

CITY OF YARRA FINANCIAL REPORT

for the period ending 31 December 2004



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Divisional Forecast Financial Performance for the period ending 31 December 2004

	Actual YTD \$,000	Adopted Budget \$,000	Current Forecast \$,000	Budget Variance \$,000	Previous Forecast \$,000	Forecast Variance \$,000
REVENUES						
Revenue from ordinary activities						
City Development	11,248	19,649	20,206	557	20,206	0
Corporate Services	26,066	53,292	53,324	32	53,324	0
Community Development	6,164	12,642	12,569	(73)	12,849	(280)
Asset Management	2,089	4,007	3,979	(28)	4,413	(434)
	45,567	89,590	90,078	488	90,792	(714)
EXPENSES						
Expenses from ordinary activities						
City Development	6,870	14,261	14,375	(114)	14,397	22
Corporate Services	8,131	15,746	15,547	199	15,534	(13)
Community Development	9,765	21,053	21,112	(59)	21,097	(15)
Asset Management	9,541	21,589	21,463	126	21,925	462
Depreciation & Amortisation	6,989	13,977	13,977	0	13,977	0
	41,296	86,626	86,474	152	86,930	456
Net Result before Transfers	4,271	2,964	3,604	640	3,862	(258)
Transfers to Reserves	(1,322)	(700)	(1,500)	(800)	(1,500)	0
Transfers from Reserves	0	955	955	0	955	0
Net Result after Transfers	2,949	3,219	3,059	(160)	3,317	(258)
RATE DETERMINATION ADJUSTMENTS:						
Depreciation	6,989	13,977	13,977	0	13,977	0
Borrowings	0	2,500	2,500	0	2,500	0
Written Down Value of Assets Sold	22	476	476	0	476	0
Capital Expenditure	(6,578)	(16,819)	(17,772)	(953)	(17,743)	(29)
Debt Repayment	(2,118)	(3,968)	(3,968)	0	(3,968)	0
Equity Investments in Associates	0	(34)	(34)	0	(34)	0
Rate Determination Result	1,263	(650)	(1,762)	(1,113)	(1,475)	(287)
Rate Surplus/(Deficit) B/Fwd	4,919	2,941	4,919	1,978	4,919	0
Rate Surplus/(Deficit) C/Fwd	6,182	2,291	3,157	865	3,444	(287)

Standard Statement of Financial Performance for the period ending 31 December 2004

	Actual YTD \$,000	Budget YTD \$,000	Variance YTD \$,000	Adopted Budget \$,000	Current Forecast \$,000	Budget Variance \$,000
Revenue from ordinary activities						
Rates	25,133	25,049	84	50,527	50,458	(69)
Victoria Grants Commission	706	702	4	1,405	1,413	8
Government Grants	2,555	2,408	147	4,996	5,221	225
Parking Revenue	8,313	8,344	(31)	16,386	16,119	(267)
User Charges, Fees and Other Fines	4,943	3,969	974	8,331	9,033	702
Leisure Centre Fees	2,392	2,409	(17)	4,857	4,814	(43)
Interest Received from Other Entities	235	249	(14)	497	507	10
Reimbursements & Contributions	1,017	916	101	2,055	1,977	(78)
Proceeds from Disposal of Assets	273	502	(229)	502	502	0
Inner Northern Group Training Pty Limited	0	0	0	34	34	0
	45,567	44,548	1,019	89,590	90,078	488
Expenses from ordinary activities						
Employee Costs	14,450	14,451	1	29,044	29,169	(125)
Contract Payments	6,911	7,392	481	15,133	15,173	(40)
Maintenance	2,308	2,135	(173)	4,528	4,459	69
Other Materials and Services	8,854	10,948	2,094	19,865	19,617	248
Bad and Doubtful Debts	1,060	1,060	0	2,150	2,150	0
Depreciation & Amortisation	6,988	6,989	1	13,977	13,977	0
Borrowing Costs	703	726	23	1,453	1,453	0
Written Down Value of Assets Sold	22	0	(22)	476	476	0
	41,296	43,701	2,405	86,626	86,474	152
Net Result before Transfers	4,271	847	3,424	2,964	3,604	640
Transfers to Reserves	(1,322)	(350)	(972)	(700)	(1,500)	(800)
Transfers from Reserves	0	0	0	955	955	0
Net Result after Transfers	2,949	497	2,452	3,219	3,059	(160)

Standard Statement of Financial Position as at 31 December 2004

	31-Dec-04	30-Jun-04
	\$,000	\$,000
ASSETS		
Current Assets		
Cash Assets	12,113	12,297
Receivables - Rates	24,515	1,756
Receivables - Parking	3,873	4,397
Receivables - Other	3,636	3,536
Accrued Income	210	360
Prepayments	28	195
Inventories	41	41
Total Current Assets	<u>44,416</u>	<u>22,582</u>
Non-Current Assets		
Other Financial Assets	5	5
Receivables	20	20
Investments in Associates	3,356	3,356
Property, Infrastructure, Plant & Equipment	912,453	912,884
Total Non-Current Assets	<u>915,834</u>	<u>916,264</u>
TOTAL ASSETS	<u>960,250</u>	<u>938,847</u>
LIABILITIES		
Current Liabilities		
Bank Overdraft	0	0
Payables	821	4,604
Trust Funds	1,169	1,168
Income in Advance	307	408
Accrued Expenses	2,666	3,670
Accrued Interest	0	229
Provisions	1,985	2,422
Interest-Bearing Liabilities	3,253	4,324
Deferred Revenue	24,857	0
Total Current Liabilities	<u>35,058</u>	<u>16,824</u>
Non-Current Liabilities		
Provisions	2,342	2,396
Interest-Bearing Liabilities	14,361	15,408
Total Non-Current Liabilities	<u>16,703</u>	<u>17,804</u>
TOTAL LIABILITIES	<u>51,761</u>	<u>34,629</u>
NET ASSETS	<u>908,489</u>	<u>904,218</u>
Represented by:		
Reserves	3,110	3,110
Asset Revaluation Reserve	381,418	381,418
Retained Earnings	519,690	519,690
Profit for Period	4,271	0
EQUITY	<u>908,489</u>	<u>904,218</u>

