments for investing activities	(14,911)	(16,535)	(16,535)	(11,391)	69%	5
Proceeds from Asset Sales	480	876	876	578	66%	6
<b>Net Cash Flows From Investing Activities</b>	<b>(14,431)</b>	<b>(15,659)</b>	<b>(15,659)</b>	<b>(10,814)</b>	<b>69%</b>	
<b>Net Cash Flows From Movements in Balance Sheet</b>	<b>0</b>	<b>393</b>	<b>212</b>	<b>30</b>		
<b>Net increase (decrease) in Cash</b>	<b>(7,324)</b>	<b>(6,400)</b>	<b>(8,716)</b>	<b>4,573</b>		
<b>Cash (Overdraft) at the beginning of the period</b>	<b>17,167</b>	<b>22,125</b>	<b>22,125</b>	<b>22,125</b>		
<b>Cash (Overdraft) at the end of the period</b>	<b>9,843</b>	<b>15,725</b>	<b>13,409</b>	<b>26,698</b>		

### Notes:

- Several capital grants have been received in advance of the 2021/22 year. Under accounting standards, these will be adjusted and transferred to the balance sheet as unperformed contracts and appear as revenue in the appropriate year.
- Other Income includes: \$100k insurance reimbursement, Drummuster revenue \$50k, private works income \$22k and other smaller revenue items
- Materials & Consumables - there are still a number of outstanding invoices from June which have not yet been received or processed which results in lower expenses and lower accrued payables at the time of writing the report.
- The proposed loan was not drawn down.
- See detailed Capital Works Expenditure Report
- Some motor vehicle sales were postponed with Heavy fleet to be postponed to the 2021/22 financial year.

