

3.1 2017/18 FINANCIAL MANAGEMENT AND CAPITAL WORKS PROGRESS REPORT – SECOND QUARTER DECEMBER 2017

(FIN1: SW:SM)

Responsible Director: Danny Wain

RECOMMENDATION

That Council:

1. *Notes the Quarterly Financial Management, Annual Plan and Capital Works Progress Report for the period ending 31 December 2017, presented in accordance with Section 138 of the Local Government Act 1989.*
2. *Approves the variations contained therein.*

BACKGROUND

A Financial Management Report is prepared and distributed to Councillors for information each month, with Quarterly Statements prepared for formal presentation to the Council in accordance with Section 138 of the *Local Government Act 1989* (the Act).

The Quarterly Financial Statements include a comparison of year-to-date (YTD) actual revenue and expenditure with budgeted (YTD and forecast end-of-year) revenue and expenditure for the current financial year.

Council's 2017/18 Adopted Budget included four financial statements (refer Appendix A):

- Comprehensive Income Statement;
- Balance Sheet;
- Statement of Cash Flows; and
- Statement of Capital Works.

This report also provides a review of the 2017/18 Capital Works Program. In particular the Capital Works Progress report aims to:

- inform Council of funding changes to the program as a result of extra monies received from external sources; and
- quantify the transfer of funds from projects with surplus to projects with shortfalls.

ANALYSIS**COMPREHENSIVE INCOME STATEMENT**

As at December 2017, the YTD net surplus from ordinary operations was \$67.83M, representing a 2.4% (\$1.6M) favourable variance against YTD budget (\$66.23M). The full Income Statement is included in Appendix A - Financial Statements & Indicators.

Details of the key variances are listed below:

Item	Explanation (YTD actual vs YTD Budget)	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD Variance \$'000 Fav/ (Unfav)
INCOME				
Statutory Fees & Fines	Lower than budgeted income: <ul style="list-style-type: none"> • Infringements (\$22K); • Permits & Land Information certificates (\$33K); and • Town Planning Fees (\$348K). Offset by higher than budget <ul style="list-style-type: none"> • Court Recoveries (\$222K). 	\$4,869	\$5,051	(\$182)
Interest Revenue	Lower than budgeted : Due to reduced interest rates	\$1,003	\$1,082	(\$79)
Profit on Sale of Assets	Higher than budgeted: Due to sale of plant & equipment	\$73	\$0	\$73
Other Revenue	Higher than budgeted income: <ul style="list-style-type: none"> • Fleet Management Services (\$13K) • Emergency Readiness- funding from State Emergency Services (\$15K); • Brine Street Childcare- Misc. income (\$31K); and • Recycling and other Waste Transfer Station revenue (\$82K). 	\$832	\$689	\$143
User Fees	Higher than budgeted income: <ul style="list-style-type: none"> • Aquatic & Leisure Centre fees (\$14K); • Waste charges (\$40K); • Recoup of costs (\$42K); • Hire & rental charges (\$51K); • Building Permit & Notification fees (\$62); • Other User Fees (\$262K) – Waste Transfer Station(\$235K) Offset by lower than budgeted income <ul style="list-style-type: none"> • Chargeable works (\$40K); and • Service Charges (\$108K) 	\$13,607	\$13,287	\$320
Grants – Operating	Higher than budgeted income: <ul style="list-style-type: none"> • Libraries subsidy income (\$23K); • Waste Services (\$46K); • HACC subsidy income (\$68K); • Children & Family Services (\$88K)- additional funding for Child FIRST program funded by DHHS (\$41) and Brine Street subsidy & childcare benefit income (\$44K); • Strategic Planning –funding from Victorian Planning Authority (\$115K). 	\$10,990	\$10,664	\$326
Contributions - cash	Higher than budgeted operating contributions: <ul style="list-style-type: none"> • Drainage contribution (\$46K); • Other Contributions (\$165K) – club contribution for Electra Avenue Community Centre (\$160K); • Car parking contributions (\$356K); and • Public Open Space (\$815K). 	\$3,579	\$2,196	\$1,383

