

## 7.2 February 2022 Monthly Financial Report

### Executive Summary

#### Purpose

The purpose of this report is to provide Council the Monthly Financial Report for February 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 \$78.13 million is \$10.07 million or 15% above the October Amended Budget of \$68.06 million primarily due to a number of factors which are outlined in **Section 2 of Attachment 1 - Financial Overview**.

Capital works actual expenditure is \$39.76 million which is \$8.95 million below year to date budget phasing of \$48.71 million. Priority projects expenditure of \$16.21 million is \$6.81 million below year to date budget phasing of \$23.02 million.

Council's Balance Sheet and cash position are sound and depict a satisfactory result. At the end of February, Council's cash position stood at \$127.92 million or \$21.97 million above year to date budget.

### Officers' recommendation

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

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**Responsible director: Phillip Storer, Chief Executive Officer**

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## **1. Purpose**

The purpose of this report is to provide Council the Monthly Financial Report for February 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 \$78.13 million is \$10.07 million or 15% above the October Amended Budget of \$68.06 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 \$127.92 million as at 28 February 2022, or \$21.97 million higher than year to date budget of \$105.95 million. This represents an increase of \$32.97 million from 30 June 2021.

The Balance Sheet as at 28 February 2022 indicates a satisfactory result with total current assets of \$186.45 million and total current liabilities of \$68.87 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 \$39.76 million which is \$8.95 million below of year to date budget phasing of \$48.71 million (year to date actual and commitments as at 28 February 2022 equates to \$88.78 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 \$16.21 million which is \$6.81 million below year to date budget phasing of \$23.02 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 Montalti, Chief Financial Officer**

**Report officer:**      Sapphire Allan, Coordinator Management Accounting

Attachment 1

City of Boroondara

# Monthly Financial Report

February  
2022




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## 1. Executive Overview

### 1.1 Introduction and overview

The Monthly Performance Report for February 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 \$'000	YTD ACTUAL (1) \$'000	YTD BUDGET (2) \$'000	YTD VARIANCE (1) - (2) \$'000	YTD VARIANCE (1) / (2) %	STATUS YTD VARIANCE	ANNUAL OCTOBER AMENDED BUDGET (3) \$'000
<b>Surplus/(Deficit) for the year</b>	9,012	78,131	68,063	10,068	15%	✓	(735)
<b>Recurrent income</b>	253,495	227,796	228,630	(834)	0%	—	243,851
<b>Recurrent expenditure</b>	219,827	136,495	144,197	7,702	5%	✓	221,267
<b>Capital works</b>							
Expenditure *	101,586	39,759	48,709	8,950	18%	✓	99,690
<b>Priority projects</b>							
Expenditure *	32,061	16,206	23,022	6,816	30%	✓	39,639
<b>Closing cash and investments **</b>	103,728	127,920	105,952	21,968	21%	✓	100,065

\* Please refer to page 9 and 10 for further explanation of variances.

\*\* 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 28 February 2022 is satisfactory with a working capital ratio of 2.75 to 1 (including cash contingency for emergency response works and reserve funds of \$22.47 million).

