

Devonport City Council

FINANCE REPORT

YTD for the month ended August 2020

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Monthly Finance Report for Council.	
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The operating result for the year to the end of August is \$226K above the budget surplus. The favourable result was improved by greater than anticipated parking revenue following the lifting of restrictions in mid June 2020.

Rates & Service Charges - \$44K Favourable

The initial rate run was slightly higher than budget due to late supplementary notices received in May/June 2020.

Fees and User Charges - \$149K Favourable

Parking revenue and fines are greater than budget, but still below the same months in 2019. Activity in the City, and therefore parking revenue, has rebounded more quickly than anticipated. The paranaple Convention Centre and room bookings are also recovering, however the Town Hall Theatre and the Bass Strait Maritime Centre remained closed during this period. The improvement in parking revenue was offset by a reduction in commercial rent as Council provided relief to commercial tenants in line with Government guidelines.

Grants - Operating - \$14K Favourable

The favourable budget variance of \$14K is largely due to timing of receipt of a grant from Arts Tasmania.

Contributions - Operating - \$6.3K Unfavourable

The unfavourable budget variance is due to the refund of a contribution to a developer.

Interest Income - \$7.8K Favourable

The favourable variance relates to additional funds on deposit.

Other Revenue - \$19.6K Favourable

The favourable variance largely relates to additional revenue from the recovery of fines.

Employee Benefits - \$40.7K Favourable

The favourable variance is due to reduced full time equivalents (FTE) at 31 August. Council employed 141 FTE at the end of August compared to a budget of 150.

Materials and Services - \$16.8K Favourable

Favourable variance relates mainly to timing of payments and is minor at this stage of the financial year.

Depreciation - \$148K Unfavourable

The unfavourable variance relates to shorter than expected useful lives for the convention center, multi purpose building and Providore Place on capitalisation, and variances in useful lives in some road assets which will be addressed in coming months.

Financial Costs - \$25.9K Unfavourable

The unfavourable variance relates to timing in budget payments. The interest expense will reduce later in the financial year as more of the loan moves to variable rates.

Other Expenses - \$70.5K Favourable variance

The favourable variance relates to timing in Grant payments to the community through the Financial Assistance Grants program.

Internal Charges and Recoveries - \$8.2K Unfavourable

The variance relates to timing differences between the estimated and actual labour hours that have been capitalised.

Balance Sheet

The balance of Capital Work in Progress at the end of August is \$10.83M, including \$6.4M which relates to the LIVING CITY project.

FINANCIAL SUMMARY					YTD to August 2020		
Operating Summary			YT Budget	D Actual	Annual Budget	Current Forecast	
Revenue Expenditure		_	30,066,922 6,401,392	30,294,724 6,403,100	38,651,649 40,852,313	38,651,649 40,852,313	
Operating Position		_	23,665,530	23,891,624	(2,200,664)	(2,200,664)	
Capital Expenditure Summa	ry		Annual Budget \$'000	Actual \$'000	Annual Forecast \$'000		
Capital Expenditure		_	15,559	982	15,559		
Cash Information					August 2020	June 2020	
Operating Account (Reconciled Interest-Earning Deposits	d balance)			-	3,250,319 19,652,195	1,439,517 14,400,632	
				=	22,902,514	15,840,149	
Debtor Information	August 2020	June 2019		Rates Debtors Ageing	August 2020	% of Annual Rates	
Rates Debtors Infringement Debtors Sundry Debtors Planning & Health Debtors	18,877,360 81,353 480,462 14,046	601,809 67,877 1,238,846 41,807	20 20	20/2021 - Current 019/2020 - 1 Year 18/2019 - 2 Years 17/2018 - 3 Years Over 3 years	18,521,365 235,093 41,355 24,850 54,697	64.1%	
	19,453,220	1,950,338		=	18,877,360		
Cash Investment Information	າ						
		Actual Rate				August 2020	
ANZ Cash Deposits - At Call CBA Cash Deposits - At Call AMP 31 days notice account		0.65% 0.65% 1.05%				4,109,635 11,537,233 4,005,327	

All cash investments are invested in compliance with Council's Investment Policy.

