

Melton City Council

# 2019/2020 Finance Report

1<sup>st</sup> Quarter Ended 30 September 2019

A thriving community  
where everyone belongs





## Quarterly Finance Report

Quarter Ended 30 Sep 2019

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<i>(Capital works Committee)</i>	

## Melton City Council

### Quarterly Finance Report for the 3 months period ended September 2019.

#### Fraudulent Activity

No instances of fraud this quarter

#### Executive Summary

##### Operating Results

This report compares the September 2019 YTD results with the profiled YTD approved budget for the same period.

The operating surplus before transfers for the September YTD period was \$100.5m. This compared with the profiled budgeted result of \$104.1m resulted in an unfavourable variance of \$3.6m

Detailed analysis of operating revenue and expenditure variances by line items, are outlined on page 4-6 of this report.

##### Year-end Forecast

Review of the 1<sup>st</sup> quarter operating and capital expenditure as at the end of September 2019 has been finalised. As part of this process business unit managers have provided an estimate of the year-end forecast of savings and over-runs expected as at 30th June 2019. This is summarised in the table below.

Comparison of 1<sup>st</sup> quarter year-end forecast with the approved budget is shown on page 8 with the detail variance commentary on page 8-9

First Quarter Year-End Forecast-Summary		\$(Millions)
<b>Operating</b>		
Forecast unfavourable variance in operating results before transfers		<b>\$10.44</b>
<b>Capital</b>		
Forecast unfavourable variance in Council capital expenditure		<b>(\$2.4)</b>

##### Capital Expenditure

The Council Capital expenditure budget for 2019/20 is a total of \$74.73m. This consists of \$66.71m Council capital budget and an actual carry forwards component of \$8.02m from 2018/19.

Total developer contribution in-kind works budget for 2019/20 is \$35.34m. These works when completed by landholders will offset their developer contribution liability to Council. Where the value of completed works handed over to Council varies from the DCP obligations, the resultant rolling credit or debit transactions which will be carried forward to be set off against future obligations or for settlement to/by Council from the developer contribution reserve funds.

The actual capital expenditure completed at the end of September was \$9.29m or 12.4% of the total Council capital expenditure budget including carry forwards.

A project level analysis of YTD capital expenditure by capital works by business unit is provided on page 18.

### Cash on hand and Investments

Council's total cash position at month end is \$195.7m. This balance includes \$175.9m of general and restricted investments representing carry forward expenditure, employee entitlements, and developer contributions received for future capital works. The amount of cash on hand at end of month of \$19.8m. Increase in general and restricted investments is due to creation of the Infrastructure and Strategic Investment Reserve by Council.

### Debtors

Receivables outstanding totalled \$118.9m (net of doubtful debts provisions) of which \$97.6m relates to rates debtors including instalments not due. Infringement Debtors amounted to \$4.82m and other sundry debtors (including accrued land sales, PSP works in kind debtors) was \$16.4m.

<b>Monthly Management Report 2019/2020</b>					
<b>Operating Statement by Income / Expenditure line items</b>					
<b>for the 3 Months ended 30 September 2019</b>					
Income/Expenditure Type		YTD Actuals	YTD Budget	YTD Variance	Full Year Approved Budget
		(000's)	(000's)	(000's)	(000's)
<b>Income</b>					
Rates & Charges	1	120,443	119,865	577	122,646
Statutory Fees and Fines	2	2,104	2,054	50	7,513
User Fees	3	2,373	2,048	325	10,274
Grants- Operating	4	6,351	14,562	(8,211)	29,811
Grants- Capital	5	579	573	5	6,898
Contributions Monetary	6	4,097	2,446	1,650	30,306
Contributions Non Monetary	7	0	0	0	100,588
<b>Net Gain/(Loss) on Disposal of PP&amp;E</b>					
Sale of Properties	8	1,408	1,676	(269)	17,125
Cost of Assets Sold	9	(595)	(788)	193	(8,272)
Other Revenue	10	1,434	1,012	421	4,565
<b>Total Income</b>		<b>138,191</b>	<b>143,449</b>	<b>(5,258)</b>	<b>321,454</b>
<b>Expenditure</b>					
Employee Costs	11	13,536	14,987	1,451	62,659
Depreciation and Amortisation	12	9,172	9,168	(4)	37,015
Bad and Doubtful Debts	13	6	0	(6)	500
Borrowing Costs	14	97	100	3	644
<b>Other - Materials and Services</b>					
Contracts and Materials	15	6,437	6,059	(378)	41,793
Administration Expenses	16	3,514	4,037	523	15,504
Program Expenses	17	1,168	1,136	(32)	4,546
Utilities	18	1,763	1,807	44	7,666
Maintenance	19	1,388	1,432	44	7,437
Other	20	647	628	(19)	3,593
<b>Total Expenditure</b>		<b>37,729</b>	<b>39,355</b>	<b>1,625</b>	<b>181,357</b>
<b>Total Surplus/Deficit Before Transfers.</b>		<b>100,462</b>	<b>104,095</b>	<b>(3,632)</b>	<b>140,097</b>
<b>Reserve Transfers</b>					
Transfers From Reserves		0	26	(26)	45,022
Transfer to Reserve		(12,988)	(2,446)	(10,542)	(94,050)
<b>Total Net Transfers - Income/(Exp)</b>		<b>(12,988)</b>	<b>(2,420)</b>	<b>(10,568)</b>	<b>(49,028)</b>
<b>Total Surplus/(Deficit) Net of Transfers</b>		<b>87,474</b>	<b>101,675</b>	<b>(14,200)</b>	<b>91,069</b>
<b>Undelying Surplus/(Deficit)</b>		<b>95,787</b>	<b>101,075</b>	<b>(5,288)</b>	<b>2,306</b>

\* Negative values in the YTD variance column indicates an unfavourable Variance.