Standard Statement of Cash Flows for the period ending 31 December 2004

	31-Dec-04 2004/2005 Inflows/ (Outflows) \$,000	31-Dec-03 2003/2004 Inflows/ (Outflows) \$,000
Cash Flows from Operating Activities (Inclusive of GST)		
Receipts from Ratepayers (inclusive of GST)	27,242	25,706
Parking Revenue (inclusive of GST)	8,074	7,914
Interest Received from Other Entities	263	227
Government Grants Received (inclusive of GST)	2,742	2,703
Victoria Grants Commission	706	695
User Charges Fees and Other Fines Received (inclusive of GST)	7,155	6,691
Reimbursements & Contributions Received (inclusive of GST)	942	993
Payments to Suppliers (inclusive of GST)	(24,728)	(21,347)
Payments to Employees	(14,953)	(13,866)
Borrowing Costs	(932)	(831)
GST Refund from ATO	1,730	1,428
Net Cash Provided by Operating Activities	<u>8,241</u>	<u>10,313</u>
Cash Flows Investing Activities		
Payments for Property, Infrastructure, Plant and Equipment	(6,579)	(4,900)
Proceeds for Property, Infrastructure, Plant and Equipment	273	122
Net Cash (Used in) Investing Activities	<u>(6,306)</u>	<u>(4,778)</u>
Cash Flows from Financing Activities		
Proceeds from Borrowings		
Repayment of Works Capital Borrowings	(1,338)	(1,017)
Repayment of Superannuation Debt Borrowings	(644)	(603)
Repayment of Refinancing Borrowings	(136)	(129)
Repayment of Superannuation Unfunded Liability	0	(1,428)
Repayment of Finance Leases	0	0
Net Cash (Used In) Financing Activities	<u>(2,118)</u>	<u>(3,176)</u>
Change in Cash Held	(183)	2,359
Cash at Beginning of the Financial Period	12,297	9,528
Cash at the End of the Financial Period	<u><u>12,113</u></u>	<u><u>11,887</u></u>

Capital Works Program as at 31 December 2004

Project	Adopted Budget \$,000	Budget YTD \$,000	Actual YTD \$,000	Current Forecast \$,000	Budget Variance \$,000
<u>ECONOMIC DEVELOPMENT</u>					
Strip Development & Gateways	620	30	28	636	-16
Public Amenity & Community Safety	280	5	31	300	(20)
	900	35	59	936	(36)
<u>COMMUNITY DEVELOPMENT</u>					
Disability Action Plan	145	0	0	157	-13
Libraries	1,356	447	124	1,356	0
Sports & Community Facilities/Pavilions	597	113	219	829	(232)
	2,097	560	343	2,341	(245)
<u>URBAN & NATURAL ENVIRONMENT</u>					
Streetscape Redevelopment	560	173	125	549	11
Street Improvements	55	0	38	55	0
Habitat & Community Plantings	200	77	74	200	0
Irrigation	68	47	27	71	(3)
	883	297	264	875	8
Open Space Improvements & Upgrades					
Parks Improvements	900	191	207	889	11
Infrastructure Upgrades	393	207	80	390	3
Sports & Grounds	60	50	64	64	(4)
	1,353	448	351	1,343	10
Transport Planning					
Road Safety Strategy	280	20	9	284	(4)
Bicycle Path Network	160	34	56	159	1
Traffic Management Infrastructure	475	65	41	475	0
	915	119	106	918	(3)
Waste Management	1,020	810	758	880	140
	1,020	810	758	880	140
<u>SERVICE</u>					
Leisure Centres	1,379	1,379	1,520	1,579	(200)
Road & Footpath Infrastructure	3,265	1,849	1,274	3,529	(264)
Drainage Infrastructure	470	145	18	463	7
Pedestrian Footbridges	15	0	4	285	(270)
Building Assets	842	465	491	1,044	(202)
Plant & Equipment	625	600	406	627	(2)
Fitzroy Town Hall	1,576	310	437	1,157	419
Office Accommodation	72	0	40	72	0
Furniture & Equipment	55	15	27	55	0
Improved Service Delivery Points	481	274	382	778	(298)
	8,779	5,037	4,599	9,589	(810)
<u>COMMUNICATION & TRANSPARENCY</u>					
Public Signage	10	0	0	10	0
Information Systems	863	673	98	881	(18)
	873	673	98	891	(18)
TOTAL CAPITAL WORKS EXPENDITURE	16,819	7,979	6,578	17,772	(953)

Capital Works Program Year to Date Summary

Actual expenditure to end December:	\$6,578,468
Value of work completed:	\$7,519,404
Year to date budgeted expenditure:	\$7,979,350

Comments as to the variations between the year to date budget and actual expenditure are as follows:

Expenditure variance in the plant and equipment budget due to the deferral of vehicle changeovers, pending Enterprise Agreement finalization (\$193k). Orders have been placed for replacement vehicles in accordance with program.

Expenditure variance across the Road Reconstruction Program (\$534k)

Road Reconstructions

The three projects in this program were effectively completed just prior to Christmas. There has been some clean-up works on naturestrips and around trees during January 2005. The year to date actual expenditure is behind schedule in this program as the 3 projects started 3-4 weeks behind their initial starting dates. This was due to resolution of tree root and service authority issues. The retention sum for Cremorne Street was scheduled to be paid in December however the claim was not submitted by the contractor until the end of the month and will be paid during January.

