

**TOWN OF GAWLER
MONTHLY FINANCE REPORT
31 DECEMBER 2017
FOR YEAR ENDING 30 JUNE 2018**

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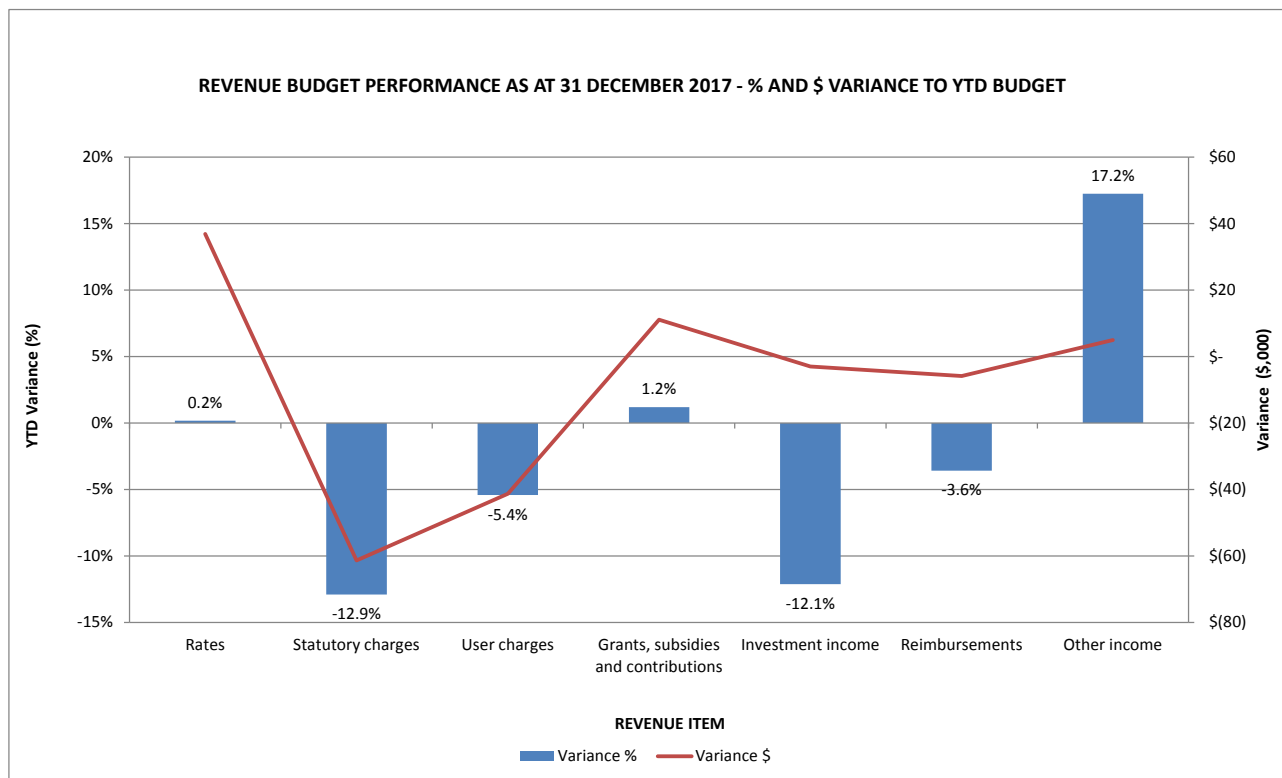
Executive Summary

The following report details the Town of Gawler's year to date (YTD) operating performance. All variances exceeding both \$5,000 and 5% have been identified and explanatory notes have been provided. All variances are closely monitored by budget managers and finance staff.

(a) Income

Graph 1 below shows a summary of the YTD actual operating income performance against the YTD budget.

