

## 7.5 January 2024 Monthly Financial Report

### Executive Summary

#### Purpose

The purpose of this report is to provide Council the Monthly Financial Report for January 2024. 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 2023-24 Amended Budget, approved by Council on 23 October 2023 which includes the carry forward funding for 2022-23 priority projects and capital works forward commitments.

#### Key Issues

##### **Year to date actuals vs. 2023-24 Amended Budget**

Council's favourable operating result against year to date budget of \$107.58 million is \$6.98 million or 7% above the 2023-24 Amended Budget of \$100.60 million primarily due to a number of factors which are outlined in **Section 2 of Attachment 1 - Financial Overview**.

Capital works actual expenditure of \$29.00 million which is \$3.92 million below year to date budget phasing of \$32.92 million. Priority projects expenditure of \$11.61 million is \$4.22 million below year to date budget of \$15.83 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 \$139.88 million or \$19.72 million above year to date budget.

### Officers' recommendation

That Council resolve to receive and note the Monthly Financial Report for January 2024. (**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 January 2024. 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 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 2023-24 Amended Budget, approved by Council on 23 October 2023 which includes the carry forward funding for 2022-23 priority projects and capital works forward commitments.

**4. Outline of key issues/options**

**Year to date actual vs. year to date 2023-24 Amended Budget**

The favourable operating result against year to date budget of \$107.58 million is \$6.98 million or 7% above the 2023-24 Amended Budget of \$100.60 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 \$139.88 million as at 31 January 2024, or \$19.72 million higher than year to date budget of \$120.16 million. This represents an increase of \$6.38 million from 30 June 2023.

The Balance Sheet as at 31 January 2024 indicates a satisfactory result with total current assets of \$258.29 million and total current liabilities of \$57.17 million.

Please refer to **page 9 of Attachment 1** for further detail.

**Capital Works**

Council's year to date performance in gross capital works expenditure is \$29.00 million which is \$3.92 million below year to date budget phasing of \$32.92 million. Year to date actual and commitments as at 31 January 2024 equates to \$62.34 million.

**Priority Projects**

Council's year to date performance in gross priority projects expenditure is \$11.61 million which is \$4.22 million below year to date phasing of \$15.83 million. Year to date actual and commitments as at 31 January equates to \$28.43 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.

No officers involved in the preparation of this report have a general or material conflict of interest requiring disclosure under chapter 5 of the Governance Rules of Boroondara City Council.

The recommendation contained in this report is compatible with the Charter of Human Rights and Responsibilities 2006 as it does not raise any human rights issues.

**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



# Monthly Financial Report

January 2024



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## 1. Executive Overview

### 1.1 Introduction and overview

The Monthly Financial Report for January 2024 has been prepared in accordance with Australian Accounting Standards.

This monthly report is designed to identify major variations against the 2023-24 Amended Budget at an organisational level.

The year to date and annual budget referred to in this report reflects the 2023-24 Amended Budget adopted by Council on 23 October 2023 which includes the carry forward funding for final 2022-23 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	2023-24 AMENDED BUDGET (3)
	\$'000	\$'000	\$'000	\$'000	%		\$'000
Surplus/(Deficit) for the year	14,366	107,583	100,604	6,979	7%	✓	5,049
Recurrent income	271,435	245,541	243,594	1,947	1%	✓	265,028
Recurrent expenditure	233,216	129,675	132,568	2,893	2%	✓	237,591
Capital works							
Expenditure *	80,595	29,001	32,922	3,921	12%	✓	72,407
Priority projects							
Expenditure *	25,158	11,613	15,827	4,214	27%	✓	31,188
Closing cash and investments **	106,651	139,876	120,160	19,716	16%	✓	114,433

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

\*\* Please refer to page 9 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 2024 is satisfactory with a working capital ratio of 4.52 to 1 (including cash contingency for emergency response works and reserve funds of \$25.57 million).