This program is forecast to be \$55k over the initial budget. This is due to extra works being required around the trees in McKean Street and larger volumes of asphalt being required than was initially anticipated. This additional expenditure will be accommodated from within the Road Infrastructure budget from savings in other projects.

Drainage

The year to date actual expenditure is \$127k behind the year to date budget. This is due to the commencement of the Langridge Street project being delayed from October 2004 to January 2005 while service authority and property access issues were resolved. This project has commenced and is scheduled to be completed in March 2005.

Expenditure variance Richmond Library refurbishment (\$322k) due to a delay in the start of the project. Project has now commenced with a completion date of August 2005.

Expenditure variance across the Information Systems Program (\$578k) due to deferred Hardware rollout until February to coincide with Windows XP operating system rollout.

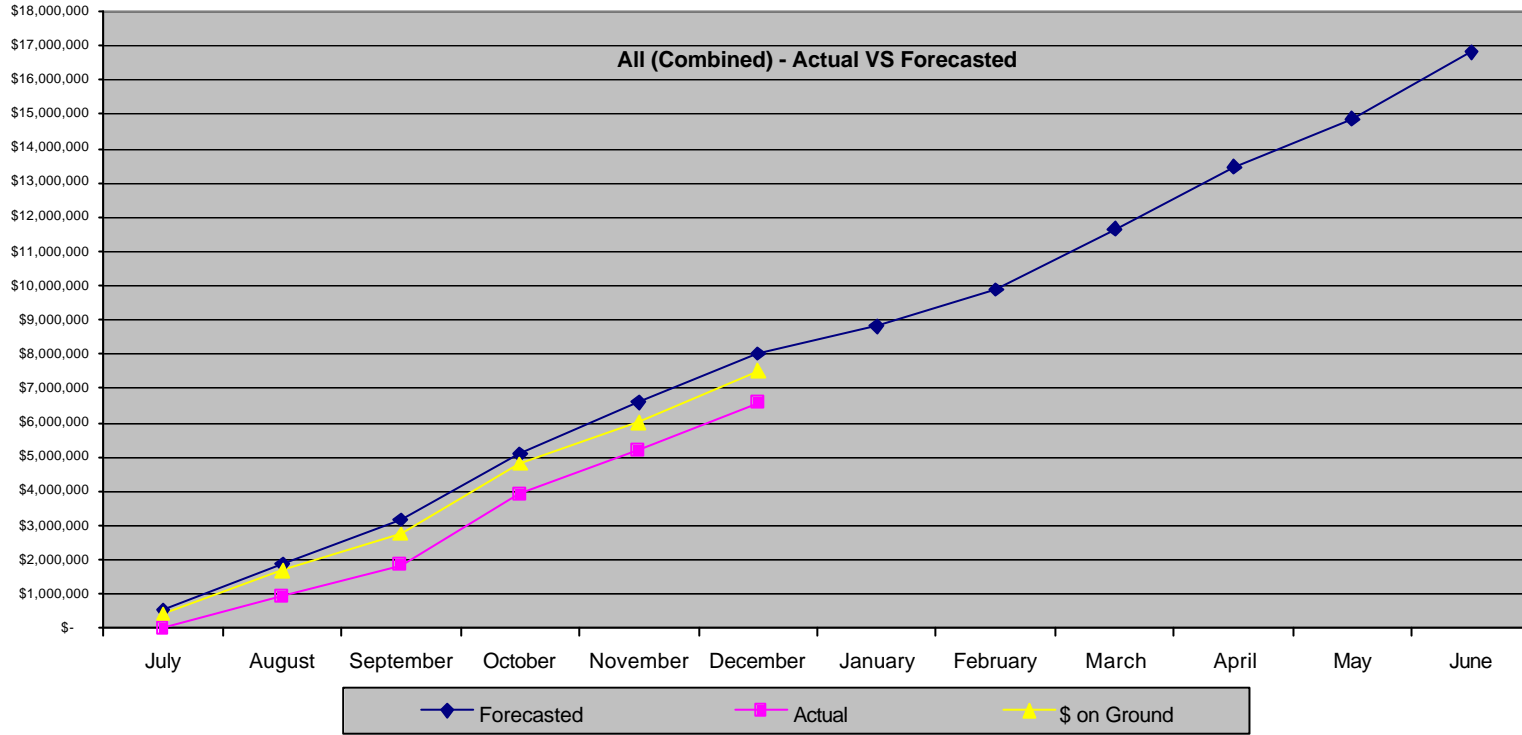
Infrastructure Upgrades

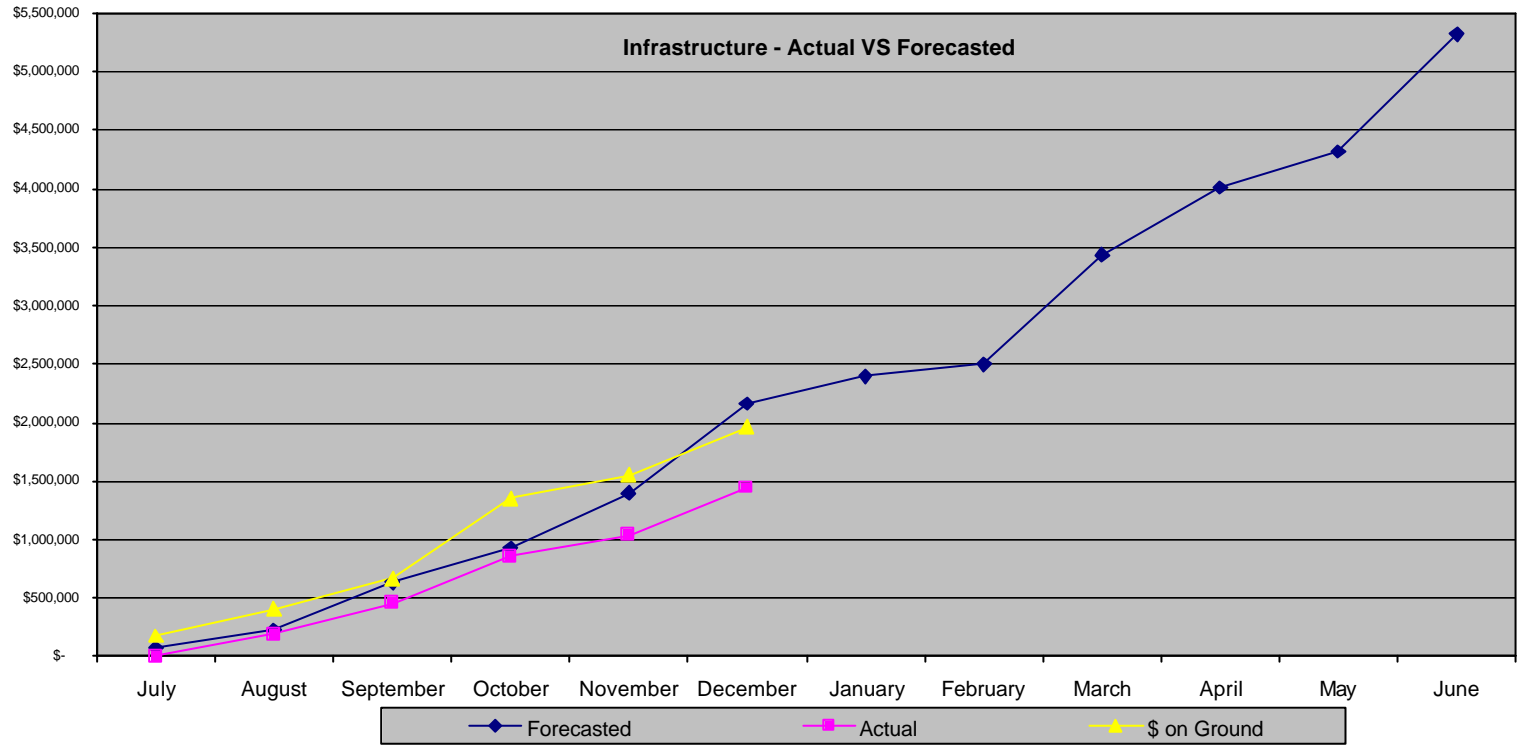
The Quarries Park Playground is behind schedule. Contract documentation will be complete this week, with work to be advertised the weekend after.

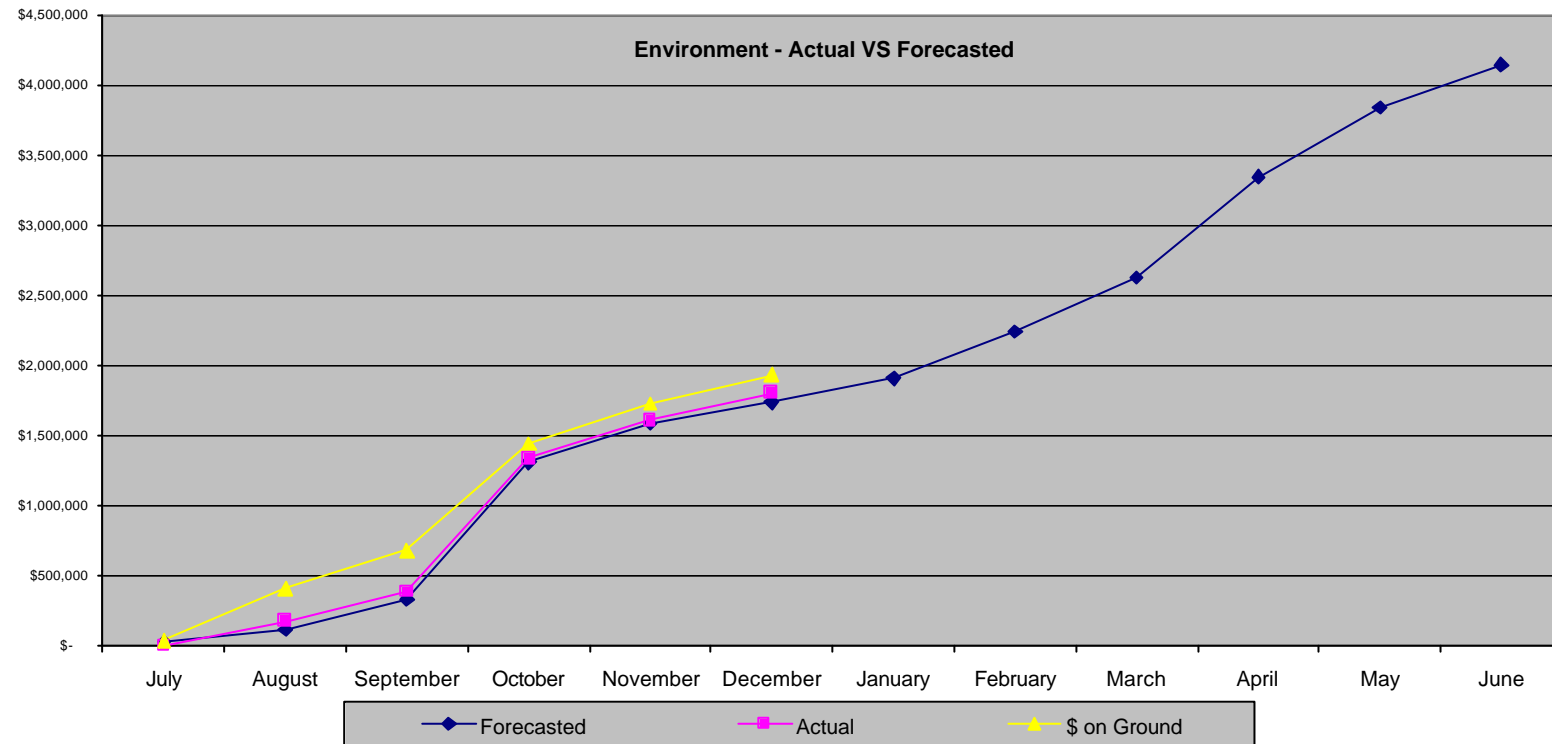
The Fence Upgrade Program is being finalised now and orders should be raised in the next 3-4 weeks. Delay was due to a review of the criteria affecting the asset replacement program.

