

ATTACHMENT 1

**CITY OF YARRA  
FINANCIAL REPORT**

for the period ending 31 December 2005



# ATTACHMENT 1

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## Divisional Forecast Financial Performance for the period ending 31 December 2005

	Actual	Adopted	Current	Budget	Previous	Forecast
	YTD	Budget	Forecast	Variance	Forecast	Variance
	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
<b>REVENUES</b>						
<b>Revenue from ordinary activities</b>						
City Development	11,012	20,546	20,580	34	20,630	(50)
Corporate Services	27,818	55,847	55,889	42	55,889	0
Community Development	6,996	13,834	13,909	75	13,892	17
Asset Management	3,209	3,836	6,090	2,254	5,069	1,021
	<b>49,035</b>	<b>94,063</b>	<b>96,468</b>	<b>2,405</b>	<b>95,480</b>	<b>988</b>
<b>EXPENSES</b>						
<b>Expenses from ordinary activities</b>						
City Development	7,165	15,287	15,444	(157)	15,433	(11)
Corporate Services	8,321	15,568	15,650	(82)	15,651	0
Community Development	9,618	21,331	21,511	(180)	21,553	42
Asset Management	10,162	21,733	22,346	(613)	22,428	82
Depreciation & Amortisation	7,371	14,000	14,600	(600)	14,000	(600)
	<b>42,636</b>	<b>87,919</b>	<b>89,551</b>	<b>(1,632)</b>	<b>89,064</b>	<b>(487)</b>
<b>Net Result before Transfers</b>	<b>6,399</b>	<b>6,144</b>	<b>6,917</b>	<b>773</b>	<b>6,416</b>	<b>501</b>
Transfers to Reserves	(1,268)	(1,410)	(1,410)	0	(1,410)	0
Transfers from Reserves	0	1,118	1,118	0	1,118	0
<b>Net Result after Transfers</b>	<b>5,131</b>	<b>5,852</b>	<b>6,625</b>	<b>773</b>	<b>6,124</b>	<b>501</b>

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## Standard Statement of Financial Performance for the period ending 31 December 2005

	Actual YTD \$,000	Budget YTD \$,000	Variance YTD \$,000	Adopted Budget \$,000	Current Forecast \$,000	Budget Variance \$,000
<b>Revenue from ordinary activities</b>						
Rates	26,758	26,717	41	53,529	53,537	8
Victoria Grants Commission	735	735	0	1,470	1,470	(0)
Government Grants	2,993	2,587	406	5,177	5,490	313
Parking Revenue	8,172	8,405	(233)	16,655	16,655	0
User Charges, Fees and Other Fines	5,065	4,495	570	9,332	9,419	87
Leisure Centre Fees	2,641	2,791	(151)	5,527	5,429	(98)
Interest Received from Other Entities	275	325	(50)	650	650	0
Reimbursements & Contributions	2,244	647	1,597	1,175	3,305	2,130
Proceeds from Disposal of Assets	153	514	(360)	514	514	(0)
Inner Northern Group Training Pty Limited	0	0	0	34	0	(34)
	<b>49,036</b>	<b>47,215</b>	<b>1,821</b>	<b>94,063</b>	<b>96,469</b>	<b>2,406</b>
<b>Expenses from ordinary activities</b>						
Employee Costs	15,469	15,547	78	31,142	31,490	(348)
Contract Payments	7,405	7,915	510	15,837	15,884	(47)
Maintenance	2,359	2,251	(108)	4,318	4,737	(419)
Other Materials and Services	8,688	10,842	2,153	19,495	19,713	(218)
Bad and Doubtful Debts	684	715	31	1,430	1,430	0
Depreciation & Amortisation	7,371	6,997	(373)	14,000	14,600	(600)
Borrowing Costs	661	615	(46)	1,230	1,230	0
Written Down Value of Assets Sold	0	467	467	467	467	0
	<b>42,636</b>	<b>45,349</b>	<b>2,713</b>	<b>87,919</b>	<b>89,552</b>	<b>(1,633)</b>
<b>Net Result before Transfers</b>	<b>6,399</b>	<b>1,866</b>	<b>4,533</b>	<b>6,144</b>	<b>6,917</b>	<b>773</b>
Transfers to Reserves	(1,268)	(705)	(563)	(1,410)	(1,410)	0
Transfers from Reserves	0	0	0	1,118	1,118	0
<b>Net Result after Transfers</b>	<b>5,132</b>	<b>1,161</b>	<b>3,970</b>	<b>5,852</b>	<b>6,625</b>	<b>773</b>

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## Standard Statement of Financial Position as at 31 December 2005

	31-Dec-05	31-Dec-04	31-Dec-03
	\$,000	\$,000	\$,000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash Assets	16,210	12,113	11,887
Receivables - Rates	26,293	24,515	23,749
Receivables - Parking	3,531	3,873	6,256
Receivables - Other	3,465	3,636	2,134
Accrued Income	216	210	293
Prepayments	29	28	28
Inventories	69	41	35
<b>Total Current Assets</b>	<u>49,813</u>	<u>44,416</u>	<u>44,382</u>
<b>Non-Current Assets</b>			
Other Financial Assets	5	5	5
Receivables	20	20	20
Investments in Associates	2,443	3,356	3,107
Property, Infrastructure, Plant & Equipment	909,193	912,453	794,019
<b>Total Non-Current Assets</b>	<u>911,661</u>	<u>915,834</u>	<u>797,151</u>
<b>TOTAL ASSETS</b>	<u>961,474</u>	<u>960,250</u>	<u>841,533</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Bank Overdraft	0	0	0
Payables	994	821	2,495
Trust Funds	1,187	1,169	1,144
Income in Advance	157	307	277
Accrued Expenses	1,396	2,666	3,106
Accrued Interest	47	0	61
Provisions	2,310	1,985	2,464
Interest-Bearing Liabilities	2,612	3,253	2,747
Deferred Revenue	26,285	24,857	23,399
<b>Total Current Liabilities</b>	<u>34,989</u>	<u>35,058</u>	<u>35,693</u>
<b>Non-Current Liabilities</b>			
Provisions	2,689	2,342	2,071
Interest-Bearing Liabilities	12,679	14,361	17,776
<b>Total Non-Current Liabilities</b>	<u>15,368</u>	<u>16,703</u>	<u>19,847</u>
<b>TOTAL LIABILITIES</b>	<u>50,356</u>	<u>51,761</u>	<u>55,540</u>
<b>NET ASSETS</b>	<u>911,118</u>	<u>908,489</u>	<u>785,993</u>
<b>Represented by:</b>			
Reserves	4,122	3,110	3,232
Asset Revaluation Reserve	381,118	381,418	263,878
Retained Earnings	519,479	519,690	515,974
Profit for Period	6,399	4,271	2,909
<b>EQUITY</b>	<u>911,118</u>	<u>908,489</u>	<u>785,993</u>

