

Attachment 1

Comprehensive Income Statement for the year ended 30 June 2019

	Original Budget \$'000	Current Budget \$'000	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Variance
Income						
Rates and charges	16,919	16,919	16,919	17,025	106	1%
Statutory fees and fines	243	243	243	246	3	1%
User fees	1,516	1,516	1,516	1,298	(218)	-14%
Contributions - cash capital	-	-	-	-	-	0%
Contributions - cash operating	127	127	127	287	160	0%
Contributions - non-monetary assets	-	-	-	-	-	0%
Grants - Operating (recurrent)	6,607	3,728	3,728	7,238	3,510	94%
Grants - Operating (non-recurrent)	169	169	169	2,299	2,130	1260%
Grants - Capital (recurrent)	1,054	1,054	1,054	1,044	(10)	-1%
Grants - Capital (non-recurrent)	-	-	-	4,198	4,198	#DIV/0!
Net gain/(loss) on disposal of property, plant and equipment, infrastructure	60	60	60	87	27	45%
Other income	429	429	429	447	18	4%
Fair value adjustments for investment property	-	-	-	15	15	0%
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	-	-	-	-	-	0%
Total income	27,124	24,245	24,245	34,184	9,939	
Expenses						
Employee costs	12,085	12,085	12,085	11,637	(448)	-4%
Materials and services	8,967	10,515	10,515	8,986	(1,529)	-15%
Bad and doubtful debts	-	-	-	1	1	0%
Depreciation and amortisation	8,321	8,321	8,321	9,135	814	10%
Borrowing costs	140	140	140	108	(32)	0%
Other expenses	331	331	331	318	(13)	-4%
Total expenses	29,844	31,392	31,392	30,185	(1,207)	-4%
Surplus for the year	(2,720)	(7,147)	(7,147)	3,999	11,146	-156%
Other comprehensive income						
Other	-	-	-	-	-	
Total comprehensive result	(2,720)	(7,147)	(7,147)	3,999	11,146	

Attachment 2
Balance Sheet as at 30 June 2019

	30/06/2019 \$'000	30/06/2018 \$'000
Assets		
Current assets		
Cash and cash equivalents	19,326	15,705
Trade and other receivables	3,118	2,595
Financial assets	-	-
Inventories	63	112
Non-current assets classified as held for sale	-	-
Other assets	3	17
Total current assets	<u>22,510</u>	<u>18,429</u>
Non-current assets		
Trade and other receivables	16	18
Investments in regional library corporation	-	-
Property, plant and equipment, infrastructure	223,379	221,218
Investment property	1,321	1,306
Intangible assets	-	-
Total non-current assets	<u>224,716</u>	<u>222,542</u>
Total assets	<u>247,226</u>	<u>240,971</u>
Liabilities		
Current liabilities		
Trade and other payables	1,283	908
Trust funds and deposits	1,291	366
Provisions	2,606	2,594
Interest-bearing loans and borrowings	158	25
Total current liabilities	<u>5,338</u>	<u>3,893</u>
Non-current liabilities		
Provisions	286	317
Interest-bearing loans and borrowings	2,870	2,028
Total non-current liabilities	<u>3,156</u>	<u>2,345</u>
Total liabilities	<u>8,494</u>	<u>6,238</u>
Net Assets	<u>238,732</u>	<u>234,733</u>
Equity		
Accumulated surplus	75,610	72,900
Reserves	163,122	161,833
Total Equity	<u>238,732</u>	<u>234,733</u>