# Finance Report - 30 June 2021 - Preliminary ONLY

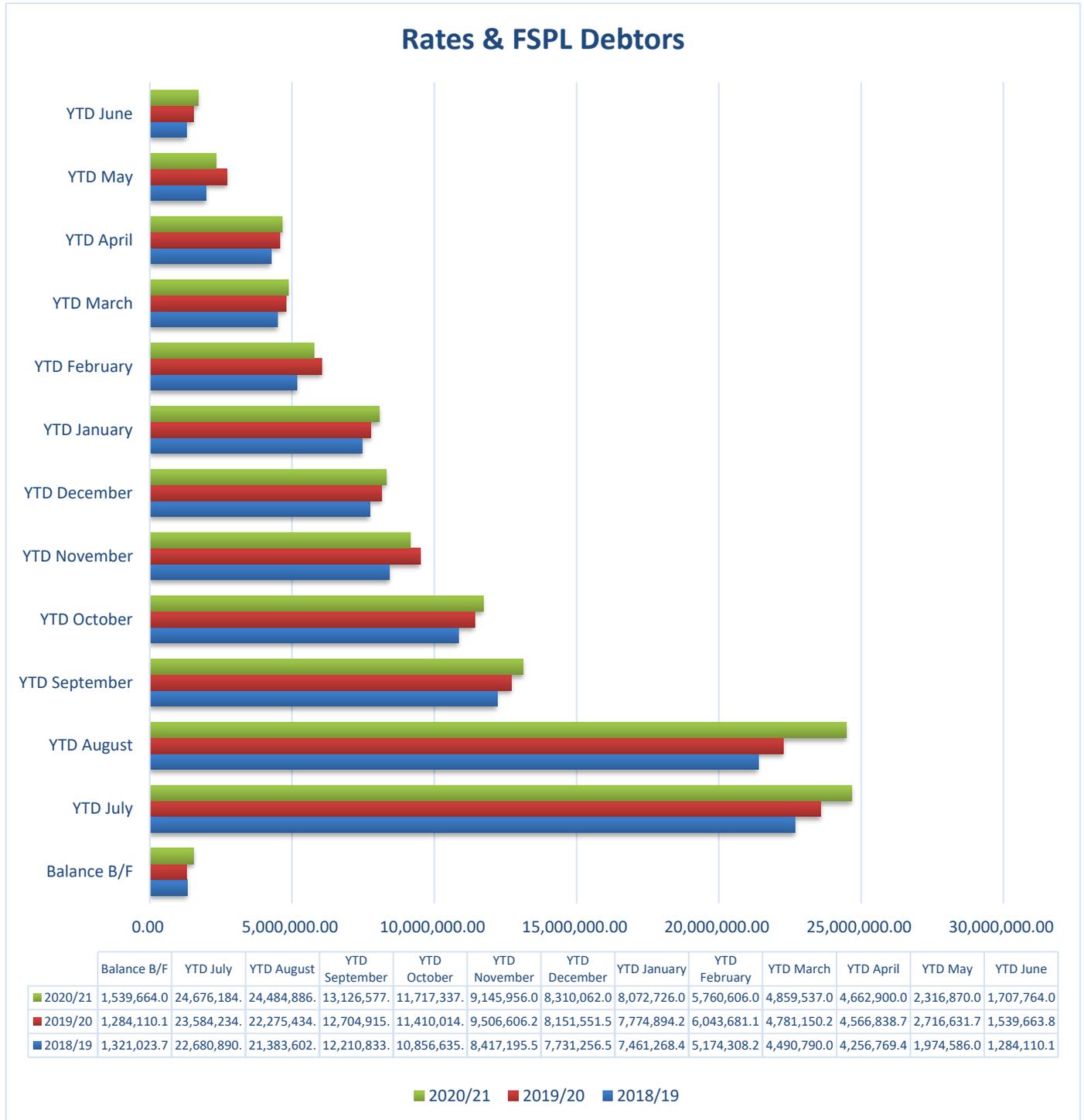


Council's Cash balances have a consistent pattern of earning and consumption.

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	10,216,869	8,592,855	7,481,155	9,769,943
Section 86 Committee Holdings	135,253	135,253	135,253	134,364	134,364
Cash Floats	4,027	4,027	4,027	4,027	4,021
Yatchaw Drainage Special Rate Account	35,577	35,577	35,577	35,577	35,577
<b>Investment - Unrestricted</b>					
General Account	0	2,999,997	7,000,000	6,000,000	2,000,000
<b>Investment - Specific Purpose</b>					
Prepaid FAGS	3,993,171	3,993,174	0	0	4,000,000
Trusts	530,033	530,030	530,027	530,024	530,021
Reserves	481,219	481,222	481,225	481,228	481,231
Landfill Rehabilitation	4,000,000	3,614,000	3,614,000	3,614,000	4,000,000
Defined Benefit Shortfall	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Yatchaw Drainage	87,703	87,703	87,703	87,703	87,703
<b>Investment - Restricted</b>					
Sir Irving Benson Bequest	653,673	653,673	655,803	655,803	655,803
Long Service Leave	3,400,000	3,000,000	3,000,000	3,000,000	3,000,000
<b>Total Cash &amp; Investments</b>	<b>22,518,476</b>	<b>27,751,525</b>	<b>26,136,470</b>	<b>24,023,881</b>	<b>21,247,144</b>

