

## 6.4.4 Quarterly Financial Report 2023/24 - Q3 March 2024

**Responsible GM:** Wayne Mack  
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### Recommendation(s)

That Council:

1. Receives and notes the quarterly financial report for the nine months to 31 March 2024, for the purpose of Section 97 of the *Local Government Act 2020*.
2. Notes the capital project variations as outlined in the report.
3. Approves the budget variation for the Alma Treloar Amphitheatre.
4. Notes that the Chief Executive Officer, as required under Section 97 (3) of the *Local Government Act 2020*, is of the opinion that a revised budget is not required.

### Attachments

1. Quarterly Finance Report - Q3 March 2024 [6.4.4.1 - 11 pages]
2. Appendix 1 - Capital Works by Project [6.4.4.2 - 4 pages]

### Executive Summary

The attached quarterly finance report has been prepared as of 31 March 2024. The report includes financial year-to-date data up to quarter three of the 2023/24 financial year and is compared to the adopted budget for the full year to 30 June 2024.

Also included in this report is information on capital budget variations, one of which requires Council approval.

### Background

#### Quarterly Financial Report

The quarterly financial update presents summary financial statements and a series of other progress reports on matters that will inform both Council and the community on the performance of Council for the nine months ending 31 March 2024.

#### Comprehensive result (net surplus/deficit)

Year to date comprehensive result of \$97.5m surplus is \$45.4m favourable to the adopted budget.

Revenue is currently tracking higher than budget, mainly due to:

- The difference in expected recognition of capital grant income between budget and actual.
- Contributions income is higher mainly due to Officer precinct development growing faster than anticipated.
- Interest income is higher than budget due to the current ability to retain cash in interest bearing accounts that have been attracting higher interest rates.

This is being offset by lower operating grant revenue, caused by the receipt in full of the 2023/24 financial assistance payment in June 2023 which was budgeted for in this financial year.

Expenses are lower than budget due to:

- Materials and services show a favourable variance due to the timing of expenditure in various areas.
- Depreciation is lower than budget because of recent asset valuations completed for buildings, roads, pathways, and off-street carparks.
- Transfer of employee costs for project delivery to capital projects.

The current full year forecast result of \$107.2m is favourable to adopted budget by \$7.1m, largely due to income from other sources including:

- Higher interest income with increasing interest rates.
- Higher development levies as Officer Precinct Development is growing at a faster rate than anticipated.

Additionally, forecasted savings in depreciation due to recent asset revaluations is also contributing to this favourable result.

This is being partially offset by:

- Lower than budgeted grant income following a recent review of the capital program.
- Higher forecasted expenditure in materials and services.

#### Adjusted underlying result

This is the net result exclusive of capital grants and contributions. It is an indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives.

The year-to-date result of \$632k surplus is \$2.3m unfavourable to the adopted budget. This is mostly related to the timing of expenditure.

The full year forecast is currently showing a small surplus of \$487k, which is \$10.2m favourable to the adopted budget deficit of \$9.7m. This is being influenced by:

- Increased interest income
- Reduced employee costs
- Reduced depreciation expenses

#### Balance sheet and cashflow statement

Cash and investment holdings are \$156.2m as of 31 March 2024 representing a positive cash position. The Balance Sheet presents a working capital \$141.2m (total current assets of \$203.6m less total current liabilities of \$62.4m). The full year forecast working capital is expected to be positive at \$101.6m as at June 2024, reflecting Council's ability to meet its obligations as and when they fall due.

#### Capital program

Year to date capital expenditure of \$59.5m is \$32.5m (35.3%) below the year to date adopted budget (including carry forward) of \$91.9m. The full year forecast is expected to be \$20.3m below the full year adopted budget (including carry forward).

## Capital project variations

### Alma Treloar amphitheatre

*FOR APPROVAL - Request to increase the project budget to a total of \$880,100 (\$540,000 grant funding, \$340,100 council contribution)*

Rationale:

- The original project budget of \$360,000 was a 50/50 split between Council and the Growing Suburbs Fund (GSF) Round 2.
- Due to no market uptake to the first two tenders, Council had to seek GSF approval for an extension to the delivery timelines. Once this was granted, Council proceeded to tender, but costs had risen significantly.
- In July 2022, savings resulting from the receipt of LRCI funds from the roads program were allocated to the project, increasing the project budget to \$720,000.
- Once works commenced on site, changes to the design were required, which has increased costs further.
- The project is on track to be completed by June 2024, as required under the terms of the GSF funding.

### IYU Recreation Reserve

*FOR NOTING - Request to reallocate existing project budgets under the parent project to install temporary facilities (an office, kitchen and toilets) at IYU (\$466,200 council contribution)*

- Three projects were planned at IYU in FY23/24: Track & field construction; Roundabout construction; Design of a pavilion.
- Current traffic demands mean that the roundabout is not currently required.
- Funding for the construction of the pavilion is not available in the short term, meaning design is not currently required.
- Temporary facilities are required to enable clubs to effectively use the track and field facilities. Facilities can be installed within the next six months.

### PB Ronald Recreation Reserve

*FOR NOTING - Council note the proposal for a solar lighting project at PB Ronald Recreation Reserve*

- Council received \$400,000 funding for installing a public toilet at PB Ronald Reserve. \$50,000 contribution was required by Council, bringing the total project budget to \$450,000.
- The toilet cost less than expected, leaving \$100,000 underspent against the grant requirements.
- A project has been scoped to use the underspend to fund the installation of solar lights at PB Ronald Recreation Reserve. Approval is being requested from the funding body for this reallocation.
- No additional Council contribution will be required.