Attachment 3
Statement of Cash Flows for the year ended 30 June 2019

	2019 Inflows/ (Outflows) \$'000	2018 Inflows/ (Outflows) \$'000
Cash flows from operating activities		
Rates and charges	17,130	16,351
Statutory fees and fines	246	261
User fees	1,782	1,545
Grants - operating	9,522	7,070
Grants - capital	4,354	6,179
Contributions - monetary	318	519
Interest received	295	315
Dividends received	-	-
Trust funds and deposits taken	1,185	308
Other receipts	167	131
Net GST refund/payment	1,745	1,957
Employee costs	(11,687)	(11,337)
Materials and services	(10,505)	(12,628)
Trust funds and deposits repaid	(261)	(273)
Other payments	(328)	(271)
Net cash provided by (used in) operating activities	<u>13,963</u>	<u>10,127</u>
Cash flows from investing activities		
Payments for property, plant and equipment, infrastructure	(11,633)	(12,690)
Proceeds from sale of property, plant and equipment, infrastructure	424	351
Proceeds from investments	-	-
Net cash provided by (used in) investing activities	<u>(11,209)</u>	<u>(12,339)</u>
Cash flows from financing activities		
Finance costs	(108)	(99)
Repayment of borrowings	(25)	(26)
New borrowings	1,000	79
Net cash provided by (used in) financing activities	<u>867</u>	<u>(46)</u>
Net increase (decrease) in cash and cash equivalents	3,621	(2,258)
Cash and cash equivalents at the beginning of the financial year	15,705	17,963
Cash and cash equivalents at the end of the period	<u>19,326</u>	<u>15,705</u>

Attachment 4

Financial Performance Indicators for the year ended 30 June 2019

Result

Material Variations

LIQUIDITY**Dimension - Operating position****Indicator - Adjusted underlying result***Measure - Adjusted underlying surplus (or deficit)*

-0.66%

[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100

No material variation

Expected range in accordance with the Local Government Performance Reporting Framework -20% to 20%

Indicator of the broad objective that an adjusted underlying surplus should be generated in the ordinary course of business. A surplus or increasing surplus suggests an improvement in the operating position

Dimension - Liquidity**Indicator - Working capital***Measure - Current assets compared to current liabilities*

422%

[Current assets / Current liabilities] x100

Outside Expected Range The working capital ratio of 490% is high because:

- a) the total amount of rates & charges raised is included as a current asset
- b) the \$2.88 million advanced payment of the Victorian Grants Commission
- c) the \$2 million loan to fund the Alexandra Oval Community & Recreation Centre upgrade is recognised as a non-current liability.
- d) Council has a number of reserves with funds set aside for specific purposes.
- e) Unspent capital works at the reporting date

Expected range in accordance with the Local Government Performance Reporting Framework 100% to 400%

Indicator of the broad objective that sufficient working capital is available to pay bills as and when they fall due. High or increasing level of working capital suggests an improvement in liquidity

Indicator - Unrestricted cash*Unrestricted cash compared to current liabilities*

196.80% No material variation

[Unrestricted cash / Current liabilities] x100

Expected range in accordance with the Local Government Performance Reporting Framework 10% to 300%

Indicator of the broad objective that sufficient cash which is free of restrictions is available to pay bills as and when they fall due. High or increasing level of unrestricted cash suggests an improvement in liquidity

OBLIGATIONS**Dimension - Obligations****Indicator - Loans and borrowings***Measure - Loans and borrowings compared to rates*

17.79% No material variation

[Interest bearing loans and borrowings / Rate revenue] x100

Expected range in accordance with the Local Government Performance Reporting Framework

0% to 70%

Indicator of the broad objective that the level of interest bearing loans and borrowings should be appropriate to the size and nature of a council's activities. Low or decreasing level of loans and borrowings suggests an improvement in the capacity to meet long term obligations

Loans and borrowings repayments compared to rates

0.78% No material variation

[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100

Expected range in accordance with the Local Government Performance Reporting Framework

0% to 20%

Indicator - Indebtedness*Measure - Non-current liabilities compared to own source revenue*

16.51% No material variation

[Non-current liabilities / Own source revenue] x100

Expected range in accordance with the Local Government Performance Reporting Framework

