



TOWN OF GAWLER MONTHLY FINANCE REPORT 28 FEBRUARY 2017 FOR YEAR ENDING 30 JUNE 2017

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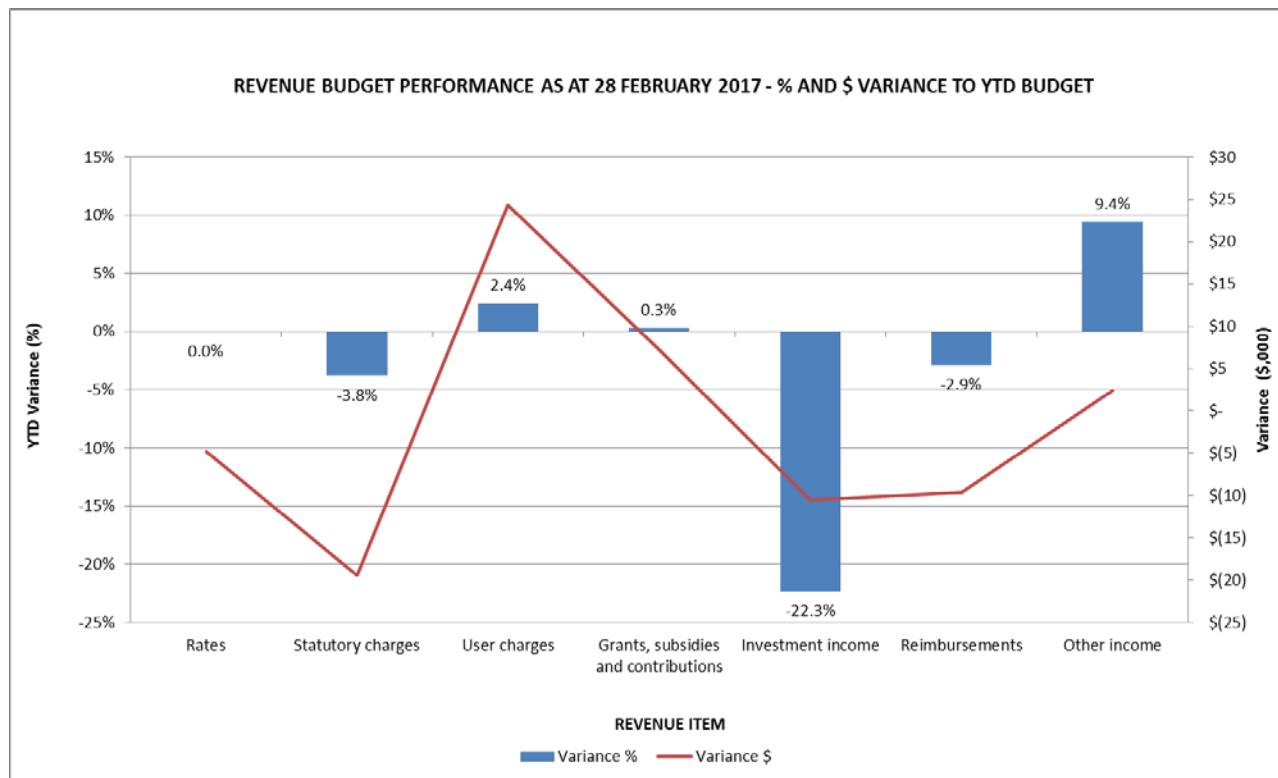
Executive Summary