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## Standard Statement of Cash Flows for the period ending 31 December 2005

	31-Dec-05 2005/2006 Inflows/ (Outflows) \$,000	31-Dec-04 2004/2005 Inflows/ (Outflows) \$,000	31-Dec-03 2003/2004 Inflows/ (Outflows) \$,000
<b>Cash Flows from Operating Activities (Inclusive of GST)</b>			
Receipts from Ratepayers (inclusive of GST)	29,026	16,096	15,700
Parking Revenue (inclusive of GST)	7,679	5,486	5,213
Interest Received from Other Entities	347	161	136
Government Grants Received (inclusive of GST)	3,224	1,689	1,774
Victoria Grants Commission	735	353	348
User Charges Fees and Other Fines Received (inclusive of GST)	7,704	5,384	4,112
Reimbursements & Contributions Received (inclusive of GST)	1,974	374	812
Payments to Suppliers (inclusive of GST)	(23,485)	(17,183)	(15,425)
Payments to Employees	(15,648)	(9,769)	(9,167)
Borrowing Costs	(661)	(395)	(427)
GST Refund from ATO	1,224	965	783
Net Cash Provided by Operating Activities	12,118	3,161	3,859
<b>Cash Flows Investing Activities</b>			
Payments for Property, Infrastructure, Plant and Equipment	(4,883)	(3,912)	(2,593)
Proceeds for Property, Infrastructure, Plant and Equipment	153	23	90
Net Cash (Used in) Investing Activities	(4,729)	(3,889)	(2,503)
<b>Cash Flows from Financing Activities</b>			
Proceeds from Borrowings			
Repayment of Works Capital Borrowings	(1,655)	(660)	(501)
Repayment of Superannuation Debt Borrowings	(688)	(319)	(299)
Repayment of Refinancing Borrowings	(244)	(67)	(64)
Repayment of Superannuation Unfunded Liability	0	0	0
Repayment of Finance Leases	0	0	0
Net Cash (Used In) Financing Activities	(2,587)	(1,047)	(864)
Change in Cash Held	4,802	(1,775)	491
Cash at Beginning of the Financial Period	11,408	12,297	9,528
<b>Cash at the End of the Financial Period</b>	<b>16,210</b>	<b>10,522</b>	<b>10,019</b>

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## Capital Works Program as at 31 December 2005

Project	Adopted Budget \$,000	Budget YTD \$,000	Actual YTD \$,000	Variance YTD \$,000	Current Forecast \$,000	Budget Variance \$,000	Carry Over \$,000
<b><u>ECONOMIC DEVELOPMENT</u></b>							
Strip Development & Gateways	1,160	650	597	53	1,083	77	0
Public Amenity & Community Safety	242	147	8	139	149	93	0
	<b>1,402</b>	<b>797</b>	<b>604</b>	<b>193</b>	<b>1,232</b>	<b>170</b>	<b>0</b>
<b><u>COMMUNITY DEVELOPMENT</u></b>							
Disability Action Plan	229	140	111	29	242	(13)	0
Libraries	503	453	270	183	418	85	0
Sports & Community Facilities/Pavilions	2,095	599	435	164	2,288	(193)	0
	<b>2,827</b>	<b>1,192</b>	<b>816</b>	<b>376</b>	<b>2,947</b>	<b>(120)</b>	<b>0</b>
<b><u>URBAN &amp; NATURAL ENVIRONMENT</u></b>							
Streetscape Redevelopment	515	69	145	(76)	490	25	0
Street Improvements	0	0	0	0	0	0	0
Habitat & Community Plantings	202	55	63	(8)	202	0	0
Irrigation	60	40	0	40	31	29	0
	<b>777</b>	<b>164</b>	<b>207</b>	<b>(43)</b>	<b>723</b>	<b>54</b>	<b>0</b>
<b>Open Space Improvements &amp; Upgrades</b>							
Parks Improvements	1,682	807	436	371	1,522	160	0
Infrastructure Upgrades	765	182	73	109	791	(26)	0
Sports & Grounds	145	65	48	17	192	(47)	0
	<b>2,592</b>	<b>1,054</b>	<b>557</b>	<b>497</b>	<b>2,505</b>	<b>87</b>	<b>0</b>
<b>Transport Planning</b>							
Road Safety Strategy	280	0	72	(72)	279	1	0
Bicycle Path Network	165	2	62	(60)	188	(23)	0
Traffic Management Infrastructure	684	30	34	(4)	663	21	0
	<b>1,129</b>	<b>32</b>	<b>169</b>	<b>(137)</b>	<b>1,130</b>	<b>(1)</b>	<b>0</b>
Waste Management	20	0	0	0	20	0	0
	<b>20</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>0</b>
<b><u>SERVICE</u></b>							
Leisure Centres	849	536	121	415	833	16	0
Road & Footpath Infrastructure	4,374	2,244	1,432	812	4,216	158	0
Drainage Infrastructure	900	230	70	160	913	(13)	0
Pedestrian Footbridges	132	100	113	(13)	128	4	0
Building Assets	734	270	75	195	842	(108)	0
Plant & Equipment	990	960	448	512	990	0	0
Fitzroy Town Hall	1,113	155	64	91	1,317	(204)	0
Victoria Park Redevelopment	875	385	12	373	875	0	0
Office Accommodation	0	0	0	0	0	0	0
Furniture & Equipment	0	0	0	0	0	0	0
Improved Service Delivery Points	28	0	26	(26)	54	(26)	0
	<b>9,995</b>	<b>4,880</b>	<b>2,361</b>	<b>2,520</b>	<b>10,168</b>	<b>(173)</b>	<b>0</b>
<b><u>COMMUNICATION &amp; TRANSPARENCY</u></b>							
Public Signage	10	4	1	3	10	0	0
Information Systems	946	653	169	484	962	(16)	0
	<b>956</b>	<b>657</b>	<b>170</b>	<b>487</b>	<b>972</b>	<b>(16)</b>	<b>0</b>
<b>TOTAL CAPITAL WORKS EXPENDITURE</b>							
	<b>19,698</b>	<b>8,775</b>	<b>4,883</b>	<b>3,892</b>	<b>19,697</b>	<b>1</b>	<b>0</b>

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## Capital Works Program Year to Date Summary

Actual expenditure to end December:	\$4,883,428
Value of work completed:	\$7,006,581
Year to date budgeted expenditure:	\$8,773,600

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

### **Bridge Road Strip Development**

Delays caused by the replacement of poor performing contractor. Project expected to be completed by end of February 2006.

