

CITY OF YARRA FINANCIAL REPORT

for the period ending 31st December 2006

for Councillors' Distribution



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Divisional Forecast Income Statement for the period ending 31 December 2006

	Actual	Adopted	Current	Budget	Previous	Forecast
	YTD	Budget	Forecast	Variance	Forecast	Variance
	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
REVENUES						
Revenue from ordinary activities						
City Development	10,703	20,611	25	146	20,771	(13)
Corporate Services	30,439	59,801	60,121	320	59,942	179
Community Development	7,467	14,773	15,007	234	14,875	132
Asset Management	1,779	3,250	3,715	465	3,621	94
	50,388	98,435	99,600	1,165	99,209	391
EXPENSES						
Expenses from ordinary activities						
City Development	7,234	15,806	15,671	135	15,845	175
Corporate Services	9,258	15,264	15,370	(106)	15,314	(56)
Community Development	10,473	23,329	23,457	(128)	23,403	(53)
Asset Management	10,709	22,894	23,390	(496)	23,239	(150)
Depreciation & Amortisation	6,997	14,000	14,000	0	14,000	0
	44,671	91,293	91,887	(594)	91,802	(85)
Net Result before Transfers	5,717	7,142	7,713	571	7,407	306
Transfers to Reserves	(679)	(1,400)	(1,500)	(100)	(1,500)	0
Transfers from Reserves	0	0	0	0	0	0
Net Result after Transfers	5,038	5,742	6,213	471	5,907	306

Income Statement for the period ending 31 December 2006

	Actual YTD \$,000	Budget YTD \$,000	Variance YTD \$,000	Adopted Budget \$,000	Current Forecast \$,000	Budget Variance \$,000
Revenue from ordinary activities						
Rates	28,791	28,690	101	57,324	57,311	(13)
Victoria Grants Commission	753	749	4	1,497	1,504	7
Government Grants	3,077	2,957	120	5,826	5,970	144
Parking Revenue	8,318	8,491	(173)	16,665	16,665	0
User Charges, Fees and Other Fines	4,794	4,448	346	8,820	9,179	358
Leisure Centre Fees	3,314	2,883	430	5,821	6,020	198
Interest Received from Other Entities	430	350	80	700	780	80
Reimbursements & Contributions	726	561	165	1,268	1,659	390
Proceeds from Disposal of Assets	187	256.85	(70)	514	514	0
	50,388	49,385	1,003	98,435	99,600	1,165
Expenses from ordinary activities						
Employee Costs	16,180	17,065	886	33,481	33,270	211
Contract Payments	8,530	8,481	(48)	16,907	16,783	124
Maintenance	2,156	2,456	299	4,624	5,054	(430)
Other Materials & Services	9,580	10,336	757	19,447	19,883	(437)
Bad and Doubtful Debts	733	715	(18)	1,430	1,430	0
Depreciation & Amortisation	6,997	6,997	0	14,000	14,000	0
Borrowing Costs	495	469	(27)	937	1,000	(63)
Written Down Value of Assets Sold	0	234	234	467	467	0
	44,671	46,753	2,082	91,293	91,887	(594)
Net Result before Transfers	5,717	2,632	3,085	7,142	7,713	571
Transfers to Reserves	679	700	(20)	1,400	1,500	100
Transfers from Reserves	0	0	0	0	0	0
Net Result after Transfers	5,038	1,933	3,105	5,742	6,213	471

Balance Sheet at 31 December 2006

	31-Dec-06 \$,000	31-Dec-05 \$,000	31-Dec-04 \$,000
ASSETS			
Current Assets			
Cash Assets	19,078	16,210	12,113
Receivables - Rates	28,000	26,293	24,515
Receivables - Parking	4,073	3,531	3,873
Receivables - Other	2,756	3,465	3,636
Accrued Income	43	216	210
Prepayments	31	29	28
Inventories	105	69	41
Total Current Assets	<u>54,086</u>	<u>49,813</u>	<u>44,416</u>
Non-Current Assets			
Other Financial Assets	5	5	5
Receivables	620	20	20
Investments in Associates	2,576	2,443	3,356
Property, Infrastructure, Plant & Equipment	1,069,314	909,193	912,453
Total Non-Current Assets	<u>1,072,515</u>	<u>911,661</u>	<u>915,834</u>
TOTAL ASSETS	<u>1,126,601</u>	<u>961,474</u>	<u>960,250</u>
LIABILITIES			
Current Liabilities			
Bank Overdraft	0	0	0
Payables	3,864	992	821
Trust Funds	1,261	1,187	1,169
Income in Advance	0	157	307
Accrued Expenses	1,356	1,397	2,666
Accrued Interest	47	47	0
Provisions	4,963	2,500	1,985
Interest-Bearing Liabilities	4,698	2,612	3,253
Deferred Revenue	28,140	26,285	24,857
Total Current Liabilities	<u>44,329</u>	<u>35,177</u>	<u>35,058</u>
Non-Current Liabilities			
Provisions	924	2,499	2,342
Interest-Bearing Liabilities	7,529	12,679	14,361
Total Non-Current Liabilities	<u>8,453</u>	<u>15,178</u>	<u>16,703</u>
TOTAL LIABILITIES	<u>52,782</u>	<u>50,355</u>	<u>51,761</u>
NET ASSETS	<u>1,073,819</u>	<u>911,119</u>	<u>908,489</u>
Represented by:			
Reserves	7,218	4,122	3,110
Asset Revaluation Reserve	536,118	381,118	381,418
Retained Earnings	524,766	519,480	519,690
Profit for Period	5,717	6,399	4,271
EQUITY	<u>1,073,819</u>	<u>911,119</u>	<u>908,489</u>

