



## **Council Meeting**

### **Year to Date Finance Report**

**for the period**

**1 July 2018 to 31 December 2018**

**YARRA CITY COUNCIL  
FINANCIAL REPORT  
1 July 2018 to 31 December 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	%
<b>Revenue from ordinary activities</b>									
Rates and charges	108,936	108,936	107,903	108,055	✓ 152	0.1%	108,531	✗ (405)	-0.4%
Statutory fees and fines	29,570	29,870	14,313	16,819	✓ 2,506	17.5%	32,521	✓ 2,651	8.9%
User Fees	28,041	28,969	15,135	16,505	✓ 1,370	9.1%	31,030	✓ 2,061	7.1%
Reimbursements	1,360	1,360	581	1,034	✗ 453	78.0%	1,866	✓ 506	37.2%
Grants - Operating	12,337	12,312	6,491	7,556	✓ 1,065	16.4%	12,796	✓ 484	3.9%
Grants - Capital	1,151	1,151	525	3,298	✓ 2,773	528.2%	4,300	✓ 3,149	273.6%
Contributions - OSR	4,000	4,000	2,000	3,058	✓ 1,058	52.9%	4,500	✓ 500	12.5%
Contributions - Other monetary	369	371	229	329	✓ 100	43.7%	418	✓ 47	12.7%
Net gain/(loss) on disposal	205	205	102	93	✗ (9)	-8.8%	205	-	0.0%
Other Income	1,561	1,501	694	1,325	✓ 631	90.9%	1,909	✓ 408	27.2%
<b>Total Revenue</b>	<b>187,530</b>	<b>188,675</b>	<b>147,974</b>	<b>158,072</b>	<b>10,098</b>	<b>6.8%</b>	<b>198,077</b>	<b>9,402</b>	<b>5.0%</b>
<b>Expenses from ordinary activities</b>									
Employee Costs	82,260	82,615	41,482	41,218	✓ 264	0.6%	82,211	✓ 404	0.5%
Materials and services	68,740	69,530	29,755	29,812	✗ (57)	-0.2%	73,722	✗ (4,192)	-6.0%
Bad and doubtful debts	1,980	1,980	604	1,137	✗ (533)	-88.2%	4,000	✗ (2,020)	-102.0%
Depreciation & Amortisation	22,432	22,432	11,216	11,320	✗ (104)	-0.9%	22,696	✗ (264)	-1.2%
Borrowing costs	1,964	1,964	982	995	✓ (13)	-1.3%	1,963	1	0.1%
<b>Total Expenses</b>	<b>177,376</b>	<b>178,521</b>	<b>84,039</b>	<b>84,482</b>	<b>(443)</b>	<b>-0.5%</b>	<b>184,591</b>	<b>(6,070)</b>	<b>-3.4%</b>
<b>Net Result</b>	<b>10,154</b>	<b>10,154</b>	<b>63,935</b>	<b>73,590</b>	<b>9,655</b>	<b>15.1%</b>	<b>13,486</b>	<b>3,332</b>	<b>32.8%</b>

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	1,559	1,559	779	945	✓ 166	21.3%	1,720	✓ 161	10.3%
Chief Executive Expense	14,559	14,318	7,752	8,169	✗ (417)	-5.4%	14,349	(31)	-0.2%
Net (Exp)/Rev	(13,000)	(12,759)	(6,973)	(7,224)	✗ (251)	-3.6%	(12,629)	130	1.0%
Corporate, Business and Finance Reve	145,444	145,744	126,447	131,502	✓ 5,055	4.0%	151,391	✓ 5,647	3.9%
Corporate, Business and Finance Expe	59,397	58,977	26,108	27,752	✗ (1,644)	-6.3%	63,809	✗ (4,832)	-8.2%
Net (Exp)/Rev	86,047	86,767	100,339	103,750	✓ 3,411	3.4%	87,582	✓ 815	0.9%
Planning and Place Making Revenue	7,079	7,079	3,594	5,242	✓ 1,648	45.9%	8,195	-	0.0%
Planning and Place Making Expense	13,546	13,784	7,199	6,835	✓ 364	5.1%	15,267	✓ (1,483)	-10.8%
Net (Exp)/Rev	(6,467)	(6,705)	(3,605)	(1,593)	✓ 2,012	55.8%	(7,072)	✓ (367)	-5.5%
Community Wellbeing Revenue	14,431	14,920	7,716	8,905	✓ 1,189	15.4%	14,656	✓ (264)	-1.8%
Community Wellbeing Expense	33,751	34,391	16,486	16,157	✓ 329	2.0%	34,175	✓ 216	0.6%
Net (Exp)/Rev	(19,320)	(19,471)	(8,770)	(7,252)	✓ 1,518	17.3%	(19,519)	✓ (48)	-0.2%
City Works and Assets Revenue	19,017	19,373	9,437	11,478	✓ 2,041	21.6%	22,115	✓ 2,742	14.2%
City Works and Assets Expense	56,122	57,051	26,493	25,569	✓ 924	3.5%	56,992	✓ 59	0.1%
Net (Exp)/Rev	(37,105)	(37,678)	(17,056)	(14,091)	✓ 2,965	17.4%	(34,877)	✓ 2,801	7.4%
<b>Total Net (Exp)/Rev</b>	<b>10,154</b>	<b>10,154</b>	<b>63,935</b>	<b>73,590</b>	<b>9,655</b>	<b>15.1%</b>	<b>13,486</b>	<b>3,332</b>	<b>32.8%</b>