Item	Explanation (YTD actual vs YTD Budget)	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD Variance \$'000 Fav/ (Unfav)
EXPENDITURE				
Materials, Services & Contracts	<p>Higher than budgeted expenditure:</p> <ul style="list-style-type: none"> • Community Grants & Discretionary expenditure (\$41K); • Telecommunications cost (\$64K); • Legal Fees (\$181K); • Traineeships & Contract Staff (\$237K); and • Building Maintenance & Contractors (\$633K). <p>Offset by lower than budget variances:</p> <ul style="list-style-type: none"> • Other expenses (\$27K); • Equipment Maintenance costs (\$37K); • Planning & Building expenses (\$39K); • Consultants (\$97K); • Monash Ages Care Services (\$98K); • Contract Cleaning & Security (\$98K); • Community Development Activities (\$128K) • Administrative Costs (\$177K); and • Utilities (\$245K); 	\$32,865	\$32,660	(\$205)
Employee Costs	<p>Higher than budgeted expenditure:</p> <ul style="list-style-type: none"> • Temp Staff (\$1.1 M)- due to backfill of vacancies in the established positions <p>Offset by lower than budget</p> <ul style="list-style-type: none"> • Salaries & wages cost \$697K- This variance is a result of vacancies from established positions and under recovery of salaries transferred to capital works (\$286K). 	\$36,545	\$36,099	(\$446)

BALANCE SHEET

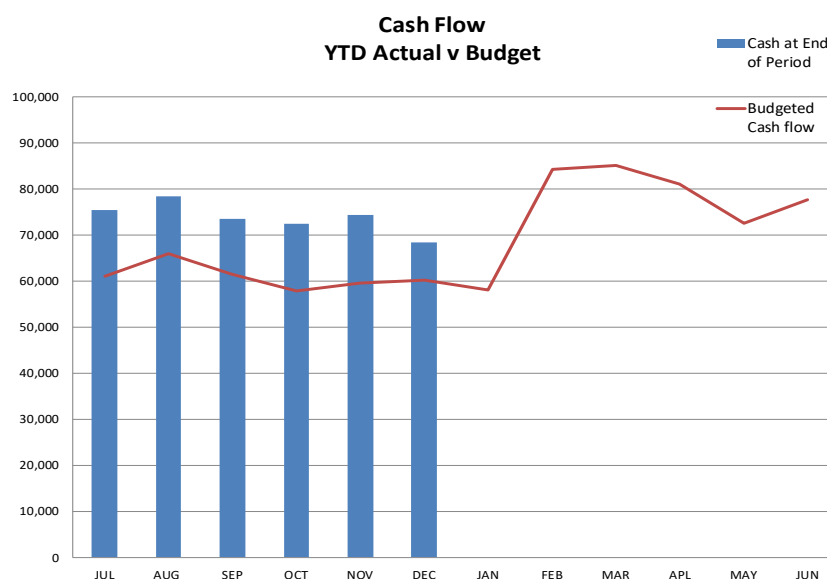
The Working Capital ratio (WCR) as at 31 December 2017 is 426% or 426:1. This comprises current assets of \$157.05M and current liabilities totalling \$36.86M. The budgeted figure for 30 June 2018 is a WCR of 216.4% (Appendix A).

The unrestricted cash position at 31 December 2017 was 129.13% or 129.13:1. This comprises restricted cash required by legislation of \$9M (\$7M drainage and \$2M parking reserves) in addition to funds reserved by Council resolution (\$7M development reserve & \$2.5M Superannuation reserve). The actual unrestricted cash and cash equivalents are \$47.6M in addition to current liabilities of \$36.86M and non-current liabilities for LSL \$1M. The budgeted figure for 30 June 2018 is 123.5% (Appendix A).

The forecasted variance of \$182.25M in Net Assets is mostly attributable to the revaluation of Council assets (Land) at 30 June 2017.

STATEMENT OF CASH FLOWS

The Cash Flow Statement shows Council's cash position at the end of December 2017 at \$68.32M, an increase of \$7.23M above the year-to-date budget of \$61.1M. This is primarily due to a higher cash balance at 30 June 2017, resulting from higher than budgeted income from growth in supplementary rates, additional public open space and parking contributions as well as positive cashflows from operating activities such as operating grants, user fees, other revenue and a delay in the delivery of capital works program.