#### Storm Event - October 2021

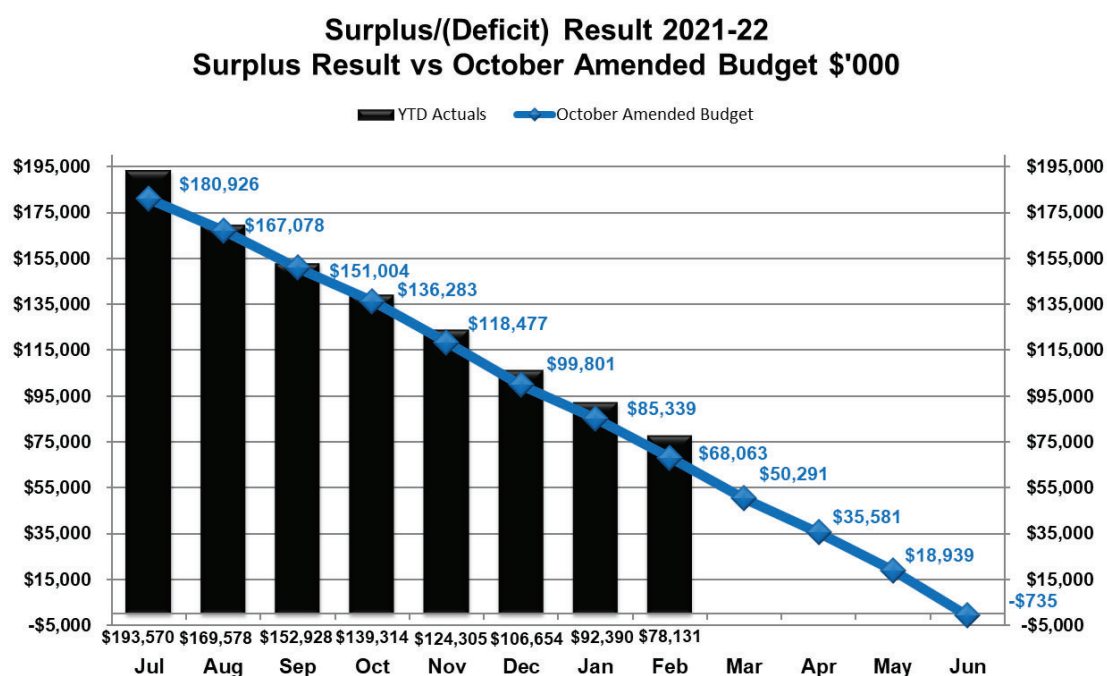
During October 2021, the City encountered severe winds bringing down trees and causing damage across a number of Council locations. Actual expenditure as at 28 February 2022 is \$633,000. Considering these events, the cash contingency will be reduced by this amount. Total forecast expenditure is expected to be around \$850,000.

## Surplus Result

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

The year to date surplus result of \$78.13 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 \$10.07 million or 15% is due to timing differences for income and expenditure across Council. Refer to **Section 2 Financial Overview** for details on Council's financial performance.

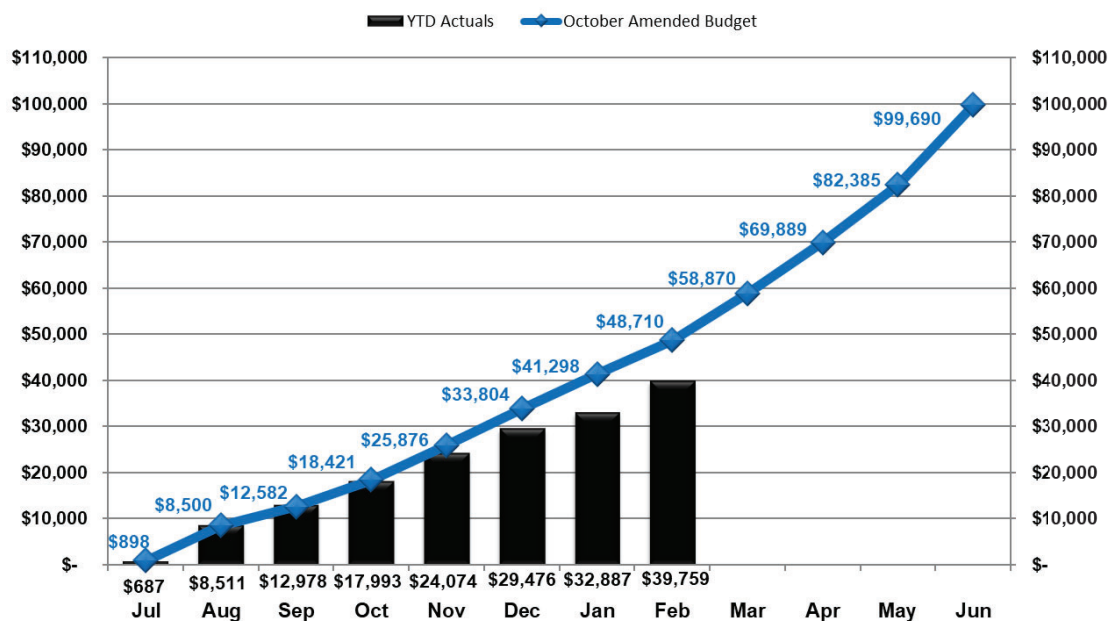
Please refer to the graphical representation below of actual year to date surplus result versus the October Amended Budget.