## Policy Implications

Nil.

## Relevance to Council Plan

### 5.1 We practise responsible leadership

5.1.2 Manage our finances responsibly and leave a positive legacy for future generations.

## Climate Emergency Consideration

Nil.

### **Consultation/Communication**

Finance Business Partners work together with Business Units Managers to inform year to date results and full year forecasts for operating and capital works budgets. Outcomes of these discussions provide input to the financial performance and capital works reports for further review with the relevant General Managers and governance working groups. These reports are subsequently presented to the Senior Leadership Team, the Audit and Risk Committee, and Council.

### **Financial and Resource Implications**

The attached report outlines the financial performance and position of Council's activities for the 2023/24 financial year up to 31 March 2024. It includes analysis of the differences between the 2023/24 budget adopted in June 2023, as well as forecast of performance for the full year.

### **Conclusion**

The report provides a summary of the financial position of Cardinia Shire Council up to 31 March 2024. Council is currently tracking ahead of the adopted budget after nine months, with a full financial year forecast anticipated to be \$7.0m higher than budget. These variances are largely due to higher income expectations, being partially offset by increased operating expenses in relation to material and services costs, as outlined in the attached report.



# **Financial Performance Report**

**1 July 2023  
to  
31 March 2024**

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## Results at a glance

Council remains in a stable financial position for the financial year to 31 March 2024. It should be noted that accurate forecasting across the organisation continues to be monitored to ensure the year end result is an accurate representation of the anticipated full year position. This is particularly crucial with anticipated increased expenditure during the last quarter of 2023/24.

### Profit and loss

	Note	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	FULL YEAR FORECAST \$'000	FULL YEAR BUDGET \$'000	FULL YEAR VARIANCE \$'000
Revenue		206,385	171,328	35,057	263,975	263,663	312
Expenses		108,865	119,277	10,412	156,739	163,486	6,747
<b>Comprehensive result</b>	1	97,520	52,051	45,469	107,236	100,177	7,059
<b>Adjusted underlying result</b>	2	632	3,013	(2,381)	487	(9,756)	10,243

### Balance sheet

	Note	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	FULL YEAR FORECAST \$'000	FULL YEAR BUDGET \$'000	FULL YEAR VARIANCE \$'000
Total assets		2,686,175			2,652,204	2,550,134	102,070
Total liabilities		85,427			67,625	155,594	87,969
<b>Net worth</b>		<b>2,600,748</b>			<b>2,584,579</b>	<b>2,394,540</b>	<b>190,039</b>
<b>Net position</b>	3	<b>142,315</b>			<b>113,643</b>	<b>117,988</b>	<b>4,345</b>

### Cash position

	Note	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	FULL YEAR FORECAST \$'000	FULL YEAR BUDGET \$'000	FULL YEAR VARIANCE \$'000
Receipts		156,668	177,881	(21,213)	256,344	237,174	19,170
Payments		155,181	167,472	12,291	254,447	223,296	(31,151)
<b>Net increase/(decrease) in cash held</b>		<b>1,487</b>	<b>10,409</b>	<b>(8,922)</b>	<b>1,897</b>	<b>13,878</b>	<b>(11,981)</b>
Other financial assets		129,000	129,000	0	99,000	111,500	(12,500)
Cash at beginning		25,784	36,379	(10,595)	25,784	36,379	(10,595)
Underlying cash balance		156,271	175,788	(19,517)	126,681	161,757	(35,076)
<b>Restricted cash</b>		<b>138,952</b>	<b>56,871</b>	<b>82,081</b>	<b>108,834</b>	<b>75,828</b>	<b>33,006</b>
<b>Net cash available</b>	4	<b>17,319</b>	<b>118,917</b>	<b>(101,598)</b>	<b>17,847</b>	<b>85,929</b>	<b>(68,082)</b>

**Capital works**

	Note	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	FULL YEAR FORECAST \$'000	FULL YEAR BUDGET \$'000	FULL YEAR VARIANCE \$'000
Capital works delivery	5	59,584	92,390	(32,806)	95,522	117,190	(21,668)

**Notes**

<b>1</b>	<b>Comprehensive result</b>	<p>Comprehensive result is the net result of all income and expenses.</p> <p>The comprehensive surplus at the end of March 2024 is \$97.5 million, which is \$45.4 million favourable compared to the adopted budget surplus of \$52.0 million.</p> <p>The full year forecast is projecting a comprehensive surplus of \$107.2 million, a \$7.0 million increase on adopted budget.</p>
<b>2</b>	<b>Adjusted underlying result</b>	<p>Net result exclusive of capital grants and contributions.</p> <p>Council's adjusted underlying result at the end of March is showing a \$632k surplus, which is \$2.3 million unfavourable to the year to date adopted budget.</p> <p>The full year forecast is now projecting a surplus of \$487k, which is \$10.2 million favourable to the adopted budget deficit of \$9.7 million.</p>
<b>3</b>	<b>Net position</b>	<p>Net position is the sum of interest-bearing liabilities less the sum of selected financial assets (bank balance and term deposits). A positive number indicates a higher bank balance than loans.</p> <p>Year to date net position is \$142.3 million, this is a sum of cash and cash equivalents of \$156.2 less interest-bearing liabilities of \$13.9 million.</p>
<b>4</b>	<b>Net cash available</b>	<p>Cash receipts for operating activities and sales of non-financial assets.</p> <p>Net cash available on 31 March 2024 was \$17.3 million is the total of underlying cash (\$156 million) less restricted cash (\$138.9 million).</p> <p>Full year forecast of net cash available is \$17.8 million. This is \$68.0 million less than budget which is a combination of a lower opening cash balance, timing of payments and lower value of other financial assets.</p>
<b>5</b>	<b>Capital works delivery</b>	<p>Year-to-date capital works delivery at 31 March is \$32.4 million lower than adopted budget.</p> <p>The full year forecasts are indicating a shortfall of \$20 million, with expected total delivery to be \$93.4 million against an adopted budget of \$113.7 million.</p>