Legend: > ✗ (50,000) ✗ -5.0% Unfavourable variance  
> ✓ 50,000 ✓ 5.0% Favourable variance

Note: The adopted budget revenue has moved by \$1.1m due to increased user fees and charges as well as Grant income predominantly in the Community Wellbeing areas. This increase is entirely offset by increase in costs associated with the service delivery.

**VAGO Ranges for Liquidity**

Cash Position	Full year Budget Target	Current period Result	Forecast result	Low Risk	Medium Risk	High Risk
Liquidity Ratio	1.22	4.06	1.22	> 1	0.75 - 1	< 0.75

Greater detail is included in the VAGO Indicators section on page 8

EFT	Full year Budget	Current period Result	Forecast result
Establishment	839	844.39	844.39
Vacant positions (included in above)		43.0	

Greater detail is included in the EFT section on page 4

Transfers to/from the Open Space Reserve	Balance as at 30/06/2018 \$'000	Current period balance \$'000	Movement \$'000	Comments
Open Space Reserve	3,517	5,882	2,365	Movement in contributions received less expenditure YTD for 2018/19.

Greater detail is included in the Open Space Reserves section on page 6

Borrowings	Balance as at 30/06/2018 \$m	Current period balance \$m	Movement \$m	Comments
Total Borrowings	44.9	44.3	0.600	Principal repayment of \$0.6M YTD

Greater detail is included in the Borrowings section on page 7

Debtors	Balance as at 30/06/18 \$'000	Current period balance \$'000	Movement \$'000	Comments
Total Debtors	15,857	74,606	(58,749)	Debtors have increased due to raising of the 2018-19 rates notices in August 2018.