#### Storm Event - January 2024

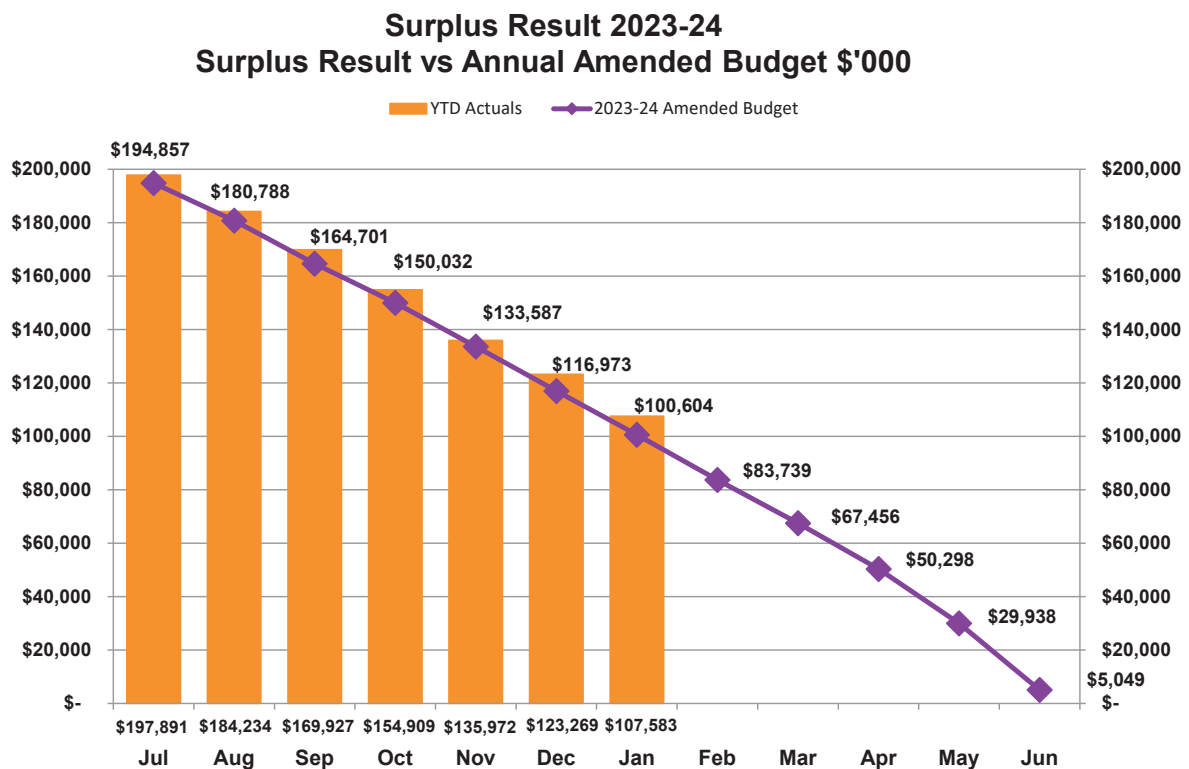
During January 2024 the City encountered significant rainfall, which lead to some minor flooding in some locations. Council received 153 requests in relation to the heavy rainfall, mostly drainage requests, and the total forecast expenditure is expected to be around \$150,000. Council's cash contingency will be reduced by this amount.

## Surplus Result

### Year to date actual vs. 2023-24 Amended Budget

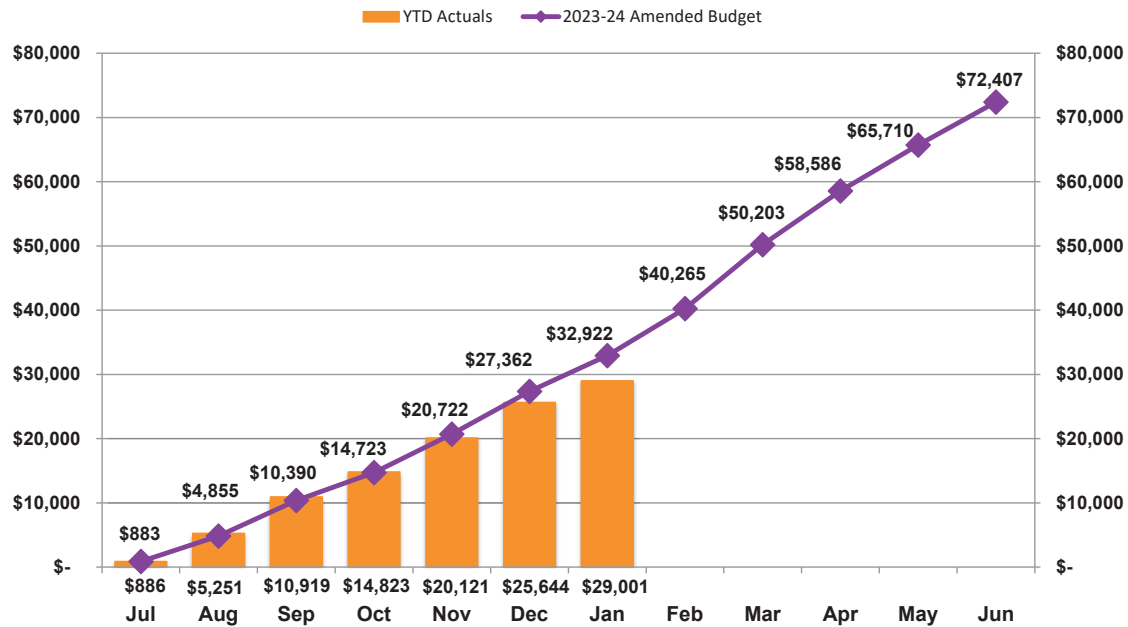
The year to date surplus result of \$107.58 million as per the budget is due to the striking of full year annual rates in August 2023. The surplus result will reduce over the course of the year as Council delivers services to the community. In addition, the favourable result against year to date budget of \$6.98 million or 7% 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 2023-24 Amended Budget.