Monthly Management Report 2019/20 Operating Statement - Significant Variance Comments for the 3 Months ended 30 September 2019				
Income/Expenditure Type	YTD Actual (000's)	2019/20 Approved Budget (000's)	Variance - Fav/(Unfav)	Significant Variance Comments- YTD actual compared to profiled YTD approved budget
Income				
Rates & Charges	120,443	119,865	577	Favourable variance is attributable to: ** Supplementary rates are higher than budget target by \$641k due to higher number of properties being released than budgeted as a result of improving property market conditions. The favourable variance was partly offset by: ** The pensioner rebates allowed both Council and State, which were higher than budget by (\$64.1k).
Statutory Fees and Fines	2,104	2,054	50	Favourable variance is attributable to the following: ** Higher than budgeted permit and registration fees in Planning Services due to improving level of development activity (\$63k). Favourable variance is partly offset by: ** Lower than budgeted fee income in City Design and Strategy which is mainly timing related (\$13k).
User Fees	2,373	2,048	325	Favourable variance is due to the following: ** Higher than budgeted property hire particularly in Community Planning and Libraries due to higher than planned demand (\$136k) ** Higher than budgeted income in Asset Protection programs and other higher income from Transfer Station and Parks and Open Space in Operations (\$123k) ** Unbudgeted income raised from Impounded Cattle in Community Safety (\$122k) Overall favourable variance partly offset mainly by: ** Lower than budgeted Cemetery Services income (\$58k).
Grants- Operating	6,351	14,562	(8,211)	Favourable variance is attributable to the following: ** Unfavourable variance in Grants Commission funding of \$8.5m due to Commonwealth Government bringing forward the payment of half the estimated aggregate of 2015-20 financial assistance grants allocation in June 2019 in the 2018/19 financial year. The unfavourable variance was partly offset by: ** Unbudgeted grants received from Community Learning, Hot House and other projects (\$103k). ** Higher than projected school crossing grants in Community Safety and others (\$186k).
Grants- Capital	579	573	5	Favourable variance is the net effect of: ** Favourable variance of \$403 is due to unbudgeted grants received to-date these include, Melton Recycling Centre Upgrade (\$137k), Nunjaling Neighbourhood House (\$235k) and Light Up Lake Canline (\$13k) ** Unfavourable timing variance of \$398k due to capital grants budgeted to be received during this quarter not received. These include Road Rehabilitation Program(\$232k), Streetscope Improvements and other (\$146k).
Contributions Monetary	4,097	2,446	1,650	Monetary contributions are ahead of budget target largely due to ICF contributions already received this quarter exceeding estimates by \$1.4m. Other increases are mainly in Community Infrastructure Levy, Public Open Space and other non Predict Structure Plan related contributions (\$230k).
Contributions Non Monetary	0	0	0	
Net Gain/(Loss) on Disposal of PP&E	1,408	1,676	(269)	** Lower than budgeted Abernethy land sales for the quarter reflecting higher than anticipated cancellations.
Sale of Properties	(595)	(788)	193	** Favourable variance due to Cost of asset sold being lower than budget due to higher than anticipated cancellation.
Cost of Assets Sold				Favourable variance is due to the following: ** Interest on Investments (Term Deposits) exceeded budget for the quarter due to higher level of cash available for investments due to carry forwards from unspent capital budgets and advance income carried forwards (\$165k). ** Recoveries and reimbursements exceeded budget mainly due to Insurance claim receipts and timing of contributions from Rialto Club (\$67k) ** Higher than budgeted Lease income from Melton Country Club, Freeland Drive, Burnside and other (\$59k) ** Timing variance in recovery and stock income in Community Planning and other (\$89k)
Other Revenue	1,434	1,012	421	
Total Income	138,191	143,449	(5,258)	
Expenditure				

Monthly Management Report 2019/20 Operating Statement - Significant Variance Comments for the 3 Months ended 30 September 2019				
Income/Expenditure Type	YTD Actual (000's)	2019/20 Approved Budget (000's)	Variance - Fav/(Unfav) (000's)	Significant Variance Comments- YTD actual compared to profiled YTD approved budget
Employee Costs	11 13,536	14,987	1,451	<p>This favourable variance in employee cost is the net effect of \$1,244m favourable in salaries and wages and \$206k favourable in payroll oncost.</p> <p>The favourable variance in salaries and wages is largely attributable to a number of positions budgeted in the 2018/19 which have not been filled or filled later than planned. The variance is spread among a number of business units with significant variances reported in the following:</p> <ul style="list-style-type: none"> <li>** Community Care (\$120k)</li> <li>** Engineering Services (\$162k)</li> <li>** Capital Projects (\$173k)</li> <li>** Families and Children (\$173k)</li> <li>** Community Planning (\$104k)</li> <li>** Recreation and Youth (\$97k)</li> <li>** Engagement and Advocacy (\$64k)</li> <li>** Others (\$351k)</li> </ul> <p>Part of the above favourable variance offsets the unfavourable variance of \$60k in contract labour (agency) expenses reported under contract expenditure below. This is due to some business units engaging contract labour for employee costs original budgeted as full time staff.</p> <p>The favourable timing variance of \$206k in oncost expenditure is due to lower than budgeted expenditure on long service leave (\$71k), Superannuation (\$81k), favourable variance due to WorkCover, annual leave loading and others (\$54k).</p>
Depreciation and Amortisation	12 9,172	9,168	(4)	
Bad and Doubtful Debts	13 6	0	(6)	
Borrowing Costs	14 97	100	3	
Other - Materials and Services				<p>Unfavourable variance is attributable to the following:</p> <ul style="list-style-type: none"> <li>** Higher than budgeted expenditure of \$94k in Contract labour costs due to budgeted permanent positions filled through contract labour. This is mainly in areas such as Information Services (\$701k), Engineering Services (\$51k), Community Care (\$49k) Families and Children (\$58k) and others (\$65k).</li> </ul> <p>The unfavourable variance is partly offset by:</p> <ul style="list-style-type: none"> <li>** Timing variance due to contract payments in Operations particularly in Road Services, Parks and Open Space, waste Management and others are lower than budgeted for the quarter (407k)</li> <li>** Timing variance in contract payments in Risk and Performance (\$20k)</li> <li>** Timing variance in scoping study for Performance Arts centre and others not expended as planned in the first quarter (\$49k)</li> </ul> <p>Favourable Variance is attributable to</p> <ul style="list-style-type: none"> <li>** Lower than budgeted project Implementation Costs in Information Services (\$250k)</li> <li>** Lower than budgeted Professional Advisory Services due to timing variance (\$102k)</li> <li>** Lower than budgeted Legal Fees due to timing variances (\$78)</li> <li>** Lower than budgeted expenditure in other such as Insurance Premiums, Printing and Training (\$93k).</li> </ul>
Contracts and Materials	15 6,437	6,059	(378)	
Administration Expenses	16 3,514	4,037	523	
Program Expenses	17 1,168	1,136	(32)	
Utilities	18 1,763	1,807	44	
Maintenance	19 1,388	1,432	44	
Other	20 647	628	(19)	
<b>Total Expenditure</b>	<b>37,729</b>	<b>39,355</b>	<b>1,625</b>	