## Financial performance for the period ending 31 March 2024

### Comprehensive Income Statement

	Year To Date				Full Year			
	Actual	Budget	Variance		Forecast	Budget	Variance	
	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	%
<b>Income</b>								
Rates and charges	88,961	93,214	(4,253)	(4.6%)	118,531	118,484	47	0.0%
Statutory fees and fines	4,098	6,436	(2,338)	(36.3%)	6,141	6,463	(322)	(5.0%)
User fees	1,655	2,559	(904)	(35.3%)	2,564	2,532	32	1.3%
Grants - operating	5,888	16,235	(10,347)	(63.7%)	18,145	18,512	(367)	(2.0%)
Grants - capital	47,223	0	47,223	100.0%	40,707	47,663	(6,956)	(14.6%)
Contributions - monetary	21,512	19,336	2,176	11.3%	25,194	25,279	(85)	(0.3%)
Contributions - non-monetary	28,354	29,859	(1,505)	(5.0%)	41,118	39,812	1,306	3.3%
Net gain on disposal of PIPE	963	0	963	100.0%	963	0	963	100.0%
Other income	7,731	3,689	4,042	109.6%	10,612	4,918	5,694	115.8%
<b>Total income</b>	<b>206,385</b>	<b>171,328</b>	<b>35,057</b>	<b>20.5%</b>	<b>263,975</b>	<b>263,663</b>	<b>312</b>	<b>0.1%</b>
<b>Expenses</b>								
Employee costs	38,558	39,654	1,096	2.8%	53,514	55,086	1,572	2.9%
Materials and services	48,244	51,518	3,274	6.4%	72,782	70,831	(1,951)	(2.8%)
Depreciation	20,231	25,013	4,782	19.1%	27,076	33,350	6,274	18.8%
Amortisation - intangible assets	125	161	36	22.4%	165	214	49	22.9%
Amortisation - right of use assets	302	441	139	31.5%	574	606	32	5.3%
Bad and doubtful debts	113	131	18	13.7%	174	189	15	7.9%
Borrowing costs	186	767	581	75.7%	562	1,064	502	47.2%
Finance costs - leases	65	105	40	38.1%	105	143	38	26.6%
Other expenses	1,041	1,487	446	30.0%	1,787	2,003	216	10.8%
<b>Total expenses</b>	<b>108,865</b>	<b>119,277</b>	<b>10,412</b>	<b>8.7%</b>	<b>156,739</b>	<b>163,486</b>	<b>6,747</b>	<b>4.1%</b>
<b>Surplus/(deficit)</b>	<b>97,520</b>	<b>52,051</b>	<b>45,469</b>	<b>87.4%</b>	<b>107,236</b>	<b>100,177</b>	<b>7,059</b>	<b>7.0%</b>
less: Capital income and other abnormals	(97,005)	(49,038)	(47,617)	97.1%	(106,883)	(112,546)	5,663	(5.0%)
add back: Recurrent capital grants	117	0	0	100.0%	134	2,613	0	0.0%
<b>Adjusted underlying surplus/(deficit)</b>	<b>632</b>	<b>3,013</b>	<b>(2,381)</b>	<b>(79.0%)</b>	<b>487</b>	<b>(9,756)</b>	<b>10,243</b>	<b>(105.0%)</b>

### Variances and insights

Year to date comprehensive result at 31 March 2024 is a surplus of \$97.5 million. This surplus is forecasted to be \$107.2 million by June 2024 against the full year budget of \$100.2 million, which is \$7 million favourable than the budget.

Due to timing variances, commentary on key movements between budget and actual will be based on full year projections.

Category	Full year forecast vs adopted budget	Explanation
Grants – capital	Unfavourable \$7 million	Largely due to lower forecast of capital grant for Princes Hwy Intersection Upgrade Program by \$7.4 million
Non-monetary contributions	Favourable \$1.3 million	Higher than budgeted increase of assets handed over to the Council by developers.
Net gain on disposal of PIPE	Favourable \$963k	This is the net of sale proceeds from vehicles and land \$1.2 million offsets by the written down value of infrastructure assets \$200 thousand to renew.
Other income	Favourable \$5.7 million	Includes: <ul style="list-style-type: none"> <li>Share of profit of \$633k related to 2022/23 financial year from Aligned Leisure.</li> <li>Higher interest income of \$3.5 million due to higher interest rates on investments.</li> </ul>

Category	Full year forecast vs adopted budget	Explanation
		<ul style="list-style-type: none"> <li>Reimbursement of costs incurred (\$514k) from the relating to the October 2022 flood.</li> </ul>
Employee costs	Favourable \$1.5 million	Mainly due to higher than budgeted vacancy rate.
Materials and services	Unfavourable \$1.9 million	Higher than budgeted expenses in material and services (\$2 million), which includes \$1.2 million for dangerous tree removal and \$800k incurred in response to the 13 February 2024 storm.
Depreciation	Favourable \$6.2 million	As a result of the impact from the revaluation of building assets in 2022/23 financial year.