## Capital Works

### Capital Works Projects 2023-24 Cumulative Budget vs Actual Expenditure All Projects - \$'000



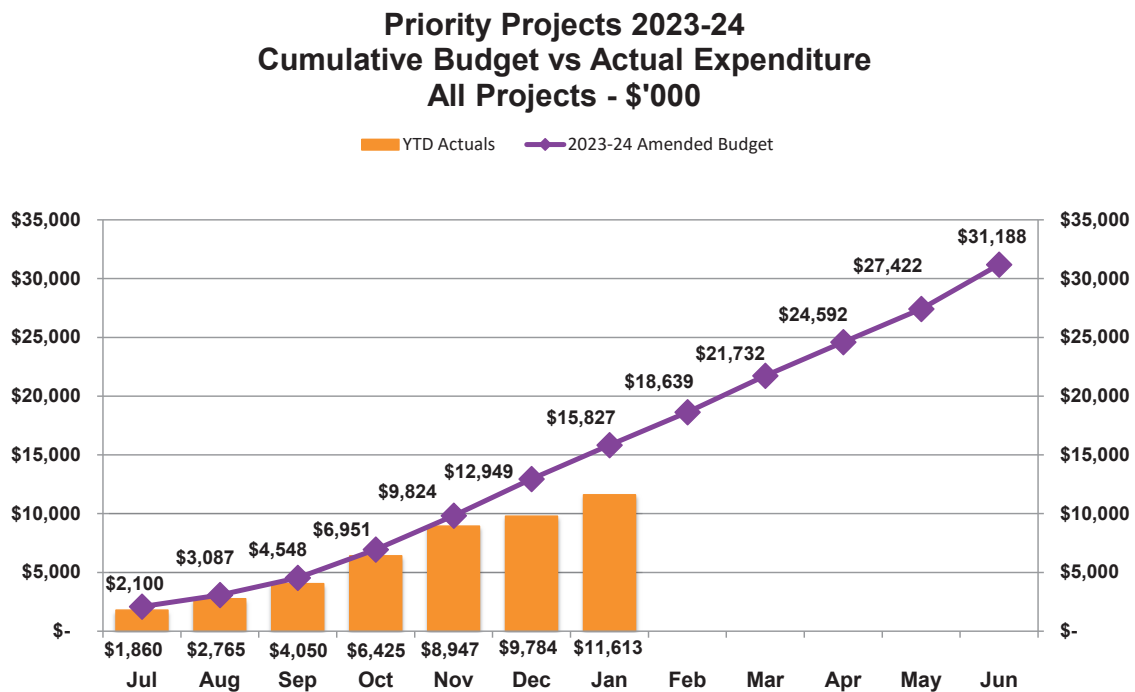
Council's year to date performance in gross capital works expenditure is \$29.00 million which is \$3.92 million below year to date budget phasing of \$32.92 million.

Capital works committed expenditure as at 31 January 2024 is \$33.34 million (year to date actual and commitments equates to \$62.34 million).

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 \$11.61 million which is \$4.22 million below year to date budget phasing of \$15.83 million.

Priority projects committed expenditure as at 31 January 2024 is \$16.81 million (year to date actual and commitments equates to \$28.43 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 \$107.58 million is \$6.98 million above the 2023-24 Amended Budget surplus of \$100.60 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 above budget by \$1.31 million comprising recurrent income of \$1.95 million and non-recurrent income of (\$638,000), while year to date total recurrent and non-recurrent expenditure is \$7.10 million (\$2.89 million + \$4.21 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 \$675,000	T	<b>Higher than budgeted income:</b> <ul style="list-style-type: none"> <li>\$675,000 - rates and charges income, primarily in rates interest and supplementary rates.</li> </ul>
Statutory fees and fines (\$256,000)	T T  T	<b>Lower than budgeted income:</b> <ul style="list-style-type: none"> <li>(\$255,000) - parking management income.</li> <li>(\$96,000) - local laws income.</li> </ul> <b>Offset by higher than budgeted income:</b> <ul style="list-style-type: none"> <li>\$103,000 - skip bins income.</li> </ul>