Cash Flow Statement for the period ending 31 December 2006

	31-Dec-06 2006/2007 Inflows/ (Outflows) \$,000	31-Dec-05 2005/2006 Inflows/ (Outflows) \$,000	31-Dec-04 2004/2005 Inflows/ (Outflows) \$,000
Cash Flows from Operating Activities (Inclusive of GST)			
Receipts from Ratepayers (inclusive of GST)	31,527	29,026	27,242
Parking Revenue (inclusive of GST)	7,696	7,679	8,074
Interest Received from Other Entities	455	347	263
Government Grants Received (inclusive of GST)	3,306	3,224	2,742
Victoria Grants Commission	753	735	706
User Charges Fees and Other Fines Received (inclusive of GST)	10,173	7,704	7,155
Reimbursements & Contributions Received (inclusive of GST)	326	1,974	942
Payments to Suppliers (inclusive of GST)	(26,164)	(23,485)	(24,728)
Payments to Employees	(16,493)	(15,648)	(14,953)
Borrowing Costs	(533)	(661)	(932)
GST Refund from ATO	1,240	1,224	1,730
Net Cash Provided by Operating Activities	12,287	12,119	8,241
Cash Flows Investing Activities			
Payments for Property, Infrastructure, Plant and Equipment	(6,898)	(4,883)	(6,579)
Proceeds for Property, Infrastructure, Plant and Equipment	187	153	273
Net Cash (Used in) Investing Activities	(6,711)	(4,730)	(6,306)
Cash Flows from Financing Activities			
Proceeds from Borrowings			
Repayment of Works Capital Borrowings	(2,579)	(1,655)	(1,338)
Repayment of Superannuation Debt Borrowings	(364)	(688)	(644)
Repayment of Refinancing Borrowings	(75)	(244)	(136)
Repayment of Superannuation Unfunded Liability	0	0	0
Repayment of Finance Leases	0	0	0
Net Cash (Used In) Financing Activities	(3,018)	(2,587)	(2,118)
Change in Cash Held	2,558	4,802	(183)
Cash at Beginning of the Financial Period	16,520	11,408	12,297
Cash at the End of the Financial Period	19,078	16,210	12,113

Capital Works Program – Year to Date Summary

Project	Adopted Budget \$,000	Budget YTD \$,000	Actual YTD \$,000	Variance YTD \$,000	Current Forecast \$,000	Budget Variance \$,000
<u>ROAD INFRASTRUCTURE</u>						
Kerb & Channels	750	220	261	(41)	758	(8)
Footpaths	1,440	1,099	929	170	1,549	(109)
Pavement	2,093	1,559	1,295	264	2,098	(6)
Drainage	700	220	299	(79)	569	131
Tree Root Area	207	207	55	152	207	
Lane Pavement	547		136	(136)	519	28
Lane Drainage	210	115	3	112	202	8
Bridges	30	15	1	14	30	
Transport Traffic Management	725	68	187	(119)	729	(4)
Street Furniture	45	19	21	(2)	47	(2)
Retail Strip Development	926	534	406	127	991	(66)
	7,672	4,055	3,592	463	7,699	(27)
<u>OPEN SPACE IMPROVEMENTS</u>						
<u>Open Space -Leisure Assets</u>						
Open Space -Boundary Assets	431	230	73	157	360	71
Open Space -Pedestrian Assets	68	57	9	48	47	21
Open Space -Horticultural Assets	815	456	220	236	741	74
Open Space -Turf Assets	345	182	85	97	365	(20)
Other Park Assets	245	245	154	91	205	40
Waste Management	397	361	316	45	571	(174)
Streetscapes/Trees	50		49	(49)	50	
Traffic Landscaping	466	109	313	(204)	457	9
	91		118	(118)	228	(137)
	2,907	1,640	1,337	303	3,024	(117)
<u>BUILDING & EQUIPMENT ASSETS</u>						
Buildings -Floors	161	132	28	104	184	(23)
Buildings -Walls	556	115	46	69	534	22
Buildings -Roof	76	68	14	54	76	
Buildings -Mechanical	421	161	21	140	391	30
Buildings -Plumbing	264	111	15	96	237	28
Buildings -Electrical	168	79	9	69	166	2
Buildings -Miscellaneous	3,985	729	506	224	4,081	(96)
Plant & Equipment	1,477	869	341	528	1,477	
Building Assets - Carry Over	1,175	386	679	(293)	1,178	(3)
	8,283	2,650	1,659	992	8,324	(41)
<u>INFORMATION SYSTEMS</u>						
I.S. Hardware	755	452	190	262	748	7
General I.S. Projects	212	66	88	(22)	219	(7)
	967	518	278	240	967	
<u>OTHER CAPITAL PROJECTS</u>						
Other Capital Projects	1,561	392	33	359	1,425	136
	1,561	392	33	359	1,425	136
<u>TOTAL CAPITAL WORKS EXPENDITURE</u>						
	21,390	9,255	6,898	2,357	21,438	(48)

Capital Works Program – Year to Date Summary

Actual expenditure to end December:	\$6.9m
Value of work completed:	\$7.3m
Year to date budgeted expenditure:	\$9.3m

