



Council Meeting

Year to Date Finance Report

for the period

1 July 2017 to 31 March 2018

**YARRA CITY COUNCIL
FINANCIAL REPORT
1 July 2017 to 31 March 2018
Dashboard**

Income Statement	Full Year Adopted Budget	Full year Adjusted Budget	YTD Adjusted Budget	YTD Actuals	YTD Variance Fav/(Unfav)	YTD Variance Fav/(Unfav) %	Full year forecast	Variance to Full Year Adjusted Budget Fav/(Unfav)	Forecast variance Fav/(Unfav) %
	\$'000	\$'000	\$'000	\$'000	\$'000	%	\$'000	\$'000	%
Revenue from ordinary activities									
Rates and charges	105,158	105,158	104,623	104,663	40	0.0%	105,158	-	0.0%
Statutory fees and fines	28,534	28,534	20,969	23,296	2,327	11.1%	28,084	(450)	-1.6%
User Fees	27,064	27,064	20,945	23,088	2,143	10.2%	28,985	1,920	7.1%
Reimbursements	1,640	1,640	1,169	1,171	2	0.0%	1,479	(161)	-9.8%
Grants - Operating	12,023	12,023	8,234	9,041	807	9.8%	11,331	(692)	-5.8%
Grants - Capital	1,195	1,195	170	589	419	246.5%	1,195	-	0.0%
Contributions - monetary	4,300	4,300	3,546	4,299	753	21.2%	4,554	254	5.9%
Net gain/(loss) on disposal	300	300	323	109	(214)	-66.3%	300	-	0.0%
Other Income	1,207	1,207	883	3,210	2,327	263.5%	1,768	561	46.5%
Total Revenue	181,421	181,421	160,862	169,466	8,604	5.3%	182,854	1,432	0.8%
Expenses from ordinary activities									
Employee Costs	80,639	80,895	60,627	59,439	1,188	2.0%	80,908	(13)	0.0%
Materials and services	67,085	67,335	45,056	43,210	1,846	4.1%	68,116	(781)	-1.2%
Bad and doubtful debts	2,010	2,010	1,336	1,847	(511)	-38.2%	2,010	-	0.0%
Depreciation & Amortisation	20,664	20,664	15,498	15,860	(362)	-2.3%	21,077	(413)	-2.0%
Borrowing costs	2,139	2,139	1,604	1,513	91	5.7%	2,100	39	1.8%
Total Expenses	172,537	173,043	124,121	121,869	2,252	1.8%	174,211	(1,168)	-0.7%
Net Result	8,884	8,378	36,741	47,597	10,856	29.5%	8,643	264	3.2%

Cash Position	Full year Budget Target	Current period Result	Forecast result
Liquidity Ratio	1.07	3.35	1.07

VAGO Ranges for Liquidity	Low Risk	Medium Risk	High Risk
	> 0	-0.1 - 0	< -0.1

EFT	Full year Budget	Current period Result	Forecast result
Establishment	839	835.25	839
Vacant positions (included in above)		96.4	

Greater detail is included the EFT section on page 5

Transfers to/from the Open Space Reserve	Balance as at 30/06/2017	Current period balance	Movement	Comments
	\$'000	\$'000	\$'000	
Open Space Reserve	482	2,164	1,682	Council has received \$3.7m to date, and a number of transfers for open space projects have been actioned in March.

Greater detail is included the Open Space Reserves section on page 7

Borrowings	Balance as at 30/06/2017	Current period balance	Movement	Comments
	\$m	\$m	\$m	
Total Borrowings	46.0	45.16	0.840	Principal repayment of \$0.843m YTD