Graph 1 – YTD Operating Income Performance against YTD Budget



Overall, the YTD actual operating income of \$23.893M is \$59K less than the YTD budget of \$23.951M. Details of significant YTD variances at income statement level are provided below:

- 1. Statutory Charges** – The majority of this unfavourable variance is as a result of dog registration and expiation fees that have not been generated to date (\$48K).

There was also a reduction in the parking expiations generated in December which has resulted in the unfavourable variance to increase from \$5K to \$17K. This was a result of an unforeseen reduction in staffing resources within this department during the month of December.

- 2. User Charges** – The \$41K unfavourable variance is predominantly caused by a reduction in income generated for the hire of Council owned facilities (\$41K) and also income from the Willaston Cemetery (\$16K). These have been marginally offset by an increase YTD in activity at the Gawler Aquatic Centre (\$9K)

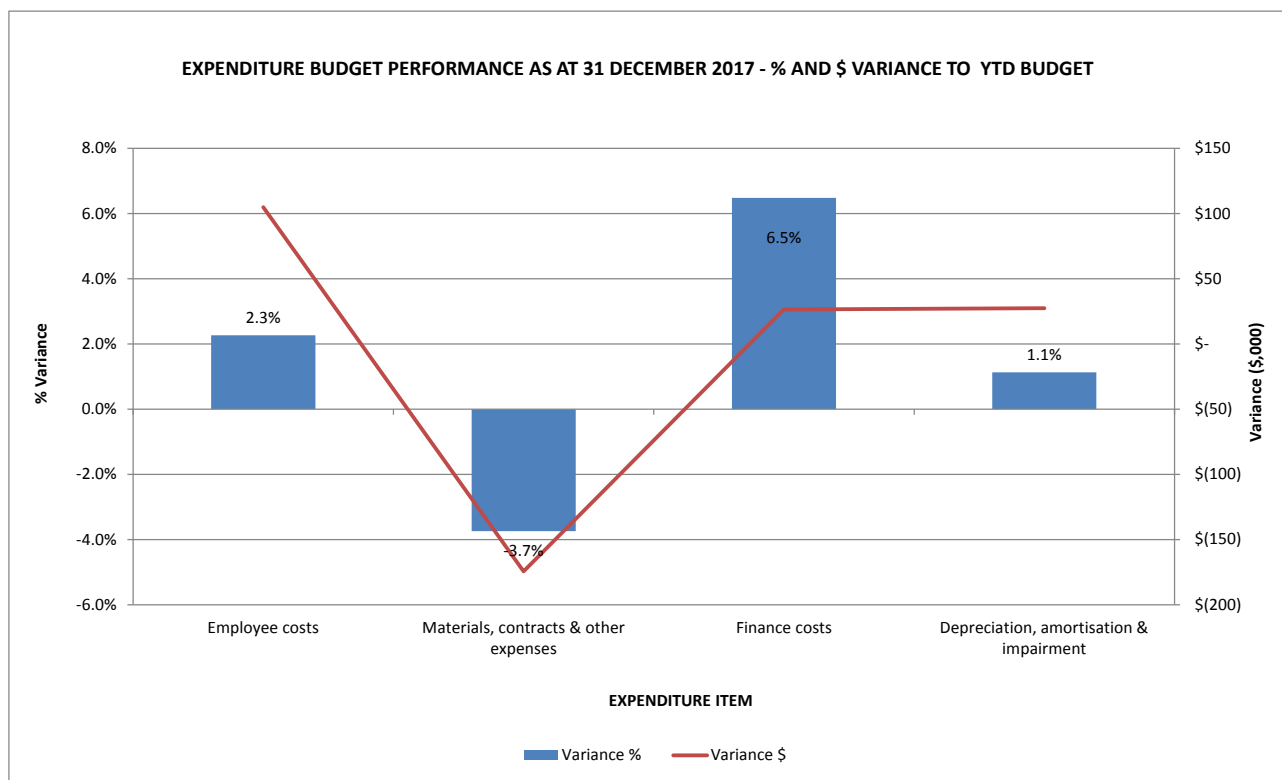
The reduction in user charges from the hire of Council owned facilities has been predominantly caused by a water leak and roof issues in the main stadium at the Gawler Sport and Community Centre. This has resulted in an unsafe environment for certain user groups during particular weather.