**Balance Sheet**

	Actual 30 Jun 2023 \$'000	YTD Actual \$'000	YTD Movement \$'000	Full Year Forecast \$'000	Full Year Budget \$'000	Full Year Variance \$'000
<b>Current assets</b>						
Cash and cash equivalents	163,784	156,271	(7,513)	126,681	161,758	(35,077)
Inventories	17	2	(15)	2	38	(36)
Non-current assets held for sale	0	(8)	(8)	(8)	283	(291)
Other assets	5,477	83	(5,394)	4,083	10,117	(6,034)
Trade and other receivables (current)	19,632	47,343	27,711	15,380	30,295	(14,915)
<b>Total Current assets</b>	<b>188,910</b>	<b>203,691</b>	<b>14,781</b>	<b>146,138</b>	<b>202,491</b>	<b>(56,353)</b>
<b>Non-current assets</b>						
Intangible assets	1,255	1,471	216	1,648	285	1,363
Property, infrastructure, plant & equipment	2,391,298	2,475,596	84,298	2,499,006	2,341,740	157,266
Right of use assets	4,321	4,020	(301)	4,015	3,714	301
Trade and other receivables (non-current)	1,465	1,397	(68)	1,397	1,904	(507)
<b>Total Non-current assets</b>	<b>2,398,340</b>	<b>2,482,484</b>	<b>84,145</b>	<b>2,506,066</b>	<b>2,347,643</b>	<b>158,423</b>
<b>Current liabilities</b>						
Interest-bearing liabilities (current)	2,391	0	2,391	1,947	2,391	444
Lease liabilities (current)	575	295	280	540	532	(8)
Provisions (current)	10,249	11,120	(871)	10,055	10,052	(3)
Trade and other payables (current)	6,916	6,596	320	3,875	73,848	69,973
Trust funds and deposits	12,777	14,915	(2,138)	12,119	11,880	(239)
Unearned income	46,858	29,571	17,287	16,001	0	(16,001)
<b>Total Current liabilities</b>	<b>79,766</b>	<b>62,497</b>	<b>17,269</b>	<b>44,537</b>	<b>98,703</b>	<b>54,166</b>
<b>Non-current liabilities</b>						
Interest-bearing liabilities (non-current)	11,690	13,956	(2,266)	11,091	41,379	30,288
Lease liabilities (non-current)	3,936	3,936	(0)	3,883	4,455	572
Provisions (non-current)	1,324	1,359	(35)	1,385	1,401	16
Trade and other payables (non-current)	3,679	3,679	0	6,729	9,656	2,927
<b>Total Non-current liabilities</b>	<b>20,629</b>	<b>22,930</b>	<b>(2,301)</b>	<b>23,088</b>	<b>56,891</b>	<b>33,803</b>
<b>NET ASSETS</b>	<b>2,486,855</b>	<b>2,600,748</b>	<b>113,894</b>	<b>2,584,579</b>	<b>2,394,540</b>	<b>14,101</b>
<b>Equity</b>						
Accumulated surplus	1,296,852	1,395,013	98,161	1,376,883	1,374,002	2,881
Reserves	1,190,003	1,205,735	15,732	1,207,696	1,020,538	187,158
<b>TOTAL EQUITY</b>	<b>2,486,855</b>	<b>2,600,748</b>	<b>113,893</b>	<b>2,584,579</b>	<b>2,394,540</b>	<b>190,039</b>

**Assets**

Current Assets have increased by \$14.7 million and is mainly due to the raising of rates debtors (\$87.0 million) in August 2023 for the 2023/24 financial year. This balance will reduce during the financial year as instalment dates fall due.

Non-current assets increase of \$84 million is due to completed capital works on Council owned assets and recognition of developer contributed infrastructure assets to 31 March 2024.

**Liabilities**

Current liabilities have decreased due to rates and charges raised in August 2023 being progressively recognised over the financial year.