### **Miller Street Road Reconstruction**

Works delayed to enable City West Water to undertake water main renewals.

### **Richmond Library Refurbishment**

Year to date variance will be reduced as invoice payment for the completion of the project are expected to be processed in January 2006 in addition to invoices being costed to 2004/05.

### **Traffic Treatment Upgrades**

Program behind schedule due to condition assessment undertaken of all sites before works begin

### **Burnley Golf Course fencing**

Works due to start in January. Behind schedule due to design modifications..

### **Collingwood Leisure Centre truss works**

Project delayed due to masterplanning works having an affect on scope. Works also deferred until pool rectification works are complete at Richmond to avoid disruption to both services at the same time.

### **George Knott Facility Upgrade**

Project delayed due to extended works beginning mid January.

### **Passenger/Bus/Truck fleet**

Delay in the purchase of replacement vehicles as a result of vehicle requirements being reviewed as vacancies arise.

### **Victoria Park Redevelopment**

Works delayed as a result of settlement negotiations taking longer than expected.

### **PC replacement**

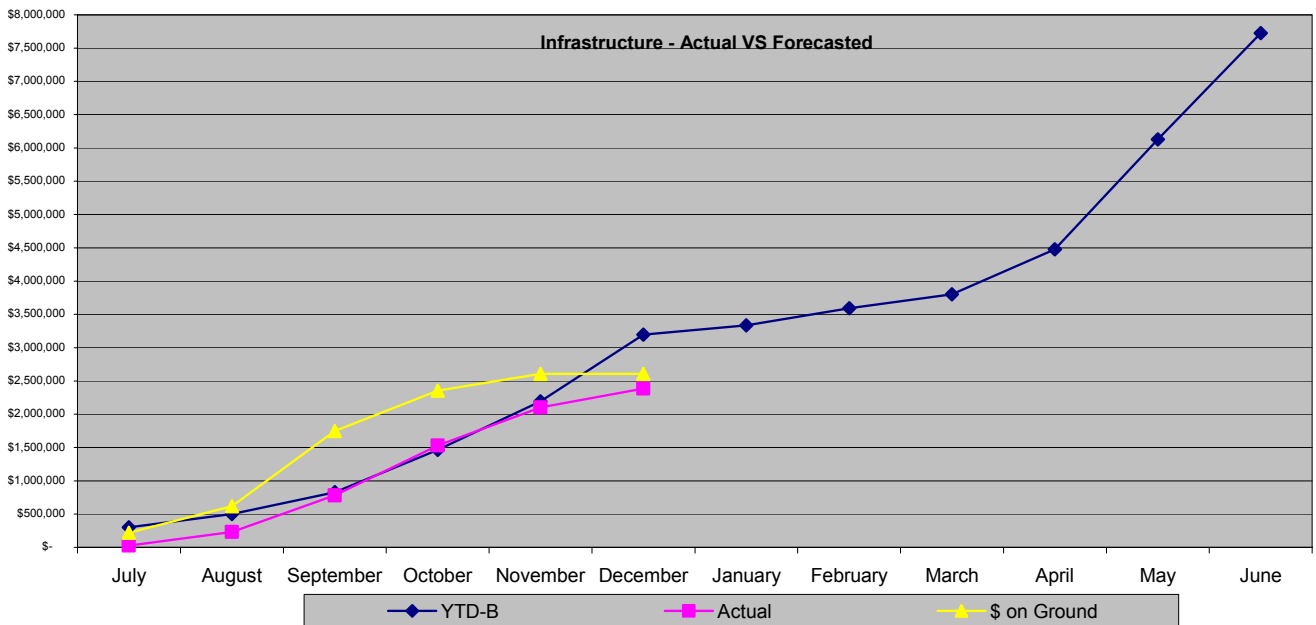
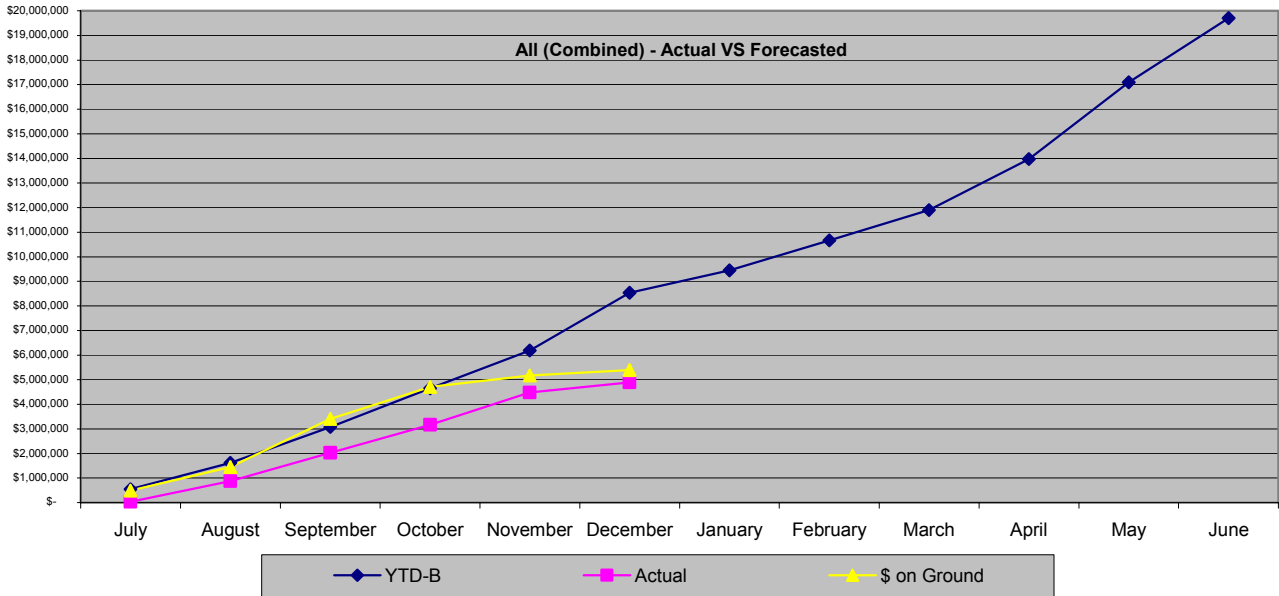
Delays in the annual PC rollout as a result of the longer than anticipated migration to Windows XP. Rollout due to be completed by the end of March 2006.