# Finance Report - 30 June 2021 - Preliminary ONLY

## 4. Debtor Analysis

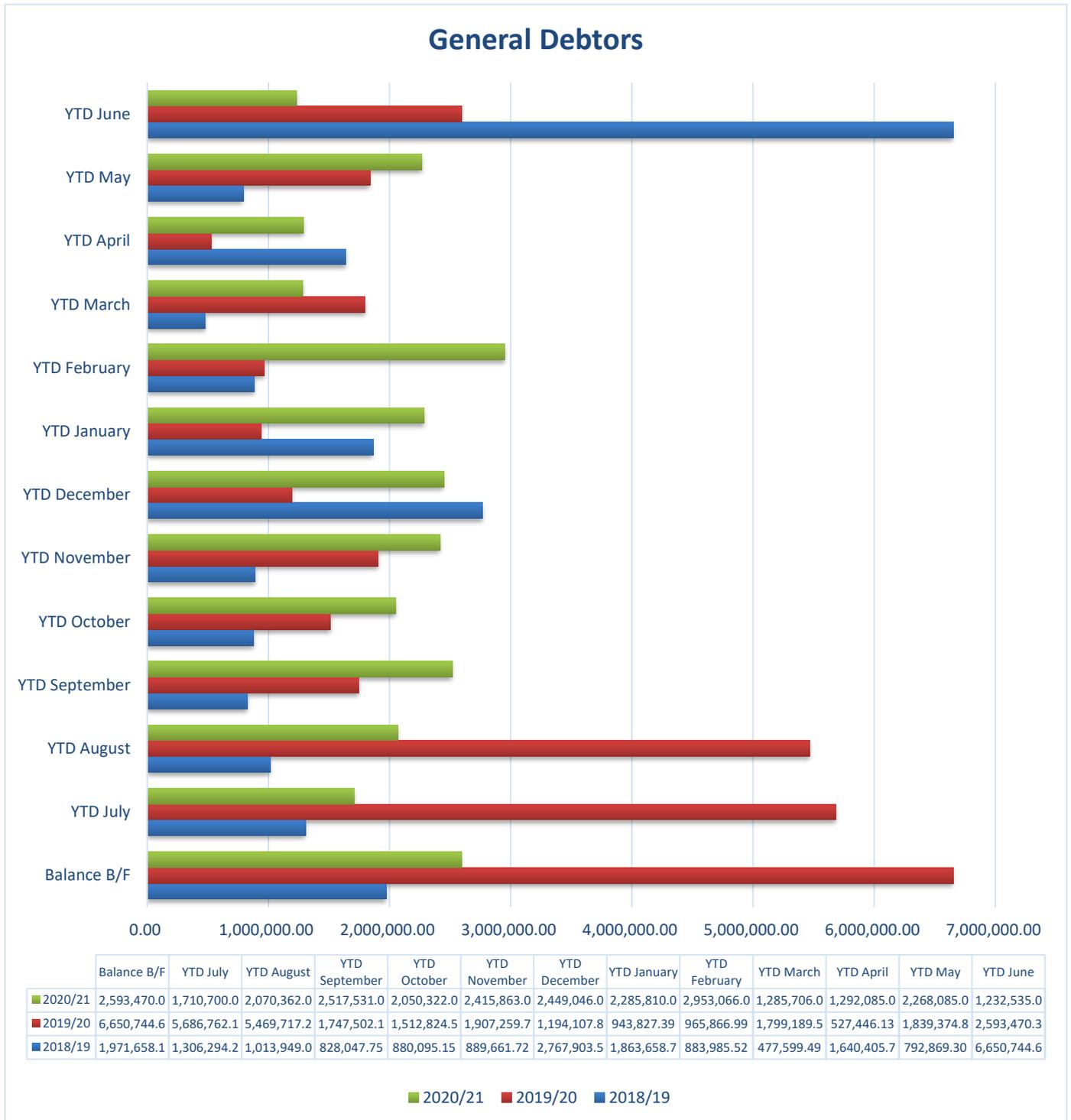


**Notes:**

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 - 30 June 2021 - Preliminary ONLY