2% to 70%

Indicator of the broad objective that the level of long term liabilities should be appropriate to the size and nature of a Council's activities. Low or decreasing level of long term liabilities suggests an improvement in the capacity to meet long term obligations

Indicator - Asset renewal*Measure - Asset renewal compared to depreciation*

93.92%

[Asset renewal expenses / Asset depreciation] x100

No material variation

Expected range in accordance with the Local Government Performance Reporting Framework

40% to 130%

Indicator of the broad objective that assets should be renewed as planned. High or increasing level of planned asset renewal being met suggests an improvement in the capacity to meet long term obligations

STABILITY**Dimension - Stability****Indicator - Rates concentration***Measure - Rates compared to adjusted underlying revenue*

56.78%

[Rate revenue / Adjusted underlying revenue] x100

No material variation

Expected range in accordance with the Local Government Performance Reporting Framework

30% to 80%

Indicator of the broad objective that revenue should be generated from a range of sources. High or increasing range of revenue sources suggests an improvement in stability

Indicator - Rates effort*Measure - Rates compared to property values*

0.69% No material variation

[Rate revenue / Capital improved value of rateable properties in the municipality] x100

Expected range in accordance with the Local Government Performance Reporting Framework

0.15 to 0.75%

Indicator of the broad objective that the rating level should be set based on the community's capacity to pay. Low or decreasing level of rates suggests an improvement in the rating burden

EFFICIENCY**Dimension - Efficiency****Indicator - Expenditure level***Measure - Expenses per property assessment*

\$4,218.73 No material variation

[Total expenses / Number of property assessments]

Expected range in accordance with the Local Government Performance Reporting Framework \$2000 to \$5,000

Framework

Indicator of the broad objective that resources should be used efficiently in the delivery of services.

Low or decreasing level of expenditure suggests an improvement in organisational efficiency

Indicator - Revenue level*Measure - Average residential rate per residential property assessment*

\$1,770.52 No material variation

[Residential rate revenue / Number of residential property assessments]

Expected range in accordance with the Local Government Performance Reporting Framework \$700 to \$2,000

Framework

Indicator of the broad objective that resources should be used efficiently in the delivery of services.

Low or decreasing level of rates suggests an improvement in organisational efficiency

Attachment 5

Capital Works Area	Carry Forward from 2017/18	Budget 2018/19	Total C/fwd & Budget 18/19	Actual Expenditure 2018/19	Variance	Officer Update
PROPERTY						
Land						
Lake Bolac Resource Recovery Centre Upgrade Project	\$0	\$332,500	\$332,500	\$20,210	\$312,290	Project spans two financial years
Buildings						
Pomonal Hall	\$0	\$0	\$0	\$10,825	-\$10,825	Savings were identified in 2018/19
Ararat on the move - Alexandra Oval & Gardens Redevelopment	\$128,000	\$450,000	\$578,000	\$23,810	\$554,190	Project spans two financial years. Design development, concept design complete. Contract for Netball Courts has been awarded
Ararat Active Link Stage 2	\$0	\$0	\$0	\$11,490	-\$11,490	Project spans two financial years. Budgeted for in 2019/20.
Municipal offices - Airconditioning	\$54,000	\$15,000	\$69,000	\$74,757	-\$5,757	Savings were identified in 2018/19
Major Building Works		\$160,000	\$160,000	\$0	\$160,000	Budget allocated to other capital works
Willaura Hall Universal Access Toilets	\$228,000	\$100,000	\$328,000	\$318,624	\$9,376	Construction complete
Ararat Arts Precinct Redevelopment	\$1,128,000	\$0	\$1,128,000	\$1,725,736	-\$597,736	Additional expenditure funded from cost savings elsewhere
Skate Park Redevelopment	\$286,369	\$0	\$286,369	\$317,429	-\$31,060	Savings were identified in 2018/19
Ararat Mens Shed Project	\$0	\$0	\$0	\$59,021	-\$59,021	Savings were identified in 2018/19
Outdoor Pool Waterslide Project	\$0	\$0	\$0	\$40,597	-\$40,597	Savings were identified in 2018/19
Olver Grandstand Works	\$105,000	\$0	\$105,000	\$104,350	\$650	
Fitness Centre Building Projects	\$106,000	\$0	\$106,000	\$34,267	\$71,733	Project spans two financial years. Savings transferred to Building Capital Reserve to fund future capital works at the Fitness Centre
Lake Bolac Public Toilet	\$80,000	\$0	\$80,000	\$36,483	\$43,517	Project spans two financial years. Works in progress.
Pick My Project - Ararat Basketball Court	\$0	\$0	\$0	\$74,475	-\$74,475	Works in progress. Project will be funded by the State Government.
Ararat Fountain Restoration	\$0	\$0	\$0	\$38,610	-\$38,610	Project spans two financial years.
Ararat E-Waste Infrastructure	\$0	\$0	\$0	\$134,876	-\$134,876	Project is complete and funded by a grant for \$100,000 and the Waste Management Reserve.
TOTAL PROPERTY	\$2,115,369	\$1,057,500	\$3,172,869	\$3,025,560	\$147,309	
PLANT AND EQUIPMENT						