## Capital Works

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



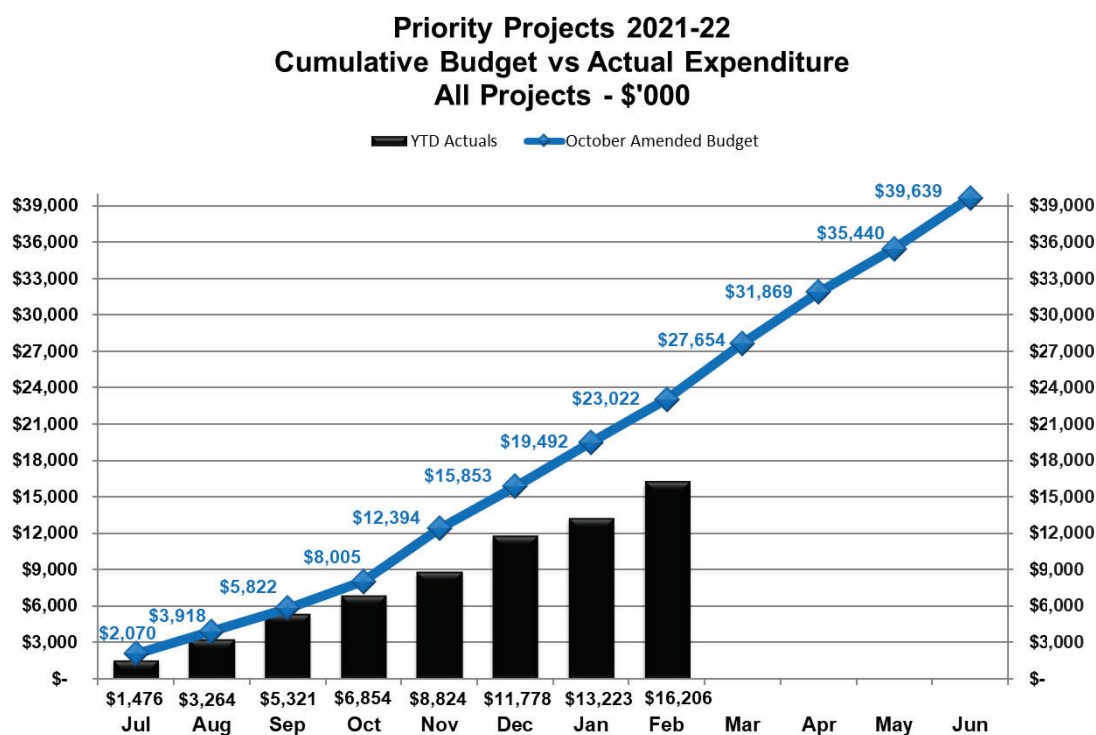
Council's year to date performance in gross capital works expenditure is \$39.76 million which is \$8.95 million below year to date budget phasing of \$48.71 million.

Capital works committed expenditure as at 28 February 2022 is \$49.02 million (year to date actual and commitments equates to \$88.78 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 \$16.21 million which is \$6.81 million below year to date budget phasing of \$23.02 million.

Priority projects committed expenditure as at 28 February 2022 is \$23.29 million (year to date actual and commitments equates to \$39.50 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 \$78.13 million is \$10.07 million above the October Amended Budget surplus of \$68.06 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 (\$3.84 million) comprising recurrent income of (\$834,000) below budget and non-recurrent income of (\$3.01 million) below budget, while year to date total recurrent and non-recurrent expenditure is \$14.52 million (\$7.70 million + \$6.82 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) \$538,000	T	<b>Higher than budgeted income:</b> <ul style="list-style-type: none"> <li>\$538,000 - rates and charges income, primarily in interest on rates.</li> </ul>
Statutory fees and fines (\$827,000)	P T T	<b>Lower than budgeted income:</b> <ul style="list-style-type: none"> <li>(\$361,000) - parking management income due to COVID-19 impacts.</li> <li>(\$252,000) - trade permits income.</li> <li>(\$205,000) - lodgement fee income, primarily in scheme control income.</li> </ul>