Greater detail is included the Borrowings section on page 7

Income Statement by Division	Full Year Adopted Budget	Full year Adjusted Budget	YTD Adjusted Budget	YTD Actuals	YTD Variance Fav/(Unfav)	YTD Variance Fav/(Unfav) %	Full year forecast	Variance to Full Year Adjusted Budget Fav/(Unfav)	Forecast variance Fav/(Unfav) %
Chief Executive Revenue	1,503	1,503	1,127	1,489	362	32.1%	1,825	322	21.4%
Chief Executive Expense	10,136	11,215	8,580	8,138	442	5.2%	11,240	(25)	-0.2%
<i>Net (Exp)/Rev</i>	<i>(8,633)</i>	<i>(9,712)</i>	<i>(7,453)</i>	<i>(6,649)</i>	<i>804</i>	<i>10.8%</i>	<i>(9,415)</i>	<i>297</i>	<i>3.1%</i>
Corporate, Business and Finance Revenue	140,070	140,070	129,983	134,206	4,223	3.2%	139,041	(1,029)	-0.7%
Corporate, Business and Finance Expn	61,315	57,714	40,120	41,768	(1,648)	-4.1%	58,354	(640)	-1.1%
<i>Net (Exp)/Rev</i>	<i>78,755</i>	<i>82,356</i>	<i>89,863</i>	<i>92,438</i>	<i>2,575</i>	<i>2.9%</i>	<i>80,687</i>	<i>(1,669)</i>	<i>-2.0%</i>
Planning and Place Making Revenue	6,500	6,500	5,107	6,955	1,848	36.2%	7,339	838	12.9%
Planning and Place Making Expense	20,122	22,297	15,306	14,832	474	3.1%	22,557	(260)	-1.2%
<i>Net (Exp)/Rev</i>	<i>(13,622)</i>	<i>(15,797)</i>	<i>(10,199)</i>	<i>(7,877)</i>	<i>2,322</i>	<i>22.8%</i>	<i>(15,218)</i>	<i>579</i>	<i>3.7%</i>
Community Wellbeing Revenue	24,718	24,718	18,989	19,777	788	4.1%	25,177	459	1.9%
Community Wellbeing Expense	43,270	43,704	32,508	31,217	1,291	4.0%	44,204	(500)	-1.1%
<i>Net (Exp)/Rev</i>	<i>(18,552)</i>	<i>(18,986)</i>	<i>(13,519)</i>	<i>(11,440)</i>	<i>2,079</i>	<i>15.4%</i>	<i>(19,027)</i>	<i>(41)</i>	<i>-0.2%</i>
City Works and Assets Revenue	8,630	8,630	5,657	7,040	1,383	24.4%	9,472	842	9.8%
City Works and Assets Expense	37,694	38,113	27,608	25,915	1,693	6.1%	37,856	257	0.7%
<i>Net (Exp)/Rev</i>	<i>(29,064)</i>	<i>(29,483)</i>	<i>(21,951)</i>	<i>(18,875)</i>	<i>3,076</i>	<i>14.0%</i>	<i>(28,384)</i>	<i>1,099</i>	<i>3.7%</i>
Total Net (Exp)/Rev	8,884	8,378	36,741	47,597	10,856	29.5%	8,643	264	3.2%

Debtors	Balance as at 30/06/17	Current period balance	Movement	Comments
	\$'000	\$'000	\$'000	
Total Debtors	14,196	43,489	(29,293)	Rates debtors have increased due to raising of the 2017-18 rates notices in August 2017

Greater detail is included the Debtors section on page 4

Legend:
> (50,000) and/or (5%) Unfavourable variance
≥ 50,000 and/or 5% Favourable variance
 No highlight indicates that the item is within tolerance

Note: The adopted budget result of \$8.884m has been adjusted for operational new initiatives of \$506k which were in the capital program. The capital program adjusted budget has reduced by the same amount.

**YARRA CITY COUNCIL
FINANCIAL REPORT
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Income Statement by Revenue and Expenditure with Variance Commentary