3. **Other Income** – This is made up of quite a few miscellaneous amounts received that were not considered in the Annual Adopted Budget.

(b) Expenditure

Graph 2 below shows a summary of the YTD actual operating expenditure performance against the YTD budget.

Graph 2 – YTD Operating Expenditure Performance against YTD Budget



Overall, the YTD actual operating expenditure of \$12.135M is \$16K higher than the YTD budget of \$12.120M. Details of significant YTD variances at income statement level are provided below:

1. **Finance Costs** – Overdraft Interest YTD is \$25K less than anticipated. A comprehensive review of this budget and its timing is required and will be completed in the coming weeks in conjunction with the 2nd Qtr. Budget Review.

(c) Overall Analysis

Overall, there is an **unfavourable YTD variance of \$74K** at the reporting date as disclosed in the Statement of Comprehensive Income.

Erin McGarry
Financial Accountant

TOWN OF GAWLER
STATEMENT OF COMPREHENSIVE INCOME
FOR THE MONTH ENDING 31 DECEMBER 2017
FOR THE YEAR ENDING 30 JUNE 2018

Annual Adopted Budget	Annual Revised Budget		Year To Date			
			Actual	Budget	Variance fav/(unfav)	
\$'000s	\$'000s		\$'000s	\$'000s	\$'000s	%
INCOME						
(21,595)	(21,595)	Rates	(21,607)	(21,570)	37	0.2%
(725)	(725)	Statutory charges	(414)	(475)	(61)	-12.9%
(1,623)	(1,588)	User charges	(720)	(762)	(41)	-5.4%
(2,768)	(3,026)	Grants, subsidies and contributions	(938)	(927)	11	1.2%
(37)	(37)	Investment income	(22)	(25)	(3)	-12.1%
(478)	(346)	Reimbursements	(158)	(164)	(6)	-3.6%
(26)	(35)	Other income	(34)	(29)	5	17.2%
(75)	(75)	Net gain - Equity Accounted Council Business	-	-	-	
(27,327)	(27,426)	Total Income	(23,893)	(23,951)	(59)	-0.2%
EXPENDITURE						
10,158	10,047	Employee costs	4,532	4,637	105	2.3%
11,617	11,828	Materials, contracts & other expenses	4,831	4,657	(174)	-3.7%
786	786	Finance costs	381	408	26	6.5%
4,843	4,843	Depreciation, amortisation & impairment	2,391	2,418	27	1.1%
27,404	27,504	Total Expenditure	12,135	12,120	(16)	0.1%
78	78	OPERATING (SURPLUS) / DEFICIT	(11,758)	(11,831)	(74)	
OTHER COMPREHENSIVE INCOME						
6,646	4,832	Amounts received specifically for new or upgraded assets	(2,122)	(2,027)	95	5%
5,000	5,000	Physical resources received free of charge	-	-	-	
11,724	9,910	NET (SURPLUS) / DEFICIT	(13,880)	(13,858)	21	

TOWN OF GAWLER
MONTHLY FINANCE REPORT - INCOME/EXPENDITURE BY SERVICE
FOR THE MONTH ENDING 31 DECEMBER 2017
FOR THE YEAR ENDING 30 JUNE 2018