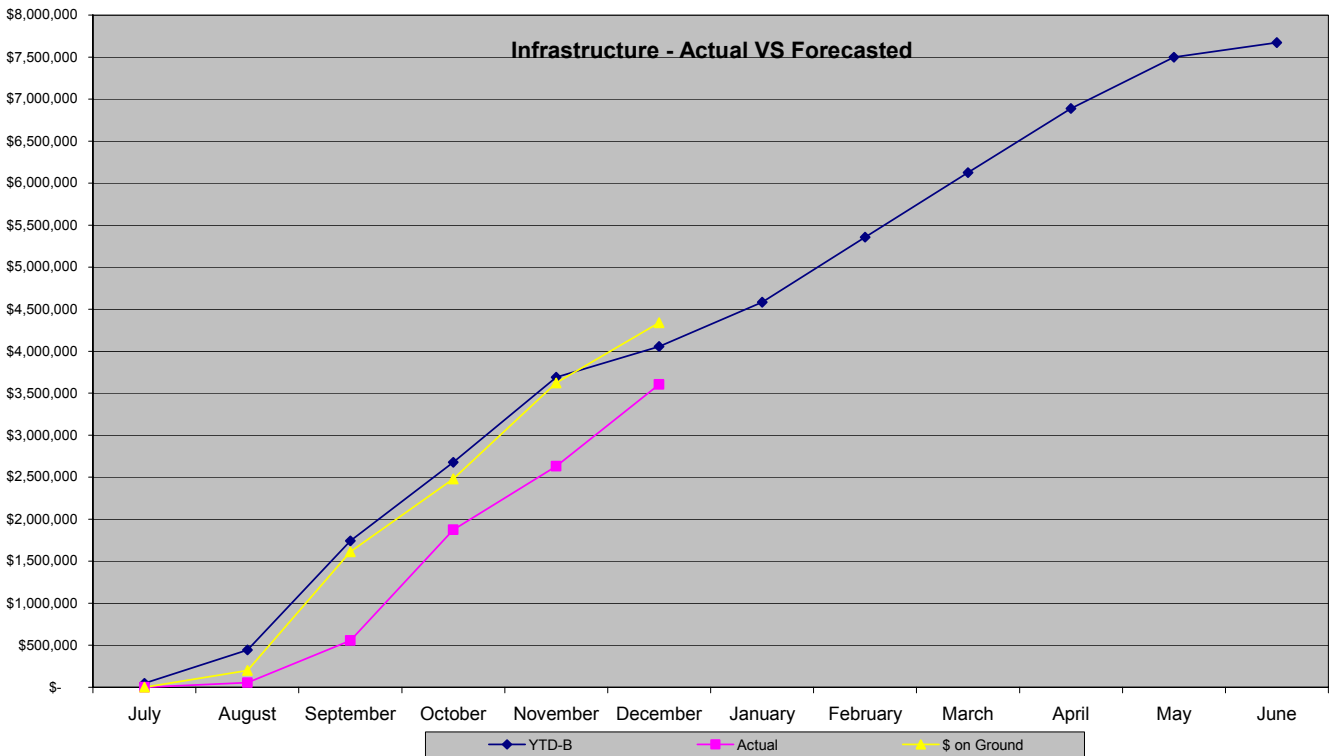
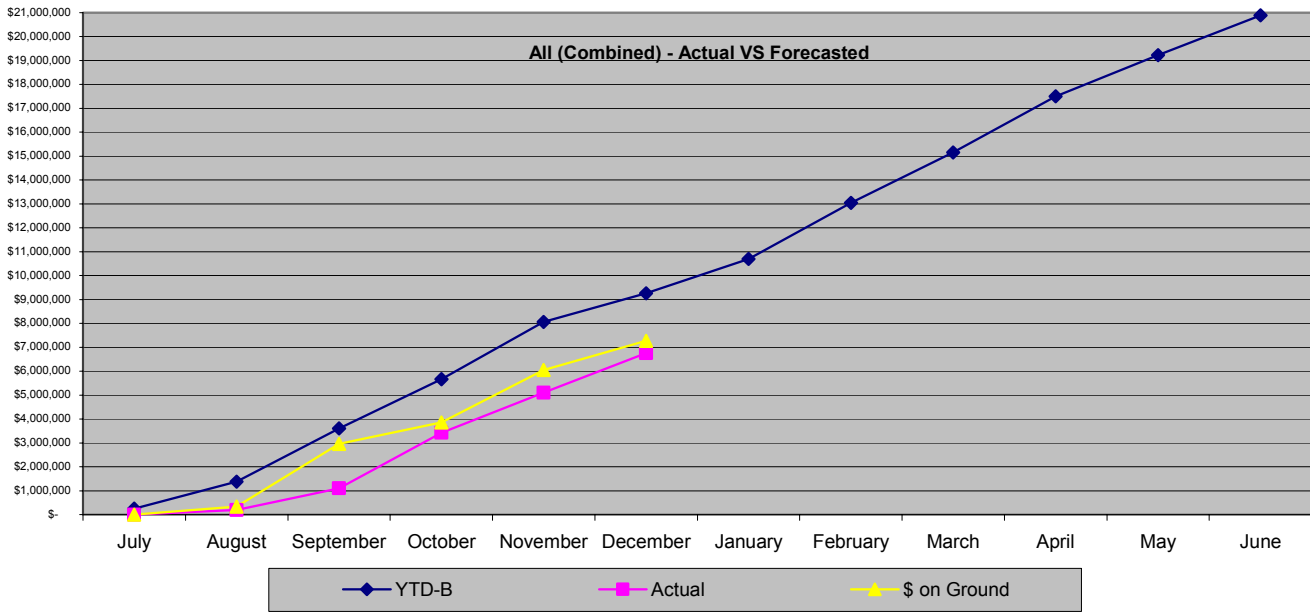
Comments as to the variations between the year to date budget and actual expenditure are as follows:

Project	Variance Year To Date
<p><u>ROAD INFRASTRUCTURE</u></p> <p>The Road Infrastructure favourable variance is due mainly to Footpaths, Pavement and Tree Root Area favourable variances offset by Lane Pavement and Transport Traffic Management. The following projects contribute to the overall variance:</p> <ul style="list-style-type: none"> • Barkly St (Rae St To St Georges Rd) Pavement works are favourable by \$122K due to works starting later than anticipated. • Waterloo St (Wellington St To Rokeby St) Pavement works are favourable by \$125K as the works have not commenced. • The Ivan St (Park St To End) pavement works (\$75K favourable) have been deferred until 2007/08 due to tree issues. • Unscheduled Emergency Works for pavements are unfavourable by \$156K due to the estimates for these ad-hoc/unplanned urgent works being higher than anticipated. 	<p>Favourable \$463,000</p>
<p><u>OPEN SPACE IMPROVEMENTS</u></p> <p>The Open Space has a favourable variance is due mainly to favourable variances in Leisure assets and Pedestrian assets offset by unfavourable variances in Streetscapes/Trees and Traffic Landscaping. The following projects contribute to the overall variance:</p> <ul style="list-style-type: none"> • The Edinburgh Gardens Leisure asset project has a favourable variance due to works starting later than scheduled (\$51K). • The Edinburgh Gardens Pedestrian asset project is favourable by \$90K due to a reduced scope of works. • The Burnley Park Pedestrian project is favourable by \$100K as the project is behind on schedule. • Bushland vegetation plantings have been delayed due to the drought conditions and are thus favourable to variance by \$75K. • Conversely because of the drought there have been higher than expected unscheduled works giving an unfavourable variance of \$66K. 	<p>Favourable \$303,000</p>