Monthly Management Report - 2019/20 Operating Statement - Significant Variance Comments for the 3 Months ended 30 September 2019				
Income/Expenditure Type	YTD Actual (000's)	2019/20 Approved Budget (000's)	Variance - Fav/(Unfav) (000's)	Significant Variance Comments- YTD actual compared to profiled YTD approved budget
Total Surplus/Deficit Before Transfers.	100,462	104,095	(3,632)	
Underlying Operating Results Surplus/(Deficit)	95,787	101,075	(5,288)	



<b>Monthly Management Report 2019/2020</b>				
<b>1st Quarter Year-End Forecast</b>				
<b>Forecast Operating Statement by Income / Exp</b>				
Income/Expenditure Type		2019/20	1st Quarter Forecast	1st Qtr Forecast
		Approved Budget (000's)	(000's)	Variance (000's)
<b>Income</b>				
Rates & Charges	1	122,646	122,646	0
Statutory Fees and Fines	2	7,513	7,513	0
User Fees	3	10,274	9,629	(645)
Grants- Operating	4	29,811	29,914	102
Grants- Capital	5	6,898	6,898	0
Contributions Monetary	6	30,306	52,710	22,404
Contributions Non Monetary	7	100,588	68,926	(31,662)
<b>Net Gain/(Loss) on Disposal of PP&amp;E</b>				
Sale of Properties	8	17,125	13,985	(3,140)
Cost of Assets Sold	9	(8,272)	(6,565)	1,707
Other Revenue	10	4,565	5,292	727
<b>Total Income</b>		<b>321,454</b>	<b>310,947</b>	<b>(10,507)</b>
<b>Expenditure</b>				
Employee Costs	11	62,659	61,952	706
Depreciation and Amortisation	12	37,015	37,015	0
Bad and Doubtful Debts	13	500	500	0
Borrowing Costs	14	644	644	0
<b>Other - Materials and Services</b>				
Contracts and Materials	15	41,793	42,701	(908)
Administration Expenses	16	15,504	15,056	448
Program Expenses	17	4,546	4,725	(179)
Utilities	18	7,666	7,805	(139)
Maintenance	19	7,437	7,406	31
Other	20	3,593	3,486	107
<b>Total Expenditure</b>		<b>181,357</b>	<b>181,290</b>	<b>67</b>
<b>Total Surplus/Deficit for the Year Before Trfs.</b>		<b>140,097</b>	<b>129,658</b>	<b>(10,440)</b>
<b>Underlying Surplus/(deficit)</b>		<b>2,306</b>	<b>1,124</b>	<b>(1,182)</b>
<b>Council Capital Budget</b>		<b>74,731</b>	<b>77,162</b>	<b>(2,431)</b>
<b>Capital DCP-In-Kind</b>		<b>35,337</b>	<b>29,856</b>	<b>5,481</b>

Monthly Management Report - 2019/20				
Significant Variance Comments				
Approved Budget vs. 1st Quarter Forecast				
Income/Expenditure Type	2019/20 Approved Budget (000's)	1st Quarter Forecast (000's)	1st Qtr Forecast Variance (000's)	Approved Budget to 1st Quarter Year-end Forecast Variance Explanations
Rates & Charges	122,646	122,646	0	
Statutory Fees and Fines	7,513	7,513	0	
User Fees	10,274	9,829	(645)	Unfavourable variance is attributable to the following: ** Reduction in Community Care fees and charges due to reduction in Food Services and HACCC related services \$68k ** Unfavourable variance in Lease Income in User Fees due to realignment of lease charges as other income. This is offset by favourable variance in Other Income explained below (\$718k) Overall unfavourable variance partly offset by: ** Unbudgeted income from Greater Melbourne Chamber of Commerce contribution of \$75k receivable during the year. ** Community Planning and Occasional Care fees are expected to be higher than budget by \$66k.
Grants- Operating	29,811	29,914	102	
Grants- Capital	6,898	6,898	0	
Contributions Monetary	30,306	52,710	22,404	
Contributions Non Monetary	100,588	68,926	(31,662)	
Net Gain/(Loss) on Disposal of PP&E				
Sale of Properties	17,125	13,985	(3,140)	
Cost of Assets Sold	(8,272)	(6,565)	1,707	
Other Revenue	4,565	5,292	727	
<b>Total Income</b>	<b>321,454</b>	<b>310,947</b>	<b>(10,507)</b>	
<b>Expenditure</b>				
Employee Costs	62,659	61,962	706	
Depreciation and Amortisation	37,015	37,015	0	
Bad and Doubtful Debts	500	500	0	
Borrowing Costs	644	644	0	
Other - Materials and Services				
				Favourable variance is due to timing of employment of new positions and staff vacancies. The above favourable variance is offset by unfavourable variance of \$801k projected in contract labour (agency) expenses reported under contract expenditure below. This is due to some business units engaging contract labour for employee costs original budget as full time staff.