Annual Adopted Budget*	Annual Revised Budget**		Year To Date				Service Description	Variance Comments (if > \$5,000 <u>AND</u> 5%)
			Actual	Revised Budget**	Variance fav/(unfav)			
					\$	\$		
\$	\$		\$	\$	\$	%		
		INCOME						
(281,000)	(281,000)	Animal & Pest Control	(204,090)	(252,050)	(47,960)	-19%	Registrations, Expiation fees	Expiations from the dog door knock have not been generated due to a high rate of dogs registered by the due date.
(73,770)	(63,770)	Building Control Services	(27,507)	(31,702)	(4,195)	-13%	Building Assessment Fees, Vehicle Contributions	
(192,273)	(192,273)	Cemetery Operations	(80,221)	(96,132)	(15,911)	-17%	Burial, Lease, Cremation etc. Fees	The burials YTD are less than expected
(13,000)	(13,000)	CEO Office	(6,500)	(6,500)	-	0%	Vehicle Contribution	
(662,125)	(662,125)	Community Home Support Program	(323,492)	(323,547)	(55)	0%	Grant Funding & Client Contributions	
(10,000)	(10,000)	Community Services Management	(5,000)	(4,810)	190	4%	Vehicle Contribution	
(1,500)	(6,500)	Community Support	(3,545)	(6,500)	(2,955)	-45%	Misc. Income generated from Gawler Activation Program and National Reconciliation Week Grant	
(516,074)	(473,767)	Council Buildings	(199,689)	(197,958)	1,731	1%	Various Property Rentals	
(47,000)	(47,000)	Customer Services	(22,536)	(23,502)	(966)	-4%	Property Search Fees	
(10,500)	(10,500)	Depot Operations	(6,529)	(5,250)	1,279	24%	Vehicle Contribution	
-	-	Development & Regulatory Services Administration	(102)	-	102			
(11,000)	(11,000)	Marketing & Communication Management	(5,000)	(5,500)	(500)	-9%	Vehicle Contribution	
(61,500)	(61,500)	Elderly Citizen Facilities	(19,216)	(23,615)	(4,399)	-19%	Hire of Elderly Centre	
(10,000)	(10,000)	Elected Member Services	(5,417)	(5,416)	1	0%	Mayoral vehicle contribution	
(16,000)	(166,000)	Engineering Services	(11,246)	(7,998)	3,248	41%	Vehicle Contribution & other misc. income	
(643,273)	(743,273)	Financial Services	(366,928)	(378,156)	(11,228)	-3%	Investment income, Financial Assistance Grant	

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Annual Adopted Budget*	Annual Revised Budget**		Year To Date				Service Description	Variance Comments (if > \$5,000 <u>AND</u> 5%)
			Actual	Revised Budget**	Variance fav/(unfav)			
					\$	\$		
\$	\$		\$	\$	\$	%		
(334,500)	(337,350)	Gawler Aquatic Centre	(190,943)	(180,925)	10,018	6%		Additional Income received from admission fees, swimming lessons and canteen sales YTD.
(172,759)	(172,759)	Gawler Business Development Group	(172,672)	(172,759)	(87)	0%	Separate Rate Revenue	
(232,050)	(52,282)	General Administration	(10,418)	(10,024)	394	4%	Various insurance scheme rebates etc.	
(50)	(50)	Governance Services	-	(24)	(24)	-100%		
(15,729)	(15,729)	Health Control Services	(6,364)	(7,866)	(1,502)	-19%	Food inspections, audits	
(43,500)	(98,128)	Human Resources	(79,975)	(78,128)	1,847	2%	Traineeship rebates and WHS Special Distribution payment	
(12,961)	(12,961)	Immunisation	(882)	(1,604)	(722)	-45%	Grant funding, user contributions	
(2,000)	(2,000)	Inflammable Undergrowth Services	(3,280)	(1,752)	1,528	87%		
(7,500)	(7,500)	Information Technology Services	(3,750)	(3,747)	3	0%	Vehicle contribution	
(84,550)	(84,550)	Libraries	(85,352)	(73,290)	12,062	16%	Shared Resources Reimbursement, State Govt Subsidy	Councils State Government Libraries Grant received was \$12K more than anticipated
(357,594)	(357,594)	Other Environmental & Regulatory Service	(357,598)	(357,496)	102	0%	NRM Levy	
(141,000)	(141,000)	Parking Control	(49,351)	(70,500)	(21,149)	-30%	Expiation Fees Collected	641 expiations issued YTD compared to a YTD estimate of 900.
(12,750)	(12,750)	Plant Operations	(4,770)	(6,372)	(1,602)	-25%	Fuel Tax Credits Received from ATO, vehicle registration cancellation reimbursements	
-	(10,000)	Property Management Administration	(4,860)	(4,658)	202	4%	Vehicle contribution	