**Cash flow statement**

	30-Jun-23	YTD	YTD	YTD	Full Year	Full Year	Full Year
	Actual	Actual	Budget	Variance	Forecast	Budget	Variance
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>							
Rates and Charges	108,415	88,619	87,716	903	118,894	116,955	1,939
Statutory Fees and Fines	6,483	4,506	4,847	(341)	6,702	6,463	239
User Fees	3,079	1,820	407	1,413	3,110	543	2,567
Grants - operating	23,198	3,943	13,884	(9,941)	14,495	18,512	(4,017)
Grants - capital	33,961	4,734	25,397	(20,663)	18,947	33,863	(14,916)
Contributions	25,455	22,517	18,959	3,558	28,560	25,279	3,281
Interest received	5,494	4,212	2,465	1,747	6,060	3,287	2,773
Trust funds and deposits taken / (repaid)	7,347	(1,333)	0	(1,333)	(1,333)	0	(1,333)
Other Receipts	10,615	5,523	1,223	4,300	1,456	1,631	(175)
GST received (net)	11,077	10,439	0	10,439	17,765	0	17,765
Employee costs	(49,452)	(37,426)	(41,179)	3,753	(53,243)	(54,905)	1,662
Materials and Services	(92,992)	(53,250)	(38,253)	(14,997)	(79,577)	(51,004)	(28,573)
Short-term, low value and variable lease payments	(212)	(313)	0	(313)	(402)	0	(402)
<b>Net cash provided by operating activities</b>	<b>87,661</b>	<b>53,991</b>	<b>75,468</b>	<b>(21,477)</b>	<b>81,434</b>	<b>100,625</b>	<b>(19,190)</b>
<b>Cash flows from investing activities</b>							
Payments for property, plant and equipment	(52,172)	(62,201)	(85,342)	23,141	(117,817)	(113,789)	(4,028)
Proceeds from sales of assets	531	1,355	338	1,018	1,355	450	905
Net Payments (to)/from investments	(26,500)	9,000	0	9,000	39,000	0	39,000
<b>Net cash used in investing activities</b>	<b>(78,141)</b>	<b>(51,846)</b>	<b>(85,004)</b>	<b>33,158</b>	<b>(77,462)</b>	<b>(113,339)</b>	<b>35,877</b>
<b>Cash flows from financing activities</b>							
Finance costs	(1,186)	(186)	(798)	612	(562)	(1,064)	502
Proceeds from borrowings	0	0	22,500	(22,500)	0	30,000	(30,000)
Repayment of borrowings	(2,809)	(390)	(1,793)	1,403	(1,307)	(2,391)	1,084
Interest paid - lease liability	(145)	(65)	(107)	42	(105)	(143)	38
Repayment of lease liabilities	(553)	(17)	143	(160)	(101)	191	(292)
<b>Net cash provided/(used) by financing</b>	<b>(4,693)</b>	<b>(658)</b>	<b>19,945</b>	<b>(20,603)</b>	<b>(2,075)</b>	<b>26,593</b>	<b>(28,668)</b>
Increase/(reduction) in cash held	4,827	1,487	10,409	(8,922)	1,897	13,879	(11,981)
Cash at beginning	20,957	25,784	36,379	(10,595)	25,784	36,379	(10,595)
<b>Cash at end</b>	<b>25,784</b>	<b>27,271</b>	<b>46,788</b>	<b>(19,517)</b>	<b>27,681</b>	<b>50,258</b>	<b>(22,576)</b>
Other financial assets	138,000	129,000	129,000	0	99,000	111,500	(12,500)
<b>Cash and other financial assets at year end</b>	<b>163,784</b>	<b>156,271</b>	<b>175,788</b>	<b>(19,517)</b>	<b>126,681</b>	<b>161,758</b>	<b>(35,076)</b>
<b>Restricted Cash</b>							
Trust funds and deposits	12,776	14,915	8,910		12,119	11,880	
Developer contribution levy	52,497	50,630	42,868		54,521	57,157	
Other	0	927	593		1,501	791	
Carry-forward capital works	30,637	24,692	0		24,692	-	
Unspent grants	46,858	47,788	4,500		16,001	6,000	
<b>Restricted Cash - Total</b>	<b>142,768</b>	<b>138,952</b>	<b>56,871</b>		<b>108,834</b>	<b>75,828</b>	
<b>Net Cash Available</b>	<b>21,016</b>	<b>17,319</b>	<b>118,917</b>		<b>17,847</b>	<b>85,930</b>	

Cash flow is monitored to enable completion of scheduled works and meet recurrent obligations, as well as ensuring surplus funds are invested to generate maximum interest revenue.

Cash at bank for the period ending 31 March 2024 is \$163.7 million with a net inflow of \$4.8 million.

The forecast closing cash balance for the full year is \$126.6 million, which is \$35.0 million less than the budgeted closing balance. This is due to:

- Lower than anticipated opening cash balance due to accelerated payment of creditors at 30 June 2023.
- Budget closing cash balance includes borrowings of \$30 million which were anticipated to be required based on the original capital program. This is being reviewed to ensure whether these will be required before the end of the financial year.