Monthly Management Report - 2019/20				
Significant Variance Comments				
Approved Budget vs. 1st Quarter Forecast				
Income/Expenditure Type	2019/20 Approved Budget (000's)	1st Quarter Forecast (000's)	1st Qtr Forecast Variance (000's)	Approved Budget to 1st Quarter Year-end Forecast Variance Explanations
Contracts and Materials	41,793	42,701	(908)	** Higher than budgeted expenditure of \$801k in contract labour costs due to budgeted permanent position filled through contract labour. This is mainly in areas such as Information Services (\$775k) and Engagement and Advocacy (\$26k). ** Other unfavourable variance relates to contract payments in Operations projected to be lower than budget by year end (\$107k)
Administration Expenses	15,504	15,066	448	Favourable Variance is attributable to ** Lower than budgeted project Implementation Costs in Information Services (\$609k) ** Lower Than budgeted Insurance premiums (\$53k) Overall Favourable variance offset by ** Higher than budgeted legal fees (\$102) ** Higher than budgeted training and other expenditure (\$112k).
Program Expenses	4,546	4,725	(179)	Program expenses are expected to be unfavourable to budget by year end due to higher than budgeted client and program expenses in Community Care due to service delivery costs associated with additional grants and carry forward income.
Utilities	7,666	7,805	(139)	Unfavourable variance in utilities is mainly attributable to projected increase in water and sewerage expenditure.
Maintenance	7,437	7,406	31	
Other	3,553	3,466	107	Unfavourable variations is largely attributable to: ** Other unfavourable variance relates to higher than budgeted minor asset purchases mainly in Operations (\$107k)
<b>Total Expenditure</b>	<b>181,357</b>	<b>181,290</b>	<b>67</b>	
<b>Total Surplus/Deficit Before Transfers.</b>	<b>140,097</b>	<b>129,658</b>	<b>(10,440)</b>	
<b>Underlying Operating Results Surplus/(Deficit)</b>	<b>2,306</b>	<b>1,124</b>	<b>(1,182)</b>	

BALANCE SHEET	Notes	ACTUALS		BUDGET
		This Year	Last Year	This Year
		As at end Sep-19 \$(000's)	As at end Jun-19 \$(000's)	Full Year 2019/2020 \$(000's)
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents		195,663	117,549	177,564
Trade and Other Receivable		118,884	28,833	25,820
Other Financial Assets		0	62,402	
Inventories		41	41	20
Assets Classified as Held for Resale		4,722	1,636	2,204
Other Assets		867	29,439	41,025
<b>TOTAL CURRENT ASSETS</b>		<b>320,176</b>	<b>239,900</b>	<b>246,633</b>
<b>NON CURRENT ASSETS</b>				
INFRA, PROPERTY PLANT & EQUIPMENT		2,243,430	2,303,763	2,325,844
WORK IN PROGRESS		58,122	0	0
INVENTORIES		119	119	215
INVESTMENT PROPERTY		7,300	7,300	7,500
OTHER FINANCIAL ASSETS		306	306	5,077
INTANGIBLES		3,357	3,357	3,030
<b>TOTAL NON CURRENT ASSETS</b>		<b>2,312,635</b>	<b>2,314,845</b>	<b>2,341,666</b>
<b>TOTAL ASSETS</b>		<b>2,632,811</b>	<b>2,554,745</b>	<b>2,588,299</b>
<b>CURRENT LIABILITIES</b>				
PAYABLES		2,604	25,917	18,650
EMPLOYEE BENEFIT PROVISIONS		5,706	10,546	10,798
INTEREST BEARING LIABILITIES		5,414	2,962	2,306
OTHER LIABILITIES		91	2,591	5,249
<b>TOTAL CURRENT LIABILITIES</b>		<b>13,816</b>	<b>42,016</b>	<b>37,003</b>
<b>NON CURRENT LIABILITIES</b>				
EMPLOYEE BENEFITS PROVISIONS		6,642	1,718	2,227
INTEREST BEARING LIABILITIES		9,982	12,981	10,674
OTHER LIABILITIES		9,047	5,177	7,966
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>25,671</b>	<b>19,876</b>	<b>20,867</b>
<b>TOTAL LIABILITIES</b>		<b>39,487</b>	<b>61,892</b>	<b>57,870</b>
<b>NET ASSETS</b>		<b>2,593,325</b>	<b>2,492,854</b>	<b>2,530,430</b>
<b>EQUITY</b>				
ACCUMULATED SURPLUS		1,397,260	1,047,169	1,317,188
OPERATING SURPLUS FOR THE PERIOD		87,474	350,075	171,167
<b>RESERVES</b>				
REVALUATION RESERVES		939,082	939,089	866,819
OTHER RESERVES		169,509	156,520	175,255
<b>TOTAL EQUITY</b>		<b>2,593,325</b>	<b>2,492,854</b>	<b>2,530,430</b>

## Balance Sheet - Comments

### General:

The following comments relate to the balance sheet and the cash flow statement on page 10 and 13 respectively.

### Current Assets:

#### Cash & Investments

Council's cash position (including Investments), as at 30 September 2019 was \$195.7m, which represents an increase of \$62.8m from the \$132.9m opening cash position as at 1 July 2019. Details of inflow and outflow of funds are detailed in the Cash Flow Statement on page 13.

	\$'000's	\$'000's
Cash at 1 <sup>st</sup> July 2019		\$132,905
Plus: Net Inflow/(Outflow) from operating activities	\$35,294	
Less Net Inflow/(Outflow) from Investing activities	\$28,526	
Less Net Inflow/(Outflow) from financing activities	(\$1,062)	
Net Increase/(decrease) in cash held		\$62,758
<b>Cash and Investments on hand at 30 September 2019</b>		<b>\$195,663</b>

### Receivables:

Total receivables outstanding as at 30 September 2019 amounted to \$118.9m, which included rate debtors of \$97.6m. The total outstanding receivables comprised: -

Receivables	30 September 2019 (000's)	30 September 2018 (000's)
Rate Debtors	\$97,618	\$93,438
Infringements & Local Laws Debtors	\$4,819	\$4,159
Sundry & other debtors (prior year includes PSP works in kind debtors) net of provision for doubtful debts**	\$16,447	\$65,358
<b>Total Receivables</b>	<b>\$118,884</b>	<b>\$162,955</b>

### Non-Current Assets:

#### Infrastructure, Plant & Equipment

The value of Council's property, plant & equipment has decreased by \$60.3m. This decrease is due to handed over assets net of the depreciation charge for the YTD period. Work-in progress shown in the balance sheet includes the total capital expenditure spent in the year-to-date period at the end of the first quarter plus work-in progress carried forward from 2018/19.

