

7.6 January 2022 Monthly Financial Report

Executive Summary

Purpose

The purpose of this report is to provide Council the Monthly Financial Report for January 2022. The Monthly Financial Report is designed to identify and explain major variances at an organisational level and is provided in **Attachment 1**.

Background

The year to date annual budget referred to in this report reflects the October 2021 Amended Budget, approved by Council on 25 October 2021 which includes the carry forward funding for 2020-21 priority projects and capital works forward commitments.

Key Issues

Council's favourable operating result against year to date budget of \$92.39 million is \$7.05 million or 8% above the October Amended Budget of \$85.34 million primarily due to a number of factors which are outlined in **Section 2 of Attachment 1** -

Financial Overview.

Capital works actual expenditure is \$32.89 million which is \$8.41 million below year to date budget phasing of \$41.30 million. Priority projects expenditure of \$13.22 million is \$6.27 million below year to date budget phasing of \$19.49 million.

Council's Balance Sheet and cash position are sound and depict a satisfactory result. At the end of January, Council's cash position stood at \$85.66 million or \$18.68 million above year to date budget.

Officers' recommendation

That Council resolve to receive and note the Monthly Financial Report for January 2022 (**Attachment 1**).

Responsible director: Phillip Storer, Chief Executive Officer

1. Purpose

The purpose of this report is to provide Council the Monthly Financial Report for January 2022. The Monthly Financial Report is designed to identify and explain major variances at an organisational level and is provided in **Attachment 1**.

2. Policy implications and relevance to community plan and council plan

This report is consistent with the Boroondara Community Plan 2021-31, incorporating the 10-year Community Vision, Council Plan 2021-25 and Municipal Public Health and Wellbeing Plan 2021-25 (MPHWP). In particular, the Council Plan theme of Leadership & Governance and the strategy "Resources are responsibly allocated and used through sound financial and asset planning, procurement and risk management practices".

3. Background

The year to date annual budget referred to in this report reflects the October 2021 Amended Budget, approved by Council on 25 October 2021 which includes the carry forward funding for 2020-21 priority projects and capital works forward commitments.

4. Outline of key issues/options

Year to date actual vs. year to date October Amended Budget

The favourable operating result against year to date budget of \$92.39 million is \$7.05 million or 8% above the October Amended Budget of \$85.34 million primarily due to a number of factors which are outlined in **Section 2 Financial Overview**.

Balance Sheet and Cash Flow Statement

Cash and investment holdings are \$85.66 million as at 31 January 2022, or \$18.68 million higher than year to date budget of \$66.98 million. This represents a decrease of \$9.29 million from 30 June 2021.

The Balance Sheet as at 31 January 2022 indicates a satisfactory result with total current assets of \$194.09 million and total current liabilities of \$57.97 million.

Please refer to **page 8 of Attachment 1** for further detail.

Capital Works

Council's year to date performance in gross capital works expenditure is \$32.89 million which is \$8.41 million below of year to date budget phasing of \$41.30 million (year to date actual and commitments as at 31 January 2022 equates to \$82.84 million) and includes committed expenditure for multi-year projects with the most significant being Kew Recreation Centre and Canterbury Community Precinct.

Priority Projects

Council's year to date performance in gross priority project expenditure is \$13.22 million which is \$6.27 million below year to date budget phasing of \$19.49 million.

Refer to page **3 and 4 of Attachment 1** for graphical representation of capital works and priority projects year to date budget, actual and committed expenditure.

5. Consultation/communication

The Executive Leadership Team has reviewed and approved the report.

6. Financial and resource implications

Council's current operating and cash flow position is sound. Council continues to monitor and review the financial impacts of COVID-19 on Council's operating budget.

7. Governance issues

The implications of this report have been assessed in accordance with the requirements of the Victorian Charter of Human Rights and Responsibilities.

8. Social and environmental issues

There are no direct impacts resulting from this report.

Manager: **Amy Milica Montalti, Chief Financial Officer**

Report officer: Sapphire Allan, Coordinator Management Accounting

Attachment 1

City of Boroondara

Monthly Financial Report

January
2022




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1. Executive Overview

1.1 Introduction and overview

The Monthly Performance Report for January 2022 has been prepared in accordance with Australian Accounting Standards.

This monthly report is designed to identify major variations against the October 2021 Amended Budget at an organisational level.

The year to date and annual budget referred to in this report reflects the October 2021 Amended Budget approved by Council on 25 October 2021 which includes the carry forward funding for final 2020-21 priority projects and capital works forward commitments.