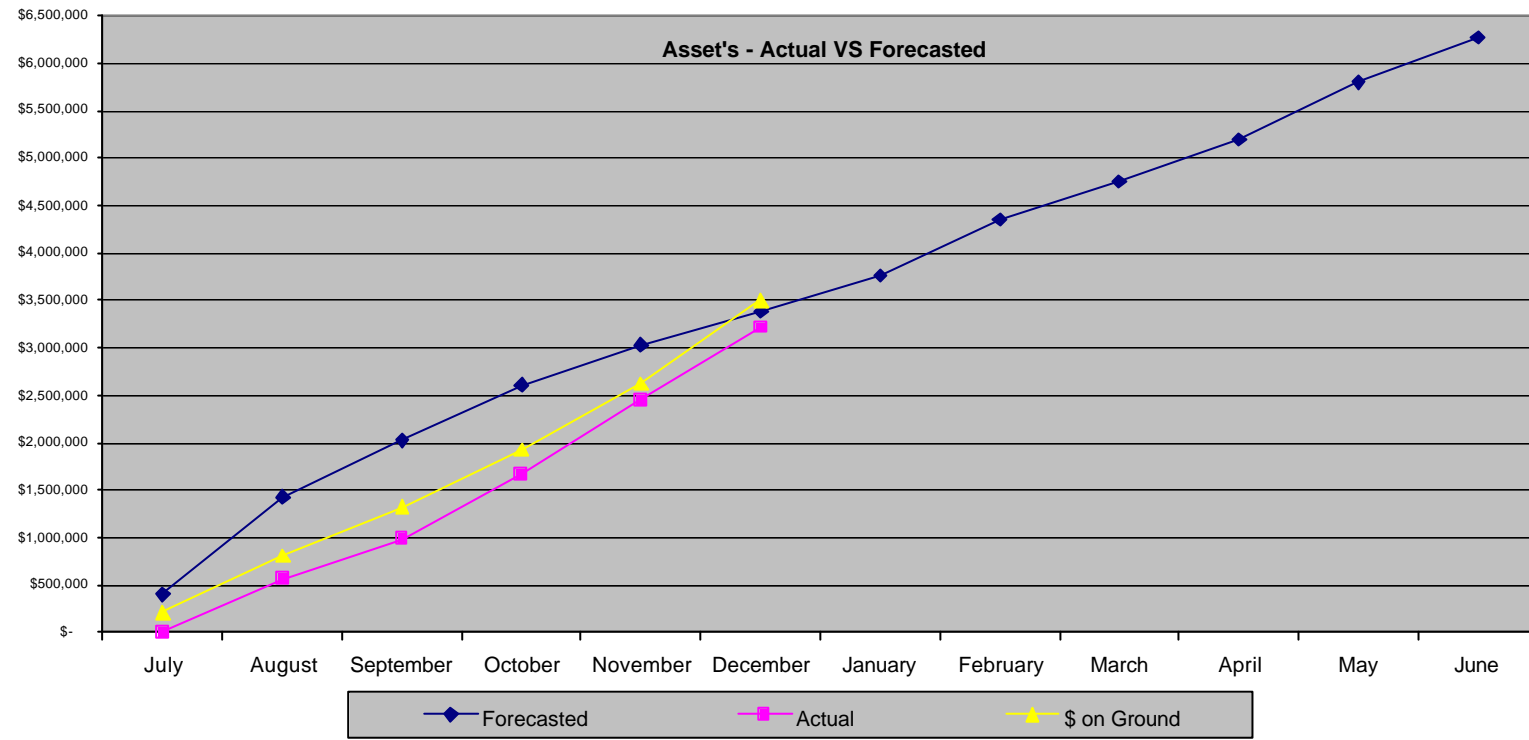
Shade coverings are behind schedule due to design and processing of the documents, which will be done in April/May.