#### Intangible Asset

The intangible assets of \$3.4m represent non-exclusive licence granted to Melton City Council by Department of Education and the Caroline Springs College for the use of CS College Creekside Campus and the Spring side Children's and Childcare facility built on DOE land and Kororoit Creek Learning Centre. The balance represents Council's contributions net of amortisations.

### Current & Non-Current Liabilities:

#### Payables

Creditors have reduced by 23.3m from the June 2019 balance of \$25.9m to \$2.6m at balance date. The outstanding payables amount varies from month to month depending upon the status of the accounts payable cycle.

#### Employee Benefits

Employee benefits represent current and non-current components of annual and long service leave liabilities at balance date. Current component of the liability being the amounts to be settled within the 12 months after the reporting period estimated at \$5.7m, with the non-current at \$6.6m. Any transfers to and from employee benefit will occur at year end.

#### Interest Bearing Liabilities:

Total loan liability as at 30 September 2019 is \$15.4m. Principal repayment for the first quarter amounted to \$547k.

#### Working Capital and Liquidity:

The working capital ratio is used to assess Council's ability to meet current commitments and is derived by dividing current assets by current liabilities. The working capital ratio for the YTD period is 1:23.1. The after removing the impact of rate debtors is 1:16.1

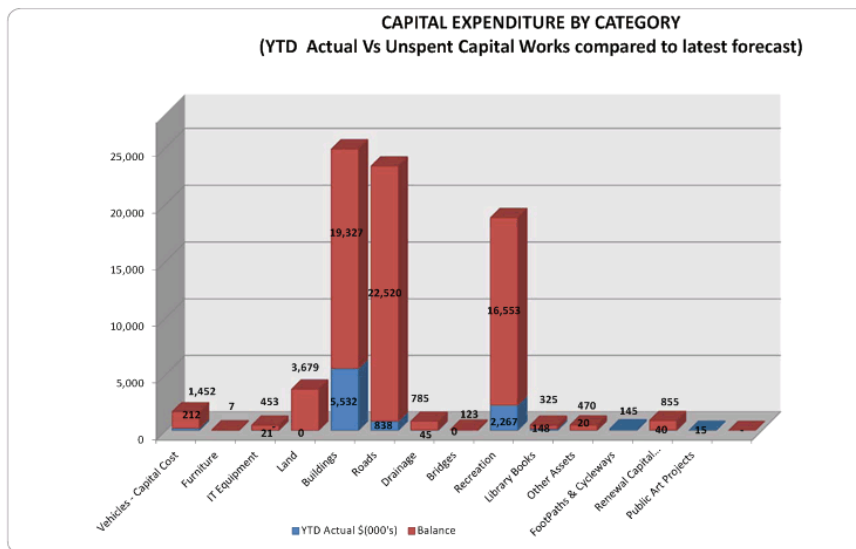
Last Year	CASH FLOW STATEMENT	Actuals	This Year
2018/2019		2019/2020	Budget
YTD Actual Jun-19 \$(000's)		As at End Jun-20 \$(000's)	2019/2020 Annual Budget \$(000's)
	<b>Cash Flow from Operating Activities</b>		
	<b>RECEIPTS</b>		
112,825	Rate & Charges	29,512	122,546
7,892	Statutory Fees & Fines & Others	2,945	0
12,166	User Fees	16,844	17,337
31,028	Grants - Operating	12,347	29,811
10,655	Grants Capital	598	6,898
17,376	Contributions Monetary	4,097	30,306
3,672	Interest Received	1,122	3,583
11,553	Other Receipts	1,434	979
	<b>PAYMENTS</b>		
(43,640)	Employee Costs	(13,452)	(62,240)
(46,526)	Materials and Services	(20,153)	(72,517)
(19,471)	Other Payments	0	(7,666)
97,530	<b>NET CASH FROM OPERATING ACTIVITIES</b>	35,294	69,038
	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
(78,298)	Payments for Acquisition of Non-Current Assets	(24,567)	(66,714)
21,483	Proceeds from Sale of Non-Current Assets	813	15,190
(52,340)	Payment from Accrued Land Sales from Last Financial Year **	52,280	0
(62)	Proceeds from Sale of Investments	0	0
(109,217)	<b>NET CASH FROM INVESTING ACTIVITIES</b>	28,526	(51,524)
	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
(839)	Repayment of Loans	(547)	(2,966)
(2,830)	Borrowing Costs	(515)	(644)
(3,669)	<b>NET CASH FROM FINANCING ACTIVITIES</b>	(1,062)	(3,610)
(15,356)	<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	62,758	13,904
	<b>CASH POSITION</b>		
132,905	Cash Balance at Beginning-as at 1st July	132,905	163,661
117,549	<b>Cash Balance at End of Period</b>	195,663	177,564