1.2 Key financial highlights and overview

Key financial summary	ANNUAL ORIGINAL BUDGET	YTD ACTUAL (1)	YTD BUDGET (2)	YTD VARIANCE (1) - (2)	YTD VARIANCE (1) / (2)	STATUS YTD VARIANCE	ANNUAL OCTOBER AMENDED BUDGET (3)
	\$'000	\$'000	\$'000	\$'000	%		\$'000
Surplus/(Deficit) for the year	9,012	92,390	85,339	7,051	8%	✓	(735)
Recurrent income	253,495	222,593	225,274	(2,681)	-1%	—	243,851
Recurrent expenditure	219,827	119,648	126,726	7,078	6%	✓	221,267
Capital works							
Expenditure *	101,586	32,887	41,299	8,412	20%	✓	99,690
Priority projects							
Expenditure *	32,061	13,223	19,492	6,269	32%	✓	39,639
Closing cash and investments **	103,728	85,664	66,984	18,680	28%	✓	100,065

** Please refer to page 8 for further details and explanation of closing cash and investments.

Status legend:

✓	Above budgeted revenue or under budgeted expenditure.
—	Below budgeted revenue or over budgeted expenditure by <10%.
✗	Below budgeted revenue or over budgeted expenditure by >10%.

The overall financial position at 31 January 2022 is satisfactory with a working capital ratio of 3.35 to 1 (including cash contingency for emergency response works and reserve funds of \$22.47 million).

Storm Event - October 2021

During October 2021, the City encountered severe winds bringing down trees and causing damage across a number of Council locations. Actual expenditure as at 31 January 2022 is \$554,612. Considering these events, the cash contingency will be reduced by this amount. Total forecast expenditure is expected to be around \$850,000

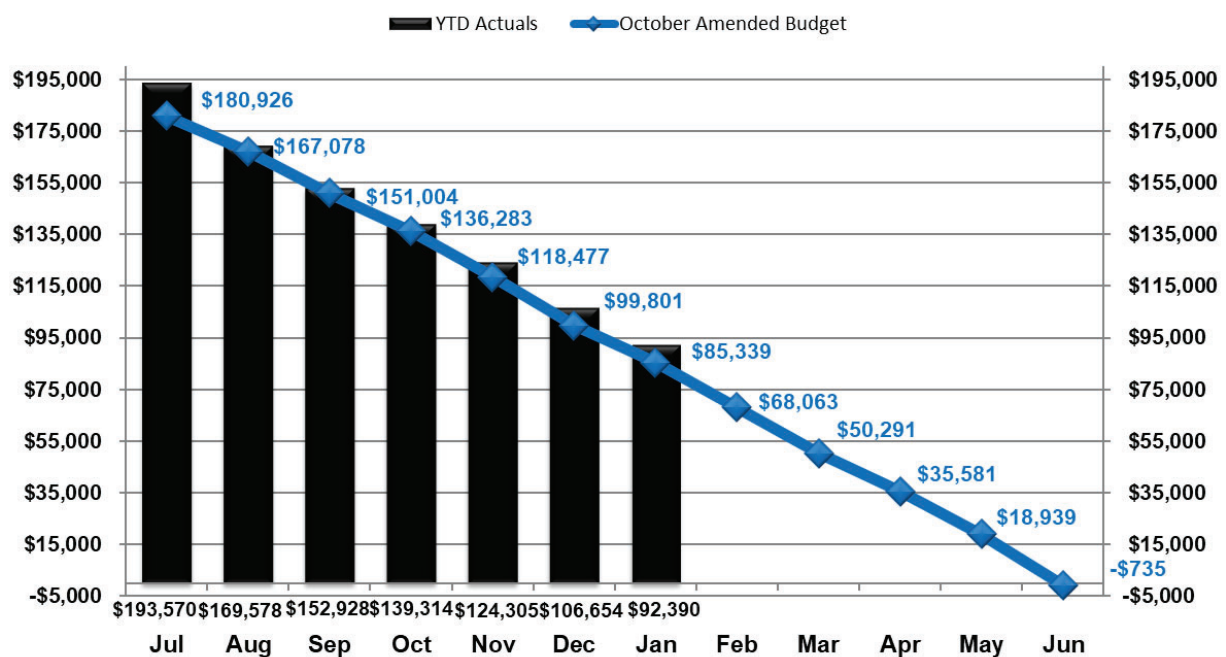
Surplus Result

Year to date actual vs. October Amended Budget

The year to date surplus result of \$92.39 million as per the budget is due to the striking of full year annual rates in August 2021. The surplus result will reduce over the course of the year as Council delivers services to the community. In addition, the favourable result against year to date budget of \$7.05 million or 8% is due to timing differences for income and expenditure across Council. Refer to **Section 2 Financial Overview** for details on Council's financial performance.