Cashflows from Operating Activities

Refers to the cash generated or used in the normal service delivery functions of Council. Cash remaining after paying for the provision of services to the community may be available for investment in capital works, or repayment of debt. Significant variances in operating cash flows are due to the favourable/unfavourable variances in operating income and expenditure detailed within the Comprehensive Income Statement. They also reflect the timing of receipt of income or payment of liabilities, which are difficult to predict when establishing the budget.

The unfavourable cash flow from operating activities of \$541K comprises the following favourable variances:

- Other expenses \$141K;
- Other Revenue \$290K;
- Net GST paid position \$680K;
- User Fees \$782K;
- Contributions – cash \$2.1M;
- Grants - Operating \$3.2M.

These favourable variances are offset by the following unfavourable variances:

- Interest Revenue \$103K;
- Statutory Fees & Fines \$263K;
- Employee Costs \$552K;
- Fire Services Levy \$684K;
- Grants- Capital \$803K; and
- Materials, Services & Contractors \$5.35M.

Cashflows from Investing Activities

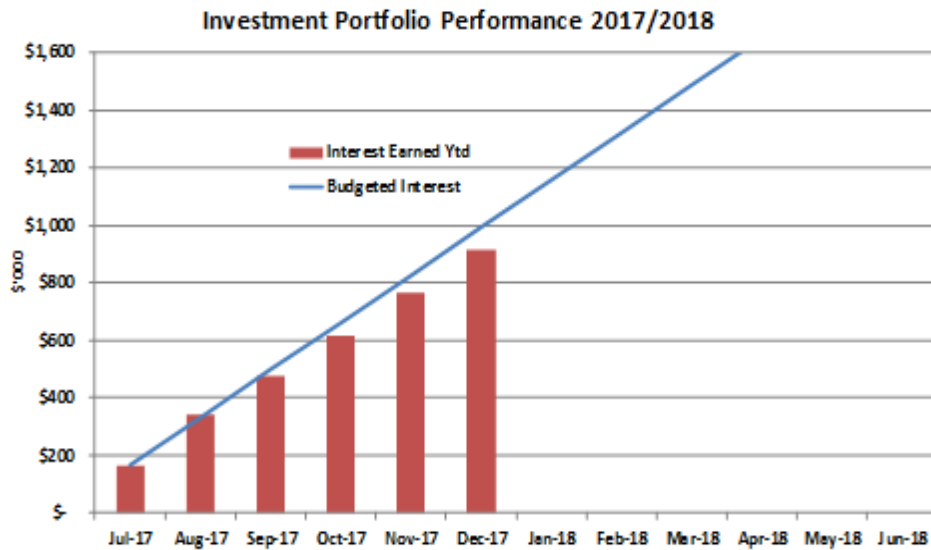
Investing activities refers to cash generated or used in the enhancement or creation of infrastructure and other assets. These activities also include the acquisition and sale of other assets such as vehicles, property and equipment. The favourable variance of \$2.15M is primarily due to delays compared to the forecast delivery of the capital works program.

Cashflows from Financing Activities

These activities would normally include repayment of the principal component of loan repayments for the year however we are in a debt free position. The unfavourable YTD position of \$1M is due to payment of refundable deposits.

Investment Interest Performance

The graph below highlights the interest performance on total cash invested. Interest performance is not as high as anticipated due to the interest rates being lower than budgeted.



ANNUAL PLAN

Included in the adopted Annual Budget are a set of Major Initiatives and Initiatives that Council planned to undertake during 2017/18. Council is requested to endorse some changes to these initiatives as set out in the table below.