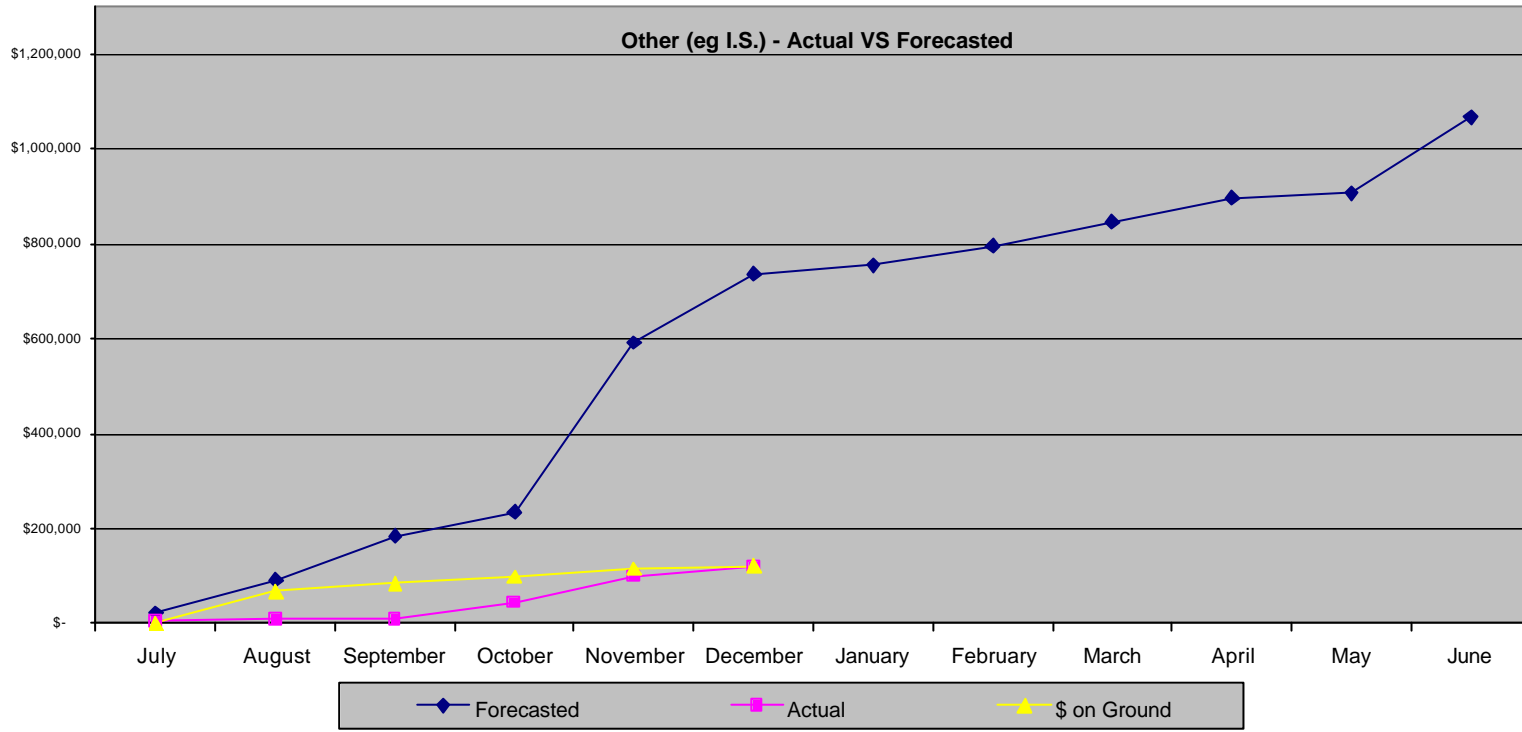
Bike path upgrades are behind schedule, but more than \$30,000 in works began across the city this week. Mary St was held back due to VicRoads having to rectify a drainage lid in December.



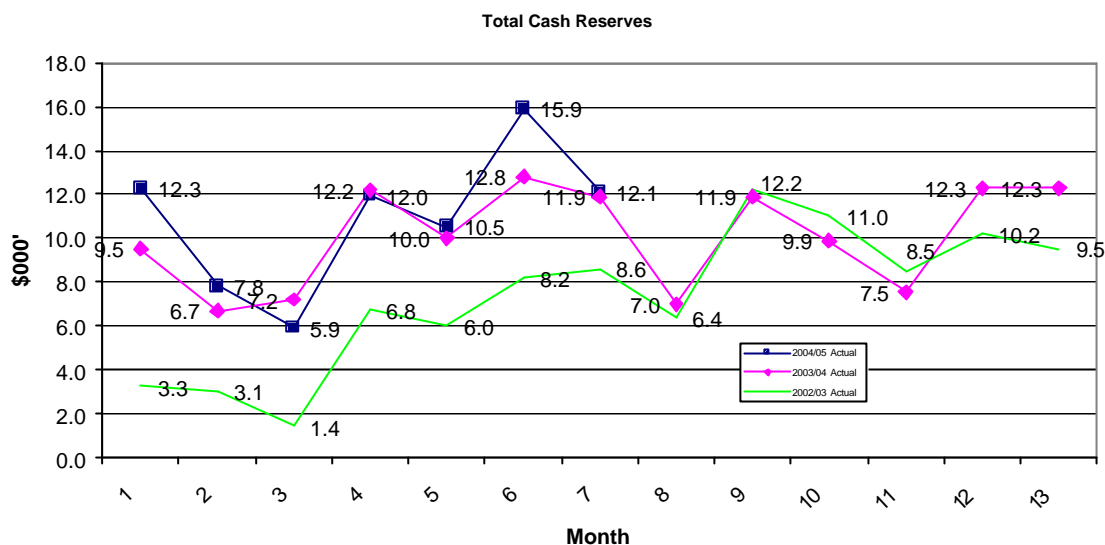








Investments and Reserves



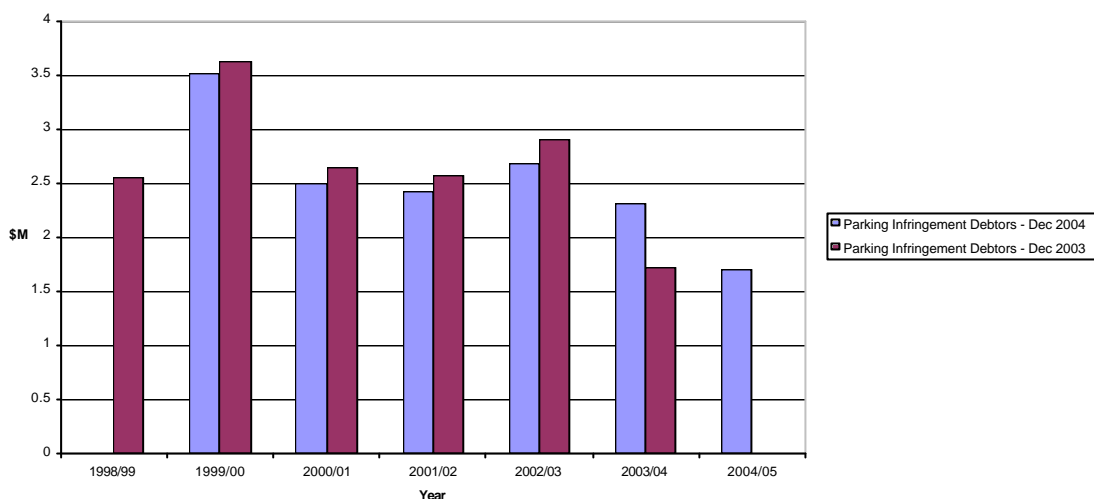
Investments and Reserves	31-Dec-04 \$,000	30-Nov-04 \$,000	31-Dec-03 \$,000
Cash at Bank	1,708	6,780	1,282
Cash on Hand	5	4	5
Money Market Call Account/Bank Bills	10,400	9,200	10,600
Total Cash Assets	12,113	15,984	11,887
Income in Advance	307	307	277
Long Service Leave	2,618	2,642	2,521
Reserves	3,110	3,110	3,232
Total Restricted Assets/Reserves	6,034	6,058	6,030

