

Draft Interim Income Statement

Attachment 1

For the financial year to date 30 June 2018

	Mid Year Budget Review	YTD Actuals	Variance		Variance Commentary
	\$	\$	\$	%	
Operating income					
Rates and municipal charges	54,454,884	54,348,764	(106,120)	(0.19)	Largely due to delay in the adoption of the Diamond Creek special rate \$97,000. This is offset by a reduction in Other expenditure for the same amount.
Waste management charges	8,313,401	8,328,602	15,201	0.18	
Government grants-recurrent	4,700,845	6,411,555	1,710,710	36.39	Grant funding received in advance from the Victorian Grants Commission \$1.6 million.
Government grants-non-recurrent	5,054,335	4,898,852	(155,483)	(3.08)	Delays in the receipt of grant funding during the year for a number of projects partly offset by the early receipt off grants budgeted in 2018-19.
User charges	9,673,086	9,513,915	(159,171)	(1.65)	Decline driven by reduced attendance at Yarrambat Golf Course \$154,906 .
Statutory fees & fines	1,321,080	1,221,752	(99,328)	(7.52)	Mainly as a result of a decrease in parking infringements issued \$120,208.
Reimbursements	74,786	77,531	2,745	3.67	
Interest income	970,000	1,407,035	437,035	45.06	Greater than expected funds held in investments during the financial year.
Capital contributions	1,530,536	985,758	(544,778)	(35.59)	Largely due to delays in contributions received for Special Charge Schemes totalling \$622,283
Other revenue-recurrent	560,604	703,072	142,468	25.41	Due to additional refunds from WorkCover \$69,042 and unexpected insurance refunds \$54,071
Other revenue-non-recurrent	201,093	276,740	75,647	37.62	Non-voter fines collected on behalf of Council \$44,563
Contributions	604,553	2,205,314	1,600,761	264.78	A result of unplanned developer contributions received for specific purposes \$1.615 million
Total income	87,459,203	90,378,890	2,919,687	3.34	
Operating expenditure					
Employee benefits	32,844,978	31,979,995	864,983	2.63	Underspend due to delay in filling positions across the organisation during the year.
External contracts	14,801,130	14,122,879	678,251	4.58	Mainly due to underspends in Home and Community Care \$776,434.
Materials & related costs	12,760,655	12,295,325	465,330	3.65	Based on a reduction in expenditure for IT Software maintenance \$301,499 and building maintenance \$63,807
Bad & Doubtful Debts	-	52,906	(52,906)	(100.00)	Amount generated attributable to infringement notices unlikely to be collected.
Other expenditure	10,025,184	8,038,953	1,986,231	19.81	Underspends in grant funded operational areas: Home and Community Care transition program \$577,796, Metro Access \$180,461 and Minor Capital grants \$100,137. The remaining balance comprises of minor variances across the organisation.
Interest expenditure	820,000	812,169	7,831	0.96	
Capital works recharge	(440,000)	(442,791)	2,791	0.63	
New initiatives allocation	3,703,784	2,309,084	1,394,700	37.66	Underspend is linked to delay in filling positions and further underspend in other budgeted initiatives.
Total expenditure	74,515,731	69,168,520	5,347,211	7.18	
Earnings before Income Tax & Depreciation	12,943,472	21,210,370	8,266,898	63.87	
Depreciation	10,095,000	11,114,329	(1,019,329)	(10.10)	Increase in depreciation is linked to new asset being completed during the year and depreciation commencing.
Draft Net Profit	2,848,472	10,096,041	7,247,569	254.44	Strong result is a combination of better than expected operating income and effective management of operating expenditure.
Net surplus/(deficit) calculation:					
Deduct:					
Debt redemption	725,000	724,369			
Transfer to reserves	3,364,921	19,565,212			
Transfer from reserves	(34,310,998)	(24,280,739)			
Capital expenditure allocation	45,243,760	24,225,560			
Total to be deducted	15,022,683	20,234,402			
Add Back:					
Depreciation	10,095,000	11,114,329			
Total to be added back	10,095,000	11,114,329			
Draft Net surplus / (deficit)	(2,079,211)	975,968	3,055,179	146.94	