

Monthly Finance Report

February 2017

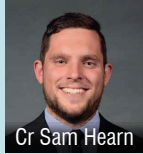


MORNINGTON
PENINSULA
Shire

Your Councillors

Port Phillip Bay

Briars



Cr Sam Hearn
0437 170 083



Cr Bev Colomb
0418 506 638



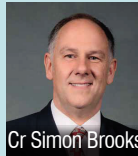
Cr Rosie Clark
0437 152 991

Watson



Cr Julie Edge
0437 156 531

Seawinds



Cr Simon Brooks
0437 174 486



Cr Antonella Celi
0408 974 143



Cr Frank Martin
0437 153 578

Cerberus

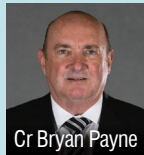


Cr Kate Roper
0437 134 168

Nepean

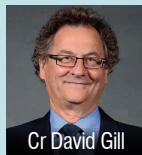


Cr Hugh Fraser
0428 258 354



Cr Bryan Payne
0437 193 039

Red Hill



Cr David Gill
0437 129 016

Bass Strait

Western Port Bay



MORNINGTON
PENINSULA
Shire

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The Monthly Finance Report summarises for the information of the community and other interested stakeholders, the many activities of the Shire for the preceding month, ranging from policy development and implementation through to service delivery, the provision of infrastructure, and the Shire's financial position.

Any resident, ratepayer or other stakeholder seeking further information should contact the relevant Shire manager or director, or in the first instance can contact:

Communications
Ph. 5950 1200

CHIEF EXECUTIVE OFFICER'S SUMMARY

Dear Ratepayers and Residents of Mornington Peninsula Shire,

February 2017 marked the first full month of Council since the 'swearing-in' of the new Council in mid-November 2016. Whilst your elected representatives are always working for the community and very much in touch with the officers in the Shire, e.g. the Special Council Meeting held in January 2017, there was a palpable, 'getting down to business' in February which saw a series of Budget briefings and importantly, significant work done on developing a new Council Plan for the next four years on the Mornington Peninsula.

As part of Council's planning and agenda setting, significant focus by the community has been brought to bear on a swimming pool for Rosebud. Public Question Time, in our Ordinary Council Meetings so far this year, has had frequent questions on this topic and I would like to assure the readers of this report, that Council is considering this matter very carefully and has well and truly heard the community.

Further information on the Proposed Budget and the Draft Council Plan is contained within the CFO's Report.

EBA negotiations continued throughout the month as negotiations continued with staff representatives and unions. The organization continued to bargain in 'good faith' with each of the four main groups within the newly proposed separate Agreements. It is anticipated that the voting process will commence in March, with results to be known in early April.

While it is early to talk about the end of the financial year, the Infrastructure team at the Shire, are working hard on delivering as many projects as possible as per the capital expenditure plan. A useful update on key projects is contained in the COO's Report.

The Shires Infrastructure and Communities team have worked well collaborating on matters of public safety and concern to the community, most recently as a result of attending a public meeting in Somerville, (Watson Ward), to update the community on the rebuild of the Recreation Centre and attending to lighting around some of the main buildings used by community groups in the evenings. Cr Julie Edge was a key contributor to discussions on the evening in question and of course, all Councillors, CEO and senior officers always welcome the opportunity to meet with members of the community to provide updates, exchange ideas and gather feedback from the community on any areas, where we can assist in the livability of the Shire.

The March Report 2017 will comprise the more comprehensive Community Report for the 3rd Quarter our Communities Services across the Shire will be a special focus of that Report.

As ever we welcome any feedback or suggestions for improvement you care to give us and we will continue to strive for optimal performance in serving you. I commend the February 2017 Monthly Financial Report to you.

CHIEF FINANCIAL OFFICER

The financial results at the end of February continue to be strong with net operating income (funds available) \$5.7m ahead of Forecast and the net surplus YTD \$13.4m ahead of Forecast.

The result above includes a reinvestment in additional projects and services as part of the mid-year review. Over \$2m of additional funds available were identified from contract savings, operating efficiencies and additional rates revenue from new properties. Council has considered a number of options for the reinvestment of this surplus and has resolved to prioritise the following:

- Accelerating solar panel installation through additional Council support
- Further investment in the Rapid Response Team to deal with urgent issues
- Investment in the Pillars in accordance with the Council resolution in January
- Bringing forward priority works in relation to sports fields
- Accelerated playground renewal and defects works
- Further investment in fire & emergency management capability
- An allocation to support the implementation of new Child Safe legislation

The progress of capital works and priority projects has again been reviewed – at the end of February it is estimated that approximately \$12.5m worth of projects will not be completed by the end of June and will be carried forward into the FY18 Budget. These projects are outlined on page 3 of the Monthly Finance Report.

It is pleasing to be able to report continued improvement in our customer service metrics this month. During February we received over 18,000 calls and greeted over 6,000 people at our three offices and our call response times reduced further to an average of 13 seconds, well below our 20 second target. February also saw significant cross-training within our customer service teams to provide more resources to meet customer demand peaks and provide accurate responses in a faster time frame. We continue to strive hard to improve our customer service as the key responsibility of all Shire staff.

During February the Councillors and senior management conducted a weekend workshop to discuss the Council Plan to 2021. The weekend was very productive and the Councillors look forward to presenting the proposed Council Plan to the community in late March following the Special Council meeting on 20 March. The Council Plan will focus on the key priorities for this council for the next four years and we are confident that the proposed plan strongly reflects the feedback the community has provided through the Your Peninsula 2021 process among others.

The proposed FY18 Budget will also be placed on exhibition in late March and we invite community members to make submissions on the proposed Budget through the section 223 process that will be held in May.

There are many teams across the Shire that provide very high quality services to the community so it is always hard to single out one area, however I wanted to commend the excellent work of our Youth team. The team provides a range of services, however in recent times their support for vulnerable teens has been of particular note.

The Shire provides over 75 direct community services and I encourage you all to engage where you can and support these important programs – and please feel free to give us a call or send an email if you have any questions, concerns or feedback.

CHIEF OPERATING OFFICER

February has been a very busy month for the team members of the Infrastructure and Planning Group with a great deal of work taking place in the delivery of services, the progress of projects and responding to our customer requests.