Money Market Call Accounts/Bank Bills			Discounted Face Value \$,000
Bank	Interest Rate	Maturity Date	
Commonwealth	5.36%	12/01/05	1,100
Commonwealth	5.36%	04/01/05	2,000
Commonwealth	5.36%	13/01/05	1,000
Commonwealth	5.36%	25/01/05	1,000
Commonwealth	5.36%	27/01/05	2,000
Commonwealth	5.36%	10/02/05	1,200
Commonwealth	5.36%	09/02/05	1,000
Commonwealth	5.36%	24/02/05	1,100
			10,400

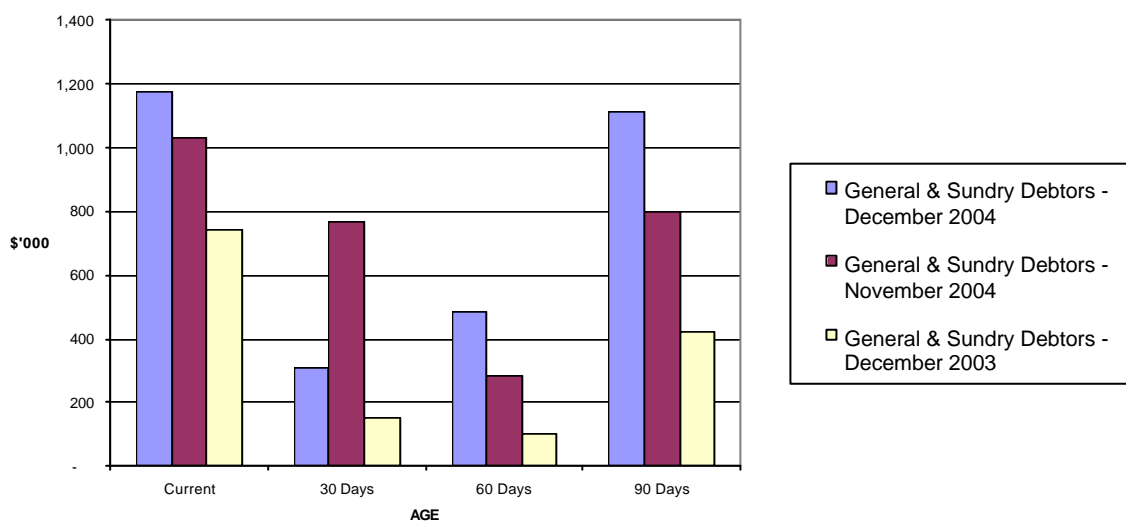
Rate Debtors

Rates and Other Debtors	31-Dec-04 \$,000	30-Nov-04 \$,000	31-Dec-03 \$,000
Rates & Charges – Current Year	23,504	26,516	22,485
Rates & Charges – Arrears	1,011	1,062	1264
Total Rates & Charges	24,515	27,578	23,749
% Outstanding			
Rates & Charges – Current Year	47%	53%	47%
Rates & Charges - Arrears	58%	60%	61%

Other Debtors



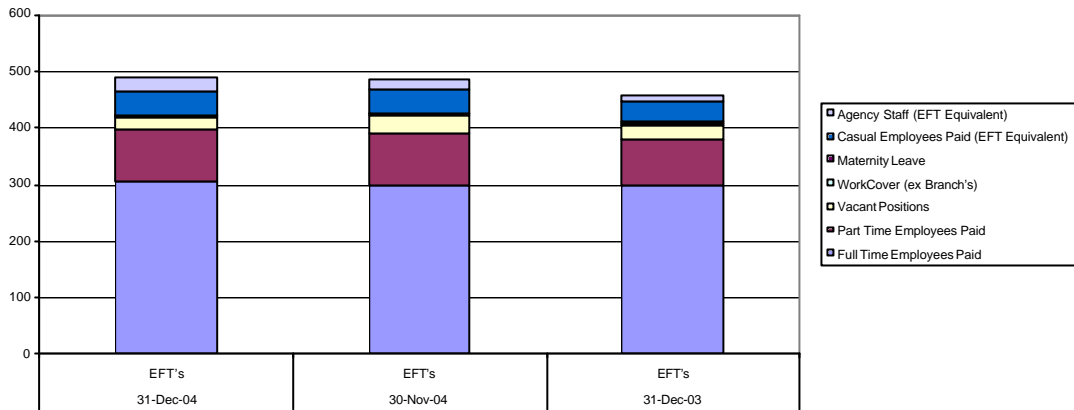
	31-Dec-04	30-Nov-04	31-Dec-03
	\$,000	\$,000	\$,000
Parking Infringement Debtors	14,943	14,998	16,012
Less: Provision for Doubtful Debts	(11,070)	(10,893)	(9,756)
Net Parking Debtors	3,873	4,105	6,256