Current Action	Revised Action 2017/18	Reason for change
A Liveable and Sustainable City		
Complete the Monash Canopy Vegetation and Landscape Strategy and commence implementation into Monash Planning Scheme	Commence the Monash Canopy Vegetation and Landscape Strategy and commence implementation into Monash Planning Scheme	Council's request (August 2017) for a full implementation plan and material to be considered with the Strategy has delayed the commencement and completion of the Strategy.
Inviting Open and Urban Spaces		
Nil		
An Inclusive Community		
Nil		
Responsive and Efficient Services		
Develop an Information and Communications Technology Strategic Plan (2017-2022)	Commence an Information and Communications Technology Strategic Plan (2017-22)	Following the appointment of a new Business Technology Manager and significant changes within the Department this action will now be completed in 2018/19.
Develop a Digital Strategy to continue to improve customer service and communications	Commence a Digital Strategy to continue to improve customer service and communications	Following the appointment of a new Business Technology Manager and significant changes within the Department this action will now be completed in 2018/19.
Develop a plan for Council's financial sustainability - Revenue & Rating Strategy	Commence a plan for Council's financial sustainability - Revenue & Rating Strategy	Delayed following Council resolutions for community consultation on the Waste Strategy and a possible waste charge, and to review the assessment and awarding of charges in lieu of rates under the Cultural Recreation Land Act. Will now be completed in 2018/19.
Implement the Enterprise Project Portfolio Management Solution (EPPM)	Continue implementation of the Project Management Framework.	Following the appointment of a new Business Technology Manager and significant changes within the Department this action will now be completed in 2018/19.

STATEMENT OF CAPITAL WORKS

The Statement of Capital Works presents Council's performance against the Adopted 2017/18 Capital Works Budget. As at 31 December 2017, Council has expended \$13.97M of its Adopted Capital Works Budget of \$45.32M.

The Annual Plan target is to achieve a minimum of 90% expenditure of the agreed Capital Works Budget, adjusted to \$46.75 as detailed below. As at 31 December 2017, Council has achieved 29.9% (\$13.97M/\$46.75M) against this target.

Adjustments to the Capital Works Expenditure Budget

Table 1 summarises funding adjustments that have been made to the Adopted 2017/18 Capital Works Budget.

The Adopted 2017/18 Capital Budget of \$45,317,800 has been adjusted to an Agreed Management Budget of \$46,753,654 as at 31 December 2017, taking account of changes in budgeted income, and adjustments in the use of reserve funds for the program.

Table 1: Summary of Adjustments to 2017/18 Capital Works Budget – December 2017 Quarter

Description	31/12/17 \$
Adopted Capital Works Budget 27/06/2017	45,317,800
Nett adjustments at 30/9/17 previously reported to Council	3,054
Agreed Capital Works Budget	45,320,854
Extra grants/funding received NOTE A	1,892,000
Less reduction/deferral in grant funding / Reserves NOTE B	-3,200
Less Carry Forward/Deferred Projects NOTE C	-456,000
Agreed Capital Works Budget	46,753,654

The details of these adjustments to the Capital Works budget are outlined below:

A. Additional Capital Income

Additions to budgeted income for the December quarter in 2017/18 comprise:

- Drainage at Grovedale Court Clayton – from DCP Reserve \$62,000
 - Drainage at 33 Jordan Grove Glen Waverley – from DCP Reserve \$5,000
 - Grant from Port Phillip Westernport CMA – ground works at reserves \$30,000
 - Caloola Reserve Tennis Court Construction – income from future sale of property (2018/19) as per Council Report 12/12/2017 \$1,620,000
 - Eaton Mall Pedestrian Safety project – Dept. of Justice grant \$175,000
- Total Additional Capital Income 1/10/2017 – 31/12/2017 \$1,892,000**

B. Reductions in Capital Income

The reduction in Capital Income for the December quarter in 2017/18 relates to a reduced grant payment to that budgeted for the Dandenong Creek Corridor Living Links project of \$3,200.

C. Carry Forward/Deferred Projects

- The Integrated Early Years Hub Partnership with Albany Rise Primary School project which was budgeted in 2017/18 at \$281,000 has been deferred for consideration in 2018/19.
- The Eaton Mall Pedestrian Safety Project will receive the first instalment of Department of Justice funding of \$175,000 in the current year; however expenditure is programmed for 2018/19 requiring a carry forward of the grant.

Adjustments within Capital Works Project Budgets

Table 2 summarises funding adjustments that have been made to the Capital Works program since September 2017 Quarter Capital Works Progress Report.