### **Victoria Park Redevelopment**

Works were deferred as it was anticipated that these funds could be used to open up the park to the public if negotiations with the Collingwood Football Club did not reach settlement this financial year. Now that settlement has been reached the programmed works have been rescheduled to commence in March.

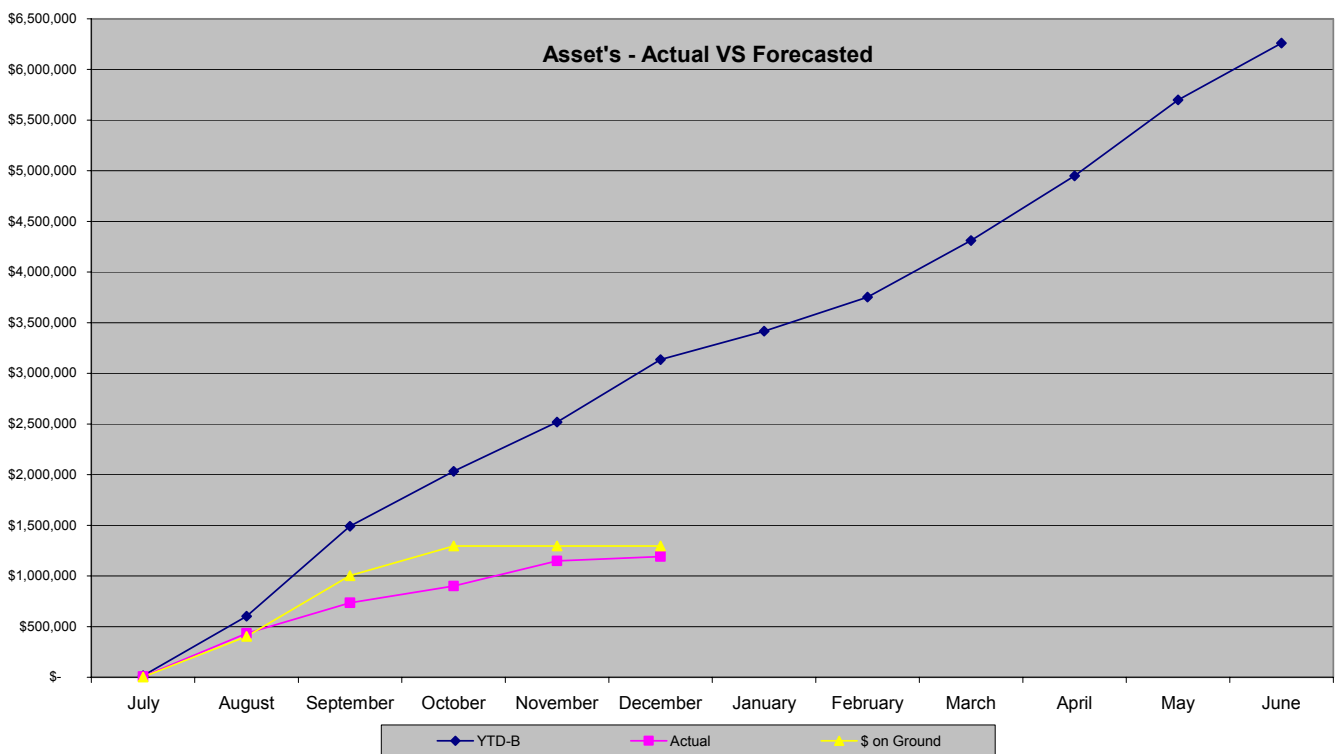
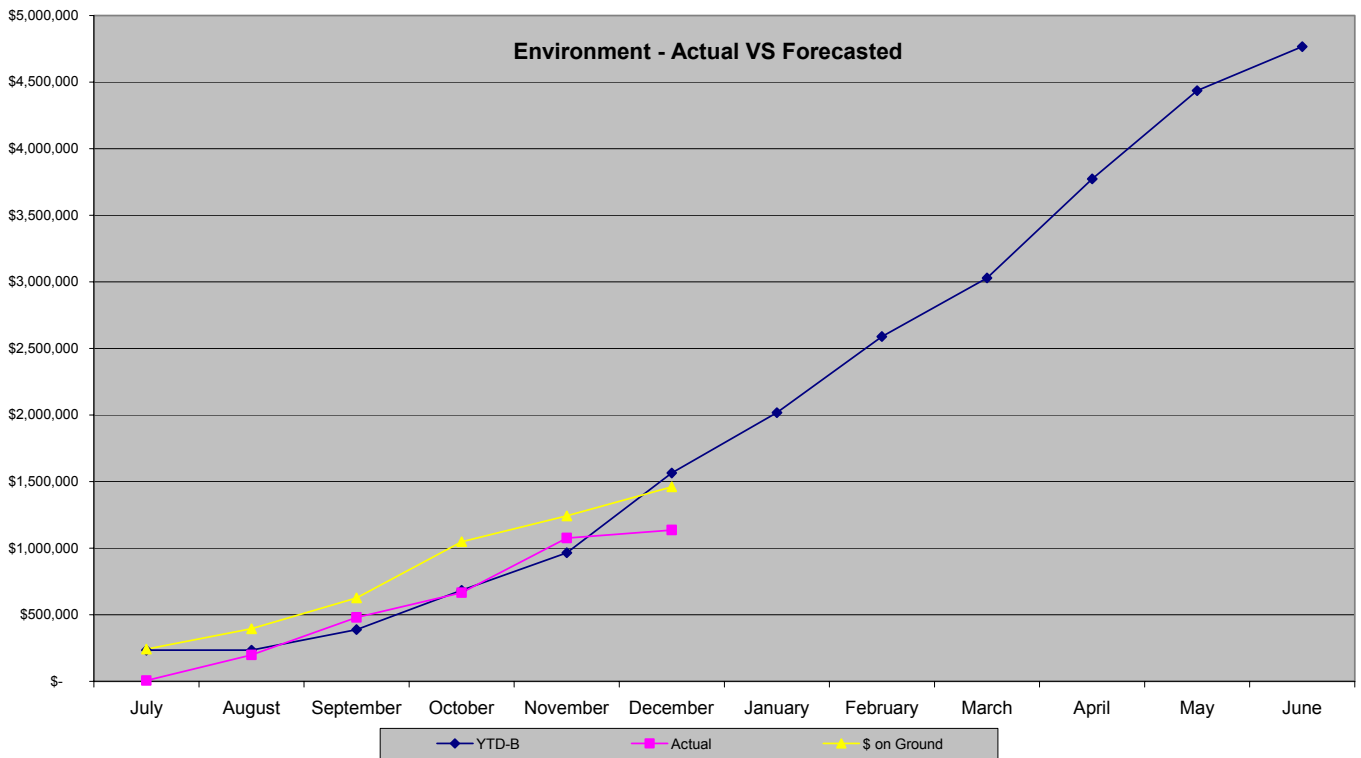
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## Capital Works 2005/06