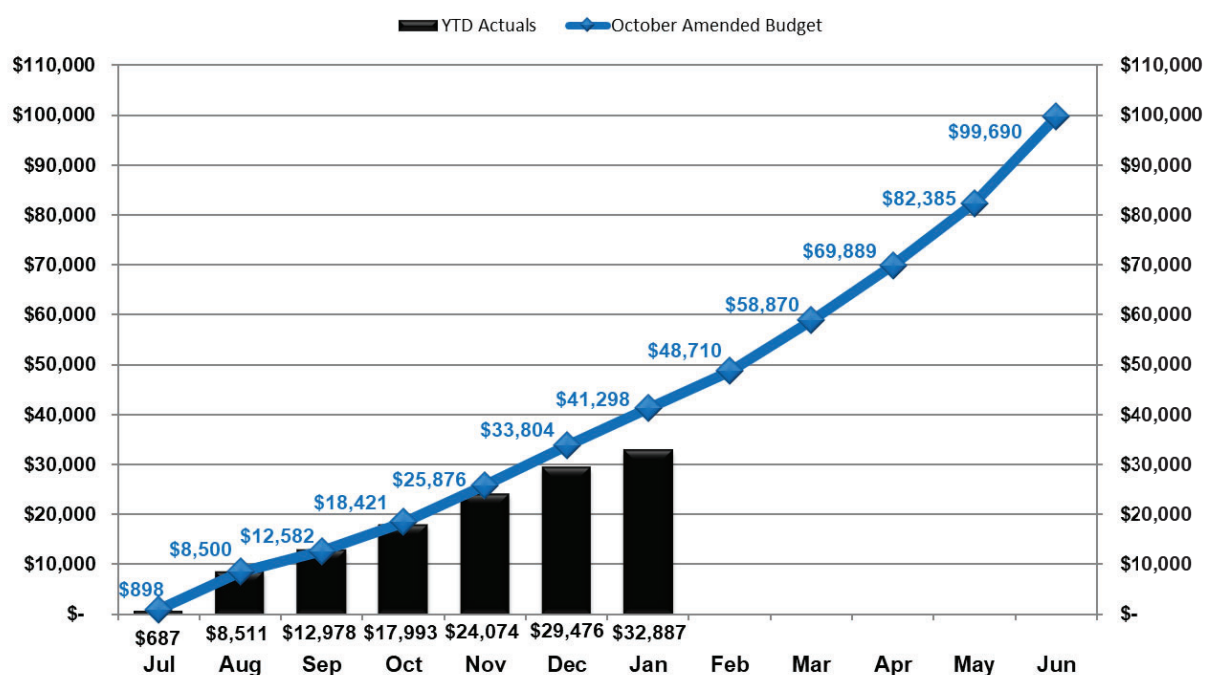
Please refer to the graphical representation below of actual year to date surplus result versus the October Amended Budget.

Surplus/(Deficit) Result 2021-22 Surplus Result vs October Amended Budget \$'000



Capital Works

Capital Works Projects 2021-22 Cumulative Budget vs Actual Expenditure All Projects - '\$000