**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.

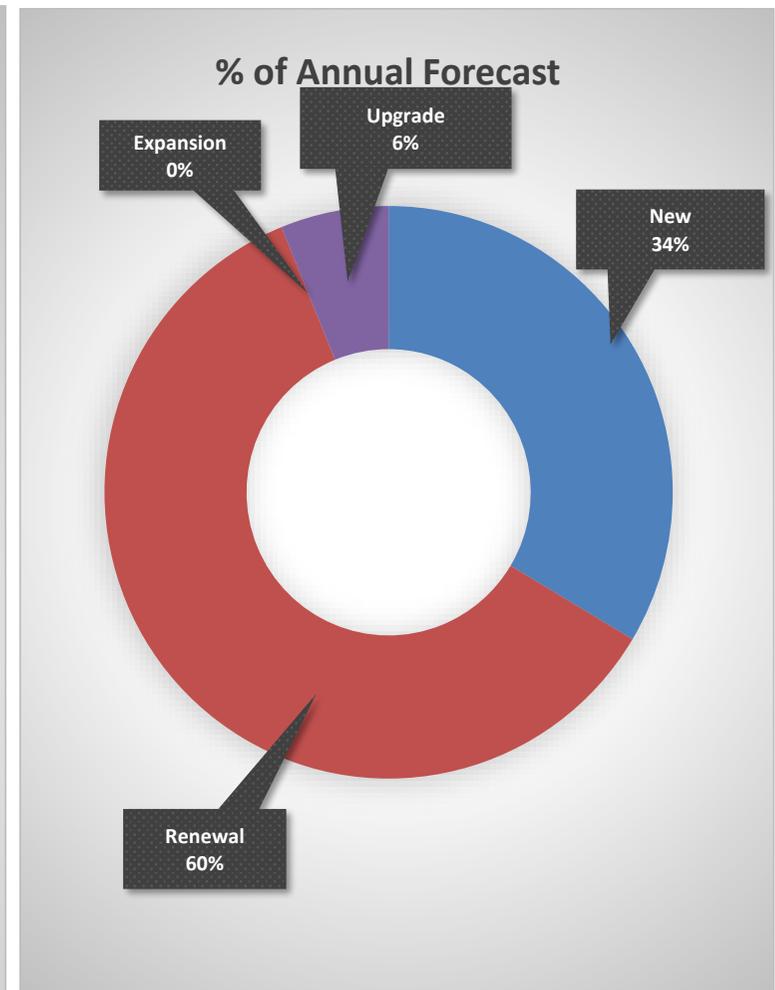
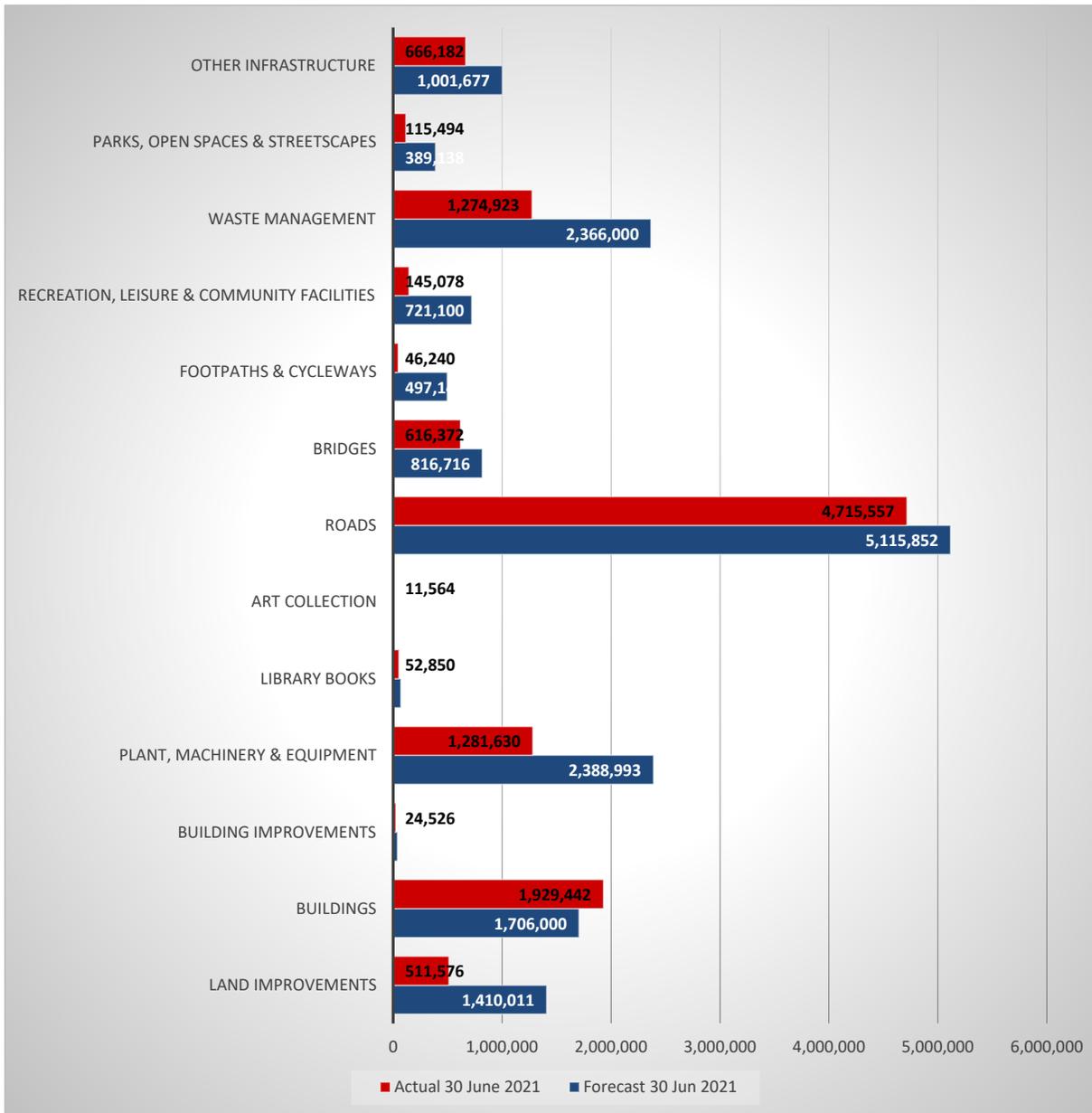
## Finance Report - 30 June 2021 - Preliminary ONLY

