



# **TOWN OF GAWLER MONTHLY FINANCE REPORT 31 DECEMBER 2016 FOR YEAR ENDING 30 JUNE 2017**

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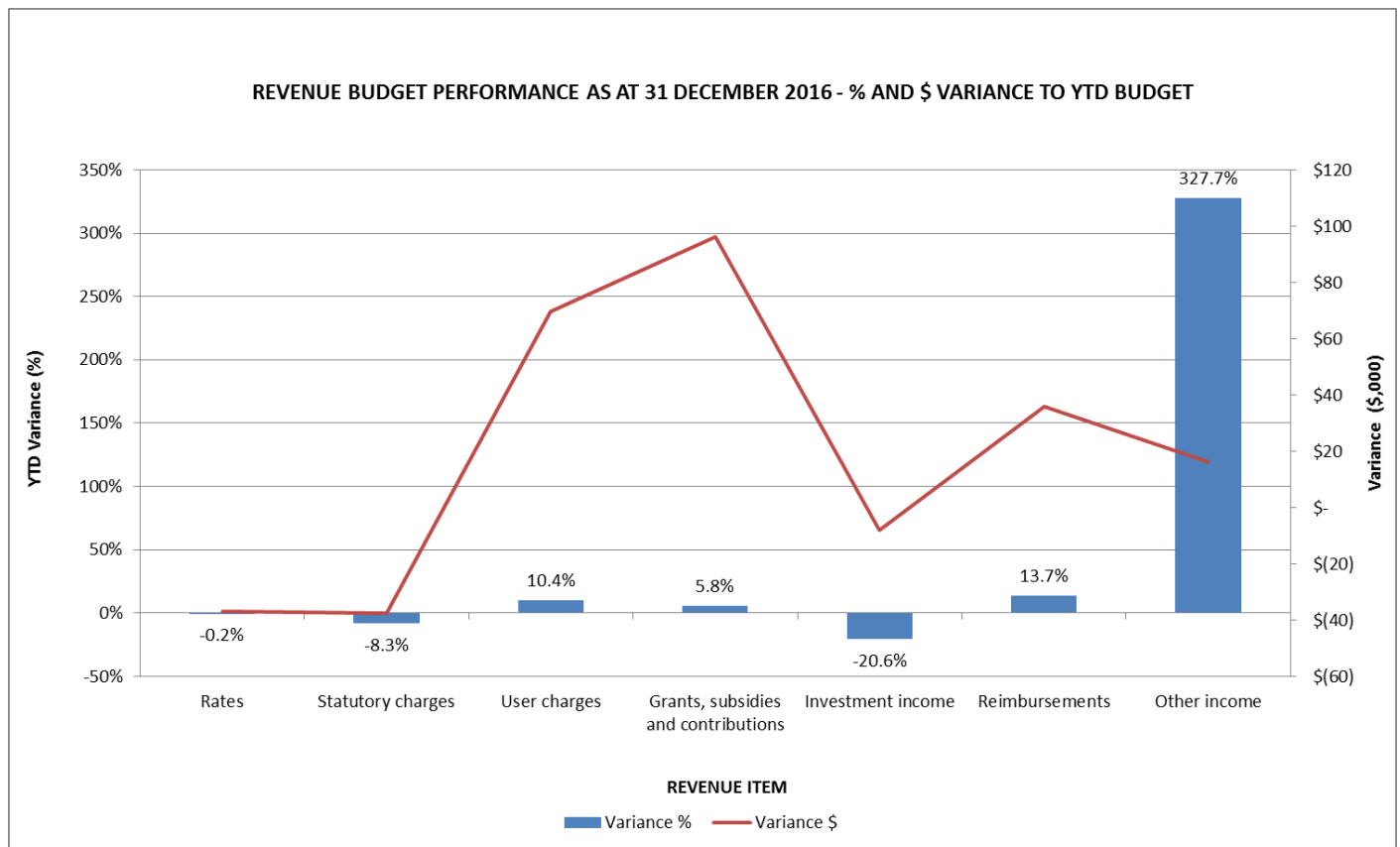
## **Executive Summary**

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 \$23.848M is \$158K higher than the YTD budget of \$23.690M. Details of significant YTD variances at income statement level are provided below:

- 1. Statutory Charges** – The \$38K unfavourable variance is due to a reduction in development application fees collected YTD (\$12K). Such fees are determined by type and size of development application, which can fluctuate on an annual basis dependent on the volume of development activity undertaken.