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



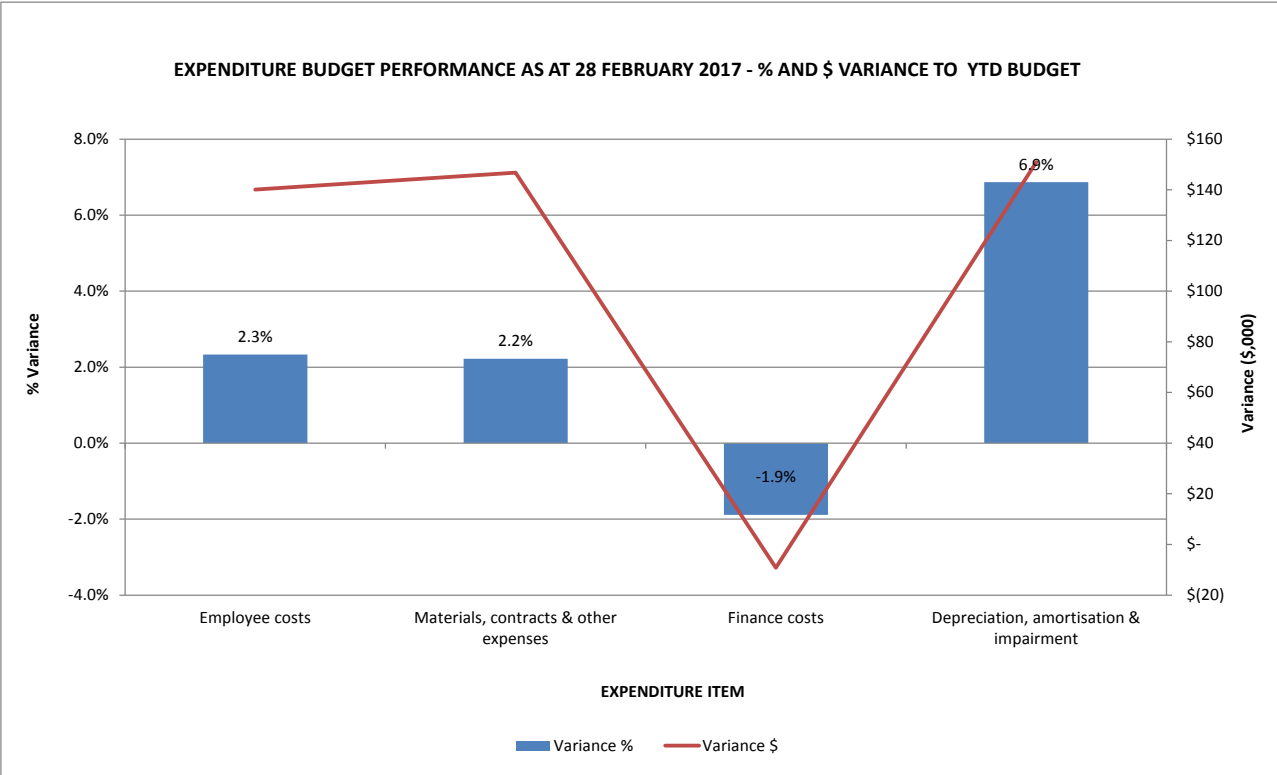
Overall, the YTD actual operating income of \$24,776M is \$10K lower than the YTD budget of \$24.786M. Details of significant YTD variances at income statement level are provided below:

- 1. Investment Income** – As at the reporting date, Council has an unfavourable variance of \$10K for income generated from investments held by the Local Government Finance Authority and Council's operating account. Council has entered into a period where will continue to be heavily reliant on its Cash Advance Facility, consistent with forward estimates within the Long Term Financial Plan. The primary income to be generated going forward is interest earned on the developer contributions held for the Southern Urban Areas Development.

(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 \$14.879M is \$429K less than the YTD budget of \$15.308M. 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. It is also impacted by 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 \$418K** at the reporting date as disclosed in the Statement of Comprehensive Income. This favourable variance, which is partly due to unspent expenditure as a result of delays in receiving invoices from suppliers, will be monitored appropriately by departmental managers.