Income		
Income line	Expected variance (P)ermanent (T)iming	Explanation Year to date actual vs year to date budget variations
User fees \$665,000	T  T  T T T T	<b>Higher than budgeted income:</b> <ul style="list-style-type: none"> <li>\$983,000 - service fees and charges primarily in leisure and aquatic services management and Freeway golf course.</li> <li>\$104,000 - parking meter charges.</li> </ul> <b>Lower than budgeted income:</b> <ul style="list-style-type: none"> <li>(\$127,000) - fines income primarily in revenue and property services.</li> <li>(\$119,000) - registrations income primarily in animal registrations behind planned budget phasing.</li> <li>(\$109,000) - other charges income primarily in transfer station.</li> <li>(\$98,000) - infringements court charges.</li> </ul>
Grants - Operating (\$1.47 million)	T T  T  T/P	<b>Lower than budgeted income:</b> <ul style="list-style-type: none"> <li>(\$1.16 million) public libraries grant funding due to timing.</li> <li>(\$208,000) - Community transport funding received lower than planned budget phasing.</li> <li>(\$100,000) - immunisation services funding received lower than planned budget phasing.</li> </ul> <b>Offset by higher than budgeted income:</b> <ul style="list-style-type: none"> <li>\$122,000 - Victorian Local Government Grants Commission funding received higher than planned budget phasing.</li> </ul>
Contributions - Cash \$1.16 million	T   T	<b>Higher than budgeted income:</b> <ul style="list-style-type: none"> <li>\$1.34 million - developers open space contributions received higher than planned budget phasing.</li> </ul> <b>Offset by lower than budgeted income:</b> <ul style="list-style-type: none"> <li>(\$172,000) - Local contributions primarily associated with Balwyn Rotary contribution to small annual community grants.</li> </ul>
Rental income (\$91,000)	T  T  T	<b>Lower than budgeted income:</b> <ul style="list-style-type: none"> <li>(\$124,000) - Camberwell Fresh Food Market lease income lower than planned budget phasing.</li> <li>(\$120,000) - lease income of council premises lower than planned budget phasing.</li> </ul> <b>Higher than budgeted income:</b> <ul style="list-style-type: none"> <li>\$220,000 - lease income at Hawthorn Arts Centre primarily due to increased revenue received.</li> </ul>

Income		
Income line	Expected variance (P)ermanent (T)iming	Explanation Year to date actual vs year to date budget variations
Other income \$189,000	T/P  T  T	<b>Higher than budgeted income:</b> <ul style="list-style-type: none"> <li>\$442,000 - other income primarily due to the sale of right of ways received higher than planned budget phasing.</li> <li>\$79,000 - employee costs, training and professional development reimbursements at Hawthorn Arts Centre.</li> <li>•</li> </ul> <b>Offset by lower than budgeted income:</b> <ul style="list-style-type: none"> <li>(\$258,000) - road and footpath occupation income lower than planned budget phasing.</li> </ul>
Interest \$1.07 million	T	<b>Higher than budgeted income:</b> <ul style="list-style-type: none"> <li>\$1.07 million - managed interest - due to interest on investments.</li> </ul>

Expenditure		
Expense line	Expected variance (P)ermanent (T)iming	Explanation Year to date actual vs year to date budget variations
Employee costs \$1.71 million	T  T  T  T	<b>Lower than budgeted expenditure:</b> <ul style="list-style-type: none"> <li>\$3.88 million - salaries and associated costs primarily due to staff vacancies across the organisation.</li> <li>\$110,000 - apprenticeships/traineeships.</li> </ul> <b>Offset by higher than budgeted expenditure:</b> <ul style="list-style-type: none"> <li>(\$1.63 million) - temporary staff filling vacancies across the organisation.</li> <li>(\$670,000) - overtime and casuals and relievers filling vacancies across the organisation.</li> </ul>
Materials and services \$1.20 million	T T T  T T T T T T T T T T	<b>Lower than budgeted expenditure:</b> <ul style="list-style-type: none"> <li>\$746,000 - trade services across the organisation.</li> <li>\$657,000 - professional services and advice.</li> <li>\$421,000 - specialist tree work, high voltage works, block and root tree pruning in Environmental Sustainability and Open Space.</li> <li>\$346,000 - legal fees expense.</li> <li>\$286,000 - application support expense.</li> <li>\$194,000 - telephone internal data sim cards expense.</li> <li>\$152,000 - security/cash collections expense.</li> <li>\$151,000 - waste/recycling disposal expense.</li> <li>\$139,000 - painting services expense.</li> <li>\$138,000 - consultants expense.</li> <li>\$134,000 - printing expense.</li> <li>\$127,000 - infringements court filing fees expense.</li> <li>\$114,000 - water supply expense.</li> <li>\$101,000 - other rates and taxes expense.</li> </ul>