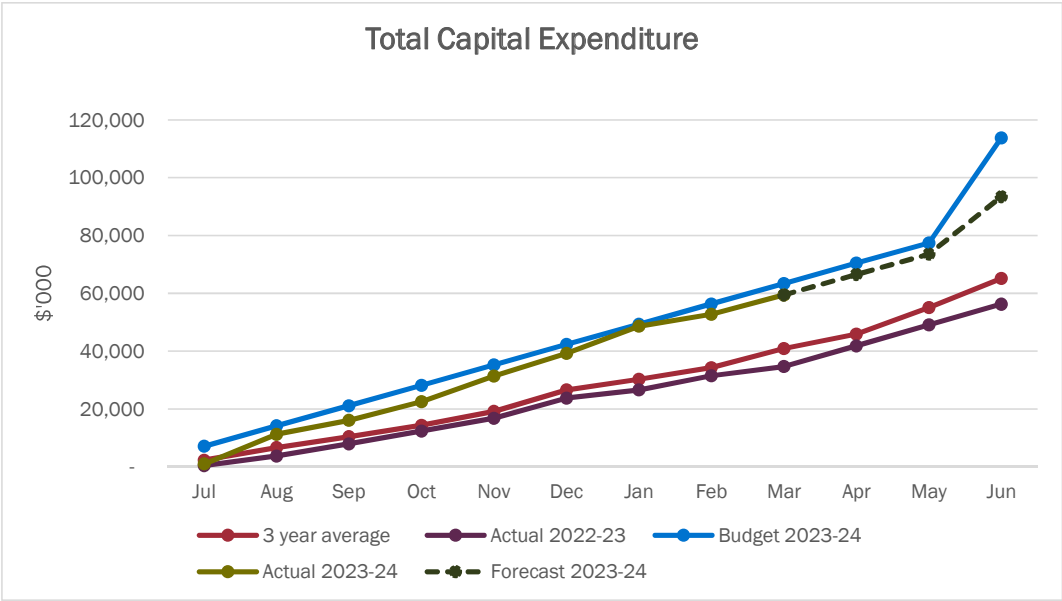
**Statement of capital works**

	Year To Date			Full Year		
	Actual \$'000	Budget \$'000	Variance \$'000	Forecast \$'000	Budget \$'000	Variance \$'000
<b>Property</b>						
Buildings	10,117	20,924	10,807	19,104	23,353	4,249
Land	10,843	5,250	(5,593)	11,330	7,000	(4,330)
<b>Total Property</b>	<b>20,961</b>	<b>26,174</b>	<b>5,213</b>	<b>30,433</b>	<b>30,353</b>	<b>(80)</b>
<b>Plant and equipment</b>						
Computers & telecomms	169	420	251	180	531	351
Fixture, fittings & furniture	16	0	(16)	217	390	173
Plant & machinery	1,551	1,561	10	1,872	2,900	1,028
<b>Total Plant and equipment</b>	<b>1,737</b>	<b>1,981</b>	<b>244</b>	<b>2,269</b>	<b>3,821</b>	<b>1,552</b>
Bridges	239	808	569	1,285	1,041	(244)
Drainage	926	1,075	149	1,520	1,180	(339)
Footpaths	897	1,144	247	1,517	1,371	(146)
Off Street Car Parks	541	65	(476)	1,197	65	(1,132)
Other infrastructure	0	80	80	5	323	318
Parks and open space	3,109	1,879	(1,230)	8,766	3,428	(5,338)
Recreational	2,434	8,882	6,448	3,933	13,249	9,316
Roads	28,276	49,860	21,584	41,978	58,958	16,980
<b>Total Infrastructure</b>	<b>36,422</b>	<b>63,792</b>	<b>27,370</b>	<b>60,201</b>	<b>79,616</b>	<b>19,415</b>
Software	340	0	(340)	531	0	(531)
<b>Total Intangibles</b>	<b>340</b>	<b>0</b>	<b>(340)</b>	<b>531</b>	<b>0</b>	<b>(531)</b>
<b>Total Capital Works Expenditure (Excl Op. Init)</b>	<b>59,459</b>	<b>91,947</b>	<b>32,488</b>	<b>93,435</b>	<b>113,790</b>	<b>20,355</b>
<b>Represented by:</b>						
New asset expenditure	2,205	0	(2,205)	2,574	0	(2,574)
Asset Renewal expenditure	11,573	18,298	6,725	20,516	23,465	2,950
Asset expansion expenditure	24,088	39,455	15,368	32,279	44,585	12,306
Asset upgrade expenditure	21,594	34,194	12,601	38,065	45,740	7,675
<b>Total Capital Works Expenditure</b>	<b>59,459</b>	<b>91,947</b>	<b>32,488</b>	<b>93,435</b>	<b>113,790</b>	<b>20,356</b>

Capital works delivery to 31 Mar 2024 is \$59.4 million, which is \$32.4 million lower than the adopted budget.

The full year forecast is projecting total capital delivery of \$93.4 million, which is \$20 million less than the adopted budget.

The below graph shows the year-to-date and forecast Capital Works expenditure for 2023/24 in comparison to last year and a 3-year average.



Further details on specific projects are included in the attached appendix.

**Performance indicators****VAGO Financial Sustainability Indicators**

as at 31 Mar 2024

	Actual			
	YTD	Budget	Forecast	Scale
	2023-24	2023-24	2023-24	
<b>Net result (%)</b>	47.25%	37.99%	40.62%	● <-10% -10%-0% >0%
<i>Measures the size of the operating result</i>				
<b>Adjusted underlying result (%)</b>	0.50%	-6.34%	0.22%	● <0 0%-5% >5%
<i>Removes non-recurrent items to measure pure operating result</i>				
<b>Liquidity (Working Capital ratio)</b>	3.26	2.05	3.28	● <0.75 0.75-1.0 >1
<i>Measures ability to pay existing liabilities in the next 12mths</i>				
<b>Internal financing (%)</b>	104%	89%	105%	● <75% 75%-100% >100%
<i>Measures ability to finance capex cash outflow through operating cashflow</i>				
<b>Indebtedness (%)</b>	22.38%	42.97%	16.75%	● >60% 40%-60% <40%
<i>Measures ability to cover non-current liabilities through own revenue</i>				
<b>Capital replacement (ratio)</b>	3.18	3.41	4.35	● <1 1-1.5 >1.5
<i>Measures if rate of infrastructure investment exceeds dep'n, excl carryovers</i>				
<b>Renewal gap (ratio)</b>	1.64	2.08	2.16	● <0.5 0.5-1.0 >1.0
<i>Measures if Council is maintaining its existing assets, excl carryovers</i>				

**Legend - trend**

● Improvement    ● Deterioration

\* Definitions and risk assessment criteria are available from the [VAGO website](#)