Benchmarks: BBSW90 Day Index 0.090%

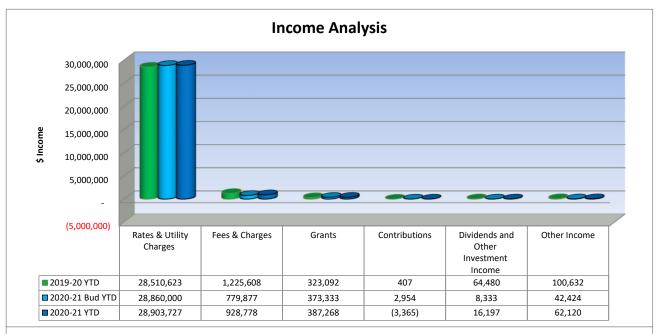
RBA Cash Rate 0.25%

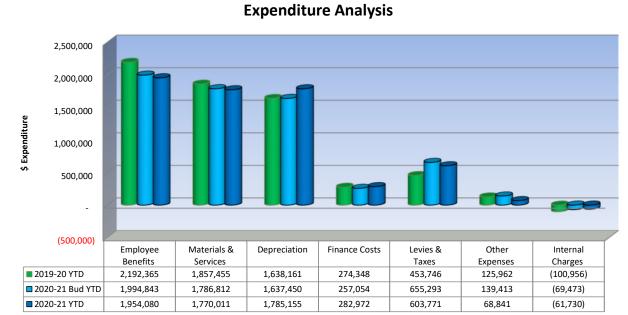
Commentary

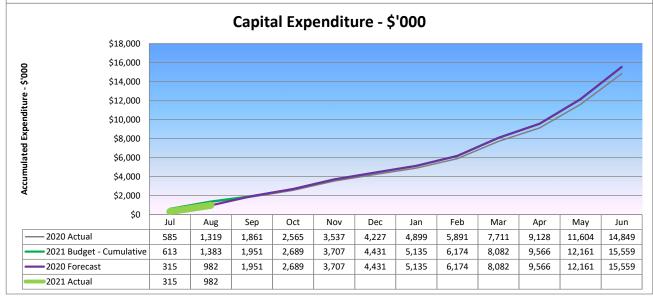
This report provides a high level summary of operational income and expenditure, capital expenditure and the cash and receivables

19,652,195

SUMMARISED OPERA	UMMARISED OPERATING REPORT		Y	YTD to August 2020		
	YTD		YTD Varia	YTD Variance Full Budget		Forecast
	Budget	Actual	\$	%	2020-21	2020-21
INCOME						
Rates and Service Charges	28,860,000	28,903,727	43,727	0.2%	29,115,000	29,115,000
Fees and User Charges	779,877	928,778	148,901	19.1%	5,610,164	5,610,164
Grants - Operating	373,333	387,268	13,935	3.7%	2,517,410	2,517,410
Contributions - Operating	2,954	(3,365)	(6,319)	-213.9%	17,725	17,725
Dividend Income	-		-	0.0%	198,000	198,000
Interest Income	8,333	16,197	7,863	94.4%	50,000	50,000
Other Revenue	42,424	62,120	19,696	46.4%	483,350	483,350
Share of profit of associates	-		-	0.0%	660,000	660,000
TOTAL INCOME	30,066,922	30,294,724	227,802	0.8%	38,651,649	38,651,649
EXPENSES						
Employee Benefits	1,994,843	1,954,080	(40,763)	-2.0%	12,231,244	12,231,244
Materials and Services	1,786,812	1,770,011	(16,801)	-2.0%	12,578,942	12,578,942
Depreciation	1,637,450	1,785,155	147,705	9.0%	9,824,700	9,824,700
Financial Costs	257,054	282,972	25,918	10.1%	1,542,327	1,542,327
Levies & Taxes	655,293	603,771	(51,522)	-7.9%	3,922,803	3,922,803
Other Expenses	139,413	68,841	(70,572)	-50.6%	1,400,815	1,400,81
Internal Charges and Recoveries	(69,473)	(61,730)	7,743	-30.8%	(648,519)	(648,519
TOTAL EXPENSES	6,401,392	6,403,100	1,708	0.0%	40,852,313	40,852,313
NET OPERATING SURPLUS / (DEFICIT)	23,665,530	23,891,624	226,094	1.0%	(2,200,664)	(2,200,664
CAPITAL ITEMS						
Grants - Capital	2,583,000	2,612,126	29,126	1.1%	10,248,000	
Gain / Loss on Disposal of Assets	(136,167)	(6,588)	129,579	-95.2%	(817,000)	
TOTAL CAPITAL ITEMS	2,446,833	2,605,538	158,705	6.5%	9,431,000	
NET SURPLUS / (DEFICIT)	26,112,363	26,497,163	384,799	1.5%	7,230,336	
Own Source Revenue:	98.7%	98.7%			93.4%	