Erin McGarry
Financial Accountant

TOWN OF GAWLER
STATEMENT OF COMPREHENSIVE INCOME
FOR THE MONTH ENDING 28 FEBRUARY 2017
FOR THE YEAR ENDING 30 JUNE 2017

Annual Adopted Budget	Annual Revised Budget		Year To Date			
			Actual	Budget	Variance fav/(unfav)	
			\$'000s	\$'000s	\$'000s	%
INCOME						
(20,654)	(20,605)	Rates	(20,575)	(20,580)	(5)	0.0%
(740)	(695)	Statutory charges	(494)	(513)	(19)	-3.8%
(1,432)	(1,426)	User charges	(1,029)	(1,004)	24	2.4%
(2,961)	(3,109)	Grants, subsidies and contributions	(2,293)	(2,285)	7	0.3%
(64)	(64)	Investment income	(37)	(47)	(10)	-22.3%
(415)	(448)	Reimbursements	(322)	(332)	(10)	-2.9%
(30)	(43)	Other income	(27)	(25)	2	9.4%
(26,297)	(26,390)	Total Income	(24,776)	(24,786)	(10)	0.0%
EXPENDITURE						
9,947	9,598	Employee costs	5,867	6,007	140	2.3%
10,991	11,150	Materials, contracts & other expenses	6,470	6,617	147	2.2%
596	607	Finance costs	495	486	(9)	-1.9%
4,454	4,490	Depreciation, amortisation & impairment	2,047	2,198	151	6.9%
88	88	Net loss - Joint ventures & associates	-	-	-	
26,076	25,933	Total Expenditure	14,879	15,308	429	-2.8%
(220)	(457)	OPERATING (SURPLUS) / DEFICIT	(9,898)	(9,478)	418	
OTHER COMPREHENSIVE INCOME						
3	3	Asset disposal & fair value adjustments	(7)	(7)	-	0%
4,765	1,666	Amounts specifically for new or upgraded assets	856	856	-	0%
14,000	14,000	Physical resources received free of charge	-	-	-	
18,548	15,212	NET (SURPLUS) / DEFICIT	(9,049)	(8,629)	418	

TOWN OF GAWLER
MONTHLY FINANCE REPORT - INCOME/EXPENDITURE BY SERVICE
FOR THE MONTH ENDING 28 FEBRUARY 2017
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	(32,783)	(36,754)	(3,971)	-11%	Building Assessment Fees	
(111,717)	(111,717)	Caravan Park	(73,944)	(74,472)	(528)	-1%	Lease fees	
(170,500)	(170,500)	Cemeteries	(129,595)	(113,656)	15,939	14%	Burial, Lease, Cremation etc. Fees (Willaston Cemetery)	Increase in type of income collected (memorial permits and pre-leases)
-	(11,181)	Children & Youth Services	(11,181)	(9,120)	2,061	23%		
-	-	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)	(15,726)	Community Support	(9,867)	(7,686)	2,181	28%	Vehicle Contribution. Property Reimbursements	
(46,000)	(46,000)	Customer Service	(34,835)	(30,664)	4,171	14%	Property Search Fees	
(10,000)	(14,833)	Depot	(6,699)	(5,831)	868	15%	Vehicle Contribution	
(280,000)	(280,000)	Dog and Cat Control	(218,891)	(252,590)	(33,699)	-13%	Registrations, Expiation fees	At the time of reporting, Council recognised 201 unregistered dogs
(45,000)	(45,000)	Elderly Citizens Facilities	(30,009)	(30,000)	9	0%	Hire of Elderly Centre	
(10,000)	(10,000)	Elected Member Services	(7,083)	(7,081)	2	0%	Mayoral vehicle contribution	
(3,360)	(3,360)	Emergency Services	(849)	(3,360)	(2,511)	-75%	Inflammable undergrowth slashing / expiations	
(205,000)	(205,000)	Engineering Services	(10,952)	(9,525)	1,427	15%	Includes \$150K contributions towards Gawler & Surrounds Stormwater Management Plan	
(1,236,389)	(1,242,052)	Finance	(916,637)	(930,419)	(13,782)	-1%	Investment income, Financial Assistance Grant	
(304,000)	(304,000)	Gawler Aquatic Centre	(299,595)	(274,580)	25,015	9%		Income generated from swimming passes and lessons YTD more than anticipated