### 5. Capital Works

	Incomplete Works 30 June 2020	Budget 30 Jun 2021	Forecast 30 Jun 2021	YTD Forecast 30 Jun 2021	Actual 30 June 2021	Actual + Committed 30 June 2021	% of Annual Forecast
<b>Property</b>							
Land	0	0	0	0	0	0	
Land Improvements	3,045,280	0	1,410,011	1,410,011	511,576	1,315,806	36%
Buildings	2,069,775	1,806,600	1,706,000	1,706,000	1,929,442	2,679,390	113%
Heritage Buildings	0	0	0	0	0	0	
Building Improvements	1,097	39,500	39,500	39,500	24,526	30,386	62%
	<b>5,116,152</b>	<b>1,846,100</b>	<b>3,155,511</b>	<b>3,155,511</b>	<b>2,465,544</b>	<b>4,025,582</b>	
<b>Plant &amp; Equipment</b>							
Heritage Plant & Equipment	0	0	0	0	0	0	
Plant, Machinery & Equipment	0	2,635,000	2,388,993	2,388,993	1,281,630	1,695,440	54%
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	70,000	52,850	52,850	75%
Art Collection	0	15,000	12,986	12,986	11,564	11,564	89%
	<b>19,818</b>	<b>2,720,000</b>	<b>2,471,979</b>	<b>2,471,979</b>	<b>1,346,044</b>	<b>1,759,853</b>	
<b>Infrastructure</b>							
Roads	517,664	4,710,000	5,115,852	5,115,852	4,715,557	4,732,508	92%
Bridges	433,716	873,000	816,716	816,716	616,372	640,488	75%
Footpaths & Cycleways	210,737	445,000	497,145	497,145	46,240	50,573	9%
Drainage	0	0	0	0	0	0	
Recreation, Leisure & Community Facilities	200,163	329,000	721,100	721,100	145,078	145,078	20%
Waste Management	765,872	2,843,000	2,366,000	2,366,000	1,274,923	1,611,187	54%
Parks, Open Spaces & Streetscapes	628,440	150,000	389,138	389,138	115,494	216,730	30%
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	1,001,677	666,182	860,720	67%
	<b>3,803,550</b>	<b>10,345,000</b>	<b>10,907,628</b>	<b>10,907,628</b>	<b>7,579,847</b>	<b>8,257,284</b>	
<b>Total Capital Works</b>	<b>8,939,520</b>	<b>14,911,100</b>	<b>16,535,118</b>	<b>16,535,118</b>	<b>11,391,434</b>	<b>14,042,719</b>	<b>69%</b>
<b>Represented by:</b>							
New	6,467,616	3,161,000	5,552,810	5,552,810	3,381,321	5,042,437	34%
Renewal	1,558,950	11,165,600	9,964,140	9,964,140	7,796,000	8,547,711	60%
Expansion	0	0	0	0	0	0	0%
Upgrade	912,954	584,500	1,018,168	1,018,168	214,113	452,571	6%
	<b>8,939,520</b>	<b>14,911,100</b>	<b>16,535,118</b>	<b>16,535,118</b>	<b>11,391,434</b>	<b>14,042,719</b>	<b>100%</b>