## Monthly Financial Report – February 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 (\$901,000)	T	<b>Lower than budgeted income:</b> <ul style="list-style-type: none"> <li>• (\$399,000) - other service fees and charges, primarily in general waste due to reduced usage in the transfer station during COVID-19 restrictions.</li> </ul>
	T	<ul style="list-style-type: none"> <li>• (\$251,000) - lodgement fees, primarily in swimming pool and spa registrations income.</li> </ul>
	T	<ul style="list-style-type: none"> <li>• (\$183,000) - fines income, primarily in revenue and property services</li> </ul>
	T	<ul style="list-style-type: none"> <li>• (\$101,000) - other charges and income, primarily in green waste due to reduced usage in the transfer station during COVID-19 restrictions.</li> </ul>
Operating Grants \$1.23 million	T	<b>Higher than budgeted income:</b> <ul style="list-style-type: none"> <li>• \$1.23 million - grants operating - primarily due to Commonwealth Home Support Program funding received ahead of year to date planned budget phasing.</li> </ul>
Contributions Cash (\$679,000)	T	<b>Lower than budgeted income:</b> <ul style="list-style-type: none"> <li>• (\$662,000) - developers open space contributions behind year to date planned budget phasing.</li> </ul>
Rental Income \$195,000	T	<b>Higher than budgeted income:</b> <ul style="list-style-type: none"> <li>• \$232,000 - leasing income, primarily in the Camberwell Fresh Food Market due to the impact of COVID-19.</li> </ul>
Other income (\$356,000)	T	<b>Lower than budgeted income:</b> <ul style="list-style-type: none"> <li>• (\$275,000) - fresh food market cost reimbursements.</li> </ul>

Expenditure		
Expense line	Expected variance (P)ermanent (T)iming	Explanation Year to date actual vs year to date budget variations
Employee costs \$2.36 million	T	<b>Lower than budgeted expenditure:</b> <ul style="list-style-type: none"> <li>• \$3.84 million - salaries and associated costs primarily due to staff vacancies across the organisation.</li> </ul>
	T	<ul style="list-style-type: none"> <li>• \$82,000 - apprentices and traineeships across the organisation.</li> </ul>
	T	<b>Offset by higher than budgeted expenditure:</b> <ul style="list-style-type: none"> <li>• (\$1.29 million) - temporary staff filling vacancies across the organisation.</li> </ul>
	T	<ul style="list-style-type: none"> <li>• (\$322,000) - overtime, casuals and relievers filling vacancies across the organisation.</li> </ul>

Expenditure		
Expense line	Expected variance (P)ermanent (T)iming	Explanation Year to date actual vs year to date budget variations
Materials and services \$5.03 million	T	<b>Lower than budgeted expenditure:</b> <ul style="list-style-type: none"> <li>\$1.09 million - specialist tree work, high voltage works and block tree pruning in Environmental Sustainability and Open Space.</li> <li>\$1.00 million - capital works in progress (items expensed due to not meeting the asset capitalisation criteria - this is a non-cash accounting entry).</li> <li>\$625,000 - waste recycling disposal expense.</li> <li>\$511,000 - licencing and maintenance contracts.</li> <li>\$229,000 - legal fees expense.</li> <li>\$229,000 - professional services and advice.</li> <li>\$206,000 - application support expense.</li> <li>\$169,000 - fleet excess claims expense.</li> <li>\$162,000 - consultants expense.</li> <li>\$135,000 - postage expense.</li> <li>\$126,000 - landscape contractor expense.</li> <li>\$124,000 - tipping fees expense.</li> <li>\$123,000 - stump removal expense.</li> <li>\$118,000 - carpentry expense.</li> <li>\$109,000 - non-staff catering expense.</li> <li>\$103,000 - painting services expense.</li> <li>\$95,000 - line marking expense.</li> <li>\$95,000 - petrol expense.</li> <li>\$90,000 - printing expense.</li> <li>\$86,000 - contract revegetation works expense.</li> <li>\$84,000 - telephone, internet and data sim cards.</li> <li>\$84,000 - electricity expense.</li> <li>\$80,000 - mechanical equipment maintenance expense.</li> <li>\$76,000 - other rates and taxes expense.</li> </ul>
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	T	<b>Offset by higher than budgeted expenditure:</b> <ul style="list-style-type: none"> <li>(\$787,000) - trade services expense across the organisation.</li> <li>(\$295,000) - recruitment costs across the organisation.</li> <li>(\$146,000) - plumbing expense.</li> <li>(\$130,000) - drainage cleaning and maintenance expense.</li> <li>(\$104,000) - on-line subscriptions across the organisation.</li> </ul>
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Bad and doubtful debts \$319,000	T	<b>Lower than budgeted expenditure:</b> <ul style="list-style-type: none"> <li>\$382,000 - bad and doubtful debts expense primarily in parking management.</li> </ul>