This month significant progress was made on an important planning scheme amendment designed to better protect the character of the Sorrento Township. Planning Scheme Amendment C204 seeks to bring in mandatory height controls within the commercial centre of Sorrento (mainly along Ocean Beach Road) through the form of a Design and Development Overlay – Schedule 28 (DDO28). One of the key elements in the DDO28 is a three storey height limit for all future development along Ocean Beach Road, whereby the third storey must be setback so it is not visually prominent from the opposite side of Ocean Beach Road. The DDO28 seeks to implement the recommendations from the *Ocean Beach Road Sorrento Commercial Precinct Heritage Policy*, which was prepared by HLCD Consultants and adopted by Council in 2015. This policy reviewed all existing built form within the commercial heart of Sorrento and made recommendations for height limits and stronger planning controls. At its meeting of 27th February, 2017, Council resolved to refer the amendment to an Independent Panel to consider submission received during the amendment exhibition process. Officers are currently preparing the necessary information in advance of the panel hearing.

The month of February has also seen significant construction activity across the municipality with the delivery of the Capital Works program in full swing again following the construction industry Christmas break. Some of the projects that might be seen by community members as they travel around the Shire include the construction of:

- A new sports pavilion at Balnarring Recreation Reserve valued at \$2.6M
- A new customer service and cattery building at the Community Animal Shelter in Mornington valued at \$935K.
- Sports pavilion refurbishment works at Dromana, Mount Martha and Somerville sports pavilions, valued at \$1.3M, including the delivery of unisex change facilities to better service the growing number of participants at these facilities.
- A new accessible playground in Marshall Street Reserve, Tootgarook, including play equipment, walking paths and landscaping.
- Traffic improvement works at The Briars in Mount Martha valued at \$290K.
- Streetscape works associated with the Destination Rosebud project which in total is valued at approximately \$4M.
- A new roundabout at Jetty Rd / Old Cape Schanck road intersection, Rosebud valued at \$680K.

Monthly Finance Report



MORNINGTON
PENINSULA
Shire

February 2017

Monthly Financial Report Contents



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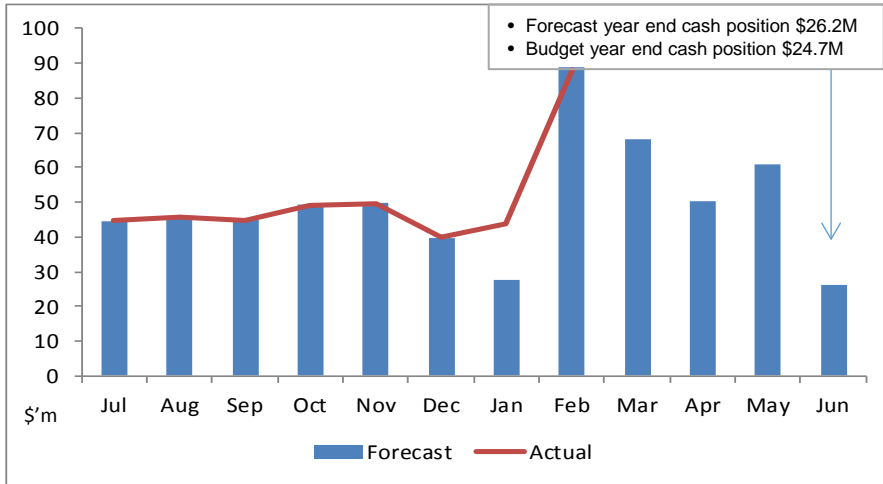
Appendix

- A. Project Listing

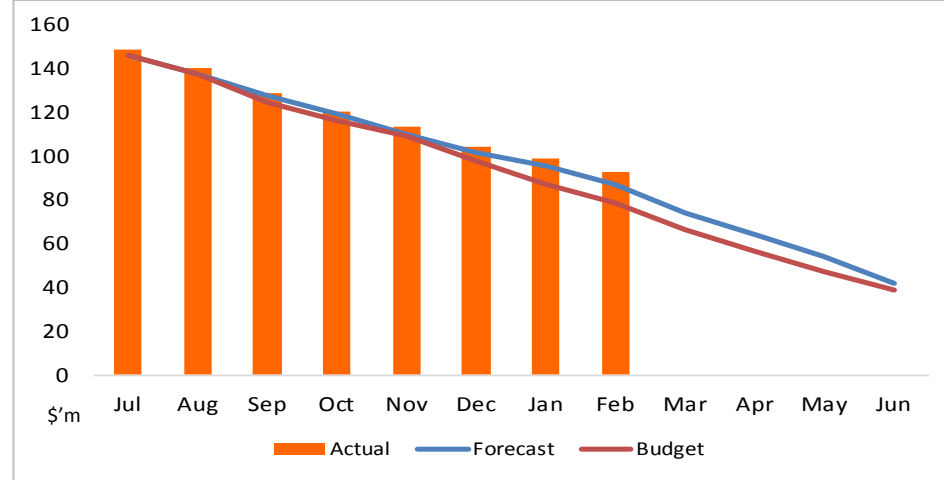
Section 1.1 – Financial Performance – Overview

As detailed in the CPS, year to date (“YTD”) net operating income (funds available) is \$5.7M ahead of Forecast (7% positive variance), driven by a positive variance of \$1.3M in materials and services (2%) and \$2.2M increase in user fees and charges (10%). Actual YTD surplus is ahead of Forecast by \$13.4M (27%). Year end closing cash position is forecast to be \$26.2M (\$1.5M ahead of Budget).

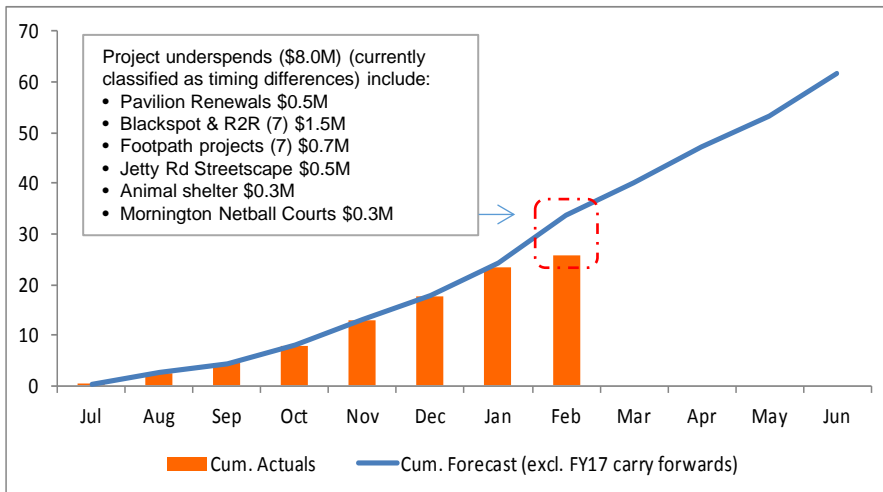
Cash Position FY17



Net Operating Income / Funds Available FY17



Capital & Priority Works Cumulative Expenditure FY17



Forecast Carry Forward Projects FY18

Project	\$'000
Land Purchase – Open Space	5,435
South Peninsula Aquatic Rec Centre	719
Waterfall Gully Preschool Upgrade	283
SCS Somers Path Network	1,317
SCS Speadwell Street	1,218
Rye Boat Reconfiguration Works	1,016
Mt Martha Skate Park	773
Emil Madsen Reserve	1,020
Priority Projects (14)	794
Total	12,575