Dog & Cat Management is reporting an unfavourable variance (\$19K) for the collection of dog registrations fees and the issue of expiations for unregistered dogs. At the time of reporting, 260 dogs are recorded on Councils database as unregistered. Processes are in place to manage this within the coming months.

Parking Control is also reporting an unfavourable YTD result (\$6K). In mid-November, Councils dedicated Parking Ranger resigned from Council, and as a result, parking

expiations issued declined. Recruitment of this replacement position is currently in progress.

2. **User Charges** – Favourable revenue has also been generated YTD through additional burials at the cemetery (\$10K), additional swimming lessons and entry passes sold at the Gawler Aquatic Centre (\$10K), and hire fees collected from hiring room space at the Gawler Sport and Recreation Centre (\$12K).

3. **Grants, Subsidies & Contributions** – Council recently received a developer contribution (\$120K) that was received by Council as a result of a developer satisfying conditions of approval related to a historic land division on Paternoster Rd, Reid. The annual adopted budget forecasted \$50K for drainage construction developer contributions in the 2016-2017 financial year.

Council has also received some minor grants not accounted for in the adopted budget such as additional library grant (\$9K) and Youth Network Grant (\$5K).

4. **Investment Income** – As at the reporting date, Council has an unfavourable variance of \$8K for income generated from investments held by the Local Government Finance Authority and Council's operating account. The unfavourable variance is partly offset by a favourable variance of \$7K in Finance costs as at the reporting date.

5. **Reimbursements** – The \$44K favourable result for reimbursements is predominantly due to a special distribution received from the Local Government Association (LGA) Insurance Schemes.

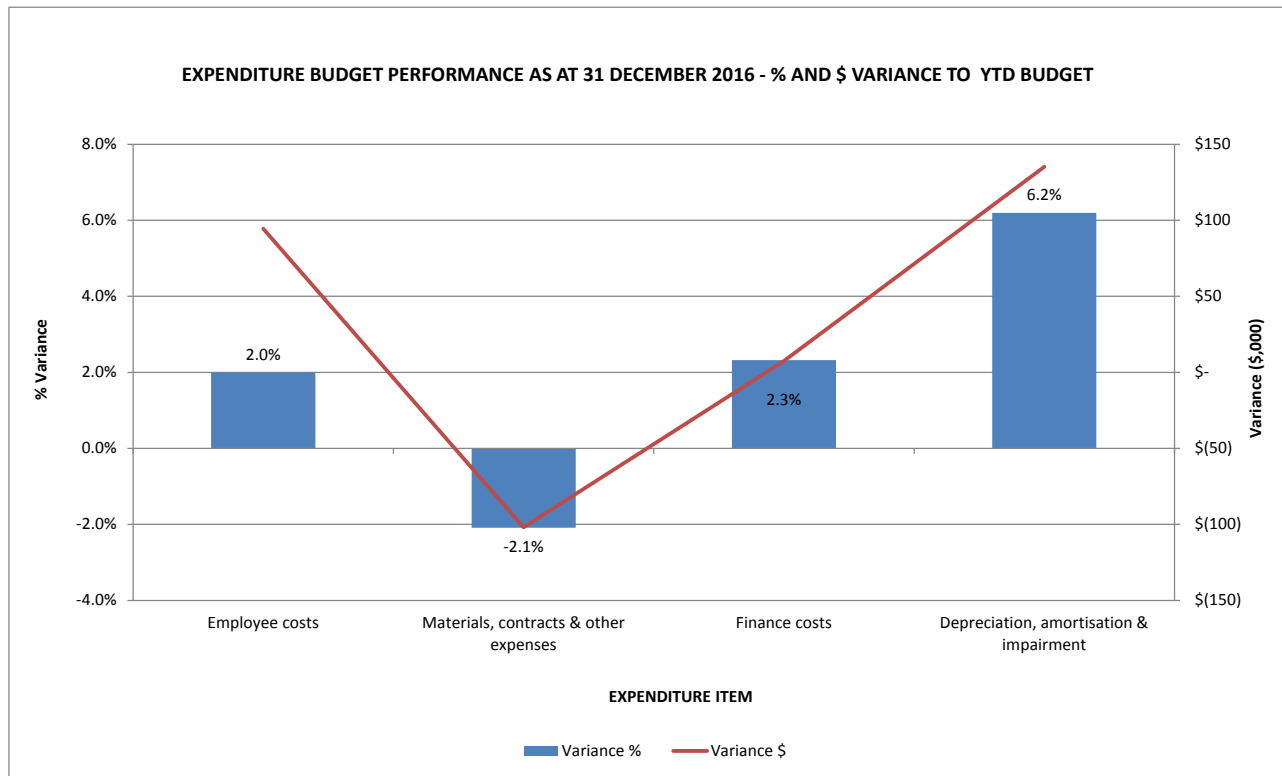
6. **Other Income** – Council has generated additional income as follows:

- Income generated from developers towards expenses associated with Evanston Gardens DPA (\$6K)
- Revenue from participants of Youth Programs (\$5K)
- Revenue from the sale of minor plant and equipment (\$3K)

## (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 \$11.972M is \$135K less than the YTD budget of \$12.108M. Details of significant YTD variances at income statement level are provided below:

1. **Depreciation** – The change in the depreciation forecast from 2015-2016 for Council assets has been based on a number of factors such as revaluations, additional capital works and disposals. As the majority of capital works is undertaken during the second half of the financial year.

## (c) Overall Analysis

Overall, there is a **favourable YTD variance of \$293K** at the reporting date as disclosed in the Statement of Comprehensive Income. A comprehensive review of the 2016-2017 budget performance is in progress, leading up to the 2<sup>nd</sup> Qtr. Budget review which will be tabled to Council at the February meeting. The review will subsequently present an updated forecast of the estimated financial performance for the 2016-2017 financial year.

Erin McGarry  
**Financial Accountant**

**TOWN OF GAWLER**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE MONTH ENDING 31 DECEMBER 2016**  
**FOR THE YEAR ENDING 30 JUNE 2017**

Annual Adopted Budget	Annual Revised Budget		Year To Date			
			Actual	Budget	Variance fav/(unfav)	
\$'000s	\$'000s		\$'000s	\$'000s	\$'000s	%
<b>INCOME</b>						
(20,654)	(20,656)	Rates	(20,574)	(20,611)	(37)	-0.2%
(740)	(740)	Statutory charges	(416)	(454)	(38)	-8.3%
(1,432)	(1,432)	User charges	(743)	(706)	37	5.2%
(2,961)	(2,961)	Grants, subsidies and contributions	(1,767)	(1,621)	146	9.0%
(64)	(64)	Investment income	(31)	(38)	(8)	-20.6%
(415)	(415)	Reimbursements	(296)	(255)	41	16.1%
(30)	(30)	Other income	(21)	(5)	16	327.7%
<b>(26,297)</b>	<b>(26,299)</b>	<b>Total Income</b>	<b>(23,848)</b>	<b>(23,690)</b>	<b>158</b>	<b>0.7%</b>
<b>EXPENDITURE</b>						
9,947	9,789	Employee costs	4,633	4,727	95	2.0%
10,991	10,988	Materials, contracts & other expenses	4,982	4,880	(102)	-2.1%
596	596	Finance costs	311	319	7	2.3%
4,454	4,454	Depreciation, amortisation & impairment	2,047	2,182	135	6.2%
88	88	Net loss - Joint ventures & associates	-	-	-	
<b>26,076</b>	<b>25,916</b>	<b>Total Expenditure</b>	<b>11,972</b>	<b>12,108</b>	<b>135</b>	<b>-1.1%</b>
<b>(220)</b>	<b>(383)</b>	<b>OPERATING (SURPLUS) / DEFICIT</b>	<b>(11,877)</b>	<b>(11,583)</b>	<b>293</b>	
<b>OTHER COMPREHENSIVE INCOME</b>						
3	3	Asset disposal & fair value adjustments	(14)	(14)	-	0%
4,765	4,765	Amounts specifically for new or upgraded assets	600	600	-	0%
14,000	14,000	Physical resources received free of charge	-	-	-	
<b>18,548</b>	<b>18,385</b>	<b>NET (SURPLUS) / DEFICIT</b>	<b>(11,291)</b>	<b>(10,997)</b>	<b>293</b>	