## 2.2 Balance Sheet and Cash Flow Statement

Cash and investment holdings are \$127.92 million as at 28 February 2022 which has increased by \$32.97 million from 30 June 2021.

Total cash and investment holdings are \$21.97 million higher than year to date budget primarily due to:

- Lower than budgeted materials and services of \$10.88 million due to timing of cash outflows.
- Lower payments for property, infrastructure, plant and equipment of \$3.55 million due to timing of cash outflows relating to the capital works program.
- Employee costs are lower than budgeted primarily due to staff vacancies across the organisation.

Partially offset by:

- Capital Grants lower than budget (\$3.49 million) due to timing and being behind planned budget phasing.
- Lower than budgeted user charges and other receipts from customers of (\$734,000) due to timing and settlement of debtors.
- Developer contributions lower than budget (\$538,000) due to timing.

The Balance Sheet as at 28 February 2022 indicates a satisfactory result with total current assets of \$186.45 million and total current liabilities of \$67.87 million.

The working capital ratio of 2.75 to 1 (includes a 0.5% or \$830,000 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 \$16.21 million which is \$6.81 million below year to date budget phasing of \$23.02 million, primarily due to expenditure delays, the most significant being:

- **81084 - System Development and Implementation- \$2.24 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.*
- **81082 - BC1 Program Resources - \$2.19 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.*
- **80931 - North East Link - \$633,000**  
*The North East Link (NEL) is a multi-year project, now expected to be completed in 2027-28. The project has been primarily delayed due to COVID-19 restrictions and recent shutdowns across the construction sector, as well as the North East Link Program amending the design and delivery program and schedule, which has resulted in less expenditure in the first half of the year than anticipated.*
- **80968 - Boroondara Customer First Delivery and project support- \$406,000**  
*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 - \$300,000**  
*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.*
- **81033 - Energy Safe Victoria (ESV) power line clearance program - \$297,000**  
*There are significantly fewer trees that require works due to lower than anticipated pruning required under the high voltage works program and as part of Council's cyclic at risk tree management program. There have also been some logistical and coordination issues on behalf of CitiPower / United energy for powerline engineering alternatives, as well as slower than anticipated progress of the specialist live line pruning from the supplier.*

Priority projects committed expenditure as at 28 February 2022 is \$23.29 million (year to date actual and commitments equates to \$39.50 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 \$39.76 million which is \$8.95 million below year to date budget phasing of \$48.71 million, primarily due to expenditure delays, the most significant being:

- **71636 & 71637 - Roads Resheeting and Full Road Reconstruction and Kerb Replacements - \$1.73 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. Works are programmed to be completed by the end of the financial year.*
- **72915 - Freeway Golf course reconfiguration works - \$659,000**  
*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 - \$598,000**  
*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 - \$541,000**  
*Works have been delayed due to COVID-19 restrictions, which also continues to limit the availability of equipment and impact on the progress of the program. There is expected to be some underspend is expected at the end of the financial year.*
- **72836 - Victoria Park regional playground - \$470,000**  
*Construction commenced in February 2022 and project is anticipated for completion by late 2022.*
- **72901 - Climate Action Plan - emissions reduction work - \$317,000**  
*A variety of projects are scheduled in accordance with the Climate Action Plan Implementation and will be delivered this financial year. Key projects include further solar panel installations on Council facilities and electric charging stations in Council owned public car parks for community use.*
- **73009. Victoria Park North - DIPP - \$283,000**  
*Works have now been completed, with the final certificate to be issued by the Building Surveyor.*
- **71728. Condition 4 Footpaths renewal - \$282,000**  
*The condition 4 footpath program is on track and an updated list has been provided by the Asset Management team to continue program. Program is scheduled for completion in mid 2022.*

Capital works committed expenditure as at 28 February 2022 is \$49.02 million (year to date actual and commitments equates to \$88.78 million).