\*\* Proceeds from accrued Land Sales

**CAPITAL EXPENDITURE BY CATEGORY**

Quarter Ended 30 September 2019  
 2019/2020 FINANCIAL YEAR

CAPITAL EXPENDITURE	YTD Actual	YTD Budget	YTD Variance	1st Qtr Forecast	2019/20 Approved Budget	Balance Capex to Spend Compared to Forecast	Post Budget Capital Carry Forward	2019/20 Capital Budget Including Post Budget C/F
	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)
Vehicles - Capital Cost	212	230	18	1,664	1,664	1,452	0	1,664
Furniture	7	15	8	60	157	53	0	157
IT Equipment	21	25	4	474	535	453	0	535
Land	0	0	0	3,679	2,694	3,679	0	2,694
Buildings	5,532	4,175	(1,357)	24,859	22,267	19,327	2,570	24,837
Roads	838	1,031	194	23,358	20,621	22,520	2,471	23,092
Drainage	45	15	(30)	830	210	785	0	210
Bridges	0	31	31	123	123	123	0	123
Recreation	2,267	1,813	(454)	18,820	15,337	16,553	2,788	18,125
Library Books	148	148	0	473	473	325	0	473
Other Assets	20	7	(13)	490	470	470	20	490
FootPaths & Cycleways	145	135	(10)	1,244	1,094	1,099	150	1,244
Renewal Capital Expenditure	40	39	(1)	895	895	855	0	895
Public Art Projects	15	15	(0)	193	175	178	18	193
<b>Total Capex Excl Capital DCP in Kind</b>	<b>9,291</b>	<b>7,680</b>	<b>(1,611)</b>	<b>77,162</b>	<b>66,714</b>	<b>67,871</b>	<b>8,017</b>	<b>74,731</b>
Capital DCP in Kind	0	0	0	29,856	35,337	29,856	0	0
<b>Total Capital Expenditure</b>	<b>9,291</b>	<b>7,680</b>	<b>(1,611)</b>	<b>107,017</b>	<b>102,051</b>	<b>97,727</b>	<b>8,017</b>	<b>74,731</b>

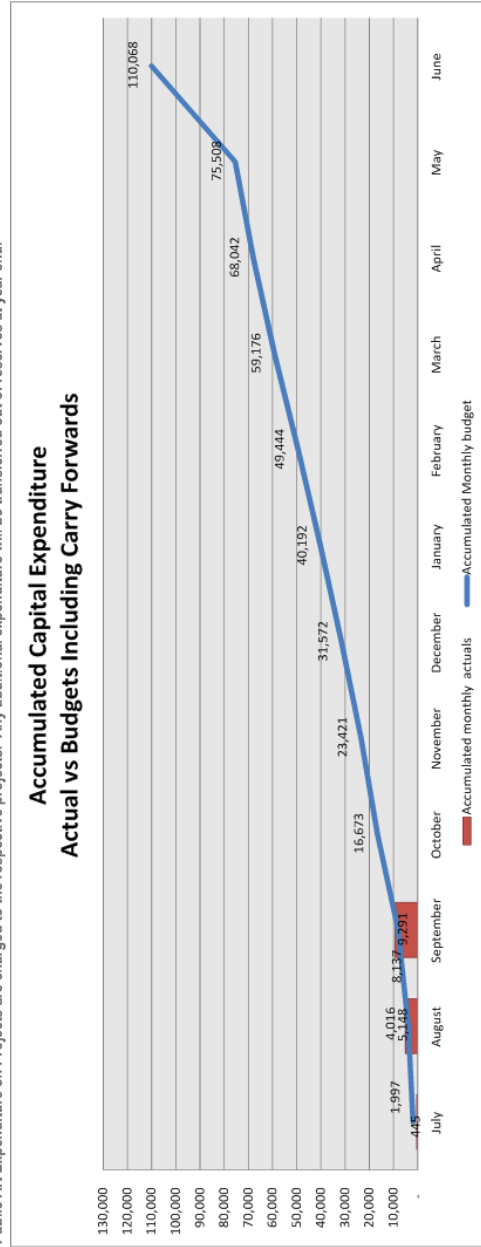




MONTHLY ANALYSIS OF CAPITAL EXPENDITURE  
2019/2020 FINANCIAL YEAR

CAPITAL EXPENDITURE	Total	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)
0601 - Vehicles - Capital Cost	212	74	37	102									
0602 - Furniture	7	4	1	2									
0603 - IT Equipment	21	0	21	0									
0604 - Land	0	0	0	0									
0605 - Buildings	5,532	315	1,684	3,533									
0606 - Roads	838	39	666	132									
0607 - Drainage	45	0	1	44									
0608 - Bridges	0	0	0	0									
0609 - Recreation	2,267	74	2,142	51									
0610 - Library Books	148	78	55	16									
0611 - Other Assets	20	(17)	1	36									
0613 - FootPaths & Cycleways	145	(122)	58	209									
0614 - Renewal Capital Expenditure	40	0	22	18									
0620 - Public Art Projects	15	0	15	0									
<b>Total Capital Expenditure Excl Capital DCP</b>	<b>9,291</b>	<b>445</b>	<b>4,702</b>	<b>4,143</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Capital DCP in Kind	0	0	0	0									
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>9,290</b>	<b>445</b>	<b>4,702</b>	<b>4,143</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* Public Art Expenditure on Projects are charged to the respective projects. Any additional expenditure will be transferred out of reserves at year end.

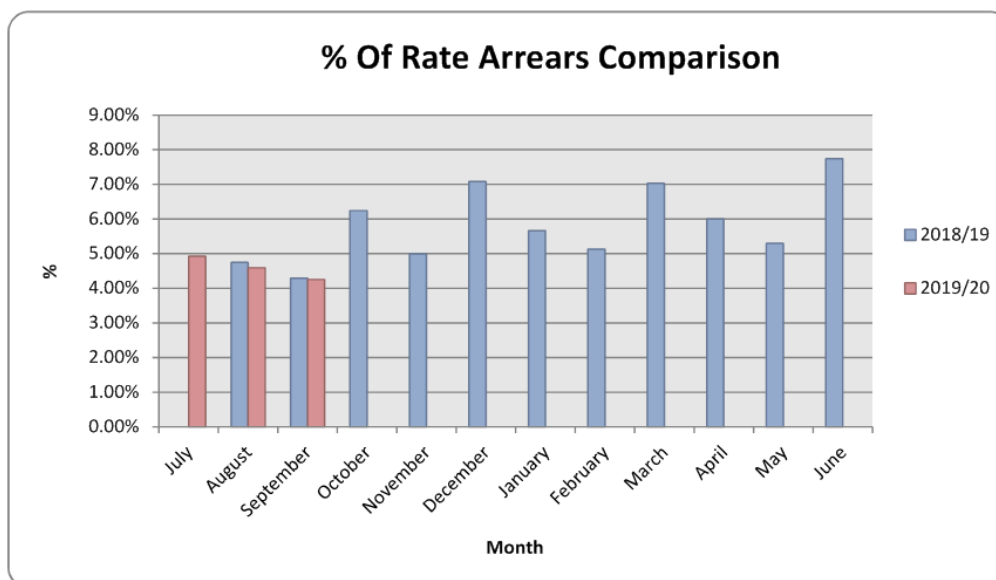


**Analysis of Overdue Instalment Rate Debtors - September 2019**

(Excluding Fire Service Levy)