**TOWN OF GAWLER**  
**MONTHLY FINANCE REPORT - INCOME/EXPENDITURE BY SERVICE**  
**FOR THE MONTH ENDING 31 DECEMBER 2016**  
**FOR THE YEAR ENDING 30 JUNE 2017**

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						
(62,600)	(62,600)	Building Control	(24,180)	(26,390)	(2,210)	-8%	Building Assessment Fees	
(111,717)	(111,717)	Caravan Park	(55,884)	(55,854)	30	0%	Lease fees	
(170,500)	(170,500)	Cemeteries	(95,577)	(85,242)	10,335	12%	Burial, Lease, Cremation etc. Fees (Willaston Cemetery)	Increase in volume of burials
-	-	Children & Youth Services	(9,720)	-	9,720			Youth Network Grant (\$5K) & amounts received for youth programs (\$5K)
-	-	Communication & Marketing	6,029	-	(6,029)			Correction of funding relating to the Gawler Farmers Market
(1,009)	(1,009)	Community Centres & Halls	(500)	(504)	(4)	-1%		
(13,726)	(13,726)	Community Support	(5,100)	(4,810)	290	6%	Vehicle Contribution. Property Reimbursements	
(46,000)	(46,000)	Customer Service	(26,808)	(22,998)	3,810	17%	Property Search Fees	
(10,000)	(10,000)	Depot	(4,615)	(4,165)	450	11%	Vehicle Contribution	
(280,000)	(280,000)	Dog and Cat Control	(213,355)	(232,760)	(19,405)	-8%	Registrations, Expiation fees	At the time of reporting, Council recognised 260 unregistered dogs
(45,000)	(45,000)	Elderly Citizens Facilities	(22,264)	(22,500)	(236)	-1%	Hire of Elderly Centre	
(10,000)	(10,000)	Elected Member Services	(5,417)	(5,415)	2	0%	Mayoral vehicle contribution	
(3,360)	(3,360)	Emergency Services	(363)	(1,860)	(1,497)	-80%	Inflammable undergrowth slashing / expiations	
(205,000)	(205,000)	Engineering Services	(8,376)	(7,215)	1,161	16%	Includes \$150K contributions towards Gawler & Surrounds Stormwater Management Plan	
(1,236,389)	(1,236,389)	Finance	(618,234)	(624,564)	(6,330)	-1%	Investment income, Financial Assistance Grant	