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



### 3. Financial statements

#### 3.1 Income Statement

	ANNUAL ORIGINAL BUDGET	YTD ACTUAL (1) \$'000s	YTD BUDGET (2) \$'000s	YTD VARIANCE (1) - (2) \$'000s	YTD VARIANCE %	ANNUAL OCTOBER AMENDED BUDGET (3) \$'000s
<b>Recurrent income</b>						
Rates and charges	199,247	199,661	199,123	538	0%	199,398
Statutory fees and fines	16,515	6,172	6,999	(827)	-12%	10,648
User fees	15,751	5,266	6,167	(901)	-15%	11,164
Grants - operating	11,227	10,165	8,937	1,228	14%	11,630
Contributions - cash	5,150	3,062	3,741	(679)	-18%	5,576
Rental income	2,690	1,731	1,536	195	13%	2,450
Other income	2,415	1,604	1,960	(356)	-18%	2,735
Interest	500	135	167	(32)	-19%	250
<b>Total recurrent income</b>	<b>253,495</b>	<b>227,796</b>	<b>228,630</b>	<b>(834)</b>	<b>0%</b>	<b>243,851</b>
<b>Recurrent expenditure</b>						
Employee costs	93,353	58,351	60,713	2,362	4%	93,499
Materials and services	73,270	43,948	48,984	5,036	10%	73,951
Bad and doubtful debts	1,790	773	1,092	319	29%	2,510
Depreciation and amortisation <sup>1</sup>	37,023	24,756	24,756	-	0%	37,149
Amortisation - right of use assets	4,095	2,729	2,729	-	0%	4,095
Borrowing costs	2,121	839	839	-	0%	2,121
Finance costs - leases	341	227	227	-	0%	342
Other expenses	7,834	4,872	4,857	(15)	0%	7,600
<b>Total recurrent expenditure</b>	<b>219,827</b>	<b>136,495</b>	<b>144,197</b>	<b>7,702</b>	<b>5%</b>	<b>221,267</b>
<b>Net recurrent operating surplus</b>	<b>33,668</b>	<b>91,301</b>	<b>84,433</b>	<b>6,868</b>	<b>8%</b>	<b>22,584</b>
<b>Non-recurrent income</b>						
Priority projects income	2,233	1,214	1,767	(553)	-31%	3,129
Capital works income	7,935	2,433	4,885	(2,452)	-50%	15,954
<b>Total non-recurrent income</b>	<b>10,168</b>	<b>3,647</b>	<b>6,652</b>	<b>(3,005)</b>	<b>-45%</b>	<b>19,083</b>
<b>Non-recurrent expenditure</b>						
Priority projects expenditure	32,061	16,206	23,022	6,816	30%	39,639
<b>Total non-recurrent expenditure</b>	<b>32,061</b>	<b>16,206</b>	<b>23,022</b>	<b>6,816</b>	<b>30%</b>	<b>39,639</b>
<b>Net non recurrent operating surplus (deficit)</b>	<b>(21,893)</b>	<b>(12,559)</b>	<b>(16,370)</b>	<b>3,811</b>	<b>-23%</b>	<b>(20,556)</b>
<b>Net gain (loss) on disposal of property, infrastructure, plant and equipment</b>	<b>(2,763)</b>	<b>(611)</b>	<b>-</b>	<b>(611)</b>	<b>100%</b>	<b>(2,763)</b>
<b>Surplus/(Deficit) for the year <sup>2</sup></b>	<b>9,012</b>	<b>78,131</b>	<b>68,063</b>	<b>10,068</b>	<b>15%</b>	<b>(735)</b>

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 \$78.13 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 \$10.07 million or 15% is due to timing differences for income and expenditure. Refer to Section 2 Financial Overview for details on Council's financial performance.