Section 1.2 – Corporate Performance Statement

	Actual YTD FY17 \$'000	Year to Date				Full Year					
		Approved Forecast \$'000	Variance Fav/(Unfav) %	Adopted Budget \$'000	Variance Fav/(Unfav) %	Actual YTD FY16 \$'000	Variance Fav/(Unfav) %	Approved Forecast \$'000	Adopted Budget \$'000	Variance Fav/(Unfav) \$'000	Variance Fav/(Unfav) %
Operating Income											
Rates	156,486	156,291	-	155,487	1%	150,270	4%	156,384	155,549	835	1%
Grants and Subsidies	9,908	9,086	9%	9,121	9%	8,893	11%	13,131	13,019	112	1%
User Charges	23,523	21,330	10%	20,524	15%	20,091	17%	29,496	28,984	512	2%
Grants Commission	4,576	4,587	-	4,587	-	2,376	93%	6,116	6,116	-	-
Total Operating Income	194,494	191,294	2%	189,719	3%	181,630	7%	205,126	203,667	1,459	1%
Operating Expenditure											
Employee Costs	(44,584)	(45,286)	2%	(45,550)	2%	(41,928)	(6%)	(70,268)	(70,094)	(173)	(0%)
Materials and Services	(54,071)	(55,377)	2%	(61,513)	12%	(54,200)	-	(87,107)	(88,946)	1,839	2%
Other Expenses	(3,353)	(3,810)	12%	(3,886)	14%	(3,619)	7%	(5,982)	(5,996)	14	0%
Total Operating Expenditure	(102,008)	(104,473)	2%	(110,950)	8%	(99,747)	(2%)	(163,357)	(165,037)	1,680	1%
Net Operating Income/Funds Available	92,486	86,821	7%	78,769	17%	81,883	13%	41,769	38,630	3,139	8%
Capital Income/Expenditure											
Priority Works (Net)	(540)	(1,464)	63%	(779)	31%	(1,204)	55%	(3,580)	(1,561)	(2,019)	(129%)
Capital Grants	602	2,588	(77%)	90	569%	6,239	(90%)	7,962	3,960	4,002	101%
Capital Contributions	2,505	2,497	0%	1,378	82%	2,078	21%	2,899	2,273	626	28%
Capital Expenditure	(25,127)	(32,153)	22%	(12,768)	(97%)	(14,415)	(74%)	(69,527)	(32,864)	(36,663)	(112%)
Special Charge Schemes	-	-	-	-	-	(60)	100%	2,108	-	2,108	100%
Asset Sales	(16)	(58)	72%	-	-	71	(123%)	6,717	-	6,717	100%
Total Capital Income/Expenditure	(22,576)	(28,591)	21%	(12,080)	(87%)	(7,291)	(210%)	(53,421)	(28,191)	(25,230)	(89%)
Other Income/Expenditure											
Interest Income	826	827	-	775	7%	641	29%	1,404	1,163	241	21%
Interest Expense	(984)	(984)	-	(1,028)	4%	(811)	(21%)	(1,411)	(1,452)	41	3%
Debt Servicing Principal	(4,910)	(4,909)	-	(5,254)	7%	(4,808)	(2%)	(7,595)	(7,595)	-	-
Priority Projects (Net)	(1,025)	(2,698)	62%	(1,869)	45%	(573)	(79%)	(7,617)	(2,535)	(5,082)	(200%)
Restructuring Costs	(951)	(951)	-	-	-	(2,018)	53%	(951)	-	(951)	(100%)
Total Other Income/Expenditure	(7,043)	(8,715)	19%	(7,376)	5%	(7,570)	7%	(16,170)	(10,419)	(5,750)	(55%)
Surplus/(deficit)	62,866	49,516	27%	59,314	6%	67,022	(6%)	(27,822)	20	(27,842)	
Cash & Cash Equivalents	88,296							26,184	24,708	1,476	

Section 1.2 – Corporate Performance Statement

Year to date net operating income (per CPS) is ahead of Budget by \$13.7M (17%) and Forecast by \$5.7M (7%), attributed to both timing and permanent differences. Major YTD income and expense variances against Forecast are detailed below.

Operating Income Variances against Forecast

Category	Permanent \$'000	Timing \$'000	Commentary
Grants & Subsidies		822	Mainly attributed to early receipt of HACC funding, which is now paid quarterly in advance (\$540k).
User Charges		2,099	Receipt of animal registration fees (\$1.1M) earlier than forecast, increase in waste disposal tipping fee income (\$350k) due to seasonal activity, statutory planning fees due to better than forecast building activity (\$433k).
User Charges	94		Statutory planning fees exceeded full year forecast, attributed to increased building activity.

Operating Expense Variances against Forecast

Category	Permanent \$'000	Timing \$'000	Commentary
Employee Costs		552	Reduction in permanent employee costs (\$318k), offset by increased casual employee costs (\$139k) to backfill/cover vacant positions. Superannuation contribution less than forecast due to timing variance (payroll period ended mid-month) (\$293k), payment will be caught up in March remittances (and phasing corrected). All superannuation payments are up-to-date.
Employee Costs	150		Reduced resourcing requirement in Strategic Planning team.
Materials & Services		1,306	Utility costs not yet incurred (i.e. lower than expected utility consumption) (\$491k), under utilisation of external contractors and consultants (\$577k) and IT operating leases (\$218k).
Other Expenses		457	Driven by YTD underspend on staff training (\$129k) and payment of community subsidies and grants (\$188k).