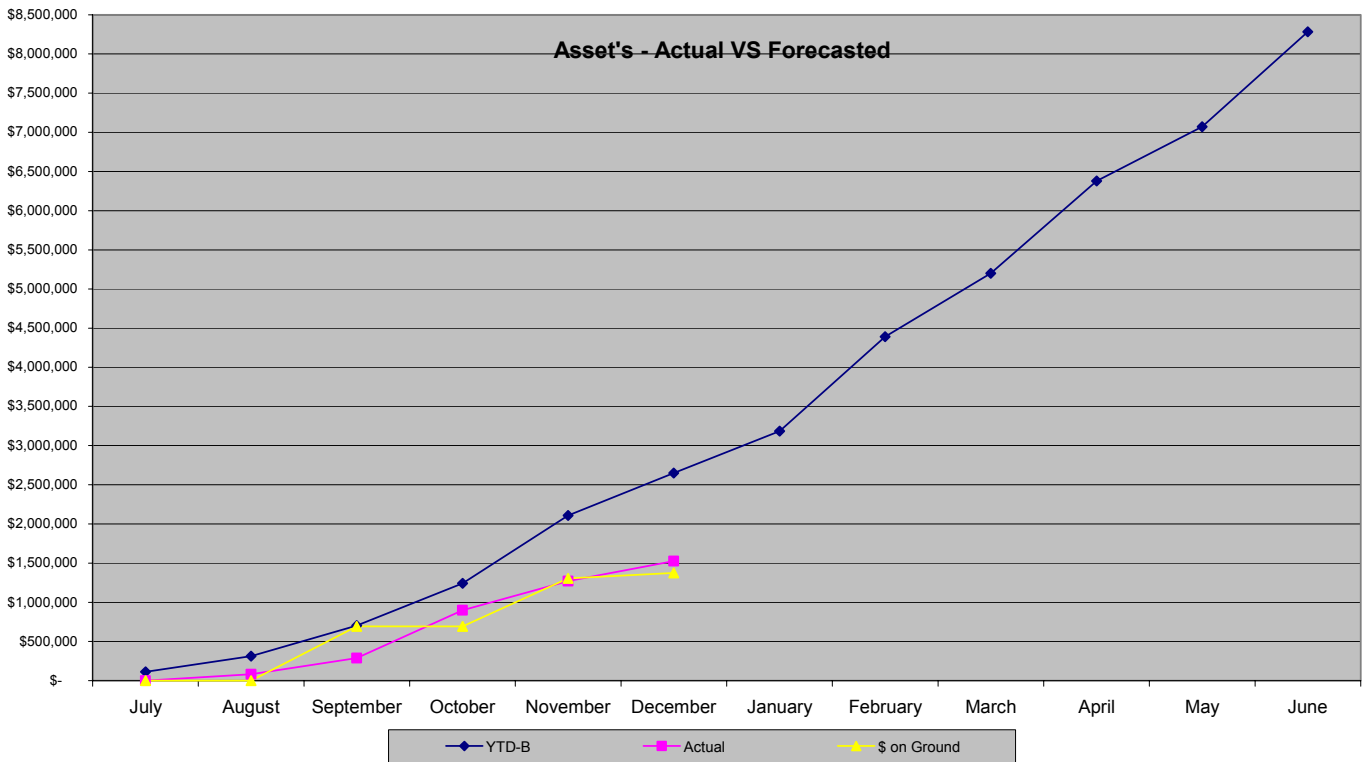
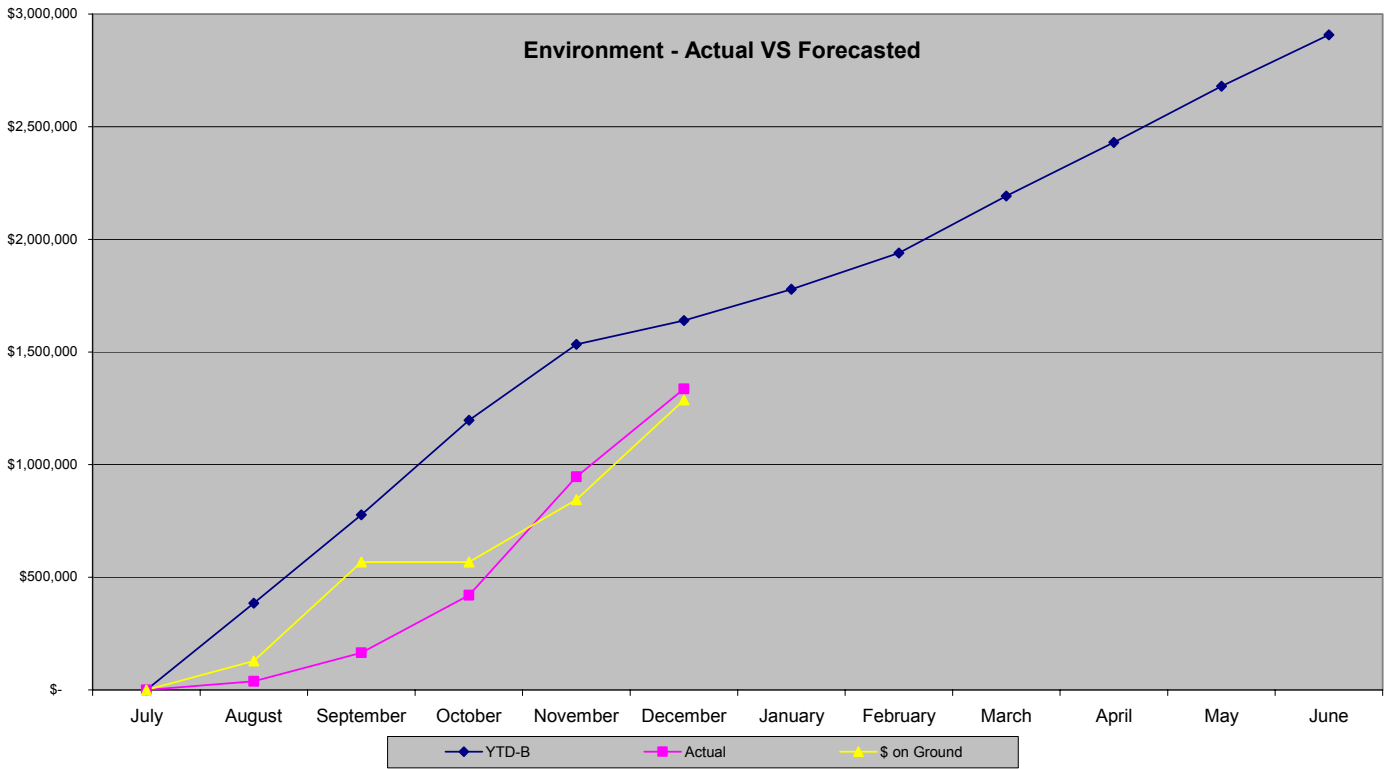
Capital Works Program – Year to Date Summary

Project	Variance Year To Date
<p><u>BUILDING & EQUIPMENT ASSETS</u></p> <p>The Building & Equipment assets favourable variance is due mainly to favourable variances in Buildings-Floors, Buildings-Mechanical and Plant and Equipment offset by an unfavourable variance in the carry over from 05/06. The following projects contribute to the overall variance:</p> <ul style="list-style-type: none"> • Yarraberg Child Care centre is favourable by \$166K due to a reduced scope of works. • Victoria Park is favourable by \$170K due to works starting later than anticipated. • Delays in purchasing cars due to organisational changes have resulted in a favourable variance of \$360K. • The Victoria Park Air conditioning project is favourable by \$268K as a result of works starting later than expected. • Collingwood Leisure Centre is unfavourable by \$169K due to works associated with the waste water filtration. 	Favourable \$992,000
<p><u>INFORMATION SYSTEMS</u></p> <p>The Information systems favourable variance is due mainly to the annual PC replacement program being behind on expected installation.</p>	Favourable \$240,000
<p><u>OTHER CAPITAL PROJECTS</u></p> <p>Various other Capital projects make up a favourable variance including the carry over project of Lennox Square which is delayed due to additional community consultation resulting in a \$239K favourable variance.</p>	Favourable \$359,000