Income Statement	Full Year Adopted Budget	Full Year Adjusted Budget	YTD Adjusted Budget	YTD Actuals	YTD Variance Fav/(Unfav)	YTD Variance Fav/(Unfav)	Full year forecast	Variance to Full Year Adjusted Budget Fav/(Unfav)	Forecast variance Fav/(Unfav)	Variance Comments (including variance comments for adjusted budget changes)
	\$'000	\$'000	\$'000	\$'000	\$'000	%	\$'000	\$'000	%	
Revenue from ordinary activities										
Rates and charges	105,158	105,158	104,623	104,663	40	0.0%	105,158	-	0.0%	
Statutory fees and fines	28,534	28,534	20,969	23,296	2,327	11.1%	28,084	(450)	-1.6%	Higher than budgeted Parking Infringement notices being issued to date. Forecast result may change in the fourth quarter after all parking technology changes have been completed.
User Fees	27,064	27,064	20,945	23,088	2,143	10.2%	28,985	1,920	6.6%	Increased revenue received for town planning fees, credit card surcharge, pre-school fees, leisure centre membership fees, footpath advertising permit fees and commercial area occupation permits. The forecast for some of these items has been adjusted to reflect additional receipts.
Reimbursements	1,640	1,640	1,169	1,171	2	0.2%	1,479	(161)	-10.9%	Reimbursements are currently achieving budget but lower than expected construction reinstatements and legal costs reimbursements are offset by the receipt of funds for planning support of the AMCOR project. The forecast has been adjusted to reflect lower construction reinstatement reimbursements at year end.
Grants - Operating	12,023	12,023	8,234	9,041	807	9.8%	11,331	(692)	-6.1%	Due to the receipt of operating grants for Aged & Disability Services ahead of expectation. Forecast variance mainly due to early payment of Victorian Grants Commission funds in June 2017.
Grants - Capital	1,195	1,195	170	589	419	246.5%	1,195	-	0.0%	Roads to Recovery grant received earlier than expected.
Contributions - monetary	4,300	4,300	3,546	4,299	753	21.2%	4,554	254	5.6%	Mainly due to the receipt of developer's contributions earlier than expected in the financial year.
Net gain/(loss) on disposal	300	300	323	109	(214)	-66.3%	300	-	0.0%	Due to minor delay in vehicle disposals.
Other Income	1,207	1,207	883	3,210	2,327	263.5%	1,768	561	31.7%	Mainly due to the sale of a right of way, and funds received from the State Revenue Office that were not budgeted. Income was also received from the VEC for penalty payments following the Council election.
Total Revenue	181,421	181,421	160,862	169,466	8,604	5.3%	182,854	1,432	0.8%	
Expenses from ordinary activities										
Employee Costs	80,639	80,895	60,627	59,439	1,188	2.0%	80,908	(13)	0.0%	Due to savings in WorkCover premium and leave liability provision to date.
Materials and services	67,085	67,335	45,056	43,210	1,846	4.1%	68,116	(781)	-1.1%	Mainly due to savings in general insurance premiums, contract savings pending renegotiation, and YTD utilities expenditure. The forecast allows for additional utilities costs this year and additional legal expenditure later in the financial year.
Bad and doubtful debts	2,010	2,010	1,336	1,847	(511)	-38.2%	2,010	-	0.0%	Increase in the provision for parking infringements raised to March. This is a non-cash item.
Depreciation & Amortisation	20,664	20,664	15,498	15,860	(362)	-2.3%	21,077	(413)	-2.0%	Mainly due to higher than anticipated capitalisation from 2016-17. This is a non-cash item.
Borrowing costs	2,139	2,139	1,604	1,513	91	5.7%	2,100	39	1.9%	Due to lower than budgeted interest rate.
Total Expenses	172,537	173,043	124,121	121,869	2,252	1.8%	174,211	(1,168)	-0.7%	
Net Result	8,884	8,378	36,741	47,597	10,856	29.5%	8,643	264	3.2%	

Legend: ≥ (50,000) and/or (5%) Unfavourable variance
 ≥ = 50,000 and/or 5% Favourable variance
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Note: The adopted budget result of \$8.884m has been adjusted for operational new initiatives of \$506k which were in the capital program. The capital program adjusted budget has reduced by the same amount.

**YARRA CITY COUNCIL
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Debtors**

Rate Debtors Aging (years)	<1 \$'000	1 \$'000	2 \$'000	3+ \$'000	Total \$'000
Commercial	5,564	123	22	15	5,725
FSL - Commercial	1,570	43	7	4	1,623
Industrial	1,792	91	48	27	1,958
FSL - Industrial	715	19	7	3	744
Residential	18,634	798	309	500	20,242
FSL - Residential	1,768	68	25	18	1,880
FSL - Public Benefit	16	0	-	-	17
FSL - Vacant	8	0	-	-	8
FSL - Interest	17	8	2	1	28
Legal Fees	37	9	15	7	68
Bridge Road Special Charge	45	1	0	-	46
Garbage & Other	30	6	2	1	40
Sub Total	30,198	1,166	438	576	32,378

Parking Debtors	Balance as at 30/06/17 \$'000	Current period balance \$'000	Movement Inc/(Dec) \$'000	Comments
	4,839	6,525	1,686	Jul-Mar'18 additional infringement debtors raised less payments received and debt provision.

Parking Debtors Aging

Aging (days)	Total	Current	30	60	90+
	6,525	1,217	441	572	4,295

General/Sundry Debtors	Balance as at 30/06/17 \$'000	Current period balance \$'000	Movement Inc/(Dec) \$'000	Comments
	4,865	4,586	(279)	Jul-Mar'18 reduction in debtors due to payments received in excess of debtors raised. No adjustment to debt provision at this time.

General/Sundry Debtors Aging

Aging (days)	Total \$'000	Current \$'000	30 \$'000	60 \$'000	90+ \$'000
Sundry Debtors (3250 / 3270)	2,056	1,658	289	19	90
Provision for Doubtful Debt (3252)	(973)	-	-	-	(973)
RAMs Debtors (3256)	6,322	1,903	228	145	4,046
Animal Debtors (3257)	(141)	0	0	0	(141)
PLUS Debtors (3258)	44	8	2	1	33
Local Laws Debtors (3259)	126	1	-	0	125
Building Debtors (3261)	797	240	29	18	510
Salary Sacrifice (3264)	1	1	-	-	-
Fines and Costs (3265)	1,043	42	27	16	959
Leisure Debtors (3266)	202	12	4	4	181
Child Care Debtors (3267)	702	15	8	61	618
Library Debtors (3268)	11	5	-	-	6
BAGS Control Debtors (3271)	342	5	10	14	314
Bin Debtors (3272)	19	6	1	0	12
MCC Superannuation (3222)	1	1	-	-	-
GST Clearing (3249 / 3255)	573	573	-	-	-
WorkCover Wages / Receipts (3230 / 3232)	193	193	-	-	-
Perin Cheques - Parking (3273)	(77)	-	-	-	(77)
Services Contracts (3262)	(6,656)	(2,003)	(240)	(153)	(4,260)
Total	4,586	2,660	357	126	1,443