Please note YTD variances are reported against Approved Forecast not Adopted Budget, as after completion of the Mid-Year Review previously identified permanent differences have been incorporated into the Approved Forecast.

Section 1.3 – Capital & Priority Works

Capital and priority works have an annual gross expenditure of \$73.4M (including carry forward program items, additional grant/matching funding and Council approved projects of \$38.9M), of which 35% (\$25.9M) has been spent YTD and a further \$20.4M committed via issued purchase orders (in total 63% of gross expenditure forecast). Combined YTD expenditure and purchase order commitments exceeds 100% of the Full Year Budget, which indicates carry forward projects are being “caught up”/completed.

Based on the current works schedule, \$11.8M worth of projects (16%) are not likely to commence and/or complete in FY17 and have been identified as carry forward projects. A complete project listing is included at Appendix A.

	Actual YTD FY17 \$'000	Year to Date					Full Year				
		Approved Forecast \$'000	Variance Fav/(Unfav) %	Adopted Budget \$'000	Variance Fav/(Unfav) %	Actual YTD FY16 \$'000	Variance Fav/(Unfav) %	Approved Forecast \$'000	Adopted Budget \$'000	Variance Fav/(Unfav) \$'000	Variance Fav/(Unfav) %
Income											
Special Charge Scheme	-	-	-	-	-	(60)	100%	2,108	-	2,108	100%
Capital Grants	602	2,588	(77%)	90	569%	6,239	(90%)	7,962	3,960	4,002	101%
Contributions Subdividers	2,264	1,906	19%	1,349	68%	1,760	29%	2,025	2,025	-	-
Contributions Capital Works	241	591	(59%)	29	743%	318	(24%)	874	248	626	252%
Land Sales	(16)	(58)	72%	-	(100%)	71	(123%)	6,717	-	6,717	100%
Priority Works	191	223	(15%)	-	100%	426	(55%)	267	-	267	100%
Total Income	3,281	5,251	(38%)	1,468	124%	8,755	(63%)	19,952	6,233	13,719	220%
Expenditure											
Land	(101)	(64)	(56%)	(85)	(19%)	(490)	79%	(5,686)	(125)	(5,561)	(4449%)
Buildings	(3,837)	(5,200)	26%	(4,427)	13%	(2,070)	(85%)	(13,004)	(8,413)	(4,591)	(55%)
Plant and Equipment	(450)	(389)	0%	(42)	(816%)	(877)	56%	(397)	(62)	(335)	(540%)
Artworks	(40)	(40)	-	(30)	(34%)	-	(100%)	(40)	(45)	5	11%
Library Bookstock	(591)	(700)	16%	(732)	19%	(753)	21%	(1,120)	(1,100)	(20)	(2%)
Infrastructure - Roads	(10,668)	(14,251)	25%	(3,042)	(251%)	(4,833)	(121%)	(27,868)	(13,731)	(14,137)	(103%)
Infrastructure - Other	(9,439)	(11,509)	20%	(4,410)	(108%)	(5,393)	(70%)	(21,411)	(9,388)	(12,023)	(128%)
Priority Works	(731)	(1,688)	57%	(779)	6%	(1,630)	55%	(3,846)	(1,561)	(2,286)	(146%)
Total Expenditure	(25,857)	(33,841)	24%	(13,548)	(91%)	(16,046)	(61%)	(73,373)	(34,424)	(38,949)	(113%)
Net Total	(22,576)	(28,591)	21%	(12,080)	(87%)	(7,291)	(210%)	(53,421)	(28,191)	(25,230)	(89%)

Section 1.4 – Priority Projects

Priority Project items have an annual net expenditure of \$7.6M (including carry forward program items and Q1 & Q2 Council approved projects of \$5.5M), of which 14% (\$1.0M) has been spent YTD. Council election costs and MPS contribution to Portsea SLSC are expected to be finalised in March. After completion of the Q2 (Mid-Year) Review process, additional projects received funding, namely: carbon neutrality (\$550k), sport fields urgent works (\$378k), playground renewal/defect resolution (\$268k), rapid response team (\$260k), Pillars (\$200k), fire and emergency capability (\$200k) and Child Safe legislation compliance (\$165k).

Based on the current project schedule, \$0.8M worth of projects (10%) are not likely to commence and/or complete in FY17 and have been identified as carry forward projects. A complete project listing is included at Appendix A.

	Actual YTD FY17 \$'000	Year to Date				Full Year					
		Approved Forecast \$'000	Variance Fav/(Unfav) %	Adopted Budget \$'000	Variance Fav/(Unfav) %	Approved Forecast \$'000	Adopted Budget \$'000	Variance Fav/(Unfav) \$'000	Variance Fav/(Unfav) %	Q2 Forecast \$'000	Variance Fav/(Unfav) \$'000
Income											
Priority Projects Income	622	463	34%	167	273%	789	250	539	(216%)	789	539
Expenditure											
Carbon Neutrality	(70)	(57)	(23%)	(23)	(209%)	(220)	(30)	(190)	(634%)	(220)	(190)
Council Elections	(9)	(870)	99%	(653)	98%	(870)	(870)	-	-	(620)	-
Green Army Teams	(53)	(90)	41%	(101)	48%	(135)	(135)	-	-	(135)	-
Heritage Review Blairgowrie-Portsea	-	(20)	100%	(40)	100%	(120)	(60)	(60)	(100%)	(120)	(60)
Lifecycle Condition Inspection Prog	(22)	(46)	52%	(113)	80%	(150)	(150)	-	-	(150)	-
Portsea SLS Club Redevelopment	-	-	-	-	-	(300)	-	(300)	-	(300)	(300)
Provision - Matching Grant Funding	-	-	-	(113)	100%	(120)	(150)	30	20%	(120)	30
Pt Nepean Rd Streetscape Design	-	-	-	-	-	(105)	-	(105)	-	(105)	(105)
Tootgarook Wetland Management Plan	(32)	(58)	45%	(38)	15%	(138)	(50)	(88)	(175%)	(138)	(88)
WOL - Septic/Waste Water Program	(56)	(69)	20%	-	(100%)	(113)	-	(113)	-	(113)	(113)
WOL Official Visitors Guide	(12)	(71)	84%	-	(100%)	(141)	-	(141)	-	(141)	(141)
WOL Tourism Marketing/Advert	(109)	(63)	(73%)	-	(100%)	(105)	-	(105)	-	(105)	(105)
Priority Projects Other	(1,284)	(1,818)	29%	(957)	(34%)	(5,891)	(1,340)	(4,551)	(340%)	(6,386)	(5,046)
Net Total	(1,025)	(2,698)	62%	(1,869)	45%	(7,617)	(2,535)	(5,082)	(200%)	(5,596)	(3,061)

Section 1.5 – Treasury

As detailed below, MPS paid \$0.5M in scheduled principal debt repayments during February. Full year principal debt repayments remain on schedule, with a budgeted closing position of \$19.3M. Interest expense for the full year is forecast at \$1.4M with an average interest rate of 6.45% (majority of loans commenced 10/15 years ago when borrowing costs were higher; finance is currently exploring options to refinance existing term loans at prevailing market rates), which is offset by forecast interest income of \$1.4M.