Attachment 5

Capital Works Area	Carry Forward from 2017/18	Budget 2018/19	Total C/fwd & Budget 18/19	Actual Expenditure 2018/19	Variance	Officer Update
Plant, Machinery and Equipment						
Global Vehicle Purchases	\$0	\$320,000	\$320,000	\$577,069	-\$257,069	Extra expenditure funded from Vehicle Replacement Reserve due to additional vehicle changeovers required
Global Major Plant Purchases	\$0	\$830,000	\$830,000	\$1,156,637	-\$326,637	Additional expenditure funded from Plant Replacement Reserve
Fixtures, Fittings and Furniture						
SAN Replacement	\$0	\$180,000	\$180,000	\$0	\$180,000	Project did not proceed pending a review of information technology requirements. Budget transferred to Information Technology Reserve.
Backup Server	\$0	\$30,000	\$30,000	\$15,756	\$14,244	New server installed & software upgrade complete.
Management Server	\$0	\$20,000	\$20,000	\$7,004	\$12,996	
Switch Replacements	\$0	\$10,000	\$10,000	\$0	\$10,000	
HP Zbook	\$0	\$0	\$0	\$3,256	-\$3,256	
Local Laws						
Parking Meters	\$0	\$34,500	\$34,500	\$0	\$34,500	Completed but the costs were treated as a lease payment, not capital.
Library books						
Book stock	\$0	\$58,000	\$58,000	\$40,341	\$17,659	Purchases less than budget
TOTAL PLANT AND EQUIPMENT	\$0	\$1,482,500	\$1,482,500	\$1,800,063	-\$317,563	
INFRASTRUCTURE						
Roads						
Resheeting capital	\$0	\$800,000	\$800,000	\$1,294,893	-\$494,893	Additional expenditure funded from cost savings elsewhere
Reseal works	\$0	\$1,150,000	\$1,150,000	\$1,296,472	-\$146,472	Additional expenditure funded from cost savings elsewhere
Elizabeth Street	\$42,000	\$50,000	\$92,000	\$286,219	-\$194,219	Additional expenditure funded from cost savings elsewhere
Back Bolac Road (R2R4)	\$200,000	\$500,000	\$700,000	\$735,361	-\$35,361	Grant received from Roads to Recovery
Back Bolac Road Sector 2 (Fixing Country Roads)	\$0	\$0	\$0	\$563,339	-\$563,339	Grant received (Fixing Country Roads)
Buangor-Ben Nevis Road	\$0	\$525,000	\$525,000	\$0	\$525,000	Budget allocated to other capital works
Road-Mount William Road (R2R4)	\$368,879	\$0	\$368,879	\$523,378	-\$154,499	Grant received from Roads to Recovery
Road-Challicum Road	\$90,000	\$0	\$90,000	\$0	\$90,000	Budget allocated to other capital works