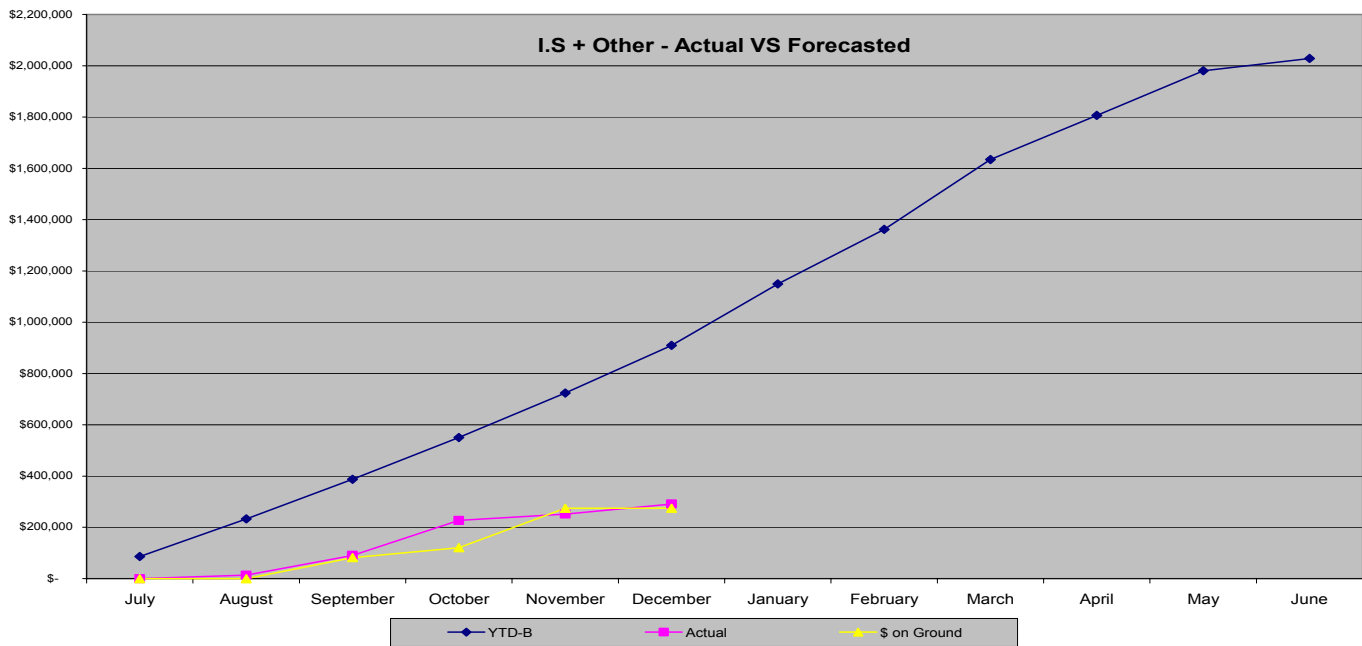
Capital Works 2006/07



Capital Works 2006/07



Capital Works 2006/07



1. Investments and Reserves

Graph 1.1: Cash Flow Comparison – Total Cash Reserves

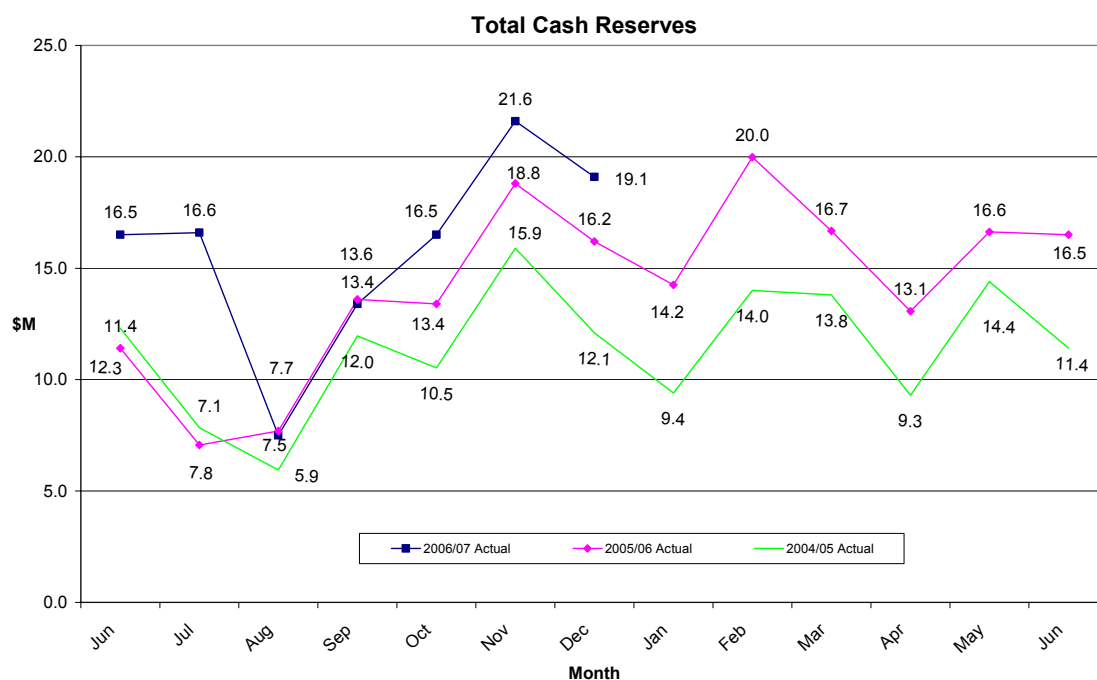


Table 1.1: Investment and Reserves

	31-Dec-06 \$,000	30-Nov-06 \$,000	31-Dec-05 \$,000
Cash at Bank	4,023	3,770	1,602
Cash on Hand	5	5	8
Money Market Call Account/Bank Bills	15,050	17,100	14,600
Total Cash Assets	19,078	20,875	16,210
Income in Advance	0	0	157
Long Service Leave	3,412	3,283	2,979
Reserves	7,218	7,218	4,122
Total Restricted Assets/Reserves	10,630	10,501	7,258