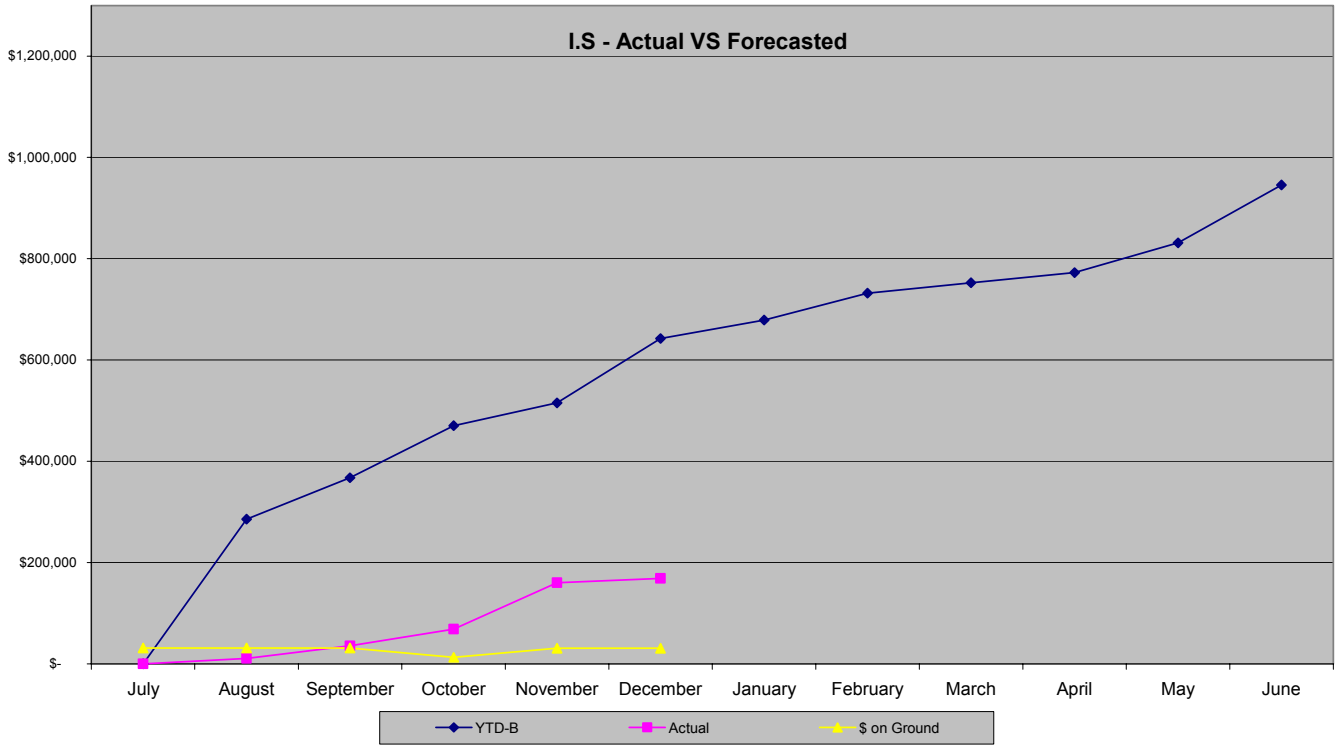
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## Capital Works 2005/06



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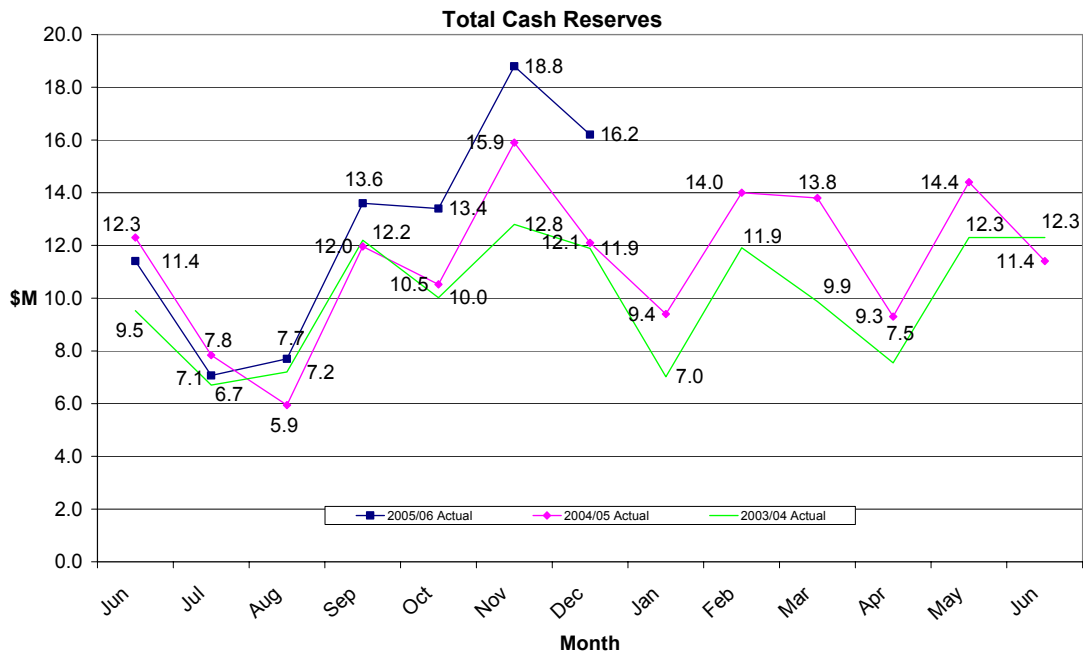
## Capital Works 2005/06



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## 1. Investments and Reserves

**Graph 1.1: Cash Flow Comparison – Total Cash Reserves**



**Table 1.1: Investment and Reserves**

	31-Dec-05	30-Nov-05	31-Dec-04
	\$,000	\$,000	\$,000
Cash at Bank	1,602	3,198	1,708
Cash on Hand	8	6	5
Money Market Call Account/Bank Bills	14,600	15,600	10,400
<b>Total Cash Assets</b>	<b>16,210</b>	<b>18,804</b>	<b>12,113</b>
Income in Advance	157	157	307
Long Service Leave	2,979	3,020	2,618
Reserves	4,122	4,122	3,110
<b>Total Restricted Assets/Reserves</b>	<b>7,258</b>	<b>7,299</b>	<b>6,034</b>