Attachment 5

Capital Works Area	Carry Forward from 2017/18	Budget 2018/19	Total C/fwd & Budget 18/19	Actual Expenditure 2018/19	Variance	Officer Update
Road-Tatooon Road	\$111,000	\$0	\$111,000	\$315,013	-\$204,013	Additional expenditure funded from cost savings elsewhere
Road-Gossip Avenue	\$0	\$0	\$0	\$114,690	-\$114,690	Additional expenditure funded from cost savings elsewhere
Road-Delacombe Way	\$0	\$0	\$0	\$477,650	-\$477,650	Additional expenditure funded from cost savings elsewhere
Road-Chatsworth-Wickliffe Road	\$0	\$0	\$0	\$138,211	-\$138,211	Additional expenditure funded from cost savings elsewhere
Major Patching-Darlington-Carranballac Road	\$0	\$0	\$0	\$22,470	-\$22,470	Additional expenditure funded from cost savings elsewhere
Major Patching-Helendoite Road	\$0	\$0	\$0	\$19,080	-\$19,080	Additional expenditure funded from cost savings elsewhere
Alexandra Oval Carpark	\$0	\$0	\$0	\$0	\$0	
Kerb & Channel						
Provisional Kerb & Channel Works	\$0	\$40,000	\$40,000	\$65,720	-\$25,720	Additional expenditure funded from cost savings elsewhere
Bridges						
Bridge Guard rail	\$9,000	\$90,000	\$99,000	\$80,245	\$18,755	
Bridge Strengthening	\$0	\$120,000	\$120,000	\$78,723	\$41,277	
Major Culvert Renewal	\$0	\$120,000	\$120,000	\$52,158	\$67,842	
Deemucull Creek Road Bridge	\$0	\$150,000	\$150,000	\$0	\$150,000	Awaiting heritage approvals.
Bridge-Allenders Bridge (R2R4)	\$443,000	\$0	\$443,000	\$465,645	-\$22,645	Grant received from Roads to Recovery
Bridge-Elmhurst-Landsborough Rd	\$513,000	\$0	\$513,000	\$11,244	\$501,756	Project spans two financial years.
Footpaths and Cycleways						
Footpath Connections	\$0	\$60,000	\$60,000	\$46,443	\$13,557	
Condition assessment program	\$150,000	\$125,000	\$275,000	\$72,290	\$202,710	Funds carried forward for Dawson St and Temple St works in 2019/20. Tender awarded.
Minor Footpath Renewal	\$47,000	\$0	\$47,000	\$47,000	\$0	
Drainage						
Retention Basin	\$0	\$60,000	\$60,000	\$35,306	\$24,694	Part budget allocated to other capital works
Drain-South Storm Water Channel	\$13,000	\$0	\$13,000	\$0	\$13,000	Budget allocated to other capital works
Drain-Renewal Works	\$48,000	\$0	\$48,000	\$47,877	\$123	\$18,276 against B-BN Road from this budget
Drain-Flood Study Response	\$51,000	\$0	\$51,000	\$0	\$51,000	Budget allocated to other capital works
Drain-Queen to Princes St	\$75,000	\$0	\$75,000	\$0	\$75,000	Budget allocated to other capital works
Drain-Buangor-Ben Nevis Rd	\$0	\$0	\$0	\$18,276	-\$18,276	Additional expenditure funded from cost savings elsewhere
TOTAL INFRASTRUCTURE	\$2,160,879	\$3,790,000	\$5,950,879	\$6,807,703	-\$856,824	
TOTAL CAPITAL WORKS	\$4,276,248	\$6,330,000	\$10,606,248	\$11,633,326	-\$1,027,078	