<i>Overdue Rate Debtors</i>	<i>No of Properties</i>	<i>Debts Outstanding (\$)</i>
<i>Owings</i>		
<i>Less Than \$1000</i>	1,355	586,522
<i>\$1000 to \$1999</i>	366	511,896
<i>\$2000 to \$4999</i>	494	1,600,515
<i>\$5000 to \$10,000</i>	204	1,387,131
<i>Greater Than 10,000</i>	76	1,478,961
<b>Total</b>	<b>2,495</b>	<b>5,565,025</b>

There are 410 Properties in credit. Total Credit is \$391,706



**Summary of Overdue Rate Debt Arrears & Recovery Actions - September 2019**

SUMMARY OF OVERDUE RATE DEBT ARREARS & RECOVERY AS AT 30 September 2019	NO OF PROPERTIES	RATE DEBTS OUTSTANDING \$000'S
Summons issued	181	617
Judgements issued	49	180
Summons for Oral Examination	290	1,721
Legal Arrangements	3	45
Other action - Demand Letters etc	734	1,952
<b>Total Debt Recovery Action In Progress</b>	<b>1,257</b>	<b>4,515</b>
<b>Arrangements in place - Non Legal</b>	<b>310</b>	<b>274</b>
<b>Properties with no recovery/arrangements in place</b>	<b>928</b>	<b>776</b>
<b>TOTAL</b>	<b>2,495</b>	<b>5,565</b>

Number of Financial Hardship applications received in September 2019 is 10

**Rate Balances & Collection Details**

Rate Collection Details	Jul-Sep	Oct	Nov-Dec	Jan-March	Apr-May	June
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Outstanding Balance as at 1 July 2017	6,687					
Rates raised in 2017-2018	120,788					
Interest raised to date	96					
Rebates, adjustment and unallocated Pmts	(4,271)					
Supplementary rates raised	3,829					
<b>Total to be collected</b>	<b>127,129</b>					
<b>Amount Collected during the period</b>	<b>29,511</b>					
<b>Balance to be collected</b>	<b>97,618</b>					