**TOWN OF GAWLER**  
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**FOR THE YEAR ENDING 30 JUNE 2017**

Annual Adopted Budget*	Annual Revised Budget**		Year To Date				Service Description	Variance Comments (if > \$5,000 AND 5%)
				Revised	Variance			
			Actual	Budget***	fav/(unfav)			
\$	\$		\$	\$	\$	%		
(304,000)	(304,000)	Gawler Aquatic Centre	(176,618)	(163,230)	13,388	8%		Income generated from swimming passes and lessons YTD more than anticipated
(304,500)	(304,500)	General Administration	(249,757)	(191,253)	58,504	31%	Various insurance scheme rebates etc.	Special Distributions received from the LGA Insurance schemes (\$44K) and user charges from hire of institute (\$6K).
(628,207)	(628,207)	Home Assistance Scheme	(328,360)	(319,467)	8,893	3%		
(23,000)	(23,000)	Human Resources	(364)	(1,500)	(1,136)	-76%	Traineeship rebates	
(11,743)	(11,743)	Immunisation	(924)	(1,604)	(680)	-42%	Grant funding, user contributions	
(7,500)	(7,500)	Information Technology	(2,740)	(3,609)	(869)	-24%	Vehicle contribution, etc.	
(139,545)	(139,545)	Investment Properties	(103,703)	(102,766)	937	1%	Various Property Rentals	
(84,550)	(84,550)	Library	(85,596)	(71,774)	13,822	19%	Shared Resources Reimbursement, State Govt Subsidy	Library grant received \$10K more than anticipated.
(23,000)	(23,000)	Occupancy	(5,038)	(4,810)	228	5%	Vehicle Contribution	
(333,548)	(333,548)	Other Environmental Services	(333,836)	(333,548)	288	0%	State Govt NRM levy funds collected	
-	-	Other Regulatory Services	(203)	-	203		Busking Permits	
(140,000)	(140,000)	Parking Control	(58,062)	(63,496)	(5,434)	-9%	Expiation Fees Collected	The recent resignation of Councils designated Parking Ranger has resulted in limited expiations issued in December.
(11,750)	(11,750)	Plant & Machinery	(7,482)	(4,895)	2,587	53%	Fuel Tax Credits Received from ATO, vehicle registration cancellation reimbursements	
(20,525)	(20,525)	Preventive Health Services	(9,575)	(10,260)	(686)	-7%	Food inspections, audits	
(18,238,240)	(18,240,011)	Rates Administration	(18,137,663)	(18,159,011)	(21,348)	0%	General Rates/Fines, etc.	
(100)	(100)	Records Management	(34)	(48)	(15)	-30%	FOI Requests	
(796,655)	(796,655)	Roads	(650,225)	(648,393)	1,832	0%	Grant funding	

**TOWN OF GAWLER**  
**MONTHLY FINANCE REPORT - INCOME/EXPENDITURE BY SERVICE**  
**FOR THE MONTH ENDING 31 DECEMBER 2016**  
**FOR THE YEAR ENDING 30 JUNE 2017**

Annual Adopted Budget*	Annual Revised Budget**		Year To Date				Service Description	Variance Comments (if > \$5,000 <u>AND</u> 5%)
				Revised	Variance			
			Actual	Budget***	fav/(unfav)			
\$	\$		\$	\$	\$	%		
(440,750)	(440,750)	Sports Facilities - Indoor	(220,237)	(220,311)	(74)	0%	Sport & Community Centre	
(52,768)	(52,768)	Sports Facilities - Outdoor	(16,892)	(21,456)	(4,564)	-21%		
(167,727)	(167,727)	Support to Local Businesses (Gawler Bus Dev Board)	(167,726)	(167,727)	(1)	0%	Separate Rate Revenue	
(72,400)	(72,400)	Tourism (Visitor Information Centre)	(40,240)	(37,934)	2,306	6%	Souvenirs sales, various commissions	
(333,690)	(333,690)	Town Planning	(216,083)	(101,850)	114,233	112%	Development Application fees, etc.	Additional Developer Contributions received (\$120K)
(1,967,274)	(1,967,274)	Waste Management	(1,952,137)	(1,967,274)	(15,137)	-1%	Kerbside waste collection services	
(26,296,773)	(26,298,544)	Total Income	(23,847,910)	(23,690,493)	157,417	-1%		