TOWN OF GAWLER
MONTHLY FINANCE REPORT - INCOME/EXPENDITURE BY SERVICE
FOR THE MONTH ENDING 28 FEBRUARY 2017
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)			
\$	\$		\$	\$	\$	%		
(304,500)	(256,920)	General Administration	(254,429)	(252,175)	2,254	1%	Various insurance scheme rebates etc.	
(628,207)	(635,930)	Home Assistance Scheme	(471,712)	(465,638)	6,074	1%	Grant Funding	
(23,000)	(23,000)	Human Resources	(5,344)	(1,500)	3,844	256%	Traineeship rebates	
(11,743)	(11,743)	Immunisation	(10,313)	(10,579)	(266)	-3%	Grant funding, user contributions	
(7,500)	(7,500)	Information Technology	(3,894)	(4,765)	(871)	-18%	Vehicle contribution, etc.	
(139,545)	(229,589)	Investment Properties	(117,542)	(119,706)	(2,164)	-2%	Various Property Rentals	
(84,550)	(94,078)	Library	(88,332)	(85,560)	2,772	3%	Shared Resources Reimbursement, State Govt Subsidy	
(23,000)	(23,000)	Occupancy	(6,577)	(6,350)	227	4%	Vehicle Contribution	
(333,548)	(333,548)	Other Environmental Services	(333,809)	(333,548)	261	0%	State Govt NRM levy funds collected	
-	-	Other Regulatory Services	(203)	-	203		Busking Permits	
(140,000)	(118,833)	Parking Control	(78,128)	(69,216)	8,912	13%	Expiation Fees Collected	Forecast for parking control income was reduced in 2nd Qtr. Budget Review. However, Council is currently exceeding the reviewed budget
(11,750)	(11,750)	Plant & Machinery	(8,643)	(6,853)	1,790	26%	Fuel Tax Credits Received from ATO, vehicle registration cancellation reimbursements	
(20,525)	(20,525)	Preventive Health Services	(12,715)	(13,680)	(966)	-7%	Food inspections, audits	
(18,238,240)	(18,198,011)	Rates Administration	(18,138,423)	(18,158,011)	(19,588)	0%	General Rates/Fines, etc.	
(100)	(100)	Records Management	(266)	(64)	202	315%	FOI Requests	
-	-	Regional Development	(385)	-	385		Vehicle Contribution	
(796,655)	(796,655)	Roads	(726,188)	(722,524)	3,664	1%	Grant funding	
(440,750)	(428,750)	Sports Facilities - Indoor	(272,000)	(285,769)	(13,769)	-5%	Sport & Community Centre	Hire fees collected for use of facilities at the Gawler Sport & Community Centre less than anticipated YTD

TOWN OF GAWLER
MONTHLY FINANCE REPORT - INCOME/EXPENDITURE BY SERVICE
FOR THE MONTH ENDING 28 FEBRUARY 2017
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)			
					\$	\$		
\$	\$		\$	\$	\$	%		
(52,768)	(52,768)	Sports Facilities - Outdoor	(30,946)	(35,162)	(4,216)	-12%		
(167,727)	(167,727)	Support to Local Businesses (Gawler Bus Dev Board)	(167,653)	(167,727)	(74)	0%	Separate Rate Revenue	
(72,400)	(72,400)	Tourism (Visitor Information Centre)	(52,285)	(49,412)	2,873	6%	Souvenirs sales, various commissions	
(333,690)	(429,690)	Town Planning	(262,298)	(257,300)	4,998	2%	Development Application fees, etc.	
(1,967,274)	(1,954,422)	Waste Management	(1,955,398)	(1,954,422)	976	0%	Kerbside waste collection services	
(26,296,773)	(26,389,917)	Total Income	(24,774,924)	(24,786,203)	(11,279)	0%		

TOWN OF GAWLER
MONTHLY FINANCE REPORT - INCOME/EXPENDITURE BY SERVICE
FOR THE MONTH ENDING 28 FEBRUARY 2017
FOR THE YEAR ENDING 30 JUNE 2017