	31-Dec-04	30-Nov-04	31-Dec-03
	\$,000	\$,000	\$,000
General & Sundry Debtors	3,080	2,886	1,374
Less: Provision for Doubtful Debts	(169)	(169)	38
Net General & Sundry Debtors	2,911	2,717	1,412
GST Receivable	725	1,063	722
Total Other Debtors	3,636	3,780	2,134

Human Resource Statistics & Employee Costs

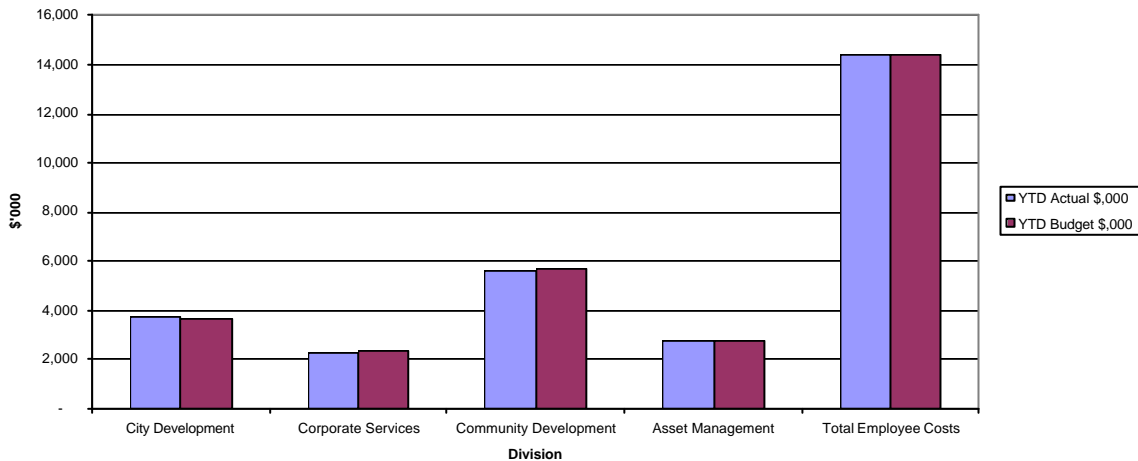
Human Resources Statistics



Human Resources Statistics	31-Dec-04	30-Nov-04	31-Dec-03
Staffing Numbers	EFT's	EFT's	EFT's
Full Time Employees Paid	304	298	298
Part Time Employees Paid	92	92	83
Vacant Positions	22	32	24
WorkCover (ex Branch's)	2	2	2
Maternity Leave	2	2	3
Total Staff Establishment	422	426	410
Casual Employees Paid (EFT Equivalent)	44	43	38
Agency Staff (EFT Equivalent)	22	18	10
	488	487	458

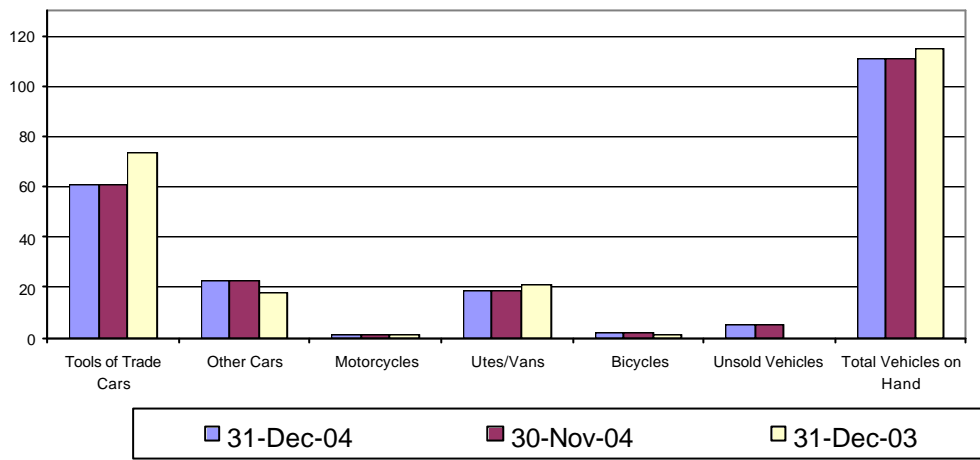
- An external accountant is currently reviewing the data collection and reporting methodology and will recommend any changes there to.
- The variance in EFT statistics between 2003 and 2004 is due to the unreliability of the 31 December 2003 figure.

Employee Costs



Employee Costs Expenditure	YTD Actual	YTD Budget	YTD Variance
	\$,000	\$,000	\$,000
City Development	3,748	3,631	(118)
Corporate Services	2,309	2,330	21
Community Development	5,616	5,734	118
Asset Management	2,777	2,756	(21)
Total Employee Costs	14,450	14,451	0

Council Vehicle Fleet



Council Motor Vehicle Fleet	31-Dec-04	30-Nov-04	31-Dec-03
Tools of Trade Cars	61	61	74
Other Cars	23	23	18
Total Passenger Vehicles	84	84	92
Motorcycles	1	1	1
Utes/Vans	19	19	21
Bicycles	2	2	1
Total Fleet	106	106	115
Unsold Vehicles	5	5	0
Total Vehicles on Hand	111	111	115

Note: The passenger vehicles have been reclassified as a result of the new Motor Vehicle Policy.

COUNCIL CONTRACTS AWARDED BY COUNCIL

To report on Council contracts awarded that were subject to confidential Council decisions at a previous meeting.

Nil.

COUNCIL CONTRACTS AWARDED (OVER THE VALUE OF \$50,000)

To report on Council contracts awarded over the value of \$50,000 under delegation in the previous month.

Nil.