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EFT

Directorate	Balance as at 30/06/17	Current period balance	Movement Fav/(Unfav)	Comments
CEO Division	40.98	56.42	(15.44)	Increase is due to the transfer of the Communications & Engagement team into the CEO Division and 1 new EFT in the Governance Branch for the Heritage Advisor role;
Corporate, Business & Financial Services	136.96	161.26	(24.30)	Increase is due to the transfer of the Access Yarra team into the Corporate, Business & Finance Division; Two previously closed positions were reopened in Innovation. 1 temporary EFT was added in Finance Branch for the Accounts Receivable Officer. 1.5 Temporary positions were closed in December.
Community Wellbeing	382.87	385.53	(2.66)	Increase is due to the transfer of the Social Policy Unit into the Community Wellbeing Division; Some minor reductions for Leisure casual and part-time staff. A part-time position in Family, Youth & Child Services was reopened.
City Works & Assets	140.28	141.88	(1.60)	Increase due to staff moving to City Works from Planning & Placemaking as part of the City Works restructure.
Planning & Placemaking	95.18	90.16	5.02	Decrease due to staff restructure into City Works. A temporary position in Statutory Planning was closed; The casual position for Executive Planner Strategic Projects in Planning & Placemaking Executive was closed in October. 0.4 EFT was added in Statutory Planning in December.
Advocacy & Engagement	41.65	-	41.65	Advocacy & Engagement as a Directorate was disbanded in July 2017 and the EFT was distributed to other divisions.
Total	837.92	835.25	2.67	

**YARRA CITY COUNCIL
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Open Space Reserve**

Council receives contributions specifically for Open Space as part of development permits. This reserve is then expended on open space projects. Contributions are received into Council's income statement first, as they are required to be recognised as revenue before being transferred into the reserve.

	Amount \$'000
Open Space Reserve Account	
Opening Balance as at 30 June 2017	482

Funds Received (Transfers to Reserve)	Amount \$'000
239-249 Johnson St Fitzroy (117 lot sub)	430
237-253 Napier St Fitzroy (52 lot sub)	437
114-118 Hoddle St Abbotsford (20 lot sub)	77
2 Hodgson St Richmond (4 lot sub)	124
416-422 Smith St Collingwood (83 lot sub)	400
54B Marine Pde Abbotsford (4 lot sub)	63
3 Hertford Street Fitzroy	58
109 Wellington Street Collingwood	131
6 lot residential subdivision Nicholson St North Fitzroy	47
3 lot residential subdivision Easy St Collingwood	56
6 lot residential subdivision Davidson St Richmond	95
3 lot residential subdivision Peckville St Clifton Hill	53
90 lot residential subdivision Gore St and 221 Moor St Fitzroy	405
6 lot subdivision 14-16 Yambula St Clifton Hill	88
10 lot subdivision 650 Nicholson St Fitzroy	86
183 lot subdivision 153 - 177 Bridge Rd Richmond	743
38 lot residential subdivision 112-120 Vere St Abbotsford	124
8 lot residential subdivision 809 Rathdowne St Carlton North	176
10 lot residential subdivision 209 Napier St Fitzroy	108
Total	3,701

Projects (transfers from Reserve)*	Amount \$'000
Darling Gardens	557
Merri Ck Parklands - Bundara St Reserve	269
Williams Reserve	219
Merri Creek Trail - Coulson Reserve Path	218
Darling Gardens - Playground	203
George Knott Reserve	104
Minor Works Assets	74
Clarke Street Reserve	74
Minor Works Assets	59
Darling Gardens	53
Minor Works Assets	44
Open Spaces Signage Renewal Program	35
Construction of new local park at Charles and Mollison Street	24
Alphington Park	17
Yambula St Soccer	16
Rushall Reserve shared path by-pass	15
Open Space Children Services	11
Merri Ck Parklands - Hall Reserve	7
Minor Works Assets	7
Edinburgh Gardens	4
Open Spaces Condition Audits	2
Stolen Generations Marker	2
Yarra River Parklands-Flockhart Reserve	2
Total	2,019

	Amount \$'000
Open Space Reserve Account	
Closing Balance as at 31 March 2018	2,164

*Allocations from the Reserve to Open Space projects during the year will be reviewed at financial year end to ensure projects have been allocated in accordance with Council's Open Space Policy.