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			Actual	Revised Budget***	Variance fav/(unfav)			
					\$	\$		
\$	\$		\$	\$	\$	%		
		EXPENDITURE						
251,509	251,509	Building Control	146,841	150,266	3,425	2%	Building Assessment	
122,261	122,261	Car Parks	65,687	65,927	240	0%		
21,288	21,288	Caravan Park	9,608	11,677	2,069	18%		
118,955	118,955	Cemeteries	72,274	72,249	(25)	0%	Willaston Cemetery	
173,830	173,830	Children & Youth Services	110,308	105,339	(4,969)	-5%	Youth Activities	
213,098	199,198	Communication & Marketing	97,680	100,028	2,348	2%	Council Communications and Marketing to public and Murray St Banners	
170,985	170,985	Community Assistance (Volunteer Services)	86,074	87,788	1,714	2%	Volunteer Resource Centre, Graffiti removal team	
94,606	94,606	Community Centres & Halls	59,744	63,403	3,659	6%		
744,141	753,558	Community Support	396,662	400,834	4,172	1%	Support of various Community events/grants	
22,252	22,252	Crime Prevention (CCTV)	8,826	11,724	2,898	25%	CCTV operating expenses	
617,085	584,989	Customer Service	353,437	375,444	22,007	6%	Staff Salaries	Vacant Position (\$21K)
(402,572)	(422,610)	Depot	(247,291)	(266,169)	(18,878)	-8%	Budget includes wages overhead costs recovered	Continuation of the Depot Efficiencies and Effectiveness Review (\$13K) not included in budget
262,353	262,353	Dog and Cat Control	111,120	112,845	1,725	2%		
96,669	96,669	Elderly Citizens Facilities	42,118	46,463	4,345	9%	Elderly Centre	
292,206	292,206	Elected Member Services	183,789	188,288	4,499	2%	Allowances & expenses	
9,893	19,947	Emergency Services	16,033	19,947	3,914	20%	Inflammable undergrowth management	
1,143,619	1,108,619	Engineering Services	452,379	452,178	(201)	0%		
1,229,781	1,221,081	Finance	874,493	888,984	14,491	2%	Accounting services, Audit Committee, Loan repayments	
702,443	702,443	Gawler Aquatic Centre	496,499	519,722	23,223	4%		
1,651,963	1,530,766	General Administration	982,604	953,790	(28,814)	-3%	General admin, WHS, Agenda/Minutes preparation	
111,872	104,872	Heritage	61,570	60,744	(826)	-1%	Heritage collection maintenance, Heritage Walls Grants	

TOWN OF GAWLER
MONTHLY FINANCE REPORT - INCOME/EXPENDITURE BY SERVICE
FOR THE MONTH ENDING 28 FEBRUARY 2017
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 Budget***	Variance fav/(unfav)			
			Actual		\$	%		
\$	\$		\$	\$	\$	%		
631,512	639,235	Home Assistance Scheme	422,360	433,488	11,128	3%	Community Services	
562,656	575,656	Human Resources	375,325	360,958	(14,367)	-4%	Employee related activities	
44,326	44,326	Immunisation	25,613	29,004	3,391	12%	Immunisation services	
1,093,470	1,097,870	Information Technology	713,929	712,297	(1,632)	0%		
8,484	8,484	Investment Properties	4,891	5,744	853	15%		
910,884	920,412	Library	534,113	559,673	25,560	5%		Unspent budget funds are a result of the temporary period of closure and relocation of library. These amounts are expected to spent through the remainder of the financial year.
85,600	85,600	Litter Control	37,716	51,153	13,438	26%	Programmed collection of litter/rubbish from litter bins	Variance due to a reduction in labour expenses YTD. Service levels were reviewed as part of the Depot Review. Employees time reallocated to the roll out of new street signs.
549,422	526,558	Occupancy	339,779	271,643	(68,136)	-25%	Property Management admin, Town Hall maintenance	Various Operating expenses incurred at the new Gawler Administration Centre not included in adopted budget
548,474	548,474	Other Activities NEC	337,947	332,206	(5,741)	-2%	Road Reserves maintenance, Rapid Response Team expenses	
589,721	622,121	Other Environmental Services	297,275	305,260	7,985	3%	Includes payment of State Govt NRM board levy collected	
7,093	7,093	Other Regulatory Services	4,159	1,864	(2,295)	-123%		