**TOWN OF GAWLER**  
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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)			
					\$	\$		
\$	\$		\$	\$	\$	%		
		EXPENDITURE						
251,509	251,509	Building Control	115,855	116,080	225	0%	Building Assessment	
122,261	122,261	Car Parks	57,933	61,416	3,483	6%		
21,288	21,288	Caravan Park	9,608	11,511	1,903	17%		
118,955	118,955	Cemeteries	57,348	54,556	(2,792)	-5%	Willaston Cemetery	
173,830	173,830	Children & Youth Services	87,637	86,511	(1,126)	-1%	Youth Activities	
213,098	213,098	Communication & Marketing	75,797	87,666	11,869	14%	Council Communications and Marketing to public and Murray St Banners	Vacant Position (\$10K),
170,985	170,985	Community Assistance (Volunteer Services)	36,968	67,199	30,231	45%	Volunteer Resource Centre, Graffiti removal team	Vacant Position (\$28K)
94,606	94,606	Community Centres & Halls	54,605	55,620	1,015	2%		
744,141	744,141	Community Support	308,061	314,609	6,548	2%	Support of various Community events/grants	
22,252	22,252	Crime Prevention (CCTV)	8,154	11,082	2,928	26%	CCTV operating expenses	
617,085	617,085	Customer Service	276,925	306,335	29,410	10%	Staff Salaries	Vacant Position (\$30K)
(402,572)	(422,610)	Depot	(194,307)	(201,252)	(6,945)	-4%	Budget includes wages overhead costs recovered	
262,353	262,353	Dog and Cat Control	88,741	91,138	2,397	3%		
96,669	96,669	Elderly Citizens Facilities	34,067	35,152	1,085	3%	Elderly Centre	
292,206	292,206	Elected Member Services	142,227	145,402	3,175	2%	Allowances & expenses	
9,893	9,893	Emergency Services	12,602	6,819	(5,783)	-85%	Inflammable undergrowth management	Staffing allocation amendments
1,143,619	1,095,119	Engineering Services	340,089	343,080	2,991	1%		
1,229,781	1,229,781	Finance	618,479	634,639	16,160	3%	Accounting services, Audit Committee, Loan repayments	
702,443	702,443	Gawler Aquatic Centre	324,175	327,426	3,251	1%		
1,651,963	1,614,266	General Administration	779,552	789,623	10,071	1%	General admin, WHS, Agenda/Minutes preparation	
111,872	111,872	Heritage	41,328	37,926	(3,402)	-9%	Heritage collection maintenance, Heritage Walls Grants	

**TOWN OF GAWLER**  
**MONTHLY FINANCE REPORT - INCOME/EXPENDITURE BY SERVICE**  
**FOR THE MONTH ENDING 31 DECEMBER 2016**  
**FOR THE YEAR ENDING 30 JUNE 2017**

Annual Adopted Budget*	Annual Revised Budget**		Year To Date				Service Description	Variance Comments (if > \$5,000 <u>AND</u> 5%)
				Revised	Variance			
			Actual	Budget***	fav/(unfav)			
\$	\$		\$	\$	\$	%		
631,512	631,512	Home Assistance Scheme	333,387	315,044	(18,343)	-6%	Community Services	The engagement of contractors used YTD has exceeded budget although expenditure will fluctuate during the year (\$22K).
562,656	562,656	Human Resources	301,385	308,859	7,474	2%	Employee related activities	
44,326	44,326	Immunisation	18,280	22,712	4,432	20%	Immunisation services	
1,093,470	1,093,470	Information Technology	582,967	583,555	588	0%		
8,484	8,484	Investment Properties	4,891	5,494	603	11%		
910,884	910,884	Library	434,927	445,804	10,877	2%		
85,600	85,600	Litter Control	31,303	41,373	10,070	24%	Programmed collection of litter/rubbish from litter bins	Variance due to reduction in labour expenses YTD. Service levels were reviewed as part of Depot Review. Employees time reallocated to the roll out of new street signs.
549,422	526,558	Occupancy	266,310	244,416	(21,894)	-9%	Property Management admin, Town Hall maintenance	Various Operating Expenses incurred at the new Administration Centre not included in adopted budget
548,474	548,474	Other Activities NEC	264,755	257,362	(7,393)	-3%	Road Reserves maintenance, Rapid Response Team expenses	
589,721	622,121	Other Environmental Services	267,852	274,950	7,098	3%	Includes payment of State Govt NRM board levy collected	
7,093	7,093	Other Regulatory Services	4,096	1,698	(2,398)	-141%		
244,175	244,175	Parking Control	88,087	108,843	20,756	19%		Adjustment to employee budget required in 2nd Qtr. Budget Review due to allocation changes implemented after budget adoption and also vacant position.
1,368,525	1,360,826	Parks & Gardens	601,988	534,236	(67,752)	-13%	Programmed maintenance of parks, gardens & reserves	Staffing allocation amendments, vancant position
2,900	2,900	Pest Control	175	1,409	1,234	88%		