This may result in some of the projects listed above being accounted for as not being funded from the Open Space Reserve, but from Council's ordinary operations (for example, some minor works).

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Borrowings

Amount \$m	Lender	Type	Term years	Maturing	Balance as at 30/06/17 \$m	Current period balance \$m	Movement	Comments
\$32.5M	NAB	Interest only	7	2021	32.5	32.5	-	Interest Only Loan
\$13.5M	CBA	P&I	10	2027	13.5	12.7	0.8	Principal component repayments to date \$0.843M - next repayment due in May'18)

**YARRA CITY COUNCIL
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Financial Sustainability Indicators**

The indicators are designed to be used as a measure of sustainability at the end of a financial year. The results during the year will fluctuate.

VAGO Indicators		VAGO Ranges				
Indicator/Description	Formula	2016-17 Result	Current Period Result	Low Risk	Medium Risk	High Risk
Net Result (%)	Net Result / Total Revenue	10%	28%	> 0%	-10% - 0%	< -10%
A positive result indicates a surplus, and the larger the percentage, the stronger the result. A negative result indicates a deficit. Operating deficits cannot be sustained in the long term. The net result and total revenue are obtained from the comprehensive operating statement.						
Liquidity (ratio)	Current assets / Current liabilities	1.51	3.35	> 1.0	0.75 - 1.0	< 0.75
This measures the ability to pay existing liabilities in the next 12 months. A ratio of one or more means there are more cash and liquid assets than short-term liabilities.						
Internal financing (%)	Net operating cash flow / Net capital expenditure	99%	238%	> 100%	75% - 100%	< 75%
This measures the ability of Council to finance capital works from generated cash flow. The higher the percentage, the greater the ability for Council to finance capital works from their own funds. Net operating cash flow and net capital expenditure are obtained from the cash flow statement.						
Indebtedness (%)	Non-current liabilities / own-sourced revenue	29%	29%	< 40%	40% - 60%	> 60%
Comparison of non-current liabilities (mainly comprising borrowings) to own-sourced revenue. The higher the percentage, the less Council is able to cover non-current liabilities from the revenues Council generates itself. Own-sourced revenue is used, rather than total revenue, because it does not include grants or contributions.						
Capital replacement (ratio)	Cash outflows for property, plant and equipment / Depreciation	1.7	1.0	>1.5	1.0 - 1.5	< 1.0

Comparison of the rate of spending on infrastructure with depreciation. Ratios higher than 1:1 indicate that spending is faster than the depreciation rate. This is a long-term indicator, as capital expenditure can be deferred in the short term if there are insufficient funds available from operations, and borrowing is not an option. Cash outflows for infrastructure are taken from the cash flow statement. Depreciation is taken from the comprehensive operating statement.

Renewal gap (ratio)	Renewal and upgrade expenditure/depreciation	1.0	0.7	>1.0	0.5 - 1.0	<0.5
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Comparison of the rate of spending on existing assets through renewing, restoring, and replacing existing assets with depreciation. Ratios higher than 1.0 indicate that spending on existing assets is faster than the depreciation rate. Similar to the investment gap, this is a long-term indicator, as capital expenditure can be deferred in the short term if there are insufficient funds available from operations, and borrowing is not an option. Renewal and upgrade expenditure are taken from the statement of capital works. Depreciation is taken from the comprehensive operating statement.

Local Government Performance Reporting Framework Indicators		2016-17 Result	Current Period Result	Variance
Indicator/Description	Measure			
Liquidity				
L1	Current assets compared to current liabilities	150.6%	334.6%	122.2%
L2	Unrestricted cash compared to current liabilities	63.6%	137.7%	116.6%
Obligations				
O1	Asset renewal as a % of depreciation	98.8%	66%	-32.8%
O2	Loans and borrowings as a % of rates	45.4%	43.1%	-5.0%
O3	Loans and borrowings repayments as a % of rates	1.5%	1.9%	27.3%
O4	Non-current liabilities as a % of own source revenue	29.4%	29.0%	-1.3%
Operating Position				
OP1	Adjusted underlying surplus (or deficit) as a % of underlying revenue	6.3%	23.8%	276.7%

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Capital Works Program with Variance Commentary