MPS has \$75.6M on term deposit earning an average interest rate of 2.58% (2.63% January). As term deposit's mature, funds will be reinvested with longer maturity dates (>90 days) to more efficiently manage the Shire's funding requirements (in particular timing of capital expenditure).

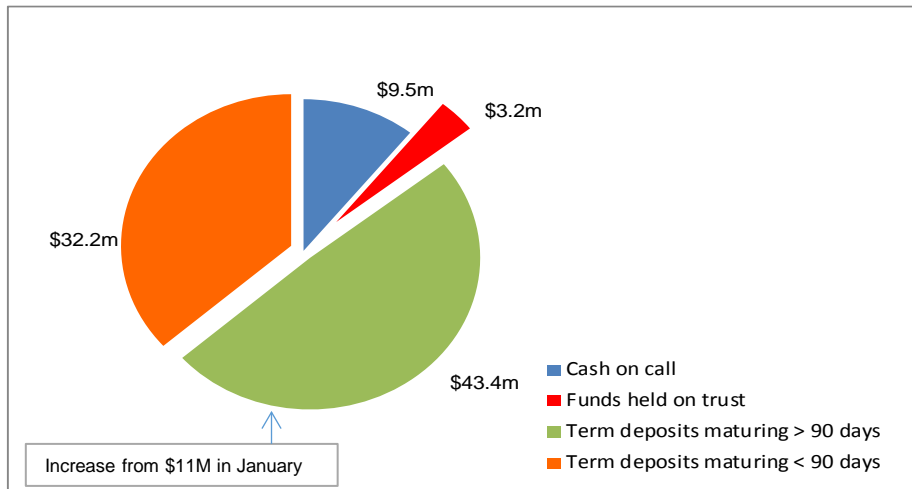
The Shire reviews its treasury position monthly to optimise return on cash assets. Surplus funds are invested in accordance with Council's Investment Policy whereby no more than 75% of term deposits can be invested with one financial institution (every financial institution must have a credit agency rating of "A" or above). Investments placed for longer than 6 months and/or single investments greater than \$5M require FC/CFO approval.

	February		
Loans Maturing	Opening Balance \$'000	Principal Repaid \$'000	Closing Balance \$'000
0 - 5 Years	15,260	346	14,914
5 - 10 Years	7,200	111	7,089
	22,460	457	22,003

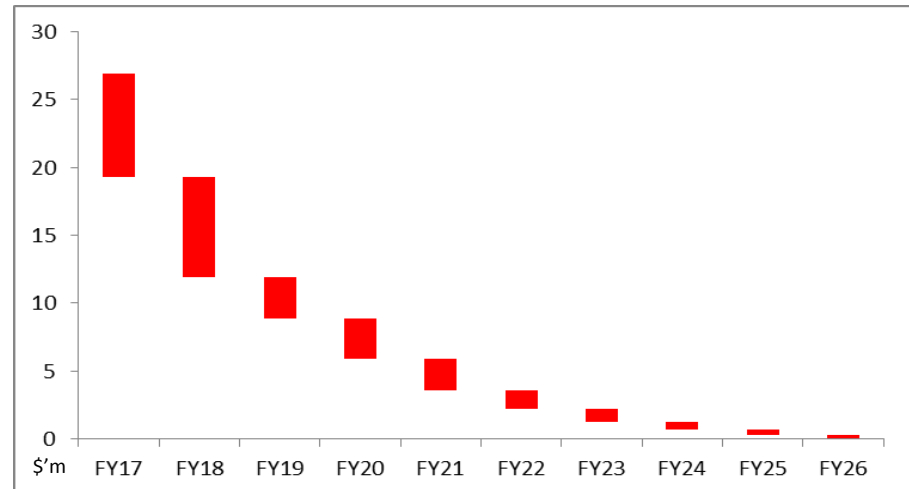
Loan maturity categories based on term to maturity at commencement of financial year.

	Full Year		
	Opening Balance \$'000	Budgeted Repayments \$'000	Budgeted Closing Balance \$'000
	16,815	3,450	13,365
	10,100	4,145	5,955
	26,915	7,595	19,320

Cash Position – February 2017



Debt Repayment Schedule (FY17-FY26)



Section 2.1 – Income Statement

	Actual YTD FY17 \$'000	Year to Date						Full Year			
		Approved Forecast \$'000	Variance Fav/(Unfav) %	Adopted Budget \$'000	Variance Fav/(Unfav) %	Actual YTD FY16 \$'000	Variance Fav/(Unfav) %	Approved Forecast \$'000	Adopted Budget \$'000	Variance Fav/(Unfav) \$'000	Variance Fav/(Unfav) %
Revenue											
Rates and Charges	156,486	156,291	-	155,487	1%	150,211	4%	158,492	155,549	2,943	2%
Statutory Fees and Fines	4,168	3,666	14%	3,381	23%	3,441	21%	5,038	4,806	232	5%
User Fees	17,571	15,939	10%	15,457	14%	15,344	15%	22,228	21,943	285	1%
Contributions	2,916	2,838	3%	1,546	89%	2,469	18%	3,546	2,525	1,021	40%
Contributed Assets	52	159	(67%)	1,999	(97%)	156	(67%)	3,034	3,000	34	1%
Grants - Operating	14,872	14,013	6%	13,708	8%	12,193	22%	19,651	19,135	516	3%
Grants - Capital	602	2,588	(77%)	90	569%	6,239	(90%)	7,962	3,960	4,002	101%
Interest	826	827	-	775	7%	641	29%	1,404	1,163	241	21%
Other Income	1,797	1,730	4%	1,686	7%	1,659	8%	2,235	2,232	2	-
Total Revenue	199,291	198,052	1%	194,128	3%	192,352	4%	223,589	214,314	9,276	4%
Expenditure											
Employee Costs	45,910	46,495	1%	45,550	(1%)	44,355	(4%)	71,576	70,094	(1,482)	(2%)
Materials and Services	56,073	59,968	6%	64,328	13%	57,329	2%	99,003	93,292	(5,711)	(6%)
Depreciation and Amortisation	18,363	18,363	-	18,363	-	18,458	1%	27,556	27,556	-	-
Borrowing Costs	984	984	-	1,028	4%	811	(21%)	1,411	1,452	41	3%
Other Expenses	3,417	3,538	13%	3,703	17%	3,597	8%	5,710	5,721	12	-
Total Expenditure	124,747	129,347	4%	132,973	6%	124,551	-	205,255	198,116	(7,139)	(4%)
Total Comprehensive Income	74,543	68,704	8%	61,155	22%	67,800	10%	18,334	16,198	2,136	13%