Table 2: Summary of Adjustments to 2017/18 Capital Works Projects as at 31/12/2017

Changes within Capital Works Program	\$ Increase in funds available	\$ Funds required	\$ Net
Project Expenditure changes at 30/9/2017			(819,784)
Projects from 2016/17 requiring funding Note D		(147,191)	(147,191)
2017/18 Projects requiring funding Note E		(970,000)	(970,000)
New projects 2017/18 Note F		(648,250)	(648,250)
2017/18 Projects completed with surplus Note H	187,244		187,244
Totals at 31/12/2017	187,244	(1,765,441)	(2,397,981)

The details of the December Quarter's adjustments to the Capital Works budget are discussed below:

D. Projects continuing from 2016/17 that require additional funding - \$147,191

Additional funding is sought for completion of projects that were budgeted and commenced in 2016/17 but were incomplete at 30 June 2017. The following projects will now be completed or progressed during 2017/18:

- Clayton Hall Meeting Room 2 – Amenities Upgrade \$33,392
 - Glen Waverley Central Car Park \$90,000
 - Electra Community Centre Extension \$9,639
 - Fregon Hall Building Works \$12,797
 - MOC HVAC & Ceiling Upgrades \$1,363
- Total Additional Funding Required for 2016/17 Projects \$147,191**

E. 2017/18 Projects Requiring Funding - \$970,000

The following projects have been identified as requiring additional funding for variations or increased scope to the project; or where contract prices have exceeded estimated project budgets:

- Strategic Drainage Stocks Road Mount Waverley \$59,000
- Strategic Drainage Northam Street Glen Waverley \$48,000
- ICT Workstation Renewal \$300,000
- Pool Plant Replacement MARC/CAHC/ORC Program \$90,000
- Roundabout Manton Rd & Banksia St Clayton \$15,000
- Road Humps Sixth Avenue Burwood \$50,000
- Drainage Improvements 47A-67 Margaret St Clayton \$53,000

• Drainage Improvements 88-92 Whites Lane Glen Waverley	\$36,000
• Strategic Drainage Norma Ave/Joyce Ave to Bakers Rd Oakleigh	\$30,000
• 18 Cabena Crescent Chadstone – Outfall drain into Creeks	\$11,000
• Central Reserve G/W South Oval Car park & Lighting Upgrade	\$78,000
• Scammell Reserve Pavilion Upgrade	\$200,000
Total Additional Funding Required for 2017/18 Projects	<u>\$970,000</u>

F. 2017/18 New projects that require funding - \$648,250

Council's approval is sought for the funding of additional Capital Projects to be undertaken in the 2017/18 Capital Program that were not included in Council's Adopted 2017/18 Capital Budget. All projects may be funded within the current year program from savings on individual projects:

• *ICT Hardware Roll Over Program*

Council is required to replace the fleet of public library computers that are out of warranty and no longer fit for purpose. The program of replacements will be completed in conjunction with the Library Network Infrastructure upgrade and is estimated to cost \$200,000.

• *MARC Re-Cabling Project*

An independent report commissioned for MARC infrastructure found that more than 50% of cables had either failed or had degraded; possibly due to chlorine and condensation. It was recommended that the cabling be upgraded at a cost of \$100,000.

• *Caloola Reserve Synthetic Tennis Court Construction*

The Council report of 12 December recommended that construction of the tennis courts be commenced using future funding from the expected sale of property and an additional \$48,250 from within the current capital works program.

• *Caloola Reserve Multi Sport Pavilion Design*

The Council report of 29th August 2017 approved for design to be commenced on a new multi-sport pavilion at Caloola Reserve. External architects are expected to be appointed at a cost of \$197,000.

• *Monash Gallery of Art- Temporary Signage*

It is proposed to install new signage for the MGA at the corner of Ferntree Gully Road and Jells Road in Wheelers Hill. Some longer term planning is being conducted for the site; however it is imperative that signage be completed immediately at a cost of \$23,000.

• *Central Reserve – Demolition of Northern Pavilion*

Following construction of the new southern pavilion at Central Reserve; it is required to demolish the older poor condition facility in order to extend the car park to the site. Estimated cost of demolition is \$80,000.