BALANCE SHEET REPORT	As at August 2020		
	31 Aug 2020	30 Jun 2020	
Current Assets			
Cash at Bank and On Hand	3,250,319	1,383,627	
Trust Deposits	134,693	123,812	
Cash Investments	19,652,195	12,222,909	
Receivables - Rates and Utility Charges	18,877,360	601,809	
Receivables - Infringements	81,353	67,877	
Receivables - Sundry	480,462	1,238,846	
Receivables - Planning & Health	14,046	41,807	
Loans Receivable - Current	24,958	24,958	
Accrued Revenue	16,733	292,974	
Prepayments	199,945	199,945	
Net GST Receivable	372,403	88,710	
Other Asset	810,219	810,219	
Non Current Assets	43,914,685	17,097,491	
Loans Receivable - Non-Current	360,242	363,942	
Dulverton Regional Waste Management Authority	8,190,847	8,190,847	
TasWater	76,788,792	76,788,792	
Property, Plant & Equipment	814,402,864	814,538,542	
Accumulated Depreciation - PP&E	(313,702,388)	(312,901,816)	
Capital Work in Progress	10,831,464	9,871,287	
	596,871,822	596,851,595	
Total Assets	640,786,507	613,949,086	
Current Liabilities			
Trade Creditors	148,407	143,840	
Accrued Expenses	2,380,418	2,723,636	
Trust Liability	202,052	163,476	
Income In Advance - Current	1,873,401	2,273,886	
Loans - Current	1,863,200	1,863,200	
Annual Leave	991,584	1,003,994	
Other Leave - RDO	67,870	78,519	
Other Leave - TOIL	13,852	13,868	
Long Service Leave - Current	1,155,739	1,147,636	
	0.404.502	0.410.055	
Non Current Liabilities	8,696,523	9,412,055	
Derivative Financial Instruments	2,882,006	2,882,006	
Loans - Non-Current	48,666,361	48,967,027	
Long Service Leave - Non-Current	324,297	324,297	
	51,872,665	52,173,331	
Total Liabilities	60,569,188	61,585,386	
Net Assets	580,217,319	552,363,701	
Equity			
Asset Revaluation Reserve	340,423,732	340,416,640	
Asset Revaluation Reserve - Associates	1,661,150	1,661,150	
Other Reserves	391,888	391,888	
Accumulated Surplus	211,243,387	211,136,405	
Operating Surplus / (Deficit)	23,891,624	(2,601,391)	
Capital Surplus / (Deficit)	2,605,538	1,359,011	
Total Equity	580,217,319	552,363,701	
	333,£17,017	332,000,701	

The Current ratio indicates Council's ability to pay its debts as and when they become due. A ratio of one or higher is required for the entity to remain solvent.

Current Ratio:

5.05

1.82