Table 1.2: Investment Details

Bank	Term (Days)	31-Dec-06		Discounted Face Value \$,000
		Interest Rate	Maturity Date	
Grange Securities **	@call	7.17%	31/12/06	5,000
Bank West	37	6.41%	04/01/07	1,300
Bank West	36	6.43%	10/01/07	1,000
Bank West	50	6.44%	18/01/07	1,500
Elders	44	6.43%	24/01/07	1,150
Bank West	58	6.44%	01/02/07	1,600
Elders	72	6.45%	15/02/07	1,200
Bank West	69	6.45%	21/02/07	1,300
Elders	75	6.38%	07/03/07	1,000
				15,050

**Investment rate based on actual return for the period.

2. Rate and Other Debtors

Table 2.1: Rate Debtors

	31-Dec-06	30-Nov-06	31-Dec-05
	\$,000	\$,000	\$,000
Rates & Charges – Current Year	26,580	29,838	25,066
Rates & Charges – Arrears	1,420	1,558	1,227
Total Rates & Charges	28,000	31,396	26,293
% Outstanding			
Rates & Charges – Current Year	46%	52%	47%
Rates & Charges - Arrears	55%	60%	54%

Graph 2.1: Parking Infringement Debtors – Prior Year Comparison

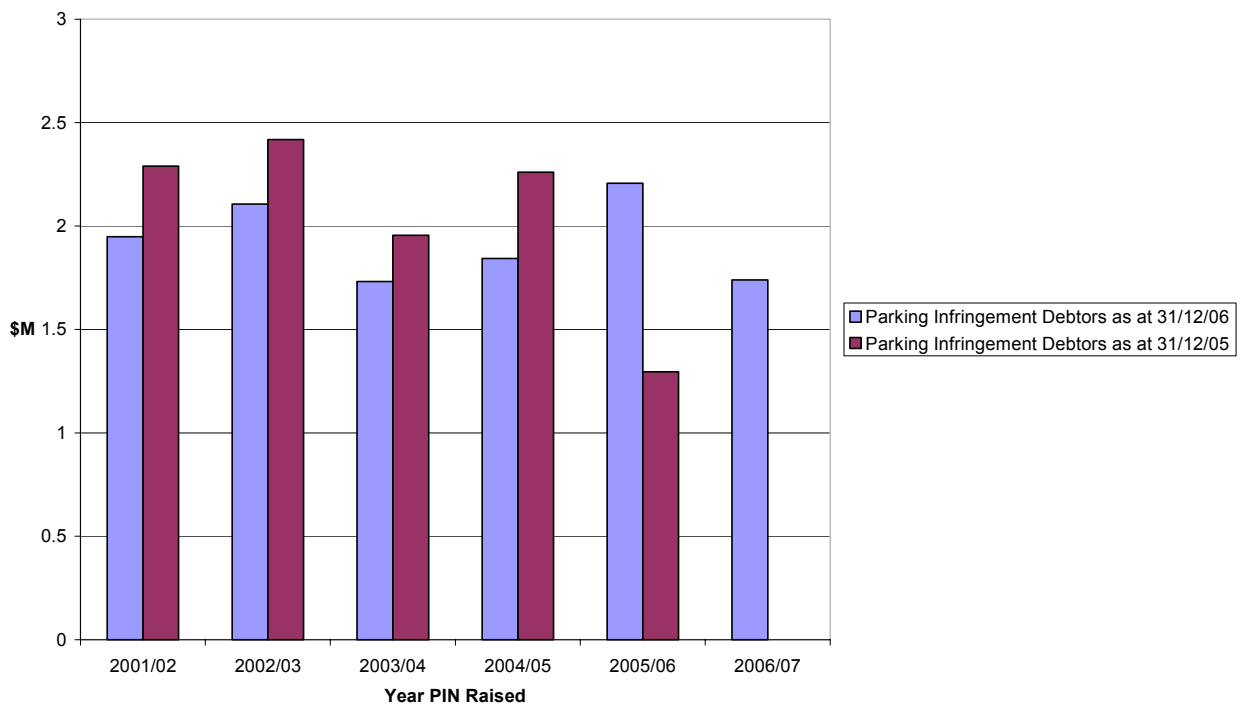


Table 2.2: Parking Infringement Debtors

	31-Dec-06	30-Nov-06	31-Dec-05
	\$,000	\$,000	\$,000
Parking Infringement Debtors	11,791	11,620	12,879
Less: Provision for Doubtful Debts	(7,718)	(7,837)	(9,348)
Net Parking Debtors	4,073	3,783	3,531