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

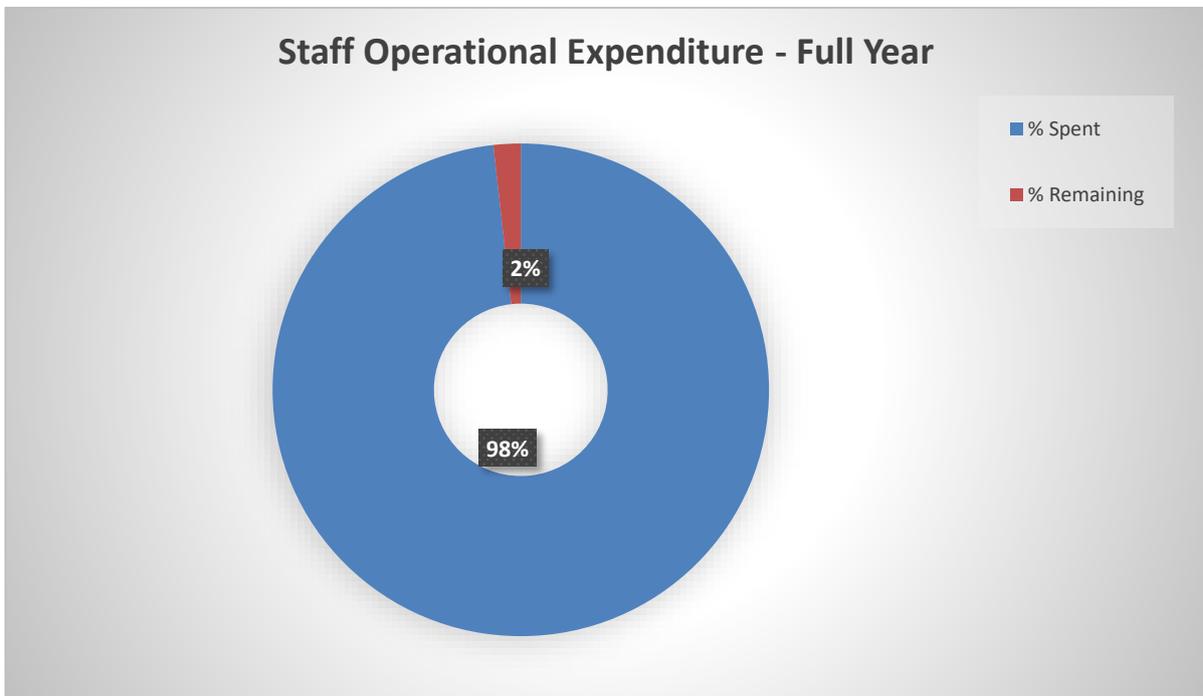
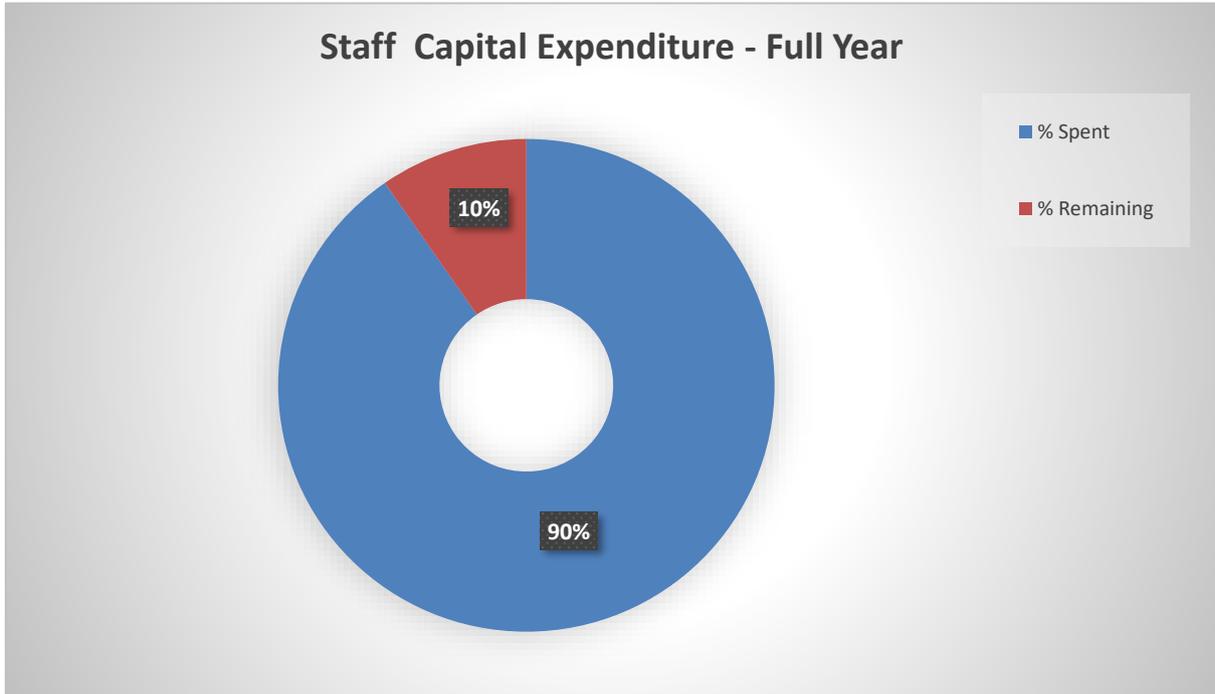
## Finance Report - 30 June 2021 - Preliminary ONLY