TOWN OF GAWLER
MONTHLY FINANCE REPORT - INCOME/EXPENDITURE BY SERVICE
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				Revised	Variance			
			Actual	Budget***	fav/(unfav)			
\$	\$		\$	\$	\$	%		
244,175	213,875	Parking Control	106,847	120,459	13,612	11%		Adjustment to employee budget required in 3rd Qtr. Budget Review due to allocation changes implemented after budget adoption.
1,368,525	1,519,159	Parks & Gardens	751,521	878,627	127,106	14%	Programmed maintenance of parks, gardens & reserves	Staffing allocation amendments, vacant position
2,900	2,900	Pest Control	315	1,865	1,550	83%		
23,750	22,626	Plant & Machinery	113,675	180,695	67,020	37%	Includes internal plant hire costs recovered	Additional plant hire costs recovered due to increased usage of associated plant items
138,489	138,489	Preventive Health Services	89,788	90,034	246	0%		
115,039	115,039	Public Conveniences	74,784	71,722	(3,062)	-4%	Routine cleaning maintenance of 7 sites	
271,447	253,447	Rates Administration	169,484	178,288	8,804	5%		Reduction in debt collection expenses YTD due to the increase in residents entering into payment arrangements (\$11K)
319,196	299,196	Records Management	198,354	194,276	(4,078)	-2%		
79,783	79,783	Regional Development	10,872	11,206	334	3%	Staff Salaries	
3,908,543	3,905,525	Roads	2,157,940	2,136,265	(21,675)	-1%	Road maintenance & repairs, incl depreciation	
581,069	576,069	Sports Facilities - Indoor	323,930	354,381	30,451	9%		Various unspent budget items that will be expended by June 30

TOWN OF GAWLER
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				Revised	Variance			
			Actual	Budget***	fav/(unfav)			
\$	\$		\$	\$	\$	%		
754,408	751,408	Sports Facilities - Outdoor	294,535	353,319	58,784	17%	Programmed ovals maintenance	Savings for water consumption (\$65K) due to the increase in rainfall over the summer months. These savings have been partly offset by additional expenses such as spraying, due to the additional rainfall.
785,801	785,801	Stormwater Drainage	427,743	425,090	(2,653)	-1%	Drain cleaning, repairs & maintenance	
158,000	140,500	Street Cleaning	73,263	71,722	(1,541)	-2%	Programmed Cleaning of CBD and Urban Streets	
391,202	391,202	Street Lighting	203,315	228,109	24,794	11%		A reduction in public lighting in the 2016-2017 financial year has resulted in a saving of approx. \$2K per month. Council also made an allowance for an increase for new developments which has not substantially impacted this
339,733	339,733	Streetscaping	223,354	201,776	(21,578)	-11%	Tree replacement / removal and maintenance, Garden beds maintenance	Due to the unseasonable weather that we have experienced, the labour force has had been required to carry out additional weedspraying duties
167,727	167,727	Support to Local Businesses (Gawler Bus Dev Board)	125,795	125,796	1	0%	Gawler Business Development Group contribution	
229,143	229,143	Tourism (Visitor Information Centre)	129,588	139,920	10,332	7%		Savings as a result of timing of invoices received for Cost of Goods sold at the VIC.
1,285,184	1,198,143	Town Planning	557,755	632,964	75,209	12%	Development assessment, various studies, DAP committee	Vacant Positions (\$69K)

TOWN OF GAWLER
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				Revised	Variance			
			Actual	Budget***	fav/(unfav)			
\$	\$		\$	\$	\$	%		
164,355	164,355	Traffic Management	91,655	76,397	(15,258)	-20%	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	9,487	7,153	(2,334)	-33%	Utility Costs associated with former Transfer Station Site	
2,055,579	2,120,721	Waste Management	1,270,775	1,343,089	72,314	5%	Kerbside waste collection & disposal	Reduction due to timing of invoices processed from NAWMA.
26,076,273	25,932,793	Total Expenditure	14,878,337	15,307,914	429,577	-3%		
(220,500)	(457,124)	NET OPERATING RESULT	(9,896,588)	(9,478,289)	418,299			

*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.