2. General and Other Debtors

Graph 2.2: General & Sundry Debtors – Aged Comparison

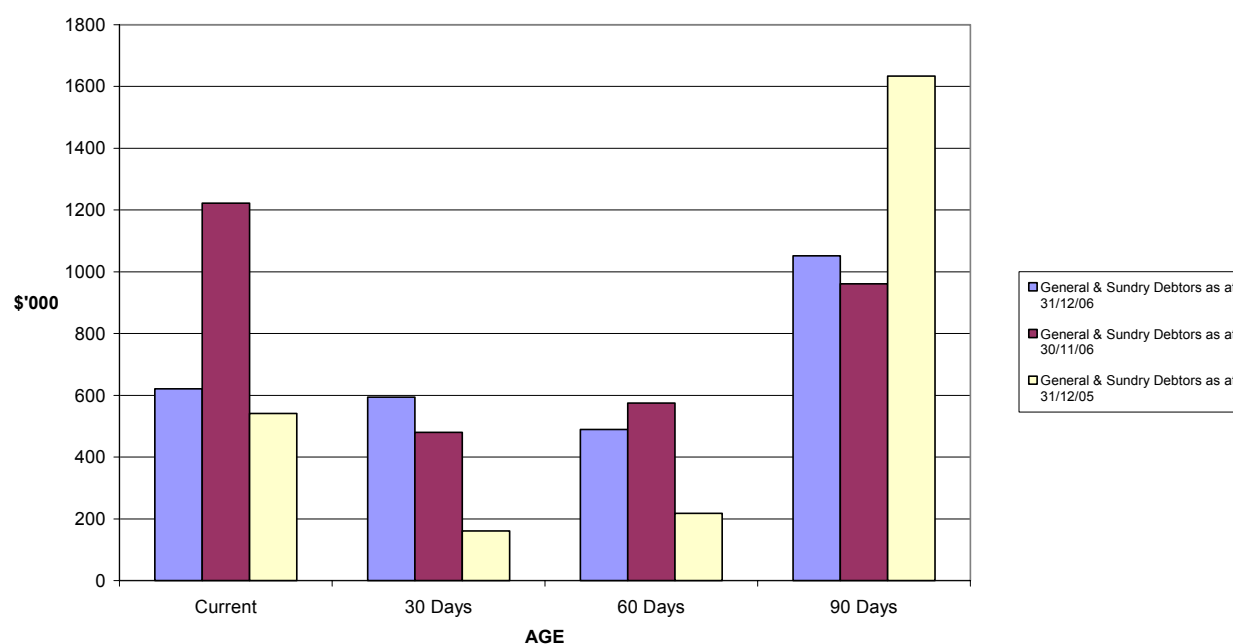


Table 2.3: General & Sundry Debtors

	31-Dec-06 \$,000	30-Nov-06 \$,000	31-Dec-05 \$,000
General & Sundry Debtors	2,222	2,776	3,027
Less: Provision for Doubtful Debts	(70)	(70)	(544)
Net General & Sundry Debtors	2,152	2,706	2,483
GST Receivable	604	532	803
Total Other Debtors	2,756	3,238	3,286

3. Human Resource Statistics & Employee Costs

Graph 3.1: Human Resource Statistics by Employment Category

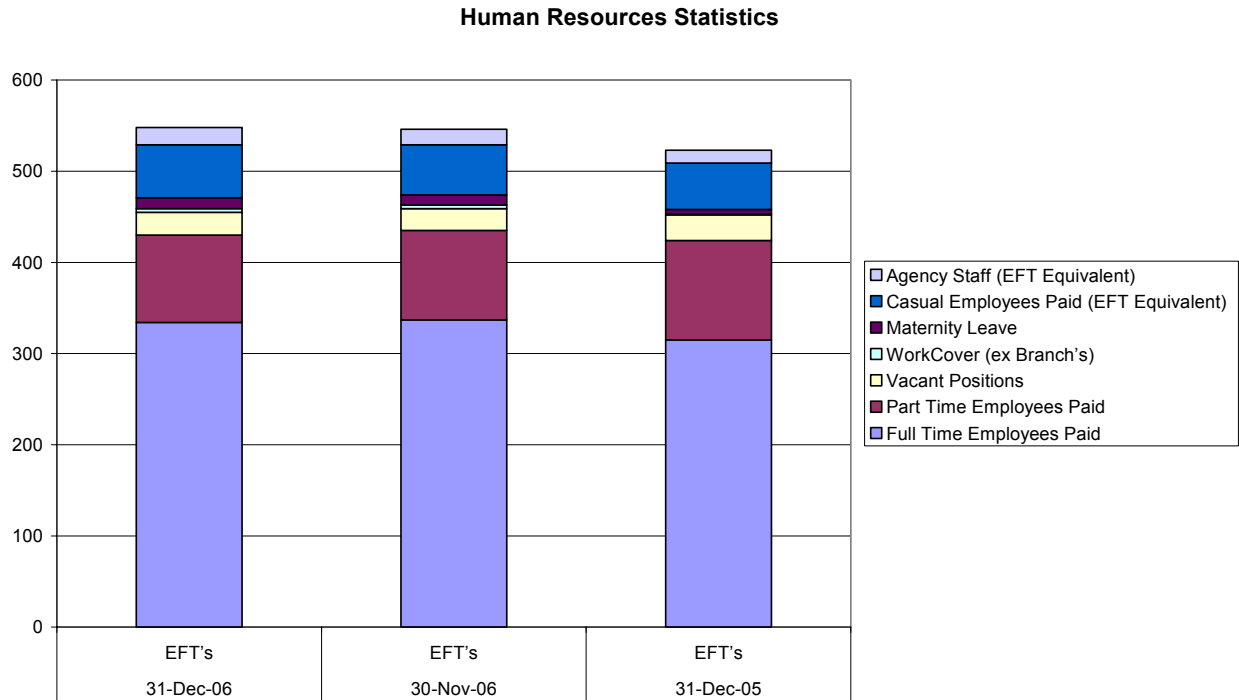


Table 3.1: Human Resource Statistics

	31-Dec-06	30-Nov-06	31-Dec-05
Staffing Numbers	EFT's	EFT's	EFT's
Full Time Employees Paid	334	337	315
Part Time Employees Paid	96	98	109
Vacant Positions	25	24	28
WorkCover (ex Branch's)	4	4	1
Maternity Leave	12	11	5
Total Staff Establishment	471	474	458
Casual Employees Paid (EFT Equivalent)	58	55	51
Agency Staff (EFT Equivalent)	19	17	14
	548	546	523

It should be noted that the Human Resource Statistics (Table 3.1) are based on actual hours worked calculated back to employee numbers.