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				Revised	Variance			
			Actual	Budget**	fav/(unfav)			
\$	\$		\$	\$	\$	%		
(19,183,546)	(19,183,546)	Rates Administration	(19,168,714)	(19,133,546)	35,168	0%	General Rates/Fines, etc.	
(300)	(300)	Records Management	(102)	(150)	(48)	-32%	FOI Requests	
(735,710)	(735,710)	Roads	(171,447)	(171,446)	1	0%	Grant funding	
(452,000)	(452,000)	Sports Facilities Indoor	(193,449)	(225,996)	(32,547)	-14%	Sport & Community Centre	Less income generated primarily due to water leak issue on stadium floor and roof issues.
-	-	Sports Facilities Outdoor	(1,716)	-	1,716		Hire of Princes Park	
(901,256)	(910,256)	Town Planning Services	(131,485)	(120,076)	11,409	10%	Development Application fees, etc.	Land Division Fee Received (\$13K).
(75,400)	(75,400)	Visitors Information Centre	(33,179)	(37,686)	(4,507)	-12%	Souvenirs sales, various commissions	
(2,012,418)	(2,012,418)	Waste Management	(1,922,952)	(1,924,488)	(1,536)	0%	Waste Management Service Charge revenue	
-		Youth Services	(12,312)	-	12,312		Youth Activities	State grant received for Child & Youth Friendly Action Group (\$7K), Youth Network Grant (\$5K) and misc. income generated from youth programs.
(27,326,588)	(27,425,991)	Total Income	(23,892,588)	(23,951,169)	(58,581)	0%		

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			Actual	Revised Budget**	Variance fav/(unfav)			
					\$	\$		
\$	\$		\$	\$	\$	%		
		EXPENDITURE						
301,360	296,791	Animal & Pest Control	98,304	101,856	3,552	3%		
128,600	128,600	Bridges	63,800	64,267	467	1%	Maintenance & Depreciation	
278,158	274,507	Building Control Services	122,295	117,707	(4,588)	-4%	Building Assessment	
118,757	118,757	Car Parks	53,582	44,732	(8,850)	-20%		Unplanned works required at the Multi Level Car Park (Fire Door) (\$8K). This is currently an insurance claim and this amount may be reimbursed. Also road grading works were completed at the Tambelin Railway Station Carpark both of which were not included in the adopted budget
145,437	145,437	Cemetery Operations	53,753	61,370	7,617	12%		Reduction in employee costs due to timing of works at the Cemetery and a reduction YTD for number of burials.
446,033	440,391	CEO Office	217,976	212,786	(5,190)	-2%		
164,117	162,466	Communication & Marketing	79,498	76,031	(3,467)	-5%	Council Communications and Marketing to public and Murray St Banners	
661,625	656,696	Community Home Support Program	303,103	286,144	(16,959)	-6%	Home Assist Program	Contractors expense YTD exceeds budget. This unfavourable variance is expected to reduce in the coming months.
255,268	249,556	Community Services Management	116,653	100,347	(16,306)	-16%	Administration of Community Services departments	Additional short-term resource engaged to assist with workload. To be funded by vacant positions within division