Adopted Budget Classification	Full Year Adopted Budget	Full year Adjusted Budget	YTD Adjusted Budget	YTD Actuals	YTD Variance Fav/(Unfav)	YTD Variance Fav/(Unfav)	Full year forecast	Variance to Full Year Adjusted Budget Fav/(Unfav)	Forecast variance Fav/(Unfav)	Carry Over	Deferred	Variance Analysis/Comments (including explanation of budget movements)
	\$'000	\$'000	\$'000	\$'000	\$'000	%	\$'000	\$'000	%	\$'000	\$'000	
Property												
Buildings	7,574	8,524	6,420	2,559	3,861	60.1%	7,408	1,116	13.1%	716	150	The YTD variance is mainly due to the timing of payments of invoices and rephasing of some building projects. Savings have also been identified in the FTH/CTH roof renewal project and this will translate into a favourable result.
Total buildings	7,574	8,524	6,420	2,559	3,861	60.1%	7,408	1,116	13.1%	716	150	
Total property	7,574	8,524	6,420	2,559	3,861	60.1%	7,408	1,116	13.1%	716	150	
Plant and equipment												
Plant, Machinery & Equipment	2,457	2,293	1,740	959	781	44.9%	2,097	196	8.6%	-	-	The YTD variance is mainly due to the timing of payments of invoices and delays in the purchase of new vehicles due to a policy review.
Computers & Telecommunications	3,207	3,176	2,516	496	2,020	80.3%	2,614	562	17.7%	-	379	Main variance is due to the delay in purchasing a new Unified Phone System .
Total plant and equipment	5,664	5,469	4,256	1,455	2,801	65.8%	4,711	758	13.9%	-	379	
Infrastructure												
Roads	8,396	8,396	5,333	4,529	804	15.1%	8,143	253	3.0%	615	-	The YTD variance is mainly due to the timing of invoices. The Roads program is ahead of baseline projections.
Lanes	842	842	542	452	90	16.7%	777	65	7.7%	45	-	The YTD variance is mainly due to the timing of payments of invoices.
Transport	872	872	328	260	68	20.7%	751	121	13.9%	-	495	The YTD variance is mainly due to the timing of payments of invoices.
Waste Management	60	60	60	60	(0)	-0.1%	60	(0)	-0.1%	-	-	
Parks, Open Space And Streetscapes	8,066	8,066	3,340	2,019	1,321	39.6%	7,585	481	6.0%	485	285	YTD variance is mainly due to the delay in payments for carry-forward projects particularly Darling Gardens irrigation works & Coulson Reserve shared path. Both projects have commenced.
Street Furniture	330	330	105	1	104	98.6%	330	-	0.0%	-	-	Variance is due to Budget phasing.
Retail Strips	730	770	518	161	357	68.9%	777	(7)	-0.9%	-	-	The YTD variance is mainly due to the timing of payments of invoices.
Priority Projects	506	-	-	-	-	0.0%	-	-	0.0%	-	-	These projects were transferred to the operating budget.
Provisional Carry Forwards	-	-	-	(420)	420	0.0%	-	-	0.0%	-	-	Carry-forward projects have been allocated to specific categories
Total infrastructure	19,802	19,336	10,226	7,062	3,163	30.9%	18,424	912	4.7%	1,145	780	
Total capital works expenditure	33,040	33,329	20,901	11,077	9,825	47.0%	30,542	2,787	8.4%	1,861	1,309	
Represented by:												
New asset expenditure	5,296	4,790	592	307	285	48.2%	4,555	235	4.9%	-	495	
Asset renewal expenditure	27,205	27,350	19,285	10,522	8,763	45.4%	24,185	3,164	11.6%	1,861	814	
Asset upgrade expenditure	539	1,189	1,024	248	777	75.8%	1,802	(613)	-51.6%	-	-	
	33,040	33,329	20,901	11,077	9,825	47.0%	30,542	2,787	8.4%	1,861	1,309	

Note: The adopted budget result of \$33.040m has been adjusted for operational new initiatives of \$506k which were in the capital program. The operational program adjusted budget has increased by the same amount. Additional Carry-forwards were also approved after the budget was adopted.