Capital Projects Report for the Month of September 2019

Project	YTD Actuals	YTD Budgets	YTD Variance	Council Adopted Budget	Post Budget Capital Carry Forwards	Council Adopted Budget Incl. Post Budget Carry Forward	1st Quarter Forecast QTR Forecast	Variance Budget Incl Carry Forward to 1st Qtr Forecast	Percent of Budget Spent
<b>Total Capital Expenditure</b>	<b>9,290,727</b>	<b>7,679,693</b>	<b>-1,611,034</b>	<b>66,714,082</b>	<b>8,017,244</b>	<b>74,731,326</b>	<b>77,161,573</b>	<b>-2,430,247</b>	
01605 - Plant Purchases/Replacement	211,937	230,000	18,063	1,664,000	0	1,664,000	1,664,000	0	
02033 - Annual Computer Replacement Project	21,259	25,000	3,741	535,000	0	535,000	474,000	61,000	
02305 - Library Collection	148,355	148,355	0	450,000	0	450,000	450,000	0	
03110 - Shared/Bicycle Paths Construction Program	1,723	0	-1,723	653,544	18,000	671,544	671,544	0	
03124 - New Footpaths Construction Program	-3,982	70,785	74,767	283,256	0	283,256	283,256	0	
03140 - Footpaths Maintenance/Replacement	135,997	135,121	-876	1,093,886	0	1,093,886	1,093,886	0	
03170 - PR54 Annual Resurfacing Periodic Reseals	0	0	0	963,350	0	963,350	963,350	0	
03196 - PR183 Westwood Drive Bridge	220	0	-220	400,000	0	400,000	400,000	0	
03575 - Melton Recycling Facility Improvements	0	0	0	500,000	0	500,000	500,000	0	
03721 - Traffic Management Devices Program	88,300	77,655	-10,645	310,744	30,000	340,744	340,744	0	
03732 - Major Traffic Management Upgrade Program	34,329	0	-34,329	688,000	0	688,000	688,000	0	
03904 - PSP Council Funded Portion WIK/Land	0	0	0	1,082,593	0	1,082,593	1,705,661	-623,068	
03908 - PSP-Public Open Space Compensation	0	0	0	261,223	0	261,223	623,633	-362,410	
05409 - Brookside Pavilion redevelopment	0	0	0	450,000	0	450,000	450,000	0	
06003 - Parks & Open Space Structures Renewal	0	0	0	220,000	0	220,000	220,000	0	
06006 - Parks Playgrounds and Furniture	9,007	10,000	993	200,000	0	200,000	200,000	0	
06017 - Irrigation System Renewal Program	19,570	25,000	5,430	200,000	0	200,000	200,000	0	
06821 - Kurunjang Tennis Courts	0	0	0	674,684	0	674,684	674,684	0	
07035 - PR48 Female Change Room Upgrade	59,114	0	-59,114	400,000	300,000	700,000	700,000	0	
07221 - PR74 Morton Homestead Play Space	9,963	0	-9,963	265,000	0	265,000	455,000	-190,000	
08475 - PR78 Plumpton Aquatic & Leisure Centre	0	0	0	3,000,000	0	3,000,000	3,000,000	0	
08713 - PR89 Netball Court Upgrade	0	0	0	209,057	0	209,057	209,057	0	
08737 - PR31 Streetscape Improvements	41,033	139,788	98,755	559,381	0	559,381	700,000	-140,619	
08756 - Road Rehabilitation Program	0	0	0	4,911,594	0	4,911,594	4,911,594	0	
08763 - PR101 City Vista Sports Facility (THW)	1,573,640	1,598,252	24,612	1,898,252	0	1,898,252	1,898,252	0	
08770 - CapEx Program - Building Component Renewals	25,618	35,000	9,382	880,000	0	880,000	880,000	0	
08775 - PR100 Fraser Rise Community Centre	1,723,028	1,095,742	-627,286	1,095,742	800,000	1,895,742	1,895,742	0	
08815 - PR80 Burnside Heights Recreation Reserve-Car park	0	54,978	54,978	220,000	0	220,000	220,000	0	
08846 - PR72 Caroline Springs Blvd & Rockbank Middle Rd Si	21,230	25,000	3,770	1,894,174	0	1,894,174	1,894,174	0	
08872 - PR98 Macpherson Park Redevelopment	1,639,046	1,656,159	17,113	7,424,637	0	7,424,637	7,424,637	0	
08885 - PR57 Aintree Community Hub	18,539	20,000	1,461	1,282,850	0	1,282,850	300,000	982,850	
08892 - PR48 Eynesbury Sporting Facility	480,534	0	-480,534	0	1,282,095	1,282,095	1,282,095	0	
08901 - PR31 Melton Central Community Centre (Whitehouse)	335,996	338,000	4	4,315,000	0	4,315,000	4,315,000	0	
08910 - PR20 Cobblebank Indoor stadium	391,189	400,000	8,811	3,000,000	0	3,000,000	3,000,000	0	
13012 - Toilet facility at Tantenfield Park, Burnside Heig	0	24,990	24,990	100,000	100,000	200,000	200,000	0	
13015 - Pedestrian Level Crossing Upgrades	0	0	0	0	2,273,213	2,273,213	2,273,213	0	
13020 - Taylors Rd (West Botanical Dr to West City Vista)	0	0	0	867,718	50,000	917,718	917,718	0	
13022 - PR71 Bulmans Road Urbanisation	0	0	0	500,000	0	500,000	500,000	0	
13023 - PR86 Taretons Road Widening	508	0	-508	1,297,087	0	1,297,087	1,297,087	0	
13025 - Eynesbury Recreation Reserve AOS - Stage 1 and Sta	0	0	0	4,500,000	0	4,500,000	4,500,000	0	
13026 - PR27 Taylors Rd and Westwood Dr Intersection	5,150	0	-5,150	2,500,000	0	2,500,000	2,500,000	0	
13030 - PR53 City Vista Court	0	0	0	604,351	0	604,351	604,351	0	
13033 - PR65 Ferris Rd Hollingsworth Dr Intersection	488,563	473,544	-15,019	947,087	0	947,087	947,087	0	
13035 - PR34 Shogaki Dve land Purchase	0	0	0	1,350,000	0	1,350,000	1,350,000	0	
13048 - Caroline Springs Lake Public Toilet	6,600	24,990	18,390	100,000	100,000	200,000	200,000	0	
13055 - Eynesbury Station Primary School - Design Cost	0	0	0	0	240,000	240,000	240,000	0	
13057 - PR80 Arbour Boulevard Reserve Play Space	485	0	-485	315,000	300,000	615,000	615,000	0	
13058 - PR77 Bloomsbury Drive Play Space	1,415	0	-1,415	0	350,000	350,000	786,000	-436,000	
13059 - PR99 CS Community Pavilion Extension	0	0	0	1,360,375	900,000	2,260,375	2,260,375	0	
13064 - PR76 Marlo Drive reserve development	832	0	-832	360,000	400,000	760,000	760,000	0	
13065 - PR85 Stan Payne Reserve Play Space	16,800	0	-16,800	350,000	300,000	650,000	650,000	0	
13066 - PR7 Diggers Rest Kindergarten Extension	342,293	341,870	-423	967,482	0	967,482	967,482	0	
13068 - Eynesbury Station Early Learning Centre	164,712	150,000	-14,712	1,200,000	0	1,200,000	1,200,000	0	
13076 - PR89 Solar Retrofit Program	0	0	0	200,000	0	200,000	200,000	0	
13077 - PR2 Boundary Road - Mt. Cottrell to The Mall	0	0	0	1,000,000	0	1,000,000	1,000,000	0	
13078 - PR 46 Brooklyn Rd Signalised Pedestrian Crossing	31,271	0	-31,271	800,000	0	800,000	800,000	0	
13104 - Courthouse Cafe	1,200	0	-1,200	250,000	0	250,000	250,000	0	
13109 - Melton Waves External Fabric Renewals	669	0	-669	900,000	0	900,000	900,000	0	
Combined projects with budget or forecast under \$200,000	1,244,583	581,464	-663,119	4,259,015	573,936	4,832,951	6,554,951	-1,722,000	

Summary of Major Variances Budget to 1st Quarter Forecast	1 QTR Forecast vs Budget Incl of Variance	Explanation
03904 - PSP Council Funded Portion WIK/Land	-623,068	PSP Developer works that weren't budgeted but are fully offset by Developer Contributions
03908 - PSP-Public Open Space Compensation	-362,410	PSP Developer works that weren't budgeted but are fully offset by Developer Contributions
07221 - PR74 Morton Homestead Play Space	-190,000	Additional forecast amount will be offset through GSF funding that wasn't budgeted
08737 - PR31 Streetscape Improvements	-140,619	Contract variations have exceeded the project contingency
08885 - PR57 Aintree Community Hub	982,850	Project was completed ahead of schedule. As a result 2018/19 expenditure exceeded budget and 2019/20 expenditure will be below budget.
13058 - PR77 Bloomsbury Drive Play Space	-436,000	Additional forecast amount will be offset through GSF funding that wasn't budgeted