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				Revised	Variance			
			Actual	Budget**	fav/(unfav)			
\$	\$		\$	\$	\$	%		
415,678	419,171	Community Support	174,307	169,070	(5,237)	-3%	Support of various Community events/grants	
889,559	964,059	Council Buildings	453,816	467,670	13,854	3%	Property Management admin, Town Hall maintenance	
7,308	7,308	Crime Prevention	575	3,656	3,081		CCTV operating expenses	
614,925	605,855	Customer Services	221,274	273,669	52,395	19%	Staff Salaries	Vacant Positions
327,822	310,897	Depot Operations	143,108	139,866	(3,242)	-2%		
359,282	354,697	Development & Regulatory Services Administration	165,752	148,789	(16,963)	-11%		Reallocation of salary budget required following the implementation of new General Ledger. Budget transfers will be included in the 2nd Qtr. Review
450,566	443,850	Economic Development, Marketing & Communication Management	137,210	205,381	68,171	33%		Vacant Positions
12,456	12,456	Elderly Citizen Facilities	3,541	5,566	2,025	36%	Elderly Centre	
283,442	283,442	Elected Member Services	148,789	144,086	(4,703)	-3%	Allowances & expenses	
737,249	864,333	Engineering Services	431,667	406,606	(25,061)	-6%		Expenses incurred YTD that will be funded internally through the 2nd Qtr. Budget Review
34,198	31,475	Finance & Corporate Services Management	26,675	14,727	(11,948)	-81%		Reallocation of salary budget required following the implementation of new General Ledger. Budget transfers will be included in the 2nd Qtr. Review
1,442,639	1,436,327	Financial Services	691,741	718,169	26,428	4%	Accounting services, Audit Committee, Loan repayments	
439,800	439,800	Footpaths	220,117	219,900	(217)	0%		
703,834	705,196	Gawler Aquatic Centre	353,145	301,178	(51,967)	-17%		Additional employee & agency staff engaged due to the additional patronage.

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				Revised	Variance			
			Actual	Budget**	fav/(unfav)			
\$	\$		\$	\$	\$	%		
172,759	172,759	Gawler Business Development Group	86,296	86,380	85	0%	Gawler Business Development Group contribution	
801,934	777,714	General Administration	231,953	334,326	102,373	31%	General admin, WHS, Agenda/Minutes preparation	Reallocation of salary budget required following the implementation of new General Ledger. Budget transfers will be included in the 2nd Qtr. Review
105,509	103,934	Governance Services	51,212	48,385	(2,827)	-6%		
142,920	140,954	Health Control Services	68,548	67,653	(895)	-1%		
169,519	168,465	Heritage	4,704	4,737	33	1%	Heritage collection maintenance, Heritage Walls Grants	
575,857	625,974	Human Resources	288,000	291,585	3,585	1%	HR admin expenses, recruitment costs	
130,585	126,759	IES, Depot & Property Management	75,621	58,093	(17,528)	-30%		Reallocation of salary budget required following the implementation of new General Ledger. Budget transfers will be included in the 2nd Qtr. Review
51,085	50,708	Immunisation	16,821	21,511	4,690	22%	Immunisation services	
35,221	35,221	Inflammable Undergrowth Services	16,012	16,508	496	3%		
1,081,491	1,076,557	Information Technology Services	619,368	598,883	(20,485)	-3%		
598,000	598,000	Kerb & Gutter	299,000	299,000	-	0%	Depreciation Only	
913,447	903,146	Libraries	421,256	414,399	(6,857)	-2%		
82,800	82,800	Litter Control	27,634	38,745	11,111	29%	Programmed collection of litter/rubbish from litter bins	Reduction in employee costs due to efficiencies & timing of works
(869,484)	(869,484)	Oncosts Recovered	(340,671)	(405,004)	(64,334)		Wages overhead costs recovered	Oncosts under- recovered due to the use of agency staff during the first part of the financial year.
367,095	367,095	Other Environmental & Regulatory Service	190,856	186,046	(4,810)	-3%	NRM Levy payments	