## Appendix – Capital Works by Project – 31 Mar 2024

Project Number	Project Description	Project Budget 2023/24	Forecasted delivery 2023-24	2023/24 Savings / (Overspend)	Carry Forward to 2024/25
2223-000039	Sealing of the Hills Program	16,299,999	15,524,578	0	775,421
2223-000087	Better Local Roads - Connect Cardinia	10,000,000	3,526,043	1,803,265	4,670,692
2223-000088	Princes Hwy Intersection Upgrade Program	17,896,552	8,887,314	8,009,238	1,000,000
2223-000108	McGregor Rd-Henty St Pak Intersection Up	200,000	118,030	(2,884)	84,854
2223-000109	Pioneer Way/Brunt Rd Officer	1,932,523	3,180,605	(1,248,082)	0
2223-000111	Timbertop/Pinkhill Intersection	0	68,905	(68,905)	0
2223-000129	Brunt/Rix Rd DCP Road Works (Parent)	5,339,630	84,857	5,137,323	117,450
2223-000131	3YO Kinder Program (Parent)	160,601	57,203	3,398	100,000
2223-000132	Alma Treloar Reserve MP	1,297,368	1,221,196	76,172	0
2223-000133	Minor Capital Works Program 2324FY	1,800,001	1,800,001	0	0
2223-000134	IYU Recreation Reserve (Parent)	783,981	326,776	457,205	0
2223-000136	Cardinia Youth Hub (Parent)	4,751,422	1,260,817	(11,535)	3,502,140
2223-000137	Officer District Park (Parent)	4,220,386	6,258,098	(2,037,712)	0
2223-000138	Upper Beaconsfield Recreation Reserve MP	1,402,000	74,298	24,840	1,302,862
2223-000139	Cockatoo Cottages Refurbishment (Parent)	280,736	303,605	(22,869)	0
2223-000228	Brunt Rd Integrated Children's Centre	6,238,205	4,538,611	1,449,594	250,000
2223-000229	Bunyip Auditorium Stadium Extension	0	5,154	(5,154)	0
2223-000231	Cardinia Life Extension	966,901	104,739	862,162	0
2223-000234	Cora Lynn Reserve Pavilion	758,611	138,910	0	619,701
2223-000236	Garfield Netball Pavilion - Upgrade	3,653,000	3,230,255	422,745	0
2223-000237	Garfield Nth Cannibal Creek Comm Hub	2,200,000	410,373	0	1,789,627
2223-000240	Koo Wee Rup Bowling Club Pavilion	5,374,038	2,235,952	0	3,138,086
2223-000246	Officer Rec Reserve Pavilion Extension	68,636	321,364	(252,728)	0
2223-000249	Pakenham Regional Tennis - Extension	1,115,000	931,576	183,424	0
2223-000251	Thewlis Rd Integrated Children's Centre	4,005,511	4,005,511	0	0
2223-000252	Timbertop Integrated Children's Centre	600,000	201,631	342,109	56,260





Project Number	Project Description	Project Budget 2023/24	Forecasted delivery 2023-24	2023/24 Savings / (Overspend)	Carry Forward to 2024/25
2223-000258	EAC & MK System Upgrade Projects 2324FY	201,675	79,144	122,531	0
2223-000262	Purton Road Depot Development	609,309	21,289	259,309	328,711
2223-000263	WSUD Assets Renewal Program 2324FY	967,943	818,843	0	149,100
2223-000264	Road Pavement Renewal Program 2324FY	2,261,325	2,042,569	218,756	0
2223-000266	Footpath Network Expansion Program 2324F	838,527	840,992	(2,465)	0
2223-000268	Bridge Renewal Program	1,416,940	1,285,057	0	131,883
2223-000272	Local Area Traffic Improvements 2324FY	635,702	635,702	0	0
2223-000274	Footpath Renewal Program - Sealed 2324FY	506,189	520,352	(14,163)	0
2223-000275	Cardinia Creek Pedestrian Bridge Design	80,000	80,000	0	0
2223-000304	Beaconsfield Streetscape	793,325	470,227	323,098	0
2223-000305	BMX Facility Asset renewal 2324FY	139,604	117,660	21,944	0
2223-000308	Carpark Resurfacing Program 2324FY	65,000	112,685	(47,685)	0
2223-000309	Community Grants Program 2324FY	772,631	717,631	(0)	55,000
2223-000310	Cricket Practice Net Renewal Program	381,495	374,216	7,279	0
2223-000311	Disability Access Works Program	293,735	338,685	(44,950)	0
2223-000312	Drainage Renewal Program	701,000	700,853	147	0
2223-000313	Emerald Lake Park (Parent)	989,483	258,056	272,427	459,000
2223-000314	Energy & Water strategies implem 2324FY	442,942	251,185	191,757	0
2223-000315	Equestrian Trails Maintenance PRG 2324FY	53,060	53,060	0	0
2223-000316	Equestrian Trail Strategy Implem 2324FY	128,800	87,317	41,483	0
2223-000317	Gravel pathway resheeting Program 2324FY	107,000	107,000	(0)	0
2223-000318	Furniture and Equipment Program 2324FY	300,000	216,964	0	83,036
2223-000319	Gin Gin Bin Recreation Reserve (Parent)	47,871	0	47,871	0
2223-000323	Library facilities improve works 2324FY	42,448	42,448	0	0
2223-000324	Rec Reserve lighting and power upgrades	1,398,540	650,453	87	748,000
2223-000325	Land Acquisition	7,000,000	11,329,859	(4,329,859)	0
2223-000327	Netball/Tennis Court Resurfacing Program	47,193	67,282	(20,089)	0
2223-000329	Open Space Public Lighting PRG 2324FY	222,377	224,219	(1,842)	0