G. 2017/18 Projects completed with surplus - \$187,244

There are two projects completed with surplus in the quarter ended 31 December 2017:

- Waste Transfer Centre Office Improvement - \$8,979.
- Public Amenity – Pinewood Shopping Centre \$178,265 – this was due to the project progressing more quickly in 2016/17 than expected, which resulted in the budget not being required in 2017/18.

Recommended sources of funding for revised Capital Works Program

Table 3 provides a summary of the recommended funding sources for the revised 2017/18 Capital Works Program expenditure outlined in Table 2 above:

Table 3: Funding Sources for 2017/18 Capital Works Projects as at 31 December 2017

Funding sources recommended	\$
Surplus (deficit) funds available at 30/09/2017 as reported to Council	(819,784)
Projected surplus funds 31/12/2017 (Refer Table 2)	187,244
Total Funds Available at 31/12/2017	(632,540)
Less required funds 31/12/2017 (Refer Table 2)	(1,765,441)
Funds Required at 31/12/2017	(2,397,981)

Projected Surplus (Deficit) Funds

Some projects will ultimately require less funding than budgeted. Project Managers forecast their final expenditure during the year and based on previous years' experience these funds should be available to cover projects where additional expenditure is required or for any unplanned or new projects. The finalisation of many projects in the next months will release surplus funds to cover the notional deficit of \$2,397,981 at 31 December 2017.

CONCLUSION

Council's financial position reflects an overall positive performance against budget, made up of a number of variances, both favourable and unfavourable across the breadth of Council services. These variances will continue to be monitored for the remainder of the financial year.

The Capital Works budget deficit of \$2,397,981 at 31 December 2017 will be funded from projects that will not require the full budget, or based on previous years' experience, projects that will not be completed at 30 June 2018, releasing surplus funds.

It is recommended that Council approves the completion of additional projects that can be funded from surplus within the 2017/18 Capital Works Program and the transfer of funds from projects with surplus to projects requiring additional funding at 31 December 2017.

APPENDIX A – Financial Statements and Indicators**Comprehensive Income Statement**

Comprehensive Income Statement for the period ending 31 December 2017							
	YTD Actual \$'000	YTD Budget \$'000	YTD Variance \$'000	2017/18 Adopted Budget \$'000	2017/18 Annual Forecast \$'000	FORECAST Var \$	Var %
Revenue from Ordinary Activities							
Rates & Charges	115,982	115,973	9	116,217	116,217	-	0%
Statutory Fees & Fines	4,869	5,051	(182)	10,577	10,192	(385)	(4%)
User Fees	13,607	13,287	320	23,875	24,244	369	2%
Contributions - cash	3,579	2,196	1,383	4,950	6,484	1,534	31%
Grants - Operating	10,990	10,664	326	16,213	16,446	232	1%
Grants - Capital	371	194	177	5,793	4,620	(1,173)	(20%)
Interest Revenue	1,003	1,082	(79)	2,240	2,240	-	0%
Other Revenue	832	689	143	1,473	1,518	45	3%
Profit from Sale of Assets	73	-	73	-	-	-	0%
Total Revenue	151,308	149,136	2,172	181,339	181,961	622	0%
Expenses from Ordinary Activities							
Employee Costs	36,545	36,099	(446)	72,310	72,362	(52)	(0%)
Materials, Services & Contracts	32,865	32,660	(205)	64,183	65,511	(1,327)	(2%)
Depreciation & Amortisation	13,438	13,450	12	27,261	27,261	-	0%
Other Expenses	635	699	64	1,394	1,394	-	0%
Total Expenses	83,483	82,909	(574)	165,149	166,528	(1,379)	(1%)
Net Surplus/(Deficit) from Ordinary Operations	67,825	66,227	1,598	16,190	15,433	(756)	(5%)
Transfer to Reserves	-	-	-	-	-	-	0%
Net Surplus/(Deficit) after Transfers to Reserves	67,825	66,227	1,598	16,190	15,433	(756)	(5%)