3. Human Resource Statistics & Employee Costs (cont)

Graph 3.2: Employee Costs – Actual to Budget Comparison

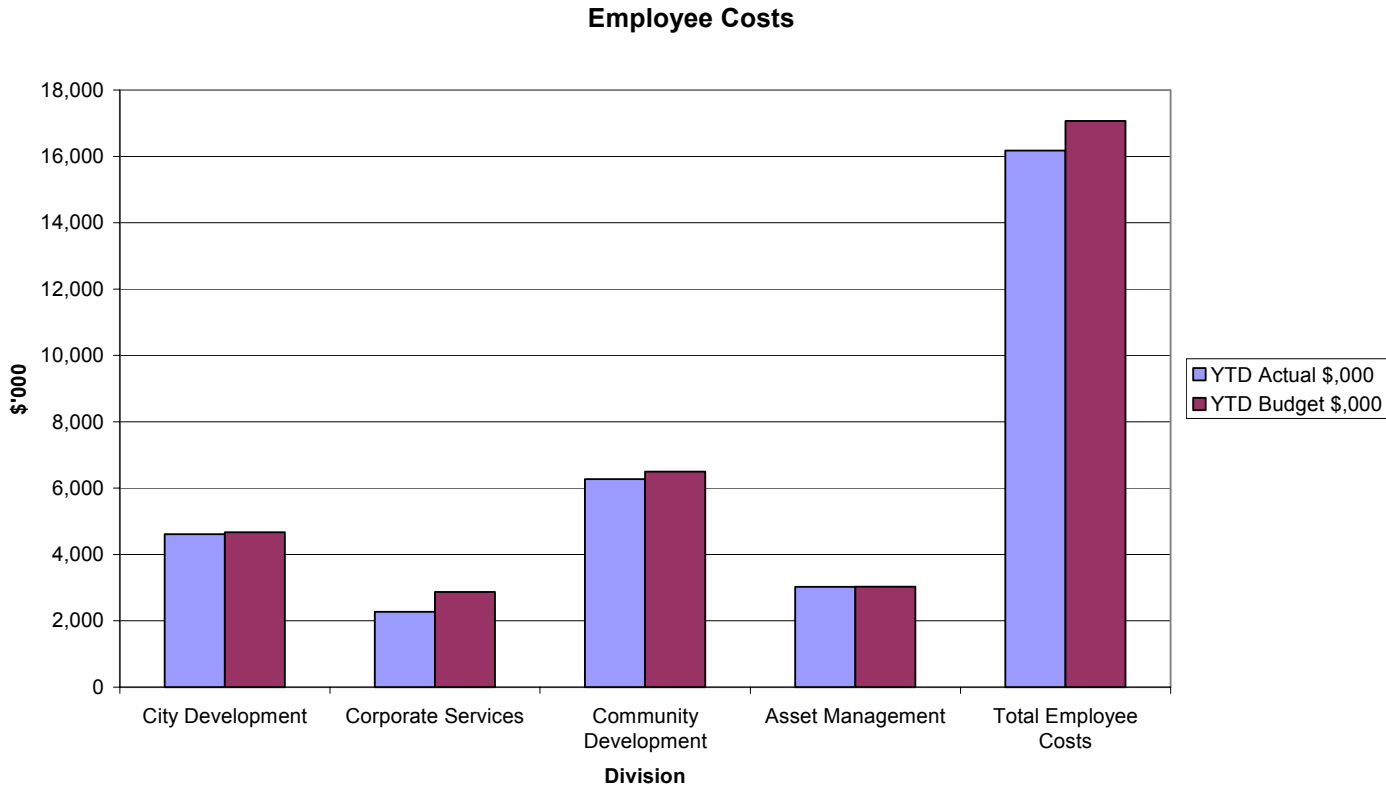


Table 3.2: Employee Costs by Division

Employee Costs Expenditure	YTD Actual \$,000	YTD Budget \$,000	YTD Variance \$,000
City Development	4,614	4,667	52
Corporate Services	2,271	2,871	600
Community Development	6,269	6,496	227
Asset Management	3,025	3,031	5
Total Employee Costs	16,180	17,065	886

4. Council Transport Fleet

Graph 4.1: Council Transport Fleet by Vehicle Classification

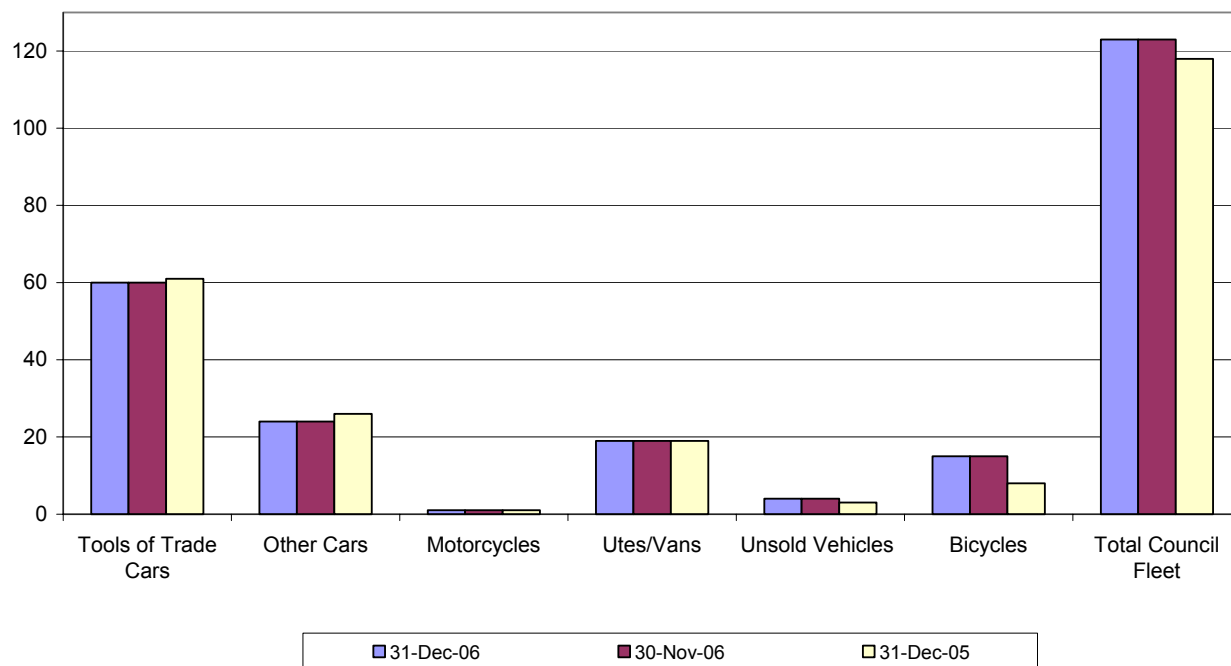


Table 4.1: Council Transport Fleet

	31-Dec-06	30-Nov-06	31-Dec-05
Tools of Trade Cars	60	60	61
Other Cars	24	24	26
Total Passenger Vehicles	84	84	87
Motorcycles	1	1	1
Utes/Vans	19	19	19
Total Vehicles excluding Bicycles	104	104	107
Unsold Vehicles	4	4	3
Total Vehicles on Hand	108	108	110
Bicycles	15	15	8
Total Council Fleet	123	123	118
Carshare	1	1	1

8. Council Contracts Awarded By Council

MAJOR CONTRACTS AWARDED BY COUNCIL

To report on contracts awarded that were subject to confidential Council decisions during the preceding quarter

Contract No	Description	Contractor(s)	Date Awarded	Term	Value (GST inc)
C886	Open Space and Landscape Construction Services	Haylen Landscape Construction Pty Ltd Super Gardens Pty Ltd Sevron Environmental Services Pty Ltd Turf Renovation Australia Pty Ltd Simpson Constructions Pty Ltd Citywide Service Solutions Pty Ltd Semken Landscaping Pty Ltd	17-Oct-06	3 years	\$100,000
C904	Supply and Installation of Pay and Display parking equipment	Focus International Pty Ltd	21-Nov-06	5 years	\$110,000
C901	Provision of Fixed Data and Mobile Call Charges	Telstra	19-Dec-06	2 years	\$162,000

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

To report on contracts awarded over the value of \$50,000 under delegation during the preceding quarter

Contract No	Description	Contractor(s)	Date Awarded	Term	Value (GST inc)
C929	Consultancy for Burnley Park Pavilion Project	1:1 Architects Pty Ltd	20-Nov-06	18 mths	\$63,250