



# **Financial Status Report**

## **December 2015**

## FINANCIAL STATUS REPORT - DECEMBER 2015

### Overview

This Financial Status Report covers the period ending 31 December 2015. Variances are reported against the annual budget adopted by Council on 23 June 2015.

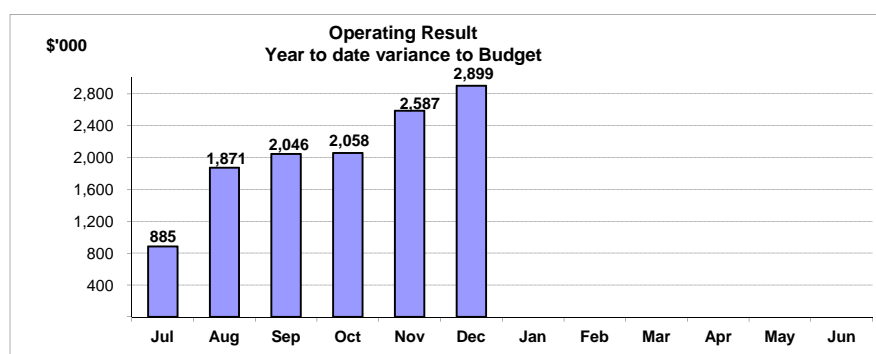
### Operating Surplus

	Year to 31 December 2015			
	Adopted Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Revenues	106,346	108,990	2,644	F 2.5%
Expenses	54,933	54,678	255	F 0.5%
<b>Operating surplus</b>	<b>51,413</b>	<b>54,312</b>	<b>2,899</b>	<b>F 5.6%</b>

### Commentary

Council's financial position reflects an overall positive performance against the operating budget, particularly through the raising of additional revenues. The key revenue increases include \$921,000 in additional rate income, the receipt of \$1,078,000 of unbudgeted capital grants to December, a high level of favourable user charges of \$362,000 - including Statutory Planning fees \$201,000, favourable operating grants of \$183,000.

On the expenses side, other expenses and depreciation are currently favourable by \$202,000 and \$117,000 respectively.



### Underlying Surplus

The Underlying surplus is a measure of the actual surplus realised by the Council excluding non cash revenues and expenses, capital income, sale of assets and transfers to reserves. Council uses the underlying surplus, in addition to external grants, to fund the capital program.

	Adopted Budget \$'000	Actual \$'000	Variance \$'000	Variance %
<b>Operating surplus</b>	<b>51,413</b>	<b>54,312</b>	<b>2,899</b>	<b>5.6%</b>
less/(add) capital grants & contributions	446	1,524	1,078	242%
less/(add) developer contributio	1,384	1,384		
less/(add) net gain or loss on disposal of assets	196	181	(15)	(7.7%)
add/(less) depreciation	10,229	10,113	116	1%
add/(less) other adjustments	89	20	69	78%
<b>Underlying surplus</b>	<b>59,705</b>	<b>61,356</b>	<b>1,651</b>	<b>2.8%</b>

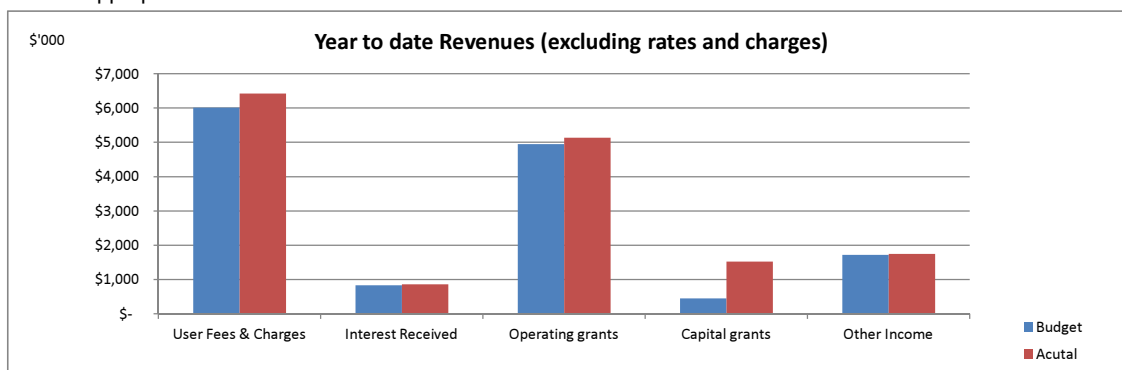
### Other key indicators

Cash and investment balance	\$56.53 million
Unrestricted cash	\$25.27 million
Rates and charges debtors	\$48.54 million (55.43% of the \$93.022 m raised in 2015/16 have been collected)