**Table 1.2: Investment Details**

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Bank	Term (Days)	Interest Rate	Maturity Date	Discounted Face Value \$,000
Bank West	47	5.68%	11/01/06	1,300
Bank West	44	5.71%	12/01/06	1,800
Elders Rural	56	5.65%	25/01/06	1,100
Commonwealth Bank	51	5.58%	25/01/06	1,500
Bank West	66	5.70%	09/02/06	1,700
Commonwealth Bank	79	5.59%	22/02/06	1,000
Elders Rural	66	5.64%	23/02/06	1,200
Elders Rural	61	5.65%	01/06/06	1,000
Elders Rural	62	5.65%	02/03/06	1,000
Grange Securities	N/A	6.33%	@ Call	3,000
				14,600

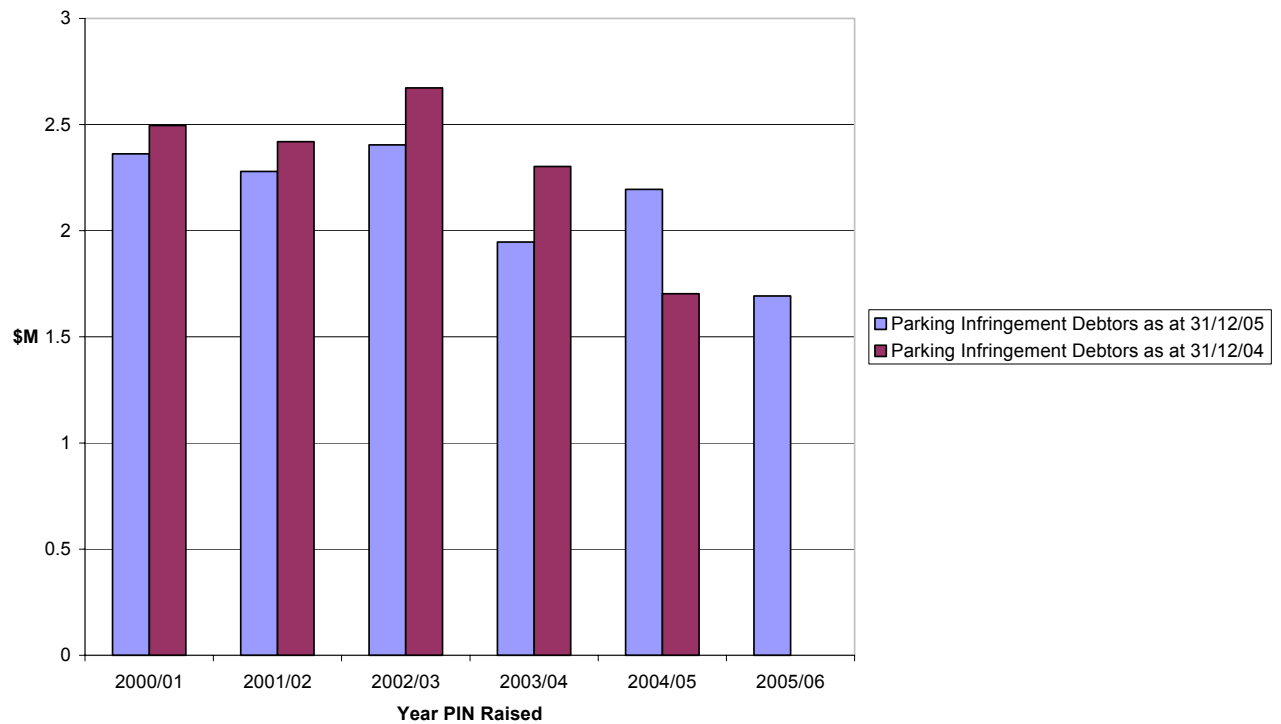
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## 2. Rate and Other Debtors

**Table 2.1: Rate Debtors**

	31-Dec-05	30-Nov-05	31-Dec-04
	\$,000	\$,000	\$,000
Rates & Charges – Current Year	25,066	27,641	23,504
Rates & Charges – Arrears	1,227	1,301	1,011
<b>Total Rates &amp; Charges</b>	<b>26,293</b>	<b>28,942</b>	<b>24,515</b>
% Outstanding			
Rates & Charges – Current Year	47%	52%	47%
Rates & Charges - Arrears	54%	57%	58%