Expenditure		
Expense line	Expected variance (P)ermanent (T)iming	Explanation Year to date actual vs year to date budget variations
<i>Materials and Services cont.</i>	<p>T</p> <p>T</p> <p>T</p> <p>T</p> <p>T/P</p> <p>T</p> <p>T/P</p> <p>T</p> <p>T</p> <p>T/P</p> <p>T</p> <p>T</p> <p>T/P</p> <p>T/P</p> <p>T/P</p> <p>T/P</p>	<ul style="list-style-type: none"> <li>\$93,000 - insurance premium other expense.</li> <li>\$83,000 - vandalism and graffiti removal expense.</li> <li>\$83,000 - processing and mending materials expense.</li> </ul> <p><b>Partially offset by higher than budgeted expenditure:</b></p> <ul style="list-style-type: none"> <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>(\$574,000) - instant turf expense.</li> <li>(\$338,000) - licensing/maintenance contracts expense.</li> <li>(\$256,000) - open space contract variations expense.</li> <li>(\$231,000) - plumbing services expense.</li> <li>(\$190,000) - concrete expense.</li> <li>(\$175,000) - tyres expense.</li> <li>(\$117,000) - tipping fees expense.</li> <li>(\$112,000) - management fee expense.</li> <li>(\$97,000) - turf renovations expense.</li> <li>(\$96,000) - pool filtration equipment maintenance expense.</li> <li>(\$94,000) - quarry products expense.</li> <li>(\$89,000) - website license/hosting expense.</li> <li>(\$84,000) - furniture maintenance expense.</li> </ul>
Other expenses (\$84,000)	<p>T</p> <p>T</p> <p>P</p>	<p><b>Lower than budgeted expenditure:</b></p> <ul style="list-style-type: none"> <li>\$151,000 - conferences seminars and training expense across the organisation.</li> </ul> <p><b>Partially offset by higher than budgeted expenditure:</b></p> <ul style="list-style-type: none"> <li>(\$176,000) - grants and subsidies ahead of planned budget phasing primarily in small annual grants.</li> <li>(\$148,000) - Leased assets across the organisation that are short term (less than 12 months) or low value in nature. In accordance with the requirements of accounting standard AASB 16 - Leases short term or low value leases will be expensed to the income statement.</li> </ul>

## **2.2 Balance Sheet and Cash Flow Statement**

Cash and investment holdings are \$139.88 million as at 31 January 2024 which has increased by \$6.38 million from 30 June 2023.

Total cash and investment holdings are \$19.72 million higher than year to date budget primarily due to:

- Property, infrastructure, plant and equipment of \$8.27 million due to timing of cash outflows relating to the capital works program.
- Lower payments for materials and services of \$4.86 million due to timing of cash outflows.
- Higher than budgeted rates and charges of \$3.70 million due to timing and a higher collection rate (53.68%) than anticipated of (53%).
- Higher than budgeted development open space contributions of \$1.41 million due to timing.
- Employee costs are lower than budget due to staff vacancies across the organisation.

Partially offset by:

- Capital grants income is (\$3.27 million) lower than budgeted due to timing and being behind planned budget phasing.
- Lower than budgeted operating grants of (\$2.03 million) due to timing and being behind planned budget phasing.
- Lower than budgeted statutory fees and fines of (\$1.42 million) primarily due to parking related income.

The Balance Sheet as at 31 January 2024 indicates a satisfactory result with total current assets of \$258.29 million and total current liabilities of \$57.17 million.

The working capital ratio of 4.52 to 1 (includes a 0.5% or \$885,000 cash contingency for emergency response works and reserve funds of \$25.57 million) reflects the increase in current debtors resulting from the striking of the rates which will reduce by 30 June 2024 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 \$11.61 million which is \$4.22 million below year to date budget phasing of \$15.83 million primarily due to significant expenditure delays, the most significant being:

- **81084. System Development & Implementation- \$2,704,798**  
*The existing variance can be attributed to delays in delivering the later-than-expected commencement of the core systems implementation work and aligning the payment of vendor milestones with the updated schedule. The variance will be carried forward to the next year to cater for Core projects Go-Live.*
- **81082. BC1 Program Resources \$280,721**  
*The existing variance primarily stems from the deferment of resourcing commitments to accommodate the later-than-expected commencement of the core systems implementation work. The variance will be carried forward to the next year to cater for Core projects Go-Live.*
- **81083. System Licensing & Maintenance \$232,736**  
*The existing variance can be attributed to delays in delivering the later-than-expected commencement of the core systems implementation work and aligning the payment of licencing with the updated schedule. The variance will be carried forward to the next year to cater for Core projects Go-Live.*
- **80955. Tree Strategy Action Plan Implementation \$184,572**  
*This is a multi-year project for various tree renewals in parks and streets. A number of tree removals and replacement planting projects will be completed by June 2024. Further street tree renewal projects will continue into 2024-25. Works have been slightly delayed while undertaking more extensive consultation than planned and due to delays in works requiring power company approvals.*
- **81020. Glenferrie & Camberwell Placemaking Implementation \$149,770**  
*This budget continues to support the finalisation of the Camberwell Junction Structure and Place Plan. Following the adoption of the Glenferrie Place Plan, design development is also proceeding on key public space projects including the Columbia St laneway upgrades and Stage 1 of the Glenferrie Streetscape upgrades.*

Priority projects committed expenditure as at 31 January 2024 is \$16.81 million (year to date actual and commitments equates to \$28.43 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 \$29.00 million which is \$3.92 million below year to date budget phasing of \$32.92 million. The most significant variances being:

- **72935. Lynden Park - \$772,000**  
*Commencement of works was delayed while temporary accommodation options for tenants were resolved. Construction is now underway and is scheduled for completion by June 2024.*
- **72992. New open space for Surrey Hills - \$600,000**  
*Payment to the Level Crossing Removal Project (LXRP) has been delayed due to LXRP administration reasons. Payment is expected to be completed this financial year.*
- **73065. Rowen Street. Liston Street Glen Iris - \$550,000**  
*Project initially delayed due to contractor availability to undertake works. Works are now scheduled to be undertaken in the final quarter of the financial year.*
- **72377. Sportsground Reconstruction Program - \$473,000**  
*Progress has been slightly delayed on the Victoria Road Reserve project due to complications on site. Works will be completed in time for the winter sports season to commence on schedule.*
- **71866. Park playground replacement program implementation - \$453,000**  
*Hays Paddock was initially delayed due to contractor availability to undertake works. Construction commenced in August 2023 and are anticipated for completion June 2024. Works at Kate Campbell are scheduled to commence in March 2024.*
- **71636. Roads Resheeting - \$437,000**  
*Project has been delayed pending finalisation of the priority locations requiring works to be undertaken. Works will commence shortly across a range of sites and are anticipated to be completed by June 2024.*

Capital works committed expenditure as at 31 January 2024 is \$33.34 million (year to date actual and commitments equates to \$62.34 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)	YTD BUDGET (2)	YTD VARIANCE (1) - (2)	YTD VARIANCE %	2023-24 AMENDED BUDGET (3)
	\$'000s	\$'000s	\$'000s	\$'000s	%	\$'000s
<b>Recurrent income</b>						
Rates and charges	212,058	212,458	211,783	675	0%	212,058
Statutory fees and fines	16,821	9,422	9,678	(256)	-3%	16,640
User fees	15,423	8,034	7,369	665	9%	13,309
Grants - operating	10,726	2,862	4,329	(1,467)	-34%	5,800
Contributions - cash	5,239	4,316	3,152	1,164	37%	5,239
Rental income	2,998	1,638	1,729	(91)	-5%	2,998
Other income	3,670	2,305	2,116	189	9%	3,670
Interest	4,500	4,506	3,438	1,068	31%	5,314
<b>Total recurrent income</b>	<b>271,435</b>	<b>245,541</b>	<b>243,594</b>	<b>1,947</b>	<b>1%</b>	<b>265,028</b>
<b>Recurrent expenditure</b>						
Employee costs	98,791	52,767	54,475	1,708	3%	98,212
Materials and services	77,284	43,673	44,875	1,202	3%	78,677
Bad and doubtful debts	2,357	444	511	67	13%	4,762
Depreciation and amortisation <sup>1</sup>	38,846	23,316	23,316	-	0%	39,987
Amortisation - right of use assets	4,399	2,568	2,568	-	0%	4,399
Borrowing costs	3,408	2,025	2,025	-	0%	3,408
Finance costs - leases	313	183	183	-	0%	313
Other expenses	7,818	4,699	4,615	(84)	-2%	7,833
<b>Total recurrent expenditure</b>	<b>233,216</b>	<b>129,675</b>	<b>132,568</b>	<b>2,893</b>	<b>2%</b>	<b>237,591</b>
<b>Net recurrent operating surplus</b>	<b>38,219</b>	<b>115,866</b>	<b>111,026</b>	<b>4,840</b>	<b>4%</b>	<b>27,437</b>
<b>Non-recurrent income</b>						
Priority projects income	830	1,452	1,588	(136)	-9%	2,914
Capital works income	3,238	3,315	3,817	(502)	-13%	8,649
<b>Total non-recurrent income</b>	<b>4,068</b>	<b>4,767</b>	<b>5,405</b>	<b>(638)</b>	<b>-12%</b>	<b>11,563</b>
<b>Non-recurrent expenditure</b>						
Priority projects expenditure	25,158	11,613	15,827	4,214	27%	31,188
<b>Total non-recurrent expenditure</b>	<b>25,158</b>	<b>11,613</b>	<b>15,827</b>	<b>4,214</b>	<b>27%</b>	<b>31,188</b>
<b>Net non recurrent operating surplus (deficit)</b>	<b>(21,090)</b>	<b>(6,846)</b>	<b>(10,422)</b>	<b>3,576</b>	<b>-34%</b>	<b>(19,625)</b>
<b>Net gain (loss) on disposal of property, infrastructure, plant and equipment</b>	<b>(2,763)</b>	<b>(1,437)</b>	<b>-</b>	<b>(1,437)</b>	<b>100%</b>	<b>(2,763)</b>
<b>Surplus/(Deficit) for the year <sup>2</sup></b>	<b>14,366</b>	<b>107,583</b>	<b>100,604</b>	<b>6,979</b>	<b>7%</b>	<b>5,049</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 \$107.58 million as per the budget is due to the striking of full year annual rates in August 2023. 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 \$6.98 million or 7% is due to timing differences for income and expenditure. Refer to Section 2 Financial Overview for details on Council's financial performance.