# Finance Report - 30 June 2021 - Preliminary ONLY

## 6. Human Resources

	Budget 30 Jun 2021	Forecast 30 Jun 2021	YTD Forecast 30 Jun 2021	Actual 30 June 2021	% of YTD Forecast	% of Annual Forecast
<b>Staff Expenditure</b>						
Employee Costs - Operations	20,217,622	20,267,580	20,267,580	19,908,960	98%	98%
Employee Costs - Capital	2,015,996	1,573,893	1,573,893	1,421,938	90%	90%
<b>Total Staff Expenditure</b>	<b>22,233,618</b>	<b>21,841,473</b>	<b>21,841,473</b>	<b>21,330,898</b>	<b>98%</b>	<b>98%</b>



# Finance Report - 30 June 2021 - Preliminary ONLY

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

*It should be noted, that whilst some customers may not meet the COVID-19 Support assistance, some are being considered under*

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	\$4,752	\$400		\$8,052
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 Individuals	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		6	8			14
Value of Applications granted		\$837	\$1,828			\$2,665
Not Elsewhere included 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			20	4	28
Value of Applications granted	\$28,915			\$43,786	\$57,909	\$130,609

*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	21	4	69
Value of Applications granted	\$28,915	\$4,097	\$7,658	\$44,186	\$57,909	\$142,764

## 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  
13 July 2021