**YARRA CITY COUNCIL
FINANCIAL REPORT
1 July 2017 to 31 March 2018**

**City of Yarra
Income Statement**

For Period 09 - March

	17/18 CL Actuals YTD \$'000	17/18 Bud Adjusted YTD \$'000	Actuals vs Budget YTD Variance \$'000	Actuals vs Budget YTD Variance %	17/18 CL Bud Adopted Full Year \$'000	17/18 Bud Adjusted Full Year \$'000	Current Forecast Full Year \$'000	Budget vs Forecast Full Year Variance \$'000
Revenue from ordinary activities								
Rates and charges	104,663	104,623	40	0%	105,158	105,158	105,158	0
Statutory fees and fines	23,296	20,969	2,327	11%	28,534	28,534	28,084	(450)
User Fees	23,088	20,945	2,142	10%	27,064	27,064	28,985	1,921
Reimbursements	1,171	1,169	3	0%	1,640	1,640	1,479	(161)
Grants - Operating	9,041	8,234	808	10%	12,023	12,023	11,331	(692)
Grants - Capital	589	170	419	246%	1,195	1,195	1,195	0
Contributions - monetary	4,299	3,546	753	21%	4,300	4,300	4,554	254
Net gain/(loss) on disposal of property, infrastructure, plant	109	323	(214)	-66%	300	300	300	0
Other Income	3,210	883	2,327	263%	1,207	1,207	1,768	561
	169,467	160,864	8,604	5%	181,421	181,421	182,854	1,433
Expenses from ordinary activities								
Employee Costs	59,439	60,627	1,188	2%	80,639	80,895	80,908	(13)
Materials and services	43,210	45,056	1,845	4%	67,085	67,335	68,116	(781)
Bad and doubtful debts	1,847	1,336	(511)	-38%	2,010	2,010	2,010	0
Depreciation & Amortisation	15,860	15,498	(362)	-2%	20,664	20,664	21,077	(413)
Borrowing costs	1,513	1,604	91	6%	2,139	2,139	2,100	39
	121,869	124,121	2,252	2%	172,537	173,043	174,211	(1,168)
	47,598	36,742	10,855	30%	8,885	8,378	8,643	265

**YARRA CITY COUNCIL
FINANCIAL REPORT
1 July 2017 to 31 March 2018
Balance sheet**

	Balance as at 30/06/2017 \$'000	Balance as at period end \$'000	Movement Inc/(Dec) \$'000	Comments
ASSETS				
Current Assets				
Cash and cash equivalents	34,153	54,188	20,035	Payment of creditors and receipt of rates funds following the issue of quarterly rate notices.
Receivables - Rates	4,492	32,378	27,886	Rates were raised in August 2017
Receivables - Parking	4,839	6,525	1,686	Jul17-Mar18 infringement debtors raised less payments and debt provision.
Receivables - Other	4,865	4,586	(279)	Jul17-Mar18 debtors payments in excess of debts raised.
Accrued income	169	23	(146)	Revenue raised in previous periods has been received in cash
Prepayments	202	23	(179)	Prepayments are expected to expire by the end of the FY for motor vehicle registration and insurance.
Inventories	128	128	-	
Assets Held for Resale	-	-	-	
Total Current Assets	48,849	97,851	49,002	
Non-Current Assets				
Non-current receivables	230	230	-	
Non-current investments	-	-	-	
Financial assets	5	5	-	
Property, infrastructure ,plant and equipment	1,685,039	1,680,256	(4,783)	Payments for property, plant & equipment offset by accumulated depreciation.
Total Non-Current Assets	1,685,274	1,680,491	(4,783)	
TOTAL ASSETS	1,734,123	1,778,342	44,219	
LIABILITIES				
Current Liabilities				
Payables	7,905	193	(7,712)	Payments have been made which bring the payables figure down. This will vary during the financial year.
Fire Services Levy	4,907	7,865	2,958	Raised at the same time as Rate income.
Trust funds	3,499	4,146	647	The movement is mainly due to construction management and asset protection bonds received.
Accrued Expenses	2,261	4,188	1,927	Accruals raised for expenditure not yet paid. This will vary during the financial year.
Employee benefits	12,582	12,563	(19)	The movement is due to accrued leave benefits.
Income in advance	147	-	(147)	The movement is due to income received in advance used in 2017-18
Interest-bearing liabilities	1,133	290	(843)	Payment of loan principal.
Total Current Liabilities	32,434	29,245	(3,188)	
Non-Current Liabilities				
Non-current employee benefits	1,484	1,291	(193)	The movement is due to accrued long service leave benefits utilised.
Non-current interest bearing liabilities	44,867	44,867	-	
Non-current Trust Liability	225	228	3	
Total Non-Current Liabilities	46,576	46,386	(190)	
TOTAL LIABILITIES	79,009	75,631	(3,378)	
NET ASSETS	1,655,113	1,702,711	47,598	
Represented by:				
Accumulated surplus	581,267	597,094	15,827	
Asset revaluation reserves	1,035,678	1,035,678	-	
Other reserves	20,661	22,341	1,680	
Retained Earnings	17,507	47,598	30,091	
EQUITY	1,655,113	1,702,711	47,598	Current Period Result