**TOWN OF GAWLER**  
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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)			
\$	\$		\$	\$	\$	%		
23,750	23,750	Plant & Machinery	148,595	188,695	40,100	21%	Includes internal plant hire costs recovered	Over-recovered plant hire (\$25K) Reduction in various operating Expenses (\$15K)
138,489	138,489	Preventive Health Services	71,495	70,770	(725)	-1%		
115,039	115,039	Public Conveniences	53,938	53,761	(177)	0%	Routine cleaning maintenance of 7 sites	
271,447	271,447	Rates Administration	143,524	151,355	7,831	5%		Reduction in debt collection expenses YTD due to the increase in residents entering into payment arrangements (\$11K)
319,196	299,196	Records Management	158,564	153,574	(4,990)	-3%		
79,783	79,783	Regional Development	3,919	3,919	-	0%	Staff Salaries	
3,908,543	3,870,049	Roads	1,883,733	1,917,481	33,748	2%	Road maintenance & repairs, incl depreciation	
581,069	581,069	Sports Facilities - Indoor	277,552	275,097	(2,455)	-1%	Programmed ovals maintenance	
754,408	754,408	Sports Facilities - Outdoor	226,488	226,811	323	0%		
785,801	785,801	Stormwater Drainage	400,773	397,662	(3,111)	-1%	Drain cleaning, repairs & maintenance	
158,000	158,000	Street Cleaning	37,743	51,230	13,487	26%	Programmed Cleaning of CBD and Urban Streets	Favourable variance is only due to timing of invoices received
391,202	391,202	Street Lighting	153,369	162,935	9,566	6%		An allowance was made in the adopted budget for an increase in Streetlighting through new development taken over by Council. The favourable variance is likely to be absorbed over the next 6 months.
339,733	339,733	Streetscaping	149,402	155,830	6,428	4%	Tree replacement / removal and maintenance, Garden beds maintenance	

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				Revised	Variance			
			Actual	Budget***	fav/(unfav)			
\$	\$		\$	\$	\$	%		
167,727	167,727	Support to Local Businesses (Gawler Bus Dev Board)	83,864	83,864	1	0%	Gawler Business Development Group contribution	
229,143	229,143	Tourism (Visitor Information Centre)	99,210	102,493	3,283	3%		
1,285,184	1,287,784	Town Planning	455,455	533,892	78,437	15%	Development assessment, various studies, DAP committee	Vacant Positions (\$78K)
164,355	164,355	Traffic Management	70,315	59,405	(10,910)	-18%	Street/traffic control signs maintenance	Savings from litter control to be reallocated to the roll out of new street signs around the Council area.
12,346	12,346	Transfer Station	9,357	6,923	(2,434)	-35%	Utility Costs associated with former Transfer Station Site	
2,055,579	2,055,579	Waste Management	1,068,615	983,598	(85,017)	-9%	Kerbside waste collection & disposal	Increase partly due to increase in State Govt Waste Levy
26,076,273	25,915,981	Total Expenditure	11,972,155	12,107,588	135,433	-1%		
(220,500)	(382,563)	NET OPERATING RESULT	(11,875,755)	(11,582,905)	292,850			

\*Annual Adopted Budget - This is the Original Budget adopted by Council on 28 June 2016

\*\*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.