## Monthly Financial Report – February 2022

## Attachment 1

**3.2 Balance Sheet**

	28 Feb 2022 \$'000	30 Jun 2021 \$'000	28 Feb 2021 \$'000
<b>Current assets</b>			
Cash and cash equivalents <sup>1</sup>	127,920	82,942	153,943
Other financial assets <sup>1</sup>	-	12,009	-
Trade and other receivables	57,189	24,562	51,863
Prepayments	1,343	2,682	1,039
<b>Total current assets</b>	<b>186,452</b>	<b>122,195</b>	<b>206,845</b>
<b>Non-current assets</b>			
Financial assets	4	4	4
Property, plant and equipment, infrastructure	4,051,363	4,038,119	3,558,443
Right of use assets	8,687	10,533	10,311
Intangible assets	584	584	348
Investment property	8,745	8,745	8,935
<b>Total non-current assets</b>	<b>4,069,383</b>	<b>4,057,985</b>	<b>3,578,041</b>
<b>Total assets</b>	<b>4,255,835</b>	<b>4,180,180</b>	<b>3,784,886</b>
<b>Current liabilities</b>			
Trade and other payables	14,321	22,809	16,754
Interest-bearing liabilities	651	1,674	614
Provisions	19,895	20,723	19,971
Trust funds and deposits	19,549	9,342	6,902
Unearned income	10,305	11,219	1,270
Lease liabilities	3,144	3,144	10,408
<b>Total current liabilities</b>	<b>67,865</b>	<b>68,911</b>	<b>55,919</b>
<b>Non-current liabilities</b>			
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	6,034	7,464	-
<b>Total non-current liabilities</b>	<b>36,324</b>	<b>37,754</b>	<b>28,229</b>
<b>Total liabilities</b>	<b>104,189</b>	<b>106,665</b>	<b>84,148</b>
<b>Net assets</b>	<b>4,151,646</b>	<b>4,073,515</b>	<b>3,700,738</b>
<b>Equity</b>			
Accumulated surplus	1,003,401	926,851	1,010,984
Asset revaluation reserve	3,125,778	3,125,778	2,668,868
Reserves <sup>2</sup>	22,467	20,886	20,886
<b>Total equity</b>	<b>4,151,646</b>	<b>4,073,515</b>	<b>3,700,738</b>
<b>Working capital ratio</b>	<b>2.75</b>		

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).

## Monthly Financial Report – February 2022

## Attachment 1

## 3.3 Statement of Cash Flows

	ANNUAL ORIGINAL BUDGET	YEAR TO DATE			ANNUAL OCTOBER AMENDED BUDGET
		YTD ACTUAL	OCTOBER AMENDED BUDGET	VARIANCE (unfav)	
	\$'000	(1) \$'000	(2) \$'000	(1) - (2) \$'000	\$'000
<b>Cash flows from operating activities</b>					
Rates and waste charges	205,549	165,380	165,501	(121)	197,004
Statutory fees and fines	13,556	5,472	5,907	(435)	7,534
User charges and other fines <sup>1</sup>	17,325	6,340	7,074	(734)	12,572
Grants - operating	14,567	11,163	11,291	(128)	5,251
Grants - capital <sup>2</sup>	7,935	1,338	4,830	(3,492)	15,724
Contributions - monetary <sup>3</sup>	5,150	3,257	3,795	(538)	5,806
Interest received	500	134	168	(34)	250
Other receipts	5,616	3,868	3,845	23	5,704
Net GST refund	16,615	10,462	9,983	479	19,053
Trust funds and deposits taken <sup>4</sup>	100	10,207	-	10,207	100
Employee costs <sup>5</sup>	(103,055)	(68,771)	(70,948)	2,177	(105,578)
Materials and services <sup>6</sup>	(104,969)	(60,806)	(71,684)	10,878	(117,400)
Short-term, low value and variable lease payments	(597)	(694)	(400)	(294)	(597)
Other payments	(8,073)	(4,944)	(5,088)	144	(7,999)
<b>Net cash provided by/(used in) operating activities</b>	<b>70,219</b>	<b>82,406</b>	<b>64,274</b>	<b>18,132</b>	<b>37,424</b>
<b>Cash flows from investing activities</b>					
Payments for property, infrastructure, plant and equipment <sup>7</sup>	(101,586)	(45,158)	(48,711)	3,553	(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
<b>Net cash used in investing activities</b>	<b>(96,866)</b>	<b>(33,147)</b>	<b>(36,702)</b>	<b>3,555</b>	<b>(82,961)</b>
<b>Cash flows from financing activities</b>					
Finance costs	(2,121)	(709)	(708)	(1)	(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)	(228)	(224)	(4)	(342)
Repayment of lease liabilities	(4,438)	(2,321)	(2,608)	287	(3,916)
<b>Net cash provided by (used in) financing activities</b>	<b>61,425</b>	<b>(4,281)</b>	<b>(4,562)</b>	<b>281</b>	<b>62,660</b>
Net increase (decrease) in cash and cash equivalents	34,778	44,978	23,010	21,968	17,123
Cash and cash equivalents at beginning of year	68,950	82,942	82,942	-	82,942
<b>Cash and cash equivalents at end of year</b>	<b>103,728</b>	<b>127,920</b>	<b>105,952</b>	<b>21,968</b>	<b>100,065</b>

