

Draft Interim Income Statement

Attachment 1

For the financial year to date 30 June 2019

	Mid Year	YTD	Variance		Variance Commentary
	Budget Review	Actuals	\$	%	
	\$	\$	\$	%	
Operating income					
Rates and municipal charges	56,476,975	56,380,306	(96,669)	(0.17)	
Waste management charges	8,385,889	8,399,190	13,301	0.16	
Government grants-recurrent	4,935,329	6,384,511	1,449,182	29.36	Grant funding received in advance from the Victorian Grants Commission \$1.5 million.
Government grants-non-recurrent	11,188,047	15,183,145	3,995,098	35.71	Grant funding received in advance for a number of capital works projects including Diamond Creek regional playground \$2.5 million and Greensborough hockey pavilion \$2.0 million.
User charges	11,567,250	11,504,953	(62,298)	(0.54)	
Statutory fees & fines	1,496,878	1,461,290	(35,588)	(2.38)	Decrease in parking infringements issued \$116,889 and a decrease in prosecution income \$51,318. This has been offset by an increase in planning application fees \$153,803.
Reimbursements	124,925	267,206	142,281	113.89	Reimbursements relating to the administration of centralised annual valuations \$40,856 and unexpected insurance refunds \$103,875.
Interest income	863,800	1,082,611	218,811	25.33	Greater than expected funds held in investments during the financial year generating additional interest income.
Capital contributions	1,976,211	1,320,312	(655,899)	(33.19)	Largely due to delays in contributions to be received for Special Charge Schemes totalling \$393,690 and other capital projects \$281,707.
Other revenue-recurrent	942,498	1,162,092	219,594	23.30	Due to additional refunds from WorkCover \$182,771.
Other revenue-non-recurrent	2,000	34,812	32,812	1,640.60	Income received for major initiatives including the open farm day \$10,000. The balance is made up of minor projects.
Contributions	326,485	786,400	459,915	140.87	A result of unplanned developer contributions received for specific purposes \$449,915.
Total income	98,286,287	103,966,828	5,680,541	5.78	
Operating expenditure					
Employee benefits	34,880,022	34,210,421	669,601	1.92	Variance is driven by budgeted positions remaining vacant and delays in recruitment across the organisation during the year.
External contracts	17,147,438	17,155,544	(8,106)	(0.05)	
Materials & related costs	16,336,046	15,885,522	450,524	2.76	Based on a reduction in expenditure for land sale expenses \$191,427, training, conference and seminars costs \$103,514 and Linemarking expenditure \$99,054. The balance of \$56,529 is made up of underspends across multiple budget lines.
Bad & Doubtful Debts	-	32,479	(32,479)	(100.00)	Amount generated attributable to infringement notices unlikely to be collected as per the Australian Accounting Standards is required to be recognised as Bad and Doubtful debts.
Other expenditure	8,531,048	6,646,702	1,884,346	22.09	Underspends in grant funded operational areas including Home and Community Care transition program \$753,326 and Metro Access \$236,256, further underspends in Green Power costs \$302,775 and leased equipment \$99,829. The balance is made up of minor underspends across numerous budget lines.
Interest expenditure	764,487	766,818	(2,331)	(0.30)	
New initiatives allocation	2,513,148	2,052,315	460,833	18.34	Driven by delayed spend in grant funded initiatives and other budgeted initiatives including the Corporate Asset register \$200,000.
Total expenditure	80,172,189	76,749,801	3,422,388	4.27	
Earnings before Income Tax & Depreciation	18,114,098	27,217,027	9,102,929	50.25	
Depreciation	11,015,000	11,732,489	(717,489)	(6.51)	Increase in depreciation is linked to new assets being completed during the year and depreciation commencing.
Draft Net Profit	7,099,098	15,484,539	8,385,441	118.12	
Net surplus/(deficit) calculation:					
Deduct:					
Debt redemption	640,607	643,387			
Transfer to reserves	2,006,787	21,197,976			
Transfer from reserves	(30,261,972)	(22,576,731)			
Capital expenditure allocation	48,692,487	29,158,371			
Total to be deducted	21,077,909	28,423,002			
Add Back:					
Depreciation	11,015,000	11,732,489			
Total to be added back	11,015,000	11,732,489			
Draft Net surplus / (deficit)	(2,963,811)	(1,205,975)	1,757,836	59.31	