Section 2.2 – Balance Sheet

	February 2017 \$'000	June 2016 \$'000	Movement \$'000	Approved Forecast \$'000	Full Year Adopted Budget \$'000	Variance Fav/(Unfav) \$'000
Assets						
Current assets						
Cash and cash equivalents	88,296	53,729	34,567	26,184	24,708	1,476
Trade and other receivables	57,012	13,449	43,563	16,601	18,467	(1,866)
Inventories	138	138	-	138	132	6
Non-current assets classified as held for sale	2,195	2,195	-	2,195	-	2,195
Other assets	1,703	2,318	(615)	2,318	2,524	(206)
Total current assets	149,343	71,829	77,515	47,436	45,831	1,605
Non-current assets						
Trade and other receivables	742	1,187	(445)	1,187	1,175	12
Other financial assets	8	8	-	8	8	-
Property, infrastructure, plant & equipment	2,036,196	2,029,649	6,547	2,064,903	2,059,012	5,891
Investment property	9,360	9,360	-	9,360	-	9,360
Intangible assets	1,070	1,150	(80)	1,028	1,272	(244)
Total non-current assets	2,047,376	2,041,354	6,022	2,076,486	2,061,467	15,019
Total assets	2,196,719	2,113,183	83,537	2,123,922	2,107,298	16,624
Liabilities						
Current liabilities						
Trade and other payables	32,884	15,402	(17,482)	15,402	15,626	224
Trust funds and deposits	-	3,755	3,755	3,755	3,662	(93)
Provisions	10,695	11,465	770	11,465	13,430	1,965
Interest-bearing loans and borrowings	2,347	7,257	4,910	7,430	7,430	-
Total current liabilities	45,926	37,879	(8,047)	38,052	40,148	2,096
Non-current liabilities						
Provisions	4,902	3,951	(951)	3,951	4,046	95
Interest-bearing loans and borrowings	19,657	19,657	(0)	11,889	11,915	26
Total non-current liabilities	24,559	23,608	(951)	15,840	15,961	121
Total liabilities	70,485	61,487	(8,998)	53,892	56,109	2,217
Net assets	2,126,235	2,051,696	74,539	2,070,030	2,051,189	18,841
Equity						
Accumulated surplus	1,025,679	951,415	74,264	969,749	985,554	(15,805)
Reserves	1,100,555	1,100,281	274	1,100,281	1,065,635	34,646
Total equity	2,126,235	2,051,696	74,539	2,070,030	2,051,189	18,841

Section 2.3 – Cash Flow

	Actual YTD FY17 \$'000	Year to Date		Full Year		
		Approved Forecast \$'000	Variance Fav/(Unfav) \$'000	Approved Forecast \$'000	Adopted Budget \$'000	Variance Fav/(Unfav) \$'000
Cash flows from operating activities						
Rates and charges	127,030	126,835	195	158,492	155,549	2,943
User charges and other	25,148	22,947	2,201	27,266	26,749	517
Contributions - monetary	2,916	2,838	78	3,546	2,525	1,021
Government grants	15,498	16,625	(1,127)	27,613	23,095	4,518
Interest received	755	755	-	1,404	1,163	241
Net GST refund / payment	6,737	6,737	-	9,900	8,843	1,057
Employee costs	(45,832)	(46,417)	585	(71,576)	(70,094)	(1,482)
Materials and services	(63,206)	(67,101)	3,895	(108,903)	(99,545)	(9,358)
Other receipts / (payments)	(3,048)	(3,505)	457	(3,472)	(3,487)	15
Net movement in deposits and bonds	(108)	(108)	-	-	-	-
Net cash provided by/(used in) operating activities	65,890	59,606	6,284	44,270	44,798	(528)
Cash flows from investing activities						
Payments for property, infrastructure, plant and equipment	(25,388)	(32,413)	7,025	(69,527)	(32,864)	(36,663)
Proceeds from sale of property, infrastructure, plant and equipment	(41)	(83)	42	6,717	-	6,717
Net cash provided by/ (used in) investing activities	(25,429)	(32,496)	7,067	(62,810)	(32,864)	(29,946)
Cash flows from financing activities						
Finance costs	(984)	(984)	-	(1,411)	(1,452)	41
Repayment of borrowings	(4,910)	(4,910)	-	(7,595)	(7,595)	-
Net cash provided by/(used in) financing activities	(5,894)	(5,894)	-	(9,006)	(9,047)	41
Net increase/(decrease) in cash & cash equivalents	34,567	21,216	13,351	(27,546)	2,887	(30,433)
Cash and cash equivalents at the beginning of the financial year	53,729	53,729	-	53,730	21,821	31,909
Cash and cash equivalents at the end of the period	88,296	74,945	13,351	26,184	24,708	1,476

Appendix A – Project Listings (Expenditure Only)