**YARRA CITY COUNCIL
FINANCIAL REPORT
1 July 2017 to 31 March 2018
Cash Flow Statement**

	Balance as at period end \$'000
Cash Flows from Operating Activities	
Rates and Charges	79,285
Parking Revenue	18,155
Government Grants Received	7,954
Victoria Grants Commission	742
User Charges, Fees and Other Fines Received	26,680
Reimbursements and Contributions Received	1,388
Interest Revenue	533
Other Revenue	6,989
Payments to Suppliers	(45,425)
Payments to Employees	(58,017)
Net GST	(332)
Net Cash Provided by Operating Activities	37,950
Cash Flows from Investing Activities	
Proceeds from Sale of Property, Plant & Equipment	109
Payments for Infrastructure, Property Plant & Equipment	(16,037)
Net Cash (Used in) Investing Activities	(15,927)
Cash Flows from/(used in) Financing Activities	
Finance Costs	(1,145)
Proceeds from Borrowings/(Payments Towards)	(843)
Net Cash (Used In) Financing Activities	(1,987)
Cash Balances	
Change in Cash Held	20,036
Cash Control Balances	34,153
Cash at the End of the Financial Period	54,188
End of year Budgeted cash balance	26,247

**YARRA CITY COUNCIL
FINANCIAL REPORT
1 July 2017 to 31 March 2018
Capital Works Statement**

Adopted Budget Classification	Full Year Adopted Budget	Full year Adjusted Budget	YTD Adjusted Budget	YTD Actuals	YTD Variance Fav/(Unfav)	YTD Variance Fav/(Unfav)	Full year forecast	Variance to Full Year Adjusted Budget Fav/(Unfav)	Forecast variance Fav/(Unfav)	Carry Over	Deferred
	\$'000	\$'000	\$'000	\$'000	\$'000	%	\$'000	\$'000	%	\$'000	\$'000
Property											
Buildings	7,574	8,524	6,420	2,559	3,861	60.1%	7,408	1,116	13.1%	716	150
Total buildings	7,574	8,524	6,420	2,559	3,861	60.1%	7,408	1,116	13.1%	716	150
Total property	7,574	8,524	6,420	2,559	3,861	60.1%	7,408	1,116	13.1%	716	
Plant and equipment											
Plant, Machinery & Equipment	2,457	2,293	1,740	959	781	44.9%	2,097	196	8.6%	-	-
Computers & Telecommunications	3,207	3,176	2,516	496	2,020	80.3%	2,614	562	17.7%	-	379
Total plant and equipment	5,664	5,469	4,256	1,455	2,801	65.8%	4,711	758	13.9%	-	379
Infrastructure											
Roads	8,396	8,396	5,333	4,529	804	15.1%	8,143	253	3.0%	615	-
Lanes	-	-	-	-	-	0.0%	-	-	0.0%	-	-
Transport	842	842	542	452	90	16.7%	777	65	7.7%	45	-
Waste Management	872	872	328	260	68	20.7%	751	121	13.9%	-	495
Parks, Open Space And Streetscapes	60	60	60	60	(0)	-0.1%	60	(0)	-0.1%	-	-
Street Furniture	8,066	8,066	3,340	2,019	1,321	39.6%	7,585	481	6.0%	485	285
Retail Strips	330	330	105	1	104	98.6%	330	-	0.0%	-	-
Priority Projects	730	770	518	161	357	68.9%	777	(7)	-0.9%	-	-
Provisional Carry Forwards	506	-	-	-	-	0.0%	-	-	0.0%	-	-
Total infrastructure	19,802	19,336	10,226	7,062	3,163	0	18,424	912	0	1,145	780
Total capital works expenditure	33,040	33,329	20,901	11,077	9,825	0	30,542	2,787	0	1,861	1,309

Represented by:

New asset expenditure	5,296	4,790	592	307	285	48.2%	4,555	235	4.9%	-	495
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**YARRA CITY COUNCIL
FINANCIAL REPORT
1 July 2017 to 31 March 2018
2017-18 Grant Applications**

Grant from	Grant Name/Details	Branch	Amount	Co-contribution from Yarra (Y/N?, how much?, Capital? Operating?)	Grant outcome-successful or not successful
VicRoads	Infrastructure Black spot program Shelley Street Elizabeth Street Richmond and Nicholson Street Harper Street Abbotsford: Intersection upgrades	Traffic	144,000		Successful
Sustainability Victoria	Closing the Loop on Yarra's Food Waste	Sustainability & Strategic Transport	500,000		Successful
Engage! DHHS	Rising High Music Pathways Program	Family and Childrens Services	150,000		Not yet known
Smart Cities & Suburbs Program Federal Gov, Department of Industry, Innovation & Science	City of Yarra Smart Waste Program	City Works	120,000		Not yet known
Creative Victoria	Stolen Generation Marker	Arts and Culture	50,000		Not yet known
Creative Victoria	Molly Statue Wangaratta Park	Arts and Culture	40,000		Not yet known
Total			1,004,000		