### 3.2 Balance Sheet

	31 Jan 2024 \$'000	30 Jun 2023 \$'000	31 Jan 2023 \$'000
<b>Current assets</b>			
Cash and cash equivalents <sup>1</sup>	139,876	66,751	140,830
Other financial assets <sup>1</sup>	-	79,500	-
Trade and other receivables	117,054	24,135	110,218
Prepayments	1,356	3,177	1,077
<b>Total current assets</b>	<b>258,286</b>	<b>173,563</b>	<b>252,125</b>
<b>Non-current assets</b>			
Financial assets	4	4	4
Property, plant and equipment, infrastructure	4,451,671	4,448,985	4,415,645
Right of use assets	5,827	7,176	7,007
Intangible assets	15	15	269
Investment property	18,402	18,105	8,756
<b>Total non-current assets</b>	<b>4,475,919</b>	<b>4,474,285</b>	<b>4,431,681</b>
<b>Total assets</b>	<b>4,734,205</b>	<b>4,647,848</b>	<b>4,683,806</b>
<b>Current liabilities</b>			
Trade and other payables	8,047	22,505	12,893
Interest-bearing liabilities	3,874	8,117	3,634
Provisions	19,147	19,844	18,715
Trust funds and deposits	17,797	16,032	14,274
Unearned income	5,320	7,981	11,840
Lease liabilities	2,980	2,980	7,529
<b>Total current liabilities</b>	<b>57,165</b>	<b>77,459</b>	<b>68,885</b>
<b>Non-current liabilities</b>			
Provisions	2,244	2,244	2,120
Interest-bearing liabilities	77,216	77,216	83,960
Provision for investments in joint ventures	7,557	7,557	6,040
Lease liabilities	3,334	4,266	-
<b>Total non-current liabilities</b>	<b>90,351</b>	<b>91,283</b>	<b>92,120</b>
<b>Total liabilities</b>	<b>147,516</b>	<b>168,742</b>	<b>161,005</b>
<b>Net assets</b>	<b>4,586,689</b>	<b>4,479,106</b>	<b>4,522,801</b>
<b>Equity</b>			
Accumulated surplus	1,066,882	958,843	1,032,838
Asset revaluation reserve	3,494,240	3,494,696	3,466,496
Reserves <sup>2</sup>	25,567	25,567	23,467
<b>Total equity</b>	<b>4,586,689</b>	<b>4,479,106</b>	<b>4,522,801</b>
<b>Working capital ratio</b>	<b>4.52</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 (\$15.63 million) and Defined Benefits Superannuation future call up reserve (\$9.50 million).

### 3.3 Statement of Cash Flows

	ANNUAL ORIGINAL BUDGET  \$'000	YEAR TO DATE			2023-24 AMENDED BUDGET  \$'000
		ACTUAL (1) \$'000	YTD ANNUAL BUDGET (2) \$'000	VARIANCE (unfav) (1) - (2) \$'000	
<b>Cash flows from operating activities</b>					
Rates and waste charges <sup>1</sup>	214,458	116,089	112,391	3,698	210,050
Statutory fees and fines <sup>2</sup>	13,794	7,747	9,168	(1,421)	11,408
User charges and other fines	16,965	8,671	8,108	563	14,643
Grants - operating <sup>3</sup>	12,208	4,470	6,501	(2,031)	3,534
Grants - capital <sup>4</sup>	3,238	548	3,817	(3,269)	8,495
Contributions - monetary <sup>5</sup>	5,239	4,562	3,155	1,407	5,239
Interest received	4,500	3,577	3,439	138	5,314
Other receipts	7,335	4,166	4,233	(67)	7,515
Net GST refund	15,292	9,231	8,745	486	15,657
Trust funds and deposits taken <sup>6</sup>	100	1,765	-	1,765	100
Employee costs <sup>7</sup>	(105,444)	(57,998)	(62,796)	4,798	(108,998)
Materials and services <sup>8</sup>	(106,654)	(65,682)	(70,542)	4,860	(112,499)
Short-term, low value and variable lease payments	(589)	(465)	(352)	(113)	(589)
Other payments	(8,118)	(4,718)	(4,773)	55	(8,160)
<b>Net cash provided by/(used in) operating activities</b>	<b>72,324</b>	<b>31,962</b>	<b>21,094</b>	<b>10,868</b>	<b>51,709</b>
<b>Cash flows from investing activities</b>					
Payments for property, infrastructure, plant and equipment <sup>9</sup>	(80,595)	(29,951)	(38,217)	8,266	(72,407)
Proceeds from sale of property, plant and equipment	4,720	(4)	-	(4)	4,720
Net proceeds / (payments) for investments	-	79,500	79,500	-	79,500
<b>Net cash used in investing activities</b>	<b>(75,875)</b>	<b>49,545</b>	<b>41,283</b>	<b>8,262</b>	<b>11,813</b>
<b>Cash flows from financing activities</b>					
Finance costs	(3,408)	(1,790)	(2,378)	588	(3,699)
Repayment of borrowings	(8,117)	(4,243)	(4,243)	-	(8,117)
Interest paid - lease liability	(313)	(183)	(184)	1	(315)
Repayment of lease liabilities	(6,130)	(2,166)	(2,163)	(3)	(3,709)
<b>Net cash provided by (used in) financing activities</b>	<b>(17,968)</b>	<b>(8,382)</b>	<b>(8,968)</b>	<b>586</b>	<b>(15,840)</b>
Net increase (decrease) in cash and cash equivalents	(21,519)	73,125	53,409	19,716	47,682
Cash and cash equivalents at beginning of year	128,170	66,751	66,751	-	66,751
<b>Cash and cash equivalents at end of year</b>	<b>106,651</b>	<b>139,876</b>	<b>120,160</b>	<b>19,716</b>	<b>114,433</b>