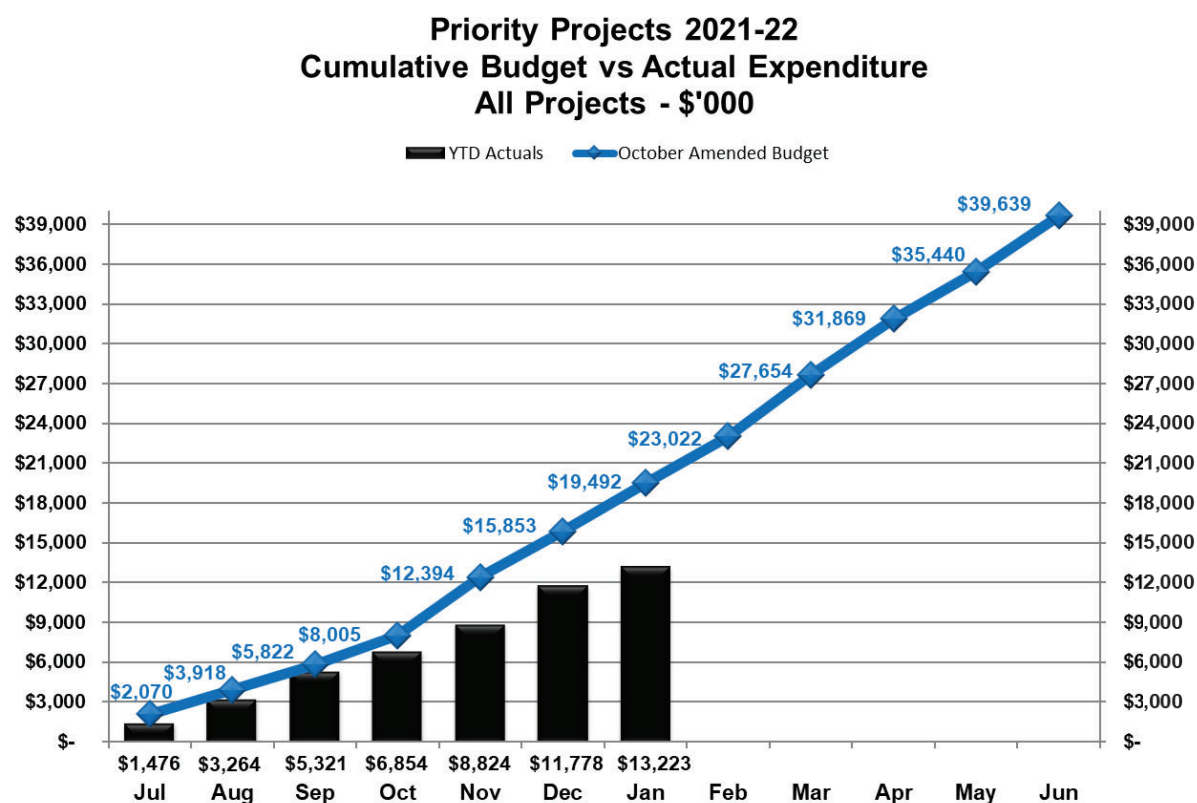


Council's year to date performance in gross capital works expenditure is \$32.89 million which is \$8.41 million below year to date budget phasing of \$41.30 million.

Capital works committed expenditure as at 31 January 2022 is \$49.95 million (year to date actual and commitments equates to \$82.84 million) and includes committed expenditure for multi-year projects with the most significant being Kew Recreation Centre and Canterbury Community Precinct.

Please refer to **Section 2.4 Capital Works** for further explanation.

Priority Projects



Council's year to date performance in gross priority project expenditure is \$13.22 million which is \$6.27 million below year to date budget phasing of \$19.49 million.

Priority projects committed expenditure as at 31 January 2022 is \$24.43 million (year to date actual and commitments equates to \$37.65 million).

Please refer to **Section 2.3 Priority Projects** for further explanation.

2. Financial overview

2.1 Income Statement

The year to date surplus result of \$92.39 million is \$7.05 million above the October Amended Budget surplus of \$85.34 million. The favourable result against year to date budget is due to a number of factors which are outlined below.

Year to date total recurrent and non-recurrent income is below budget by (\$5.86 million) comprising recurrent income of (\$2.68 million) below budget and non-recurrent income of (\$3.18 million) below budget, while year to date total recurrent and non-recurrent expenditure is \$13.35 million (\$7.08 million + \$6.27 million) below budget.

The following table includes explanations on major income and expenditure line variances over \$75,000 against the year to date budget.

Definitions

Timing (T) = Year to date expenditure or income level is less/more than anticipated in the budget phasing. Anticipated this variance will correct by end of financial year without management action.

Permanent (P) = The dollars outlined as a permanent variance are anticipated to add/reduce the end of year result.

Forecast = Where a permanent variance has been determined, an expected full year forecast variance has been noted.

Phasing = When anticipated spread of expenditure/income across the financial year is expected to be spent/received.

Year to date actual vs. year to date budget variations.

Income		
Income line	Expected variance (P)ermanent (T)iming	Explanation Year to date actual vs year to date budget variations
Rates and charges (including waste) \$115,000	T	Higher than budgeted income: <ul style="list-style-type: none"> \$115,000 - rates and charges income, primarily in interest on rates.
Statutory fees and fines (\$865,000)	P T T	Lower than budgeted income: <ul style="list-style-type: none"> (\$515,000) - parking management income due to COVID-19 impacts. (\$205,000) - trade permits income. (\$136,000) - lodgement fee income, primarily in swimming pool and spa registrations.

Monthly Financial Report – January 2022

Attachment 1

Income		
Income line	Expected variance (P)ermanent (T)iming	Explanation Year to date actual vs year to date budget variations
User fees (\$815,000)	T T T T	Lower than budgeted income: <ul style="list-style-type: none"> • (\$349,000) - other service fees and charges, primarily in general waste due to reduced usage in the transfer station during COVID-19 restrictions. • (\$213,000) - lodgement fees, primarily in swimming pool and spa registrations income. • (\$152,000) - fines income, primarily in revenue and property services • (\$87,000) - other charges and income, primarily in green waste due to reduced usage in the transfer station during COVID-19 restrictions.
Operating Grants \$198,000	T	Higher than budgeted income: <ul style="list-style-type: none"> • \$198,000 - grants operating - primarily due to Immunisation Services funding received ahead of year to date planned budget phasing.
Contributions Cash (\$865,000)	T	Lower than budgeted income: <ul style="list-style-type: none"> • (\$879,000) - developers open space contributions behind year to date planned budget phasing.
Other income (\$439,000)	T T	Lower than budgeted income: <ul style="list-style-type: none"> • (\$272,000) - fresh food market rental abatement. • (\$92,000) - other income, primarily right of ways income.

