

Attachment 1

Comprehensive Income Statement for the six months ended 31 December 2019

	Original Budget \$'000	Current Budget \$'000	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Variance
Income						
Rates and charges	17,480	17,480	17,170	17,361	191	1%
Statutory fees and fines	305	305	161	96	(65)	-40%
User fees	1,014	1,014	567	614	47	8%
Contributions - cash capital	-	-	-	-	-	0%
Contributions - cash operating	107	107	85	113	28	0%
Contributions - non-monetary assets	-	-	-	-	-	0%
Grants - Operating (recurrent)	7,194	4,070	2,042	2,321	279	14%
Grants - Operating (non-recurrent)	307	353	185	324	139	75%
Grants - Capital (recurrent)	1,461	1,461	-	-	-	100%
Grants - Capital (non-recurrent)	3,369	2,398	1,365	835	(530)	-39%
Net gain/(loss) on disposal of property, plant and equipment, infrastructure	62	62	16	(7)	(23)	-144%
Other income	434	434	212	219	7	3%
Fair value adjustments for investment property	-	-	-	-	-	0%
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	-	-	-	-	-	0%
Total income	31,733	27,684	21,803	21,876	73	
Expenses						
Employee costs	11,551	11,551	5,972	5,960	(12)	0%
Materials and services	7,890	8,858	3,787	3,823	36	1%
Bad and doubtful debts	-	-	-	-	-	0%
Depreciation and amortisation	8,610	8,610	4,305	4,305	-	0%
Borrowing costs	128	128	61	42	(19)	0%
Other expenses	340	340	167	124	(43)	-26%
Total expenses	28,519	29,487	14,292	14,254	(38)	0%
Surplus for the year	3,214	(1,803)	7,512	7,622	111	1%
Other comprehensive income						
Other	-	-	-	-	-	
Total comprehensive result	3,214	(1,803)	7,512	7,622	111	

Attachment 2
Balance Sheet as at 31 December 2019

	31/12/2019 \$'000	30/06/2019 \$'000
Assets		
Current assets		
Cash and cash equivalents	15,334	19,326
Trade and other receivables	13,576	3,118
Financial assets	-	-
Inventories	84	63
Non-current assets classified as held for sale	-	-
Other assets	-	3
Total current assets	<u>28,994</u>	<u>22,510</u>
Non-current assets		
Trade and other receivables	15	16
Investments in regional library corporation	-	-
Property, plant and equipment, infrastructure	222,513	223,379
Investment property	1,321	1,321
Intangible assets	-	-
Total non-current assets	<u>223,849</u>	<u>224,716</u>
Total assets	<u>252,843</u>	<u>247,226</u>
Liabilities		
Current liabilities		
Trade and other payables	176	1,283
Trust funds and deposits	466	1,291
Provisions	2,598	2,606
Interest-bearing loans and borrowings	93	158
Total current liabilities	<u>3,333</u>	<u>5,338</u>
Non-current liabilities		
Provisions	286	286
Interest-bearing loans and borrowings	2,870	2,870
Total non-current liabilities	<u>3,156</u>	<u>3,156</u>
Total liabilities	<u>6,489</u>	<u>8,494</u>
Net Assets	<u>246,354</u>	<u>238,732</u>
Equity		
Accumulated surplus	83,232	75,610
Reserves	163,122	163,122
Total Equity	<u>246,354</u>	<u>238,732</u>

Attachment 3**Statement of Cash Flows for the six months ended 31 December 2019**

	Six months to 31/12/2019	Forecast Year End to 30/06/2020
	Inflows/ (Outflows)	Inflows/ (Outflows)
	\$'000	\$'000
Cash flows from operating activities		
Rates and charges	6,242	17,480
Statutory fees and fines	96	305
User fees	1,337	1,115
Grants - operating	2,645	4,423
Grants - capital	910	4,459
Contributions - monetary	125	107
Interest received	132	312
Dividends received	-	-
Trust funds and deposits taken	(825)	-
Other receipts	96	122
Net GST refund/payment	589	688
Employee costs	(6,004)	(11,551)
Materials and services	(5,658)	(9,647)
Trust funds and deposits repaid	-	-
Other payments	(124)	(340)
Net cash provided by (used in) operating activities	(439)	7,473
Cash flows from investing activities		
Payments for property, plant and equipment, infrastructure	(3,630)	(16,362)
Proceeds from sale of property, plant and equipment, infrastructure	184	309
Proceeds from investments	-	-
Net cash provided by (used in) investing activities	(3,446)	(16,053)
Cash flows from financing activities		
Finance costs	(42)	(128)
Repayment of borrowings	(65)	(159)
New borrowings	-	-
Net cash provided by (used in) financing activities	(107)	(287)
Net increase (decrease) in cash and cash equivalents	(3,992)	(8,867)
Cash and cash equivalents at the beginning of the financial year	19,326	19,326
Cash and cash equivalents at the end of the period	15,334	10,459

Attachment 4

Financial Performance Indicators for the six months ended 31 December 2019

Result

Material Variations

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

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

32.26%

Outside Expected Range The adjusted underlying result of 32.26% is high because the total amount of rates & charges has been recognised as income and the expenses are only for part of the financial year.

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*

[Current assets / Current liabilities] x100

870%

Outside Expected Range The working capital ratio of 870% is high because:

- a) the total amount of rates & charges raised is included as a current asset
- b) the \$3.124 million advanced payment of the Victorian Grants Commission
- c) the \$2.87 million loan to fund the Alexandra Oval Community & Recreation Centre & Ararat Town Hall 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 year end

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*

[Unrestricted cash / Current liabilities] x100

231.38% No material variation

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**

Financial Performance Indicators for the six months ended 31 December 2019	Result	Material Variations
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Indicator - Loans and borrowings

Measure - Loans and borrowings compared to rates	17.07%	No material variation
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[Interest bearing loans and borrowings / Rate revenue] x100

Expected range in accordance with the Local Government Performance Reporting Framework	0% to 70%	
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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	1.23%	No material variation
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[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%	
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Indicator - Indebtedness

Measure - Non-current liabilities compared to own source revenue	17.26%	No material variation
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[Non-current liabilities / Own source revenue] x100

Expected range in accordance with the Local Government Performance Reporting Framework	2% to 70%	
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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	75.17%	No material variation
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[Asset renewal expenses / Asset depreciation] x100

Expected range in accordance with the Local Government Performance Reporting Framework	40% to 130%	
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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	82.51%	
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[Rate revenue / Adjusted underlying revenue] x100

Outside Expected Range The rates concentration indicator of 82.51% is high because the total amount of rates & charges has been recognised as income and the timing of the receipt of government grants varies

Expected range in accordance with the Local Government Performance Reporting Framework	30% to 80%	
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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	0.61%	No material variation
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[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%	
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Financial Performance Indicators for the six months ended 31 December 2019**Result****Material Variations**

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

\$3,976.57 No material variation

[Total expenses / Number of property assessments]

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

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

\$1,858.41 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

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