	Actual YTD FY17 \$'000	Full Year Approved Forecast \$'000		Actual YTD FY17 \$'000	Full Year Approved Forecast \$'000
Capital & Priority Works (Expenditure)			Capital & Priority Works (Expenditure)		
17010. Plant & Equipment Replacement	192	204	17486. South Peninsula Aquatic Recreation	0	719
17012. Acquisition (splays, easements)	0	111	17489. Implement Rye Traffic Mgt Strategy	53	100
17016. Oval Rehab Program	154	227	17549. Bicycle Strategy	14	158
17027. Implement Public Toilet Strategy	848	1,549	17550. Kunyung Pre-school - Building Exten	20	50
17031. Provision of Library Books/Material	789	1,313	17552. Blackspot Program (Council contrib)	50	150
17032. MPRG Artworks - Acquisitions	40	40	17554. Skate & BMX Strategy	37	810
17038. Traffic Mgt Treatments (LATM)	198	1,276	17556. Soccer Strategy - Implementation	10	50
17044. Traffic & Transport Strategy	13	20	17558. Kerb and Channel Renewal	103	811
17050. Footpaths & Access Networks Renewal	524	1,772	17593. Local Integrated Drainage Strategy	1,470	2,900
17053. Drainage Rehabilitation	467	600	17624. SIMS2 Furniture & Signs	83	190
17054. Drainage Upgrades	237	450	17626. Foreshore Camping Areas - Amenities	860	863
17062. Signage - Traffic/Parking Areas	53	153	17630. Peninsula DriveSafe	8	30
17063. Signage	19	85	17638. Minor Renewal - Community Facilitie	522	947
17065. Marine Structures Renewal	151	1,344	17659. Urban Unmade Road Contributions	39	1,343
17187. Fruitgrowers Reserve Machinery Shed	14	234	17660. Pavilion Strategy Implementation	771	5,475
17260. Playground developments	72	644	17667. Sorrento Seawall	42	674
17261. Playspace Strategy Implementation	2	60	17671. Sorrento Streetscape Strategy	49	585
17263. Implement Recreation Master Plan	569	2,426	17672. Neighbourhood Activity Centre	221	504
17313. Equestrian & Mountain Bike Strategy	44	74	17673. Sporting Facilities Lighting	74	74
17322. Waste Disposal Cell- Rye Landfill	24	90	17675. Tennis Strategy Implementation	24	70
17362. Footpath Construction Strategy	1,199	5,225	17676. Netball Strategy Implementation	698	1,420
17401. Major Buildings - Renovations	367	1,602	17677. Blackspot Program	2,254	4,942
17402. Moderate Renewal Community Facility	435	1,200	17695. Roads to Recovery Programs	2,169	6,382
17465. Coastal Management MasterPlan	1,488	2,267	17696. Hastings Activity Centre Structure	228	730
17482. Safer Local Roads Program	3,627	4,000	17697. Rosebud Activity Ctr Structure Plan	2,129	3,365

Appendix A – Project Listings (Expenditure Only)

	Actual YTD FY17 \$'000	Full Year Approved Forecast \$'000
Capital & Priority Works (Expenditure)		
17699. Unmade Carpark Construct Strategy	111	198
17701. Active Sports Strategy - Impl	13	45
17718. Timber Structures Renewal	109	390
17720. Road/Bridges & Culvert Renewal	0	40
17721. Residential Dwellings	0	79
17725. Guardrail Renewal Program	50	323
17738. Police Point Management Plan	17	119
17742. Pedestrian Treatments	11	400
17745. Strategic Water Tank Project	52	55
17767. Somerville Community House Accom.	654	649
17768. Land Acquisition - Purchase	77	5,485
17771. Resource Recovery Centre Upgrades	0	25
17773. Empire Street Mall Streetscape	31	600
17774. Wallaroo Rejuvenation	7	144
17775. Mornington Fire Brigade Competition	0	25
56003. Developer Wks - Drainage Upgrades.	2	35
56009. Conservation Works-MPRG.	17	27
56013. Street Lighting Improvements.	24	100
56030. Implement Dog free & leash areas	16	29
56044. Dredging of Boatramp at Hastings	12	75
56067. Coastal Reserves Biodiversity Cons.	68	254
56107. Building Renovations Misc.	172	517
56112. Risk Mgt Initiative former Landfill	92	691
56146. Infrastructure Upgrades - Landfills	50	75
56171. IT Systems Upgrades and Development	219	439
56226. Landfill Cell Capping Provision	0	200
56228. Corporate Water Conservation	45	204

	Actual YTD FY17 \$'000	Full Year Approved Forecast \$'000
Capital & Priority Works (Expenditure)		
56275. Coastal Management	402	668
58302. Library Buildings Furn & Fittings	5	80
58308. The Briars Fera Exclusion Fence	0	6
58317. Marine Drive Safety Beach	0	466
58324. Place Making - Minor Works	135	133
58337. Sorrento Seawall	0	60
58338. Implement Waste Management Strategy	0	60
58340. Fire Management	0	190
58342. Street Lighting Design - Program	0	60
58347. Dam Safety Works	0	37
58348. High Public Risk & OHS Works	15	80
	25,858	73,373

Appendix A – Project Listings (Expenditure Only)

	Actual YTD FY17 \$'000	Full Year Approved Forecast \$'000		Actual YTD FY17 \$'000	Full Year Approved Forecast \$'000
Priority Projects (Expenditure)			Priority Projects (Expenditure)		
6443. Performing Arts Program	10	20	6680. Mt Eliza Promotional Fund 2012-19	28	70
6459. Hastings Promotional Fund	20	56	6718. Green Wedge Action Plan	0	15
6462. Corporate Strategy	0	15	6736. Careers Expo	12	10
6619. Family Violence Project	11	25	6915. Men's Sheds	11	25
6637. King St Hastings Master Plan	9	20	6923. Red Hill Character Assessment and D	0	41
6638. Rye Town Centre Plan	0	60	6926. Parking Precinct Plans	5	35
6639. Tootgarook Wetland Biodiversity Pln	0	25	6927. Port Phillip Urban Design Framework	0	35
6640. Sthn Pen Congestion Mmnt Project	13	25	6938. WOL Comty Arts-Metro Access Project	0	2
6641. Equity Land Trust Feasibility Study	0	20	6942. Councillor Induction Training	16	65
6642. French St Rye, Feasibility Study	12	25	6943. Councillor Tools & Equip Replacemnt	51	50
6643. Lifecycle Condition Inspection Prog	22	150	6944. Councillor Media Training	0	15
6644. Eco Living Centre - Community Engag	15	35	6945. Risk & OHS Compliance Framework	48	50
6645. Eco Living Centre - Innovations	19	30	6946. Archaeology Literacy Village Worksh	0	5
6646. Kerbside Bins Aus Stds Bin Lids	0	15	6947. Asset Mment Information System	21	89
6647. Resource Rec Cntr - Asset Mgmt Plan	0	20	6948. Portsea SLS Club Redevelopment	0	300
6648. Green Army Teams	53	135	6949. WOL Mt Martha North Beach Erosion	0	54
6649. Domestic Animal Management Plan	0	10	6950. Sports Field Urgent Works	0	378
6650. Privately Owned CCTV Rebates	12	24	6951. Playground Renewal/Defect Resolutio	0	268
6651. Rosebud Youth Hub	0	30	6952. Rapid Response Team	0	260
6652. Home Library Service	0	15	6953. Fire & Emergency Management Capably	0	200
6653. Warringine Park Precinct Plan	0	5	6954. Childsafe Legislation Compliance	0	165
6654. Aboriginal Community Dev Symposium	0	5	6955. Carbon Neutrality (PV/Solar Cells)	0	550
6655. Community Gardens	11	15	8501. SCS Mornington Main St Act 2015-20	81	135
6665. Council Elections	9	870	8507. WOL Integrated Graffiti Prevention	12	11
6672. Responsible Gaming Strategy	0	7	8508. WOL - Septic/Waste Water Program	56	113
6679. Rosebud Promotional Fund 2012-19	19	99	8509. WOL Tourism Destination Development	56	72
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Appendix A – Project Listings (Expenditure Only)