Note: All numbers are rounded to the nearest thousand.

1. Rates and waste charges are \$3.70 million higher than budget due to timing and a higher collection rate (53.68%) than anticipated (53%).
2. Lower than budgeted statutory fees and fines of (\$1.42 million) primarily due to parking related income.
3. Lower than budgeted operating grants of (\$2.03 million) due to timing and being behind planned budget phasing.
4. Capital grants income is (\$3.27 million) lower than budget due to timing and being behind planning budget phasing.
5. Contributions - monetary \$1.41 million higher primarily relating to timing of developer contributions and local contributions.
6. 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.
7. Employee costs are \$4.80 million lower than budgeted primarily due to staff vacancies across the organisation.
8. Materials and Services are lower than budget due to timing of cash outflows of \$4.86 million.
9. Payments for property, plant and equipment differs from that presented in the capital works statement due to settlement of the 30 June 2023 creditors and forward commitment expenditure. Works delivered in the 2022-23 financial year have previously been brought to account and accrued against the 2022-23 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	2023-24 AMENDED BUDGET (3)
	\$'000s	\$'000s	\$'000s	\$'000s	%	\$'000s	\$'000s
<b>Infrastructure</b>							
Bridges	67	884	905	21	2%	208	952
Drainage	5,244	3,867	3,691	(176)	-5%	930	6,271
Footpaths and cycleways	2,388	1,018	1,300	282	22%	75	2,904
Off street carparks	852	112	571	459	80%	61	852
Parks, open space and streetscapes	6,537	3,680	5,062	1,382	27%	3,301	8,833
Recreational, leisure & com facilities	7,322	1,479	2,190	711	32%	3,184	8,114
Roads	13,830	7,715	6,555	(1,160)	-18%	942	14,266
<b>Total Infrastructure</b>	<b>36,240</b>	<b>18,755</b>	<b>20,274</b>	<b>1,519</b>	<b>7%</b>	<b>8,701</b>	<b>42,192</b>
<b>Plant and Equipment</b>							
Computers and telecommunications	1,267	390	408	18	4%	153	1,673
Fixtures, fittings and furniture	1,682	337	660	323	49%	725	2,306
Library books	1,000	558	567	9	2%	192	1,000
Plant machinery and equipment	1,269	446	482	36	7%	13	1,269
<b>Total Plant and Equipment</b>	<b>5,218</b>	<b>1,731</b>	<b>2,117</b>	<b>386</b>	<b>18%</b>	<b>1,083</b>	<b>6,248</b>
<b>Property</b>							
Building	21,193	7,402	9,075	1,673	18%	9,611	19,020
Building improvements	352	21	81	60	74%	5	352
Major Projects	17,592	1,092	1,375	283	21%	13,937	4,595
<b>Total Property</b>	<b>39,137</b>	<b>8,515</b>	<b>10,531</b>	<b>2,016</b>	<b>19%</b>	<b>23,553</b>	<b>23,967</b>
<b>Total capital works expenditure</b>	<b>80,595</b>	<b>29,001</b>	<b>32,922</b>	<b>3,921</b>	<b>12%</b>	<b>33,337</b>	<b>72,407</b>
<b>Represented by:</b>							
Asset renewal expenditure	54,456	24,487	26,440	1,953	7%	23,893	54,243
Asset upgrade expenditure	1,587	1,139	1,191	52	4%	1,124	3,641
New asset expenditure	17,187	2,706	4,775	2,069	43%	5,964	11,913
Asset expansion expenditure	7,365	669	516	(153)	-30%	2,356	2,610
<b>Total capital works expenditure</b>	<b>80,595</b>	<b>29,001</b>	<b>32,922</b>	<b>3,921</b>	<b>12%</b>	<b>33,337</b>	<b>72,407</b>

Note: All numbers are rounded to the nearest thousand.