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				Revised	Variance			
			Actual	Budget**	fav/(unfav)			
\$	\$		\$	\$	\$	%		
159,021	159,021	Parking Control	69,063	63,561	(5,502)	-9%		Expiation Issuing Device Annual Software License (\$5K) not included in adopted budget.
1,691,393	1,676,667	Parks & Gardens	547,527	562,470	14,943	3%	Programmed maintenance of parks, gardens & reserves	
(72,469)	(73,730)	Plant Operations	252,474	242,805	(9,669)	-4%	Includes internal plant hire costs recovered	
264,959	261,671	Property Management Administration	108,656	111,449	2,793	3%		
97,578	97,578	Public Conveniences	36,384	44,278	7,894	18%	Routine cleaning maintenance of 7 sites	Reduction in employee costs due to efficiencies. Employees engaged in other functions within Council
263,494	261,189	Rates Administration	135,944	136,005	61	0%		
321,092	316,140	Records Management	134,888	145,473	10,585	7%		
108,000	108,000	Recreation Services Administration	55	-	(55)		Karbeethan Master Plan & assistance to Karbeethan Sporting association with Governance	Vacant Position
2,813,536	2,800,609	Roads	1,427,031	1,314,071	(112,960)	-9%		Additional employee expenses incurred YTD due to timing of capital works
30,500	30,500	Roundabouts	15,250	15,250	-	0%	Depreciation	
438,787	435,808	Sports Facilities Indoor	223,823	203,954	(19,869)	-10%		Unfavourable variance due to timing of casual staff engaged at Gawler Sport & Community Centre. A 3 week shutdown followed by a reduced use of casuals will reduce this unfavourable variance
809,452	869,452	Sports Facilities Outdoor	159,202	177,145	17,943	10%	Programmed ovals maintenance	Reduction in employee costs and depreciation due to timing of works

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				Revised	Variance			
			Actual	Budget**	fav/(unfav)			
\$	\$		\$	\$	\$	%		
936,543	936,543	Stormwater Drainage	505,663	479,364	(26,299)	-5%	Drain cleaning, repairs & maintenance	Unplanned stormwater repairs required
396,354	396,354	Street Beautification	200,154	168,003	(32,151)	-19%	Tree replacement / removal and maintenance, Garden beds maintenance	Additional street scaping maintenance required YTD as a continued result of the additional rainfall over the past year
140,500	140,500	Street Cleaning	66,795	70,248	3,453	5%	Programmed Cleaning of CBD and Urban Streets	
445,173	445,173	Street Lighting	211,503	205,837	(5,666)	-3%		
672,150	663,729	Town Maintenance	258,203	253,529	(4,674)	-2%	Linemarking, Weedspraying and other various services	
1,657,190	1,616,388	Town Planning Services	437,157	482,089	44,932	9%	Development assessment, various studies, DAP committee	Vacant Position
141,698	141,698	Traffic Management	15,458	62,157	46,699	75%	Street/traffic control signs maintenance	Unspent wages due to time allocated to other functions within Council YTD.
187,158	185,783	Visitors Information Centre	67,086	73,896	6,810	9%		Miscellaneous unspent budgets
204,236	202,271	Volunteer Services	38,849	77,187	38,338	50%	Volunteer Resource Centre, Graffiti removal team	Vacant Position
1,935,272	1,935,272	Waste Management	804,240	806,866	2,626	0%	Kerbside waste collection & disposal	
185,964	184,550	Youth Services	82,804	79,278	(3,526)	-4%	Youth Activities	
27,404,432	27,503,835	Total Expenditure	12,135,498	12,119,735	(15,763)	0%		
77,844	77,844	NET OPERATING RESULT	(11,757,090)	(11,831,434)	(74,344)			

*Annual Adopted Budget - This is the Original Budget adopted by Council on 27 June 2017

**Annual Revised Budget - This is the revised budget for the whole year incorporating changes included as part of Quarterly Budget Reviews

**YTD Revised Budget - This represents the expected revenue/expenditure as at the reporting date based on the Annual Revised Budget.