**Graph 2.1: Parking Infringement Debtors – Prior Year Comparison**

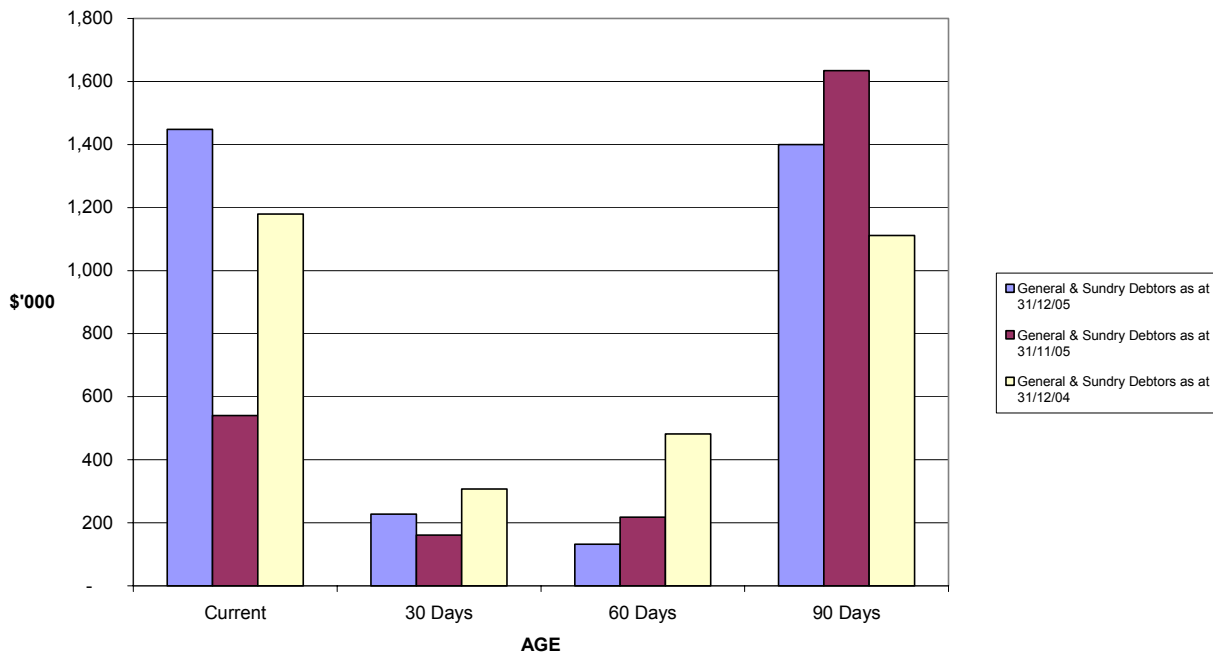


**Table 2.2: Parking Infringement Debtors**

	31-Dec-05	30-Nov-05	31-Dec-04
	\$,000	\$,000	\$,000
Parking Infringement Debtors	12,879	12,835	14,943
Less: Provision for Doubtful Debts	(9,348)	(9,263)	(11,070)
<b>Net Parking Debtors</b>	<b>3,531</b>	<b>3,572</b>	<b>3,873</b>

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**Graph 2.2: General & Sundry Debtors – Aged Comparison**



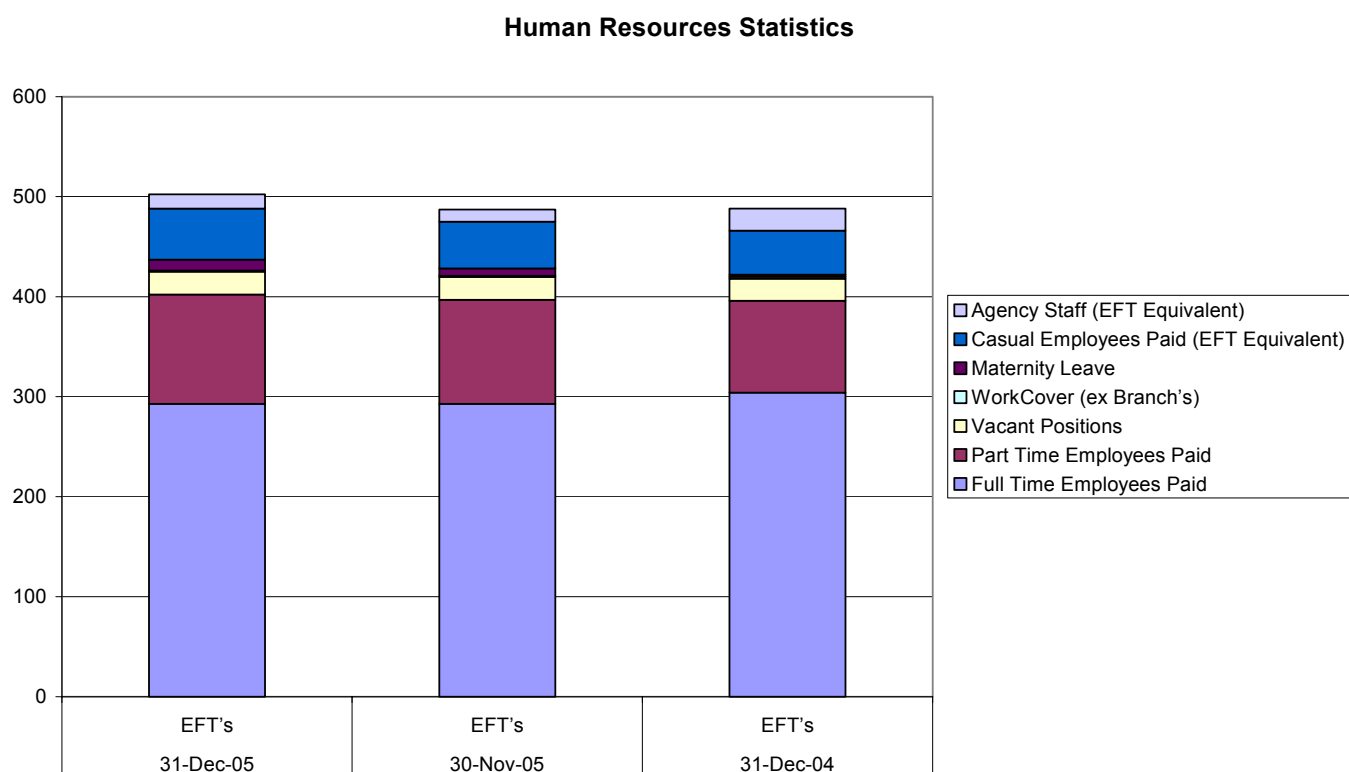
**Table 2.3: General & Sundry Debtors**

	31-Dec-05	30-Nov-05	31-Dec-04
	\$,000	\$,000	\$,000
General & Sundry Debtors	3,207	2,994	3,080
Less: Provision for Doubtful Debts	(544)	(544)	(169)
<b>Net General &amp; Sundry Debtors</b>	<b>2,662</b>	<b>2,450</b>	<b>2,911</b>
GST Receivable	803	826	725
<b>Total Other Debtors</b>	<b>3,465</b>	<b>3,276</b>	<b>3,636</b>

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## 3. Human Resource Statistics & Employee Costs