Balance Sheet

Balance Sheet as at 31 December 2017					
	31 Dec 2017 Actual \$'000	2017/18 Adopted Budget \$'000	2017/18 Annual Forecast \$'000	FORECAST Var \$	Var %
ASSETS					
Current Assets					
Cash & Cash Equivalents	68,324	77,615	80,014	2,399	3%
Trade and Other Receivables	85,282	8,342	8,342	-	0%
Other Financial Assets	2	0	-	-	0%
Inventories	73	0	-	-	0%
Other Assets	3,368	6,176	6,176	-	0
Total Current Assets	157,049	92,133	94,532	2,399	3%
Non-Current Assets					
Property, Plant & Equipment	3,043,226	2,882,384	3,062,236	179,852	6%
Other Assets	1,267	2,316	2,316	-	0%
Total Non-Current Assets	3,044,493	2,884,700	3,064,552	179,852	6%
Total Assets	3,201,542	2,976,834	3,159,084	182,251	6%
LIABILITIES					
Current Liabilities					
Trade and Other Payables	9,996	15,862	15,862	-	0%
Trust Funds and Deposits	10,897	9,661	9,661	-	0%
Income in Advance	35	0	0	-	0%
Provision	15,934	17,061	17,061	-	0%
Total Current Liabilities	36,862	42,584	42,584	-	0%
Non-Current Liabilities					
Provision	1,000	1,965	1,965	-	0%
Other Liabilities	1,926	2,669	2,669	-	0%
Total Non-Current Liabilities	2,926	4,634	4,634	-	0%
Total Liabilities	39,788	47,218	47,218	-	0%
Net Assets	3,161,754	2,929,615	3,111,865	182,250	6%
EQUITY					
Accumulated Surplus	1,041,653	990,070	993,906	3,836	0%
Reserves	2,120,101	1,939,545	2,117,961	178,416	9%
Total Equity	3,161,754	2,929,615	3,111,865	182,250	6%

Statement of Cash Flows

Statement of Cash Flows for the period ending 31 December 2017							
	YTD Actual \$'000	YTD Budget \$'000	YTD Variance \$'000	FORECAST			
				2017/18 Adopted Budget \$'000	2017/18 Annual Forecast \$'000	Var \$	Var %
				Inflows (Outflows)	Inflows (Outflows)	Fav (Unfav)	Fav (Unfav)
Cash Flows from Operating Activities							
Receipts							
Rates & Charges	40,000	39,976	24	116,217	116,217	-	0%
Fire Services Levy	260	944	(684)	-	-	-	0%
Statutory Fees & Fines	4,869	5,132	(263)	10,577	10,192	(385)	(4%)
User Fees	13,755	12,973	782	25,547	25,916	369	1%
Contributions - cash	3,579	1,512	2,067	4,951	6,485	1,534	31%
Grants - Operating	10,990	7,758	3,232	16,213	16,445	232	1%
Grants - Capital	(76)	726	(803)	5,794	4,621	(1,173)	(20%)
Interest Revenue	900	1,004	(103)	2,240	2,240	-	0%
GST reimbursed by Australian Tax Office	4,925	4,132	793	9,980	9,980	-	0%
Other Revenue	901	611	290	1,222	1,267	45	4%
Employee Costs	(38,291)	(37,739)	(552)	(71,678)	(71,730)	(52)	0%
Materials, Services and Contracts	(38,570)	(33,217)	(5,354)	(69,941)	(71,268)	(1,327)	2%
Other Expenses	(638)	(779)	141	(1,404)	(1,404)	-	0%
GST paid to Australian Tax Office	(851)	(738)	(113)	(1,671)	(1,671)	-	0%
Total Cash Inflow (outflow) provided by Operating Activities	1,755	2,296	(541)	48,047	47,290	(757)	(2%)
Cash Flows from Investing Activities							
Payments for Property, Plant and Equipment	(17,205)	(19,474)	2,269	(49,397)	(50,833)	(1,436)	(3%)
(Payments for) / Proceeds from Investment(Net)	-	-	-	-	-	-	-
Proceeds from Sale of Property, Plant and Equipment	239	361	(122)	1,053	1,053	-	0%
Net Cash Inflow (Outflow) provided by Investing Activities	(16,966)	(19,113)	2,148	(48,344)	(49,780)	(1,436)	(3%)
Cash Flows from Financing Activities							
Trusts and Refundable Deposits	1,032	-	1,032	-	-	-	0%
Net Cash Inflow (outflow) provided by Financing Activities	1,032	-	1,032	-	-	-	0%
Net increase (decrease) in cash and cash equivalents	(14,179)	(16,818)	2,639	(297)	(2,491)	(2,194)	739%
Cash and cash equivalents at the beginning of the financial year	82,503	77,913	4,590	77,913	82,505	4,592	6%
Cash and cash equivalents at the end of the period	68,324	61,095	7,229	77,615	80,014	2,399	3%