Expenditure		
Expense line	Expected variance (P)ermanent (T)iming	Explanation Year to date actual vs year to date budget variations
Employee costs \$2.01 million	T T T T	Lower than budgeted expenditure: <ul style="list-style-type: none"> • \$3.30 million - salaries and associated costs primarily due to staff vacancies across the organisation. • \$82,000 - apprentices and traineeships across the organisation. Offset by higher than budgeted expenditure: <ul style="list-style-type: none"> • (\$1.13 million) - temporary staff filling vacancies across the organisation. • (\$285,000) - overtime, casuals and relievers filling vacancies across the organisation.

Monthly Financial Report – January 2022

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Expenditure		
Expense line	Expected variance (P)ermanent (T)iming	Explanation Year to date actual vs year to date budget variations
Materials and services \$4.69 million	T	Lower than budgeted expenditure: <ul style="list-style-type: none"> \$767,000 - specialist tree work, high voltage works and block tree pruning in Environmental Sustainability and Open Space. \$666,000 - capital works in progress (items expensed due to not meeting the asset capitalisation criteria - this is a non-cash accounting entry). \$602,000 - waste recycling disposal expense. \$392,000 - licencing and maintenance contracts. \$247,000 - professional services and advice. \$185,000 - fleet excess claims expense. \$184,000 - telephone, internet and data sim cards. \$184,000 - water supply expense. \$163,000 - legal fees expense. \$139,000 - application support expense. \$115,000 - electricity expense. \$109,000 - printing expense. \$108,000 - stump removal expense. \$105,000 - non staff catering expense. \$102,000 - postage expense. \$97,000 - consultants expense. \$96,000 - landscape contractor expense. \$93,000 - painting services expense. \$84,000 - petrol expense. \$80,000 - line marking expense. Offset by higher than budgeted expenditure: <ul style="list-style-type: none"> (\$534,000) - trade services expense across the organisation. (\$176,000) - recruitment costs across the organisation. (\$100,000) - plumbing expense. (\$76,000) - drainage cleaning and maintenance expense.
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Bad and doubtful debts \$314,000	T	Lower than budgeted expenditure: <ul style="list-style-type: none"> \$381,000 - bad and doubtful debts expense primarily in parking management.

2.2 Balance Sheet and Cash Flow Statement

Cash and investment holdings are \$85.66 million as at 31 January 2022 which has decreased by \$9.29 million from 30 June 2021.

Total cash and investment holdings are \$18.68 million higher than year to date budget primarily due to:

- Lower than budgeted materials and services of \$8.89 million due to timing of cash outflows.
- Higher than budgeted rates and charges of \$7.83 million due to timing and a slightly higher collection rate (54.72%) than anticipated (53%).
- Employee costs are lower than budgeted primarily due to staff vacancies across the organisation.

Partially offset by:

- Grants - operating lower than budget (\$1.27 million) due to timing and being behind planned budget phasing.
- Developer contributions lower than budget (\$739,000) due to timing.

The Balance Sheet as at 31 January 2022 indicates a satisfactory result with total current assets of \$194.09 million and total current liabilities of \$57.97 million.

The working capital ratio of 3.35 to 1 (includes a 0.5% or \$829,000 cash contingency for emergency response works and reserve funds of \$22.47 million) reflects the increase in current debtors resulting from the striking of the rates which will reduce by 30 June 2022 as Council funds its operating programs and capital works. The rate debt will be repaid over the remainder of the financial year in accordance with the payment options chosen by ratepayers.

2.3 Priority Projects

Council's year to date performance in gross priority project expenditure is \$13.22 million which is \$6.27 million below year to date budget phasing of \$19.49 million, primarily due to expenditure delays, the most significant being:

- **81082 - BC1 Program Resources - \$1.95 million**
Project activity is currently on schedule. The current variance is attributed to recruitment for roles across the program taking longer in the COVID-19 environment. This variance is expected to reduce as new resources are on-boarded.
- **81084 - System Development and Implementation- \$1.87 million**
This variance has arisen due to a delay completing negotiations for the core applications system implementation work that is part of the Transforming Boroondara program. Negotiations are now complete, and work is scheduled to commence in the current quarter. Works will be accelerated, and the variance is expected to be reduced by the end of the 2021-22 financial year.
- **81081 - BC1 Program delivery partner - \$573,000**
This variance has arisen due to a delay receiving invoices for work completed in the previous quarter. This has now been resolved and the future variances are expected to be reduced.
- **80931 - North East Link - \$488,000**
The North East Link (NEL) is a multi-year project, now expected to be completed in 2027-18. The project has been primarily delayed due to COVID-19 restrictions and recent shutdowns across the construction sector, which has resulted in less expenditure in the first half of the year than anticipated.
- **80968 - Boroondara Customer First Delivery and project support- \$375,000**
The current variance is a result of deferral of contract spending relating to the Transforming Boroondara program into the next quarter. As a result, the variance will be resolved late in the third quarter of the 2021-22 financial year. The project schedule has not been impacted.
- **80977 - Enterprise Change and Communications - \$245,000**
Project activity is currently on schedule. The variance is attributed to recruitment of roles in the program's change and governance teams which is currently being undertaken. This variance is expected to reduce as resources are on-boarded.

