

## QUARTERLY FINANCE REPORT – MARCH 2024

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Report Author: Manager Financial Services (CFO)

Responsible Officer: Director Corporate Services

Ward(s) affected: (All Wards);

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*The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.*

### CONFIDENTIALITY

This item is to be considered at a Council meeting that is open to the public.

### SUMMARY

The attached quarterly finance report has been prepared as of 31 March 2024.

The report includes financial year-to-date data up to the end of March 2024 for the 2023-2024 financial year and is compared to adopted budget and full year forecast for the financial year 2023-2024.

### RECOMMENDATION

#### ***That Council***

- 1. Receives and notes the Finance Report for the nine month period to 31 March 2024.***
- 2. Approves and adopts the Capital Works Transfers as outlined in the March Quarterly Capital Works Program.***

### RELATED COUNCIL DECISIONS

There are no related Council decisions relevant to this item.

### DISCUSSION

#### ***Purpose and Background***

Section 101 of the *Local Government Act 2020* outlines the financial management principles that Council needs to adhere to in its monthly reporting to the Executive Leadership Team (ELT) and quarterly reporting to Council and the Audit and Risk Management Committee (ARMC) on Council's financial results.

## ***Summary of year-to-date results***

### Comprehensive Result (Net Surplus)

YTD comprehensive result of \$10.4m is \$3.5m below the adopted budget. This is due to:

- Overall revenue is \$1.2m below budget, this predominantly relates to over budgeted \$7.6m in operating grants, and no non-monetary contributions received to date.
- Overall expenses are over budget by \$1.4m, this predominantly relates to Depreciation and Amortisation \$3.2m as significant Work-In-Progress (WIP) was capitalised in March ahead of schedule, and other expenses \$0.8m, offset by salary underspends (vacancies) of \$2.4m.

### Balance Sheet and Cash Flow Statement

Cash and investment holdings ended March at \$69.3m (\$31.8m in untied cash) representing a positive cash position. The Balance Sheet presents a working capital of \$16.4m (total current assets of \$118.1m less total current liabilities of \$101.2m). This reflects Council's ability to meet its obligations as and when they fall due.

### Capital Program

Capital expenditure finished the month at \$5.3m against a budget of \$4.6m for March.

Year to Date capital expenditure of \$45.2m is \$3.9m or 9.5% above the YTD Adopted Budget of \$41.3m.

## **FINANCIAL ANALYSIS**

The attached report outlines the financial performance and position of Council's activities as at the end of March 2024 with variance commentaries on performance by income/expenditure type.

## **APPLICABLE PLANS AND POLICIES**

Sound financial management and reporting of Council's activities forms part of Council's commitment to be a High Performing Organisation, one of the five Key Strategic Objectives outlined in the Council Plan.

## **RELEVANT LAW**

Section 97 of the *Local Government Act 2020* requires Council to prepare and present a quarterly finance report that compares annual budgeted revenue and expenditure with actual year-to-date revenue and expenditure, at a Council meeting which is open to the public.

## **SUSTAINABILITY IMPLICATIONS**

Reporting on Council's financial performance highlights specific implications of Council's activities on the broader economic, social and environmental impacts on Council and the Yarra Ranges community.

## **COMMUNITY ENGAGEMENT**

Not applicable.

## **COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT**

Not applicable.

## **RISK ASSESSMENT**

A risk assessment has been considered in relation to the financial report and deemed an acceptable level of risk.

## **CONFLICTS OF INTEREST**

No officers and/or delegates acting on behalf of the Council through the Instrument of Delegation and involved in the preparation and/or authorisation of this report have any general or material conflict of interest as defined within the *Local Government Act 2020*.

## **ATTACHMENTS TO THE REPORT**

1. Financial Report – March 2024
2. Capital works statement March 2024