Statement of Capital Works

Statement of Capital Works for the period ending 31 December 2017						
	YTD Actual \$'000	2017/18 Budget \$'000	% Complete	FORECAST		
				2017/18 Annual Forecast \$'000	Variance to Adopted Budget Var \$	Var %
Property						
Land	252	-	0.0%	290	(290)	0.0%
Land Improvements	-	-	0.0%	-	-	0.0%
Total land	252	-	0.0%	290	(290)	0.0%
Buildings and Building Improvements	5,592	18,021	31.0%	16,358	1,663	9.2%
Total buildings and building improvements	5,592	18,021	31.0%	16,358	1,663	9.2%
Total property	5,844	18,021	32.4%	16,648	1,373	7.6%
Plant & Equipment						
Plant, machinery and equipment	344	2,721	12.6%	2,721	-	0.0%
Fixtures, fittings and furniture	216	618	34.9%	634	(16)	(2.6%)
Computers and telecommunications	1,042	3,169	32.9%	3,469	(300)	(9.5%)
Library books	354	1,259	28.1%	1,259	-	0.0%
Total plant and equipment	1,956	7,767	25.2%	8,083	(316)	(4.1%)
Infrastructure						
Roads	1,153	4,763	24.2%	4,858	(95)	(2.0%)
Bridges	14	60	23.3%	60	-	0.0%
Footpaths and cycleways	2,087	4,343	48.1%	4,453	(110)	(2.5%)
Drainage	367	2,413	15.2%	3,110	(697)	(28.9%)
Recreational, leisure and community facilities	1,078	4,001	27.0%	5,439	(1,438)	(35.9%)
Waste management	14	78	18.2%	78	-	0.0%
Parks, open space and streetscapes	1,399	3,452	40.5%	3,605	(153)	(4.4%)
Aerodromes	-	-	0.0%	-	-	0.0%
Off street car parks	18	294	6.3%	294	-	0.0%
Other infrastructure	37	126	29.1%	126	-	0.0%
Total Infrastructure	6,167	19,530	31.6%	22,023	(2,493)	(12.8%)
Total capital works expenditure	13,966	45,318	30.8%	46,754	(1,436)	(3.2%)
Represented by:						
New Asset expenditure	-	-	0.0%	-	-	0.0%
Asset renewal expenditure	9,520	30,890	68.2%	31,869	(979)	(3.2%)
Asset expansion expenditure	1,815	5,890	13.0%	6,077	(187)	(3.2%)
Asset upgrade expenditure	2,631	8,538	18.8%	8,808	(270)	(3.2%)
	13,966	45,318	30.8%	46,754	(1,436)	(3.2%)

Financial Indicators

Indicator	Measure	YTD Actual 2017/18	Full Year Budget 2017/18
Operating position			
Adjusted Underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	44.7%	6.5%
Liquidity			
Working Capital	Current assets / current liabilities	426.0%	216.4%
Unrestricted cash	Unrestricted cash / current liabilities	129.13%	123.5%
Obligations			
Loans and borrowings	Interest bearing loans and borrowings / rate	0.00%	0.00%
Loans and borrowings	Interest and principal repayments / rate revenue	0.00%	0.00%
Indebtedness	Non-current liabilities / own source revenue	2.1%	3.0%
Asset renewal	Asset renewal expenditure / depreciation	70.8%	113.3%
Stability			
Rates concentration	Rate revenue / adjusted underlying revenue	76.8%	65.8%
Rates effort	Rate revenue / CIV of rateable properties in the municipality	0.2%	0.2%
Efficiency			
Expenditure level	Total expenses / No. of property assessments	\$2,131	\$2,118
Revenue level	Residential rate revenue/No. of residential assessments	\$1,392	\$1,390
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year	7.2%	12.8%