Priority projects committed expenditure as at 31 January 2022 is \$24.43 million (year to date actual and commitments equates to \$37.65 million).

Refer to **page 4 Executive overview** for graphical representation of priority projects year to date budget, actual and committed expenditure

2.4 Capital Works

Council's year to date performance in gross capital works expenditure is \$32.89 million which is \$8.41 million below year to date budget phasing of \$41.30 million, primarily due to expenditure delays, the most significant being:

- **71636 & 71637 - Roads resheeting and Full road reconstruction and kerb replacements - \$1.95 million**
Works have been delayed due to COVID-19 restrictions limiting the number of people allowed on site and recently with reduced staffing levels due to COVID-19 positive cases impacting scheduling. Pending a return to full works from February 2022, works are programmed to be completed by the end of the financial year.
- **72915 - Freeway Golf course reconfiguration works - \$508,000**
Works are progressing on schedule, Council is awaiting invoices for progress payments to date. Physical works are scheduled to be completed in April 2022 to enable grass to establish prior to reopening the golf course in late 2022.
- **72769, 72770, 72771 & 72772 - Canterbury Community Precinct - \$475,000**
This is a multi-year project. There have been a number of COVID-19 impacts, including workforce reductions and supply chain delays, that have resulted in works being delayed. The delayed program will extend the work scheduled however the project is anticipated to remain on track for completion by late 2022.
- **71794 - Future Information Technology expenditure - \$438,000**
Works have been delayed due to COVID-19 restrictions, which also continues to limit the availability of equipment. With restrictions having been extended, the program is progressing slower than anticipated with some underspend expected at the end of financial year.
- **72901 - Climate Action Plan - emissions reduction work - \$309,000**
A variety of projects are scheduled in accordance with the Climate Action Plan Implementation and will be delivered this financial year. Key projects include solar panel installations on Council facilities and electric charging stations in Council owned public car parks for community use.
- **72836 - Victoria Park regional playground - \$256,000**
Construction is due to commence mid-February 2022 and is anticipated for completion late 2022.
- **72607, 72686, 72776 - Kew Recreation Centre - \$251,000**
This is a multi-year project. There have been a number of COVID-19 restrictions, including workforce reductions, that have resulted in the programmed works being delayed. There have been delays associated with the arrival of structural steel so scheduled works have been re-planned to minimise the impact on site. Project remains on track for completion by mid 2023.

Capital works committed expenditure as at 31 January 2022 is \$49.95 million (year to date actual and commitments equates to \$82.84 million).

Refer to **page 3 Executive overview** for graphical representation of capital works year to date budget and actual expenditure.

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Attachment 1

3. Financial statements

3.1 Income Statement

	ANNUAL ORIGINAL BUDGET	YTD ACTUAL (1)	YTD BUDGET (2)	YTD VARIANCE (1) - (2)	YTD VARIANCE	ANNUAL OCTOBER AMENDED BUDGET (3)
	\$'000s	\$'000s	\$'000s	\$'000s	%	\$'000s
Recurrent income						
Rates and charges	199,247	199,238	199,123	115	0%	199,398
Statutory fees and fines	16,515	5,221	6,086	(865)	-14%	10,648
User fees	15,751	4,679	5,494	(815)	-15%	11,164
Grants - operating	11,227	8,239	8,041	198	2%	11,630
Contributions - cash	5,150	2,388	3,253	(865)	-27%	5,576
Rental income	2,690	1,372	1,354	18	1%	2,450
Other income	2,415	1,338	1,777	(439)	-25%	2,735
Interest	500	118	146	(28)	-19%	250
Total recurrent income	253,495	222,593	225,274	(2,681)	-1%	243,851
Recurrent expenditure						
Employee costs	93,353	51,453	53,467	2,014	4%	93,499
Materials and services	73,270	38,315	43,000	4,685	11%	73,951
Bad and doubtful debts	1,790	773	1,087	314	29%	2,510
Depreciation and amortisation ¹	37,023	21,662	21,662	-	0%	37,149
Amortisation - right of use assets	4,095	2,388	2,388	-	0%	4,095
Borrowing costs	2,121	744	744	-	0%	2,121
Finance costs - leases	341	199	199	-	0%	342
Other expenses	7,834	4,114	4,179	65	2%	7,600
Total recurrent expenditure	219,827	119,648	126,726	7,078	6%	221,267
Net recurrent operating surplus	33,668	102,945	98,548	4,397	4%	22,584
Non-recurrent income						
Priority projects income	2,233	1,031	1,737	(706)	-41%	3,129
Capital works income	7,935	2,071	4,546	(2,475)	-54%	15,954
Total non-recurrent income	10,168	3,102	6,283	(3,181)	-51%	19,083
Non-recurrent expenditure						
Priority projects expenditure	32,061	13,223	19,492	6,269	32%	39,639
Total non-recurrent expenditure	32,061	13,223	19,492	6,269	32%	39,639
Net non recurrent operating surplus (deficit)	(21,893)	(10,121)	(13,209)	3,088	-23%	(20,556)
Net gain (loss) on disposal of property, infrastructure, plant and equipment	(2,763)	(434)	-	(434)	100%	(2,763)
Surplus/(Deficit) for the year ²	9,012	92,390	85,339	7,051	8%	(735)