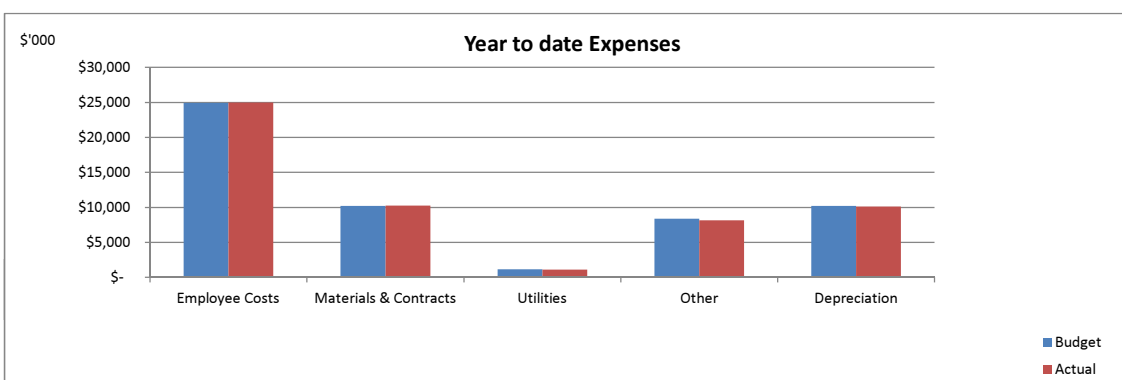
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## Income and Expenditure

This section details the year to date results against each major revenue and expenditure groupings. Explanations of key variances have been provided where the line item has a variance of greater than 10 per cent reporting threshold or where further explanation is deemed appropriate.



The 2015/16 annual Rates and charges totalling \$93.022 million were raised in July 2015. This revenue group is excluded from the graph above as the high value relative to other revenue categories would distort the graph.



Reason for year-to-date variances	Action required/taken
<p><b>1 Rates General \$921,000 Favourable</b></p> <ul style="list-style-type: none"> <li>* Ten years worth of back rates were raised on the former Eastern Golf Club site following the sale and subsequent change in use of the property. This raised \$1.90 million in rate revenue compared to a budget of \$1.20 million.</li> <li>* The first supplementary rate run for 2015/16 raised an extra \$150,000 rates revenue above budget forecasts due to an increased number of properties being rated for the first time.</li> <li>* During August, the Thea/Boronia Grove special rates scheme was established which raised \$82,000.</li> </ul>	<p>The full revenue associated with the former Eastern Golf Club is not guaranteed, despite being paid in full, as the owner's lawyers have showed intention to object to the application of the Cultural and Recreational Lands Act 1963.</p>
<p><b>2 Capital Grants and Contributions \$1,078,000 Favourable</b></p> <p>Unbudgeted capital contributions have been received for following projects:</p> <ul style="list-style-type: none"> <li>* Manningham Recreation Association for Highball Facilities \$663,000</li> <li>* Wonga Park Tennis Club upgrade \$95,000</li> <li>* Montessori Pre School upgrade and refurbishments \$88,000</li> <li>* Stride Early learning Centre upgrade and refurbishments \$83,000</li> <li>* Wonga Park Sportsground refurbishment (State Gov't grant) \$61,000</li> <li>* Melbourne Water grant for Mullum Mullum Highball \$53,000</li> <li>* Bus stop at Springvale Rd and Leslie St, Donvale \$15,000</li> <li>* Centre wickets construction \$13,000</li> </ul>	<p>Unbudgeted revenue has been included in the capital works program and will be included in updated forecasts as part of the Mid Year Review. These new capital grants will be used for capital works in 2015/16 and 2016/17 financial years.</p>

## Conclusion

The December 2015 financial results indicate that Council is performing better than year to date forecasts. Any material variation since the budget was adopted in June 2015 has been reflected in the Mid Year Review.