	Actual YTD FY17 \$'000	Full Year Approved Forecast \$'000		Actual YTD FY17 \$'000	Full Year Approved Forecast \$'000
Priority Projects (Expenditure)			Priority Projects (Expenditure)		
8512. WOL MPT Tourism Industry Developmen	12	29	8778. Peninsula Reads	9	60
8513. WOL Official Visitors Guide	12	141	8780. Local History Digitisation	28	46
8514. WOL RTB Operations	3	20	8790. Music Bursary Program	0	45
8603. Local Housing and Settlement Strate	0	41	8793. Land Subject to Inundations Overlay	0	15
8606. Character Assessment and Design Gui	0	47	8799. Ranelagh Conservation Man Plan Impl	9	18
8632. WOL School Focussed	86	109	8803. WOL FREEZA (D&A Free Entertainment)	6	33
8642. Sorrento Promotional Fund SCS 14-18	47	47	8809. WOL MPS Business Tourism	6	19
8646. Provision - Matching Grant Funding	0	120	8811. WOL Universal Access Planning & Cha	0	9
8649. Parking Precinct Plan Mornington To	0	20	8829. WOL Local Landcare Facil Initiative	37	22
8654. Early Home Learning P'ship (PRC)	0	7	8845. WOL History of Rosebud West	16	16
8669. Spatial Employment Strategy	0	13	8847. Peninsula Planning Statement	0	30
8670. Mount Eliza Town Centre Plan	0	30	8849. Tootgarook Wetland Management Plan	32	138
8671. Somerville Town Centre Plan	0	2	8852. Coastal Geotechnical Risk Assessmen	0	27
8674. Biodiversity Action Plan Modelling	11	85	8854. Marine Industrial Precinct Zone	0	40
8678. Township Design Guideline Brochures	0	15	8863. Climate Adaption Plan Priorities	39	40
8679. Heritage Review - Area 2	0	4	8871. Sus Communities Planning Framework	0	11
8683. Road Network Development Strategy	4	30	8877. WOL Smalltalk Program	0	10
8706. Land Management Overlay Implementat	0	15	8878. WOL Willum Warrain	72	65
8711. Validation of Infrastructure Assets	21	21	8892. WOL Metro Access Inclusive Respite	0	1
8724. Public Recreation Space Strategy	0	60	8899. WOL Schoolies Week Project	2	10
8726. Dromana Activity Centre Structure P	5	27	8902. Tyabb Airfield Precinct Plan	0	30
8757. WOL Iron Bar Project	0	12	8907. Management of Closed Landfills	0	54
8759. WOL Equipment Pilot	16	91	8909. Bay Trails and Strat Network Paths	0	90
8760. Visitor Information Ctre Staffing	50	60	8914. Place Planning	7	4
8761. M/ton Peninsula Branded Produce	0	8	8915. Let's Talk About Alcohol	4	4
8762. Police Point Houses	0	12	8918. Community Playgroup Initiative	0	12
8777. Creative Peninsula Program	34	67	8919. Southern Peninsula Arts Program	11	20
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	Actual YTD FY17 \$'000	Full Year Approved Forecast \$'000		Actual YTD FY17 \$'000	Full Year Approved Forecast \$'000
Priority Projects (Expenditure)			Priority Projects (Expenditure)		
8920. Access & Equity Policy Implementati	4	9	8966. WOL EPA Research Dumping	0	18
8921. ANZAC Commemorative Naming Project	0	2	8967. Forshore Community Engagement Revie	7	8
8922. Baxter Township Plan	1	40	8971. F/shore Srvc & All Abilities Access	0	80
8923. Pt Nepean Rd Streetscape Design	0	105	8972. Rye Foreshore Landscape Plan	0	2
8924. Heritage Review Blairgowrie-Portsea	0	120	8975. Training for CTC Groups & Committee	9	10
8925. Mt Martha Coastal Management Plan	20	50	8977. Community Harms Prevention Strategy	16	10
8926. Hastings Foreshore Landscape M/Plan	0	40	8981. Chisholm SMP Connect Contribution	23	50
8927. iCAN Geomedia Smart Client	0	54	8982. Agricultural Land Use Fact Sheets	0	1
8928. Dam Safety Investigation & Analysis	27	40	8992. WOL - A Place to Call Home	15	5
8929. Financial Analysis of Waste Portfol	0	50	8993. Tjaegan Wilson-Blow Reconcil Award	0	1
8930. Waste - Litter Education Programs	0	5	8995. Contribution - Boardwalk Point Leo	16	16
8931. Carbon Neutrality	70	220	8996. Tennis Aust Pro Tour Contribution	0	20
8932. The Pillars Preservation	0	200			
8934. Peninsula Short Film Festival	35	35		1,646	8,407
8935. MPRG Redevelopment Plan	15	106			
8938. Aboriginal Cultural Heritage W/shps	0	5			
8939. Shire Strategic Plan 2017-2020	41	75			
8940. Corporate Performance Reporting F/W	0	20			
8943. WOL - Kindergarten Central Enrolmnt	0	7			
8945. WOL A Healthy Childhood	9	55			
8946. Mothers Beach Seawall (DELWP)	0	12			
8948. WOL Peninsula Pride	14	12			
8951. WOL Tourism Public Relations	0	40			
8955. WOL Tourism Marketing/Advert	109	105			
8962. WOL Walk To School	8	10			