Note: All numbers are rounded to the nearest thousand.

1. Depreciation and amortisation primarily relates to property, plant, equipment and infrastructure assets.
2. The year to date surplus result of \$93.39 million as per the budget is due to the striking of full year annual rates in August 2021. The surplus result will reduce over the course of the year as Council delivers services to the community. In addition, the favourable result against year to date budget of \$7.05 million or 8% is due to timing differences for income and expenditure. Refer to Section 2 Financial Overview for details on Council's financial performance.

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Attachment 1

3.2 Balance Sheet

	31 Jan 2022 \$'000	30 Jun 2021 \$'000	31 Jan 2021 \$'000
Current assets			
Cash and cash equivalents ¹	85,664	82,942	108,977
Other financial assets ¹	-	12,009	-
Trade and other receivables	107,079	24,562	105,436
Prepayments	1,348	2,682	964
Total current assets	194,091	122,195	215,377
Non-current assets			
Financial assets	4	4	4
Property, plant and equipment, infrastructure	4,048,032	4,038,119	3,555,653
Right of use assets	9,026	10,533	9,840
Intangible assets	584	584	348
Investment property	8,745	8,745	8,935
Total non-current assets	4,066,391	4,057,985	3,574,780
Total assets	4,260,482	4,180,180	3,790,157
Current liabilities			
Trade and other payables	9,755	22,809	9,455
Interest-bearing liabilities	651	1,674	614
Provisions	19,921	20,723	19,809
Trust funds and deposits	13,755	9,342	6,483
Unearned income	10,744	11,219	1,255
Lease liabilities	3,144	3,144	10,349
Total current liabilities	57,970	68,911	47,965
Non-current liabilities			
Provisions	2,024	2,024	2,042
Interest-bearing liabilities	21,539	21,539	23,213
Provision for investments in joint ventures	6,727	6,727	2,974
Lease liabilities	6,317	7,464	-
Total non-current liabilities	36,607	37,754	28,229
Total liabilities	94,577	106,665	76,194
Net assets	4,165,905	4,073,515	3,713,963
Equity			
Accumulated surplus	1,017,660	926,851	1,024,209
Asset revaluation reserve	3,125,778	3,125,778	2,668,868
Reserves ²	22,467	20,886	20,886
Total equity	4,165,905	4,073,515	3,713,963
Working capital ratio	3.35		

Note: All numbers are rounded to the nearest thousand.

1. Cash reflects balances in the general ledger not actual bank account balances.

2. Reserve funds comprise of Strategic Acquisition Fund (\$434,000), Open Space Development Fund (\$14.03 million) and Defined Benefits Superannuation future call up reserve (\$8.00 million).