Note: All numbers are rounded to the nearest thousand.

1. Lower than budgeted user charges and other receipts from customers of (\$734,000) due to timing and settlement of debtors.
2. Capital grants lower than budgeted (\$3.49 million) due to timing being behind of planned budget phasing.
3. Lower than budgeted developer contributions of (\$538,000) 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 \$2.18 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 \$10.88 million.
7. Payments for property, plant and equipment differs from that presented in the capital works statement due to settlement of the 30 June 2021 creditors and forward commitment expenditure. Works delivered in the 2020-21 financial year have previously been brought to account and accrued against the 2020-21 capital works statement.

### 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
<b>Infrastructure</b>							
Bridges	2,461	125	62	(63)	-102%	3	1,065
Drainage	4,539	1,337	1,405	68	5%	119	4,774
Footpaths and cycleways	3,110	1,104	1,893	789	42%	136	2,854
Off street carparks	2,510	393	573	180	31%	77	1,855
Parks, open space and streetscapes	6,486	1,543	3,499	1,956	56%	3,555	9,046
Recreational, leisure & com facilities	3,721	2,552	3,163	611	19%	2,682	6,759
Roads	11,196	4,903	7,300	2,397	33%	98	12,091
<b>Total Infrastructure</b>	<b>34,023</b>	<b>11,957</b>	<b>17,895</b>	<b>5,938</b>	<b>33%</b>	<b>6,670</b>	<b>38,444</b>
<b>Plant and Equipment</b>							
Computers and telecommunications	1,381	254	1,379	1,125	82%	184	1,864
Fixtures, fittings and furniture	1,187	745	1,308	563	43%	171	2,380
Library books	990	552	625	73	12%	88	990
Plant machinery and equipment	1,338	742	879	137	16%	295	1,383
<b>Total Plant and Equipment</b>	<b>4,896</b>	<b>2,293</b>	<b>4,191</b>	<b>1,898</b>	<b>45%</b>	<b>738</b>	<b>6,617</b>
<b>Property</b>							
Building	20,255	6,601	8,004	1,403	18%	4,644	17,269
Building improvements	57	(11)	78	89	114%	37	93
Major Projects	42,355	18,919	18,541	(378)	-2%	36,935	37,267
<b>Total Property</b>	<b>62,667</b>	<b>25,509</b>	<b>26,623</b>	<b>1,114</b>	<b>4%</b>	<b>41,616</b>	<b>54,629</b>
<b>Total capital works expenditure</b>	<b>101,586</b>	<b>39,759</b>	<b>48,709</b>	<b>8,950</b>	<b>18%</b>	<b>49,024</b>	<b>99,690</b>
<b>Represented by:</b>							
Asset renewal expenditure	64,144	31,723	38,524	6,801	18%	22,187	61,246
Asset upgrade expenditure	5,152	1,180	1,481	301	20%	1,070	4,868
New asset expenditure	18,108	4,037	5,884	1,847	31%	19,237	20,751
Asset expansion expenditure	14,182	2,819	2,820	1	0%	6,530	12,825
<b>Total capital works expenditure</b>	<b>101,586</b>	<b>39,759</b>	<b>48,709</b>	<b>8,950</b>	<b>18%</b>	<b>49,024</b>	<b>99,690</b>

Note: All numbers are rounded to the nearest thousand.