**Graph 3.1: Human Resource Statistics by Employment Category**



**Table 3.1: Human Resource Statistics**

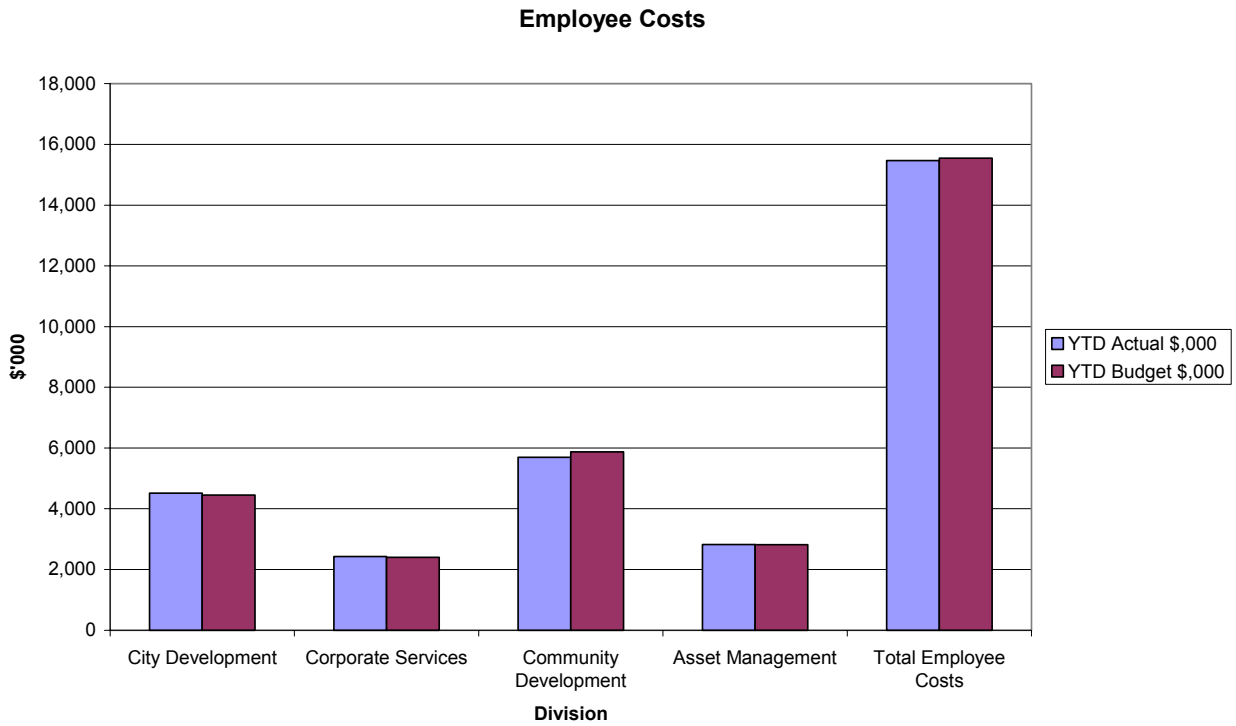
	31-Dec-05	30-Nov-05	31-Dec-04
	EFT's	EFT's	EFT's
Staffing Numbers			
Full Time Employees Paid	293	293	304
Part Time Employees Paid	109	104	92
Vacant Positions	23	23	22
WorkCover (ex Branch's)	1	1	2
Maternity Leave	11	8	2
<b>Total Staff Establishment</b>	<b>437</b>	<b>428</b>	<b>422</b>
Casual Employees Paid (EFT Equivalent)	51	47	44
Agency Staff (EFT Equivalent)	14	12	22
	<b>502</b>	<b>487</b>	<b>488</b>

It should be noted that the Human Resource Statistics (Table 3.1) are based on actual hours worked calculated back to employee numbers. They are not currently based on the authorised staff component. This current practice can and does lead to wide shifts in figures from month to month.

By 30 June 2006 work will be completed to base the statistics on the authorised staff component not the number of hours which are worked in any given month.

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**Graph 3.2: Employee Costs – Actual to Budget Comparison**



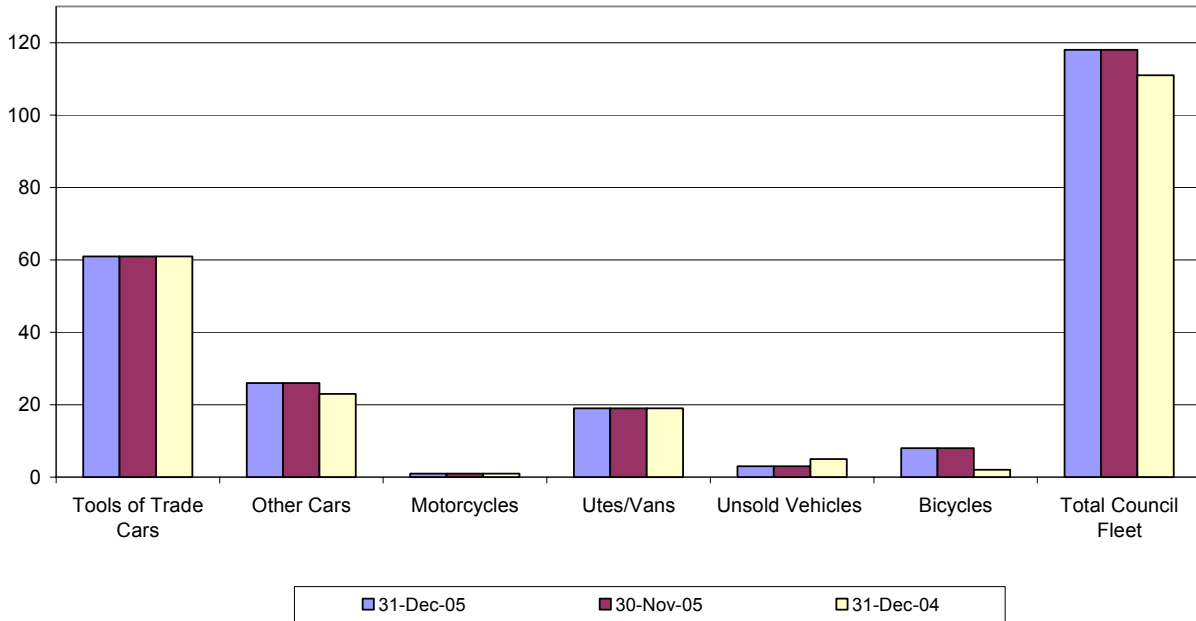
**Table 3.2: Employee Costs by Division**

Employee Costs Expenditure	YTD Actual \$,000	YTD Budget \$,000	YTD Variance \$,000
City Development	4,515	4,453	(63)
Corporate Services	2,432	2,402	(30)
Community Development	5,696	5,874	178
Asset Management	2,826	2,818	(7)
<b>Total Employee Costs</b>	<b>15,469</b>	<b>15,547</b>	<b>78</b>

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## 4. Council Transport Fleet

**Graph 4.1: Council Transport Fleet by Vehicle Classification**



**Table 4.1: Council Transport Fleet**

	31-Dec-05	30-Nov-05	31-Dec-04
Tools of Trade Cars	61	61	61
Other Cars	26	26	23
<b>Total Passenger Vehicles</b>	<b>87</b>	<b>87</b>	<b>84</b>
Motorcycles	1	1	1
Utes/Vans	19	19	19
<b>Total Vehicles excluding Bicycles</b>	<b>107</b>	<b>107</b>	<b>104</b>
Unsold Vehicles	3	3	5
<b>Total Vehicles on Hand</b>	<b>110</b>	<b>110</b>	<b>109</b>
Bicycles	8	8	2
<b>Total Council Fleet</b>	<b>118</b>	<b>118</b>	<b>111</b>
Carshare	1	1	0