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Attachment 1

3.3 Statement of Cash Flows

	ANNUAL ORIGINAL BUDGET	YEAR TO DATE			ANNUAL OCTOBER AMENDED BUDGET
		YTD ACTUAL (1) \$'000	OCTOBER AMENDED BUDGET (2) \$'000	VARIANCE (unfav) (1) - (2) \$'000	
Cash flows from operating activities					
Rates and waste charges ¹	205,549	113,516	105,682	7,834	197,004
Statutory fees and fines	13,556	4,742	4,999	(257)	7,534
User charges and other fines	17,325	5,416	6,333	(917)	12,572
Grants - operating ²	14,567	9,062	10,336	(1,274)	5,251
Grants - capital ³	7,935	1,415	4,492	(3,077)	15,724
Contributions - monetary ⁴	5,150	2,568	3,307	(739)	5,806
Interest received	500	116	147	(31)	250
Other receipts	5,616	3,227	3,443	(216)	5,704
Net GST refund	16,615	9,912	8,428	1,484	19,053
Trust funds and deposits taken ⁵	100	4,413	-	4,413	100
Employee costs ⁶	(103,055)	(61,052)	(62,700)	1,648	(105,578)
Materials and services ⁷	(104,969)	(53,312)	(62,204)	8,892	(117,400)
Short-term, low value and variable lease payments	(597)	(618)	(350)	(268)	(597)
Other payments	(8,073)	(4,108)	(4,373)	265	(7,999)
Net cash provided by/(used in) operating activities	70,219	35,298	17,540	17,758	37,424
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(101,586)	(40,622)	(41,299)	677	(99,690)
Proceeds from sale of property, plant and equipment	4,720	2	-	2	4,720
Net proceeds / (payments) for investments	-	12,009	12,009	-	12,009
Net cash used in investing activities	(96,866)	(28,611)	(29,290)	679	(82,961)
Cash flows from financing activities					
Finance costs	(2,121)	(708)	(708)	-	(1,408)
Proceeds from borrowings	70,000	-	-	-	70,000
Repayment of borrowings	(1,674)	(1,023)	(1,022)	(1)	(1,674)
Interest paid - lease liability	(342)	(199)	(196)	(3)	(342)
Repayment of lease liabilities	(4,438)	(2,035)	(2,282)	247	(3,916)
Net cash provided by (used in) financing activities	61,425	(3,965)	(4,208)	243	62,660
Net increase (decrease) in cash and cash equivalents	34,778	2,722	(15,958)	18,680	17,123
Cash and cash equivalents at beginning of year	68,950	82,942	82,942	-	82,942
Cash and cash equivalents at end of year	103,728	85,664	66,984	18,680	100,065

Note: All numbers are rounded to the nearest thousand.

1. Rates and waste charges are higher than budget due to timing and a higher collection rate (54.72%) than anticipated (53%).
2. Grants - operating lower than budget (\$1.27 million) due to timing and being behind planned budget phasing.
3. Lower than budgeted developer contributions of (\$739,000) due to timing.
4. Trust funds and deposits includes the fire services property levy received which relates to the timing of fire services property levy and levy interest amounts received and subsequently remitted to the State Revenue Office (SRO) which are to be made in four payments in accordance with Section 41(1) of the FSPL Act. An instalment is due and payable to the Commissioner of State Revenue 28 days after the due date of rates instalments. Levy monies are to be remitted to the SRO by the following dates each financial year - 28 October; 28 December; 28 March; and 28 June.
5. Employee costs are \$1.65 million lower than budgeted primarily due to staff vacancies across the organisation.
6. Materials and services are lower than budgeted due to timing of cash outflows \$8.89 million.

Monthly Financial Report – January 2022

Attachment 1

3.4 Capital Works expenditure by asset group

	ANNUAL ORIGINAL BUDGET	YTD ACTUAL (1)	YTD BUDGET (2)	YTD VARIANCE (1) - (2)	YTD VARIANCE %	COMMIT	ANNUAL OCTOBER AMENDED BUDGET (3)
	\$'000s	\$'000s	\$'000s	\$'000s	%	\$'000s	\$'000s
Infrastructure							
Bridges	2,461	104	52	(52)	-100%	23	1,065
Drainage	4,539	1,094	1,115	21	2%	116	4,774
Footpaths and cycleways	3,110	1,002	1,670	668	40%	109	2,854
Off street carparks	2,510	287	501	214	43%	150	1,855
Parks, open space and streetscapes	6,486	1,072	2,613	1,541	59%	902	9,046
Recreational, leisure & com facilities	3,721	1,879	2,635	756	29%	3,262	6,759
Roads	11,196	3,663	6,065	2,402	40%	192	12,091
Total Infrastructure	34,023	9,101	14,651	5,550	38%	4,754	38,444
Plant and Equipment							
Computers and telecommunications	1,381	197	1,055	858	81%	178	1,864
Fixtures, fittings and furniture	1,187	720	1,040	320	31%	137	2,380
Library books	990	523	530	7	1%	103	990
Plant machinery and equipment	1,338	707	658	(49)	-7%	307	1,383
Total Plant and Equipment	4,896	2,147	3,283	1,136	35%	725	6,617
Property							
Building	20,255	5,615	6,494	879	14%	4,686	17,269
Building improvements	57	(11)	66	77	117%	37	93
Major Projects	42,355	16,035	16,805	770	5%	39,745	37,267
Total Property	62,667	21,639	23,365	1,726	7%	44,468	54,629
Total capital works expenditure	101,586	32,887	41,299	8,412	20%	49,947	99,690
Represented by:							
Asset renewal expenditure	64,144	25,682	33,051	7,369	22%	24,664	61,246
Asset upgrade expenditure	5,152	1,080	1,374	294	21%	1,085	4,868
New asset expenditure	18,108	3,411	4,505	1,094	24%	17,573	20,751
Asset expansion expenditure	14,182	2,714	2,369	(345)	-15%	6,625	12,825
Total capital works expenditure	101,586	32,887	41,299	8,412	20%	49,947	99,690

Note: All numbers are rounded to the nearest thousand.