Project Number	Project Description	Project Budget 2023/24	Forecasted delivery 2023-24	2023/24 Savings / (Overspend)	Carry Forward to 2024/25
2223-000330	Open Space PRG (furniture & Misc) 2324FY	193,406	193,406	(0)	0
2223-000331	Pakenham Revitalisation (Parent)	2,046,581	373,175	0	1,673,406
2223-000332	PB Ronald Reserve	151,565	623,806	(472,241)	0
2223-000333	Pedestrian & Bicycle strategy 2324FY	31,349	62,698	(31,349)	0
2223-000335	Associated playspace infrastructure RNW	91,937	145,289	(53,352)	0
2223-000336	Playground renewals as per council plan	653,000	565,483	(86,733)	174,250
2223-000337	Playspace Program - Design	137,950	0	137,950	0
2223-000339	Public Art Program	90,000	5,000	(5,000)	90,000
2223-000340	Public Toilets Renewals	278,800	278,800	0	0
2223-000341	Rec reserve turf resurfacing program	83,901	55,156	28,745	0
2223-000342	Sealed Road Resurfacing Prep PRG 2324FY	587,275	1,293,066	(705,791)	0
2223-000343	Sealed Road Resurfacing (VGC) 2324FY	3,354,940	2,781,657	573,283	0
2223-000344	Shade structures renewal program 2324FY	100,000	100,000	(0)	0
2223-000347	Skatepark asset renewal program	184,685	192,651	(7,966)	0
2223-000348	SRV Minor Grants matching funding 2324FY	53,060	0	53,060	0
2223-000349	Streetlight upgrades - MV Lights to LED	360,000	550,781	(190,781)	0
2223-000350	Swimming facilities - P&E 2324FY	92,444	92,444	0	0
2223-000351	Traffic management devices 2324FY	314,624	314,624	0	0
2223-000352	Traffic Management Works	81,994	81,994	0	0
2223-000355	Universal Design (Incl Rec Pav Renewal)	1,570,454	11,457	1,558,997	0
2223-000356	Unsealed Road Resheeting Program 2324FY	1,503,622	1,435,085	68,537	0
2223-000370	O'Neill Rd Masterplan/implementation	795,835	41,512	404,323	350,000
2223-000387	Worrell Reserve skate park	1,273,602	201,694	11,908	1,060,000
2223-000390	Lang Lang Bypass	250,000	121,852	128,148	0
2223-000393	Pakenham Regional Tennis Court Resurface	17,800	0	17,800	0
2223-000408	IT Strategy 2324FY	720,730	394,328	0	326,402
2223-000409	Landscape renewal program 2324FY	53,060	52,980	80	0
2223-000410	Business improvement Program 2324FY	822,897	357,271	(119,374)	585,000



Project Number	Project Description	Project Budget 2023/24	Forecasted delivery 2023-24	2023/24 Savings / (Overspend)	Carry Forward to 2024/25
2223-000411	CCC minor equipment 2324FY	90,000	90,000	0	0
2223-000412	New Plant Program (fleet vehicles)	400,000	187,273	(0)	212,727
2223-000413	Plant replacement program 2324FY	2,500,000	1,684,488	0	815,512
2223-000414	Shade tree program 2324FY	68,979	68,979	0	0
2223-000415	Significant Reserve Works 2324FY	77,267	72,487	4,780	0
2223-000416	Tree planting program 2324FY	53,060	53,060	0	0
2223-000417	Tree management - high risk sites 2324FY	106,121	106,121	0	0
2223-000418	Heritage Review	100,000	100,000	0	0
2223-000420	Biolinks Program	123,000	90,000	33,000	0
2223-000421	Climate Change Adaptation Strategy	150,000	25,500	124,500	0
2223-000423	Engineering Design Costs	90,000	96,412	(6,412)	0
2223-000424	Salary capitalisation provision	500,000	0	500,000	0
2223-000436	Finance system (OneCouncil)	250,000	135,840	114,160	0
2223-000455	Bunyip Soccer Sports field Redevelopment	162,119	173,044	(10,925)	0
2324-000456	Deep Creek Reserve	117,311	113,650	3,661	0
2324-000513	Oxford Rd & shared carpark, Lang Lang	544,000	63,918	480,082	0
2324-000517	Puffing Billy Place Reserve Masterplan	60,000	17,876	(1,176)	43,300
2324-000532	Blackspot Road/Intersection Program 2324	111,114	610,745	(499,631)	0
2324-000539	Community Safety Initiative	75,005	30,335	44,670	0
2324-000540	Active Cardinia Strategy	2,586	0	2,586	0
2324-000557	Lang Lang Comm Rec Reserve rectification	346,000	363,000	(17,000)	0
2324-000823	Comely Banks Recreation Reserve Pavilion	0	47,500	(47,500)	0
2324-000824	Koo Wee Rup High School Pavilion	0	512	(512)	0
2324-000825	Toomuc Reserve Nth oval(senior) pavilion	0	3,000	(3,000)	0
2324-000826	Soldiers Road Lang Lang Widening	0	(402,759)	402,759	0
2324-000827	Gembrook Reserve-Pavilion Upgrade	0	3,000	(3,000)	0