Greater detail is included in the Debtors section on page 5

**YARRA CITY COUNCIL**  
**FINANCIAL REPORT**  
**1 July 2018 to 31 December 2018**  
**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	%	
<b>Revenue from ordinary activities</b>										
Rates and charges	108,936	108,936	107,903	108,055	✓ 152	0.1%	108,531	✗ (405)	-0.4%	Favourable variance YTD mainly due to additional supplementary valuations undertaken for the 6 months ending 31 December partly offset by pensioner rate income reimbursements still to be received from State Government during the year. Full year forecast unfavourable variance to budget due to supplementary rate revenue forecasted to be below budget in the 2nd half and pensioner rate rebates forecasted to exceed budget.
Statutory fees and fines	29,570	29,870	14,313	16,819	✓ 2,506	✓ 17.5%	32,521	✓ 2,651	✓ 8.9%	Higher than budgeted Parking Infringement notices issued YTD - ongoing influence of new parking technology. Favourable variance is reflected in the full year forecast. This does not translate to cash until the fines are paid.
User Fees	28,041	28,969	15,135	16,505	✓ 1,370	✓ 9.1%	31,030	✓ 2,061	✓ 7.1%	Construction Management occupation permits and inspection fee income has exceeded expectation YTD which is representative of high development activity. This trend is expected to continue in the 2nd half as reflected in the favourable full year forecast position compared to budget.
Reimbursements	1,360	1,360	581	1,034	✓ 453	✓ 78.0%	1,866	✓ 506	✓ 37.2%	Favourable variance relates to unbudgeted income relating to the Amcor Site development as well reimbursements for legal and inspection fees in Construction management.
Grants - Operating	12,337	12,312	6,491	7,556	✓ 1,065	✓ 16.4%	12,796	✓ 484	✓ 3.9%	Favourable funding grants mainly due to the receipt of operating grants for Aged & Disability Services ahead of expectation although some recovery by both State and Federal Government is expected to commence this year. Provision has been raised to account for this and is not expected to impact the current year budget.
Grants - Capital	1,151	1,151	525	3,298	✓ 2,773	✓ 528.2%	4,300	✓ 3,149	✓ 273.6%	Mainly relates to the Fitzroy Depot relocation reimbursement from State Government (initial contribution of \$3.0m) which was unknown at the time of Budget adoption. This funding is to be spent on the Depot relocation.
Contributions - OSR	4,000	4,000	2,000	3,058	✓ 1,058	✓ 52.9%	4,500	✓ 500	✓ 12.5%	Open space development contributions received YTD which is determined by the progress of completion of individual developments. Whilst an annual budget of income is recognised, the actual receipt of contributions paid varies site to site. The Contributions income is expected to slow in the 2nd half however full year forecast is still expected to exceed budget. These funds are committed to be spent on eligible open space projects.
Contributions - Other monetary	369	371	229	329	✓ 100	✓ 43.7%	418	✓ 47	✓ 12.7%	Minor favourable variance in contributions received through City Works.
Net gain/(loss) on disposal	205	205	102	93	✗ (9)	✗ -8.8%	205	-	0.0%	Minor variance relating to motor vehicle disposals at auction. Full year forecast is that budget will be achieved.
Other Income	1,561	1,501	694	1,325	✓ 631	✓ 90.9%	1,909	✓ 408	✓ 27.2%	Mainly relates to favourable interest income received to date and services fee income received primarily from kindergarten fee subsidy and land tax objections raised. Full year forecast expected to be favourable to budget.
<b>Total Revenue</b>	<b>187,530</b>	<b>188,675</b>	<b>147,974</b>	<b>158,072</b>	<b>10,098</b>	<b>6.8%</b>	<b>198,077</b>	<b>9,402</b>	<b>5.0%</b>	
<b>Expenses from ordinary activities</b>										
Employee Costs	82,260	82,615	41,482	41,218	✓ 264	0.6%	82,211	✓ 404	0.5%	Favourable variance due to vacant EFT positions. EB and backpay payments were made in November which had no budget impact as these amounts were fully provided for. Full year forecast is that employee costs will be favourable to budget.
Materials and services	68,740	69,530	29,755	29,812	✗ (57)	-0.2%	73,722	✗ (4,192)	✗ -6.0%	YTD expenditure in line with budget. Full year forecast unfavourable variance to budget due to the recording of the discounted liability associated with a Council legal settlement totalling \$3.8M.
Bad and doubtful debts	1,980	1,980	604	1,137	✗ (533)	✗ -88.2%	4,000	✗ (2,020)	✗ -102.0%	Higher parking infringements issued YTD require additional doubtful debts provision. Full year forecast variance to budget the result of additional doubtful debts expense relating to the increase in parking infringements issued, as well as the known recoverability issues stemming from problems with Fines Victoria.
Depreciation & Amortisation	22,432	22,432	11,216	11,320	✗ (104)	-0.9%	22,696	✗ (264)	-1.2%	Infrastructure asset revaluation in 2017/18 has resulted in additional depreciation charges in 2018/19.
Borrowing costs	1,964	1,964	982	995	✗ (13)	-1.3%	1,963	1	0.1%	
<b>Total Expenses</b>	<b>177,376</b>	<b>178,521</b>	<b>84,039</b>	<b>84,482</b>	<b>(443)</b>	<b>-0.5%</b>	<b>184,591</b>	<b>(6,070)</b>	<b>-3.4%</b>	
<b>Net Result</b>	<b>10,154</b>	<b>10,154</b>	<b>63,935</b>	<b>73,590</b>	<b>9,655</b>	<b>15.1%</b>	<b>13,486</b>	<b>3,332</b>	<b>32.8%</b>	

Legend: > ✗ (50,000) ✗ -5.0% Unfavourable variance  
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Note: The adopted budget revenue has moved by \$1.1m due to increases user fees and charges as well as Grant income predominantly in the Community Wellbeing areas. This increase is entirely offset by increase in costs associated with the service delivery.

**YARRA CITY COUNCIL  
FINANCIAL REPORT  
1 July 2018 to 31 December 2018  
EFT**

Directorate	Budget 01/07/2018	Current period balance	Movement Fav/(Unfav)	Comments
CEO Division	46.58	57.43	(10.85)	Increase relates to 4 EFT positions created in People, Culture & Community in Dec18 being Injury and Incident Management Advisor, EA and Business Support Officer, EBA Project Officer and a 2nd Community Grants administrator.
Corporate, Business & Financial Services	167.13	163.93	3.20	
Community Wellbeing	391.06	292.35	98.71	Reduction relates to restructure of recreation and leisure branches to City Works division (post June 2018).
City Works & Assets	142.88	244.85	(101.97)	Increase relates to restructure of recreation and leisure branches to City Works division (post June 2018).
Planning & Placemaking	91.38	85.83	5.55	Reduction mainly relates to organisation realignment (post June 2018).
<b>Total</b>	<b>839.03</b>	<b>844.39</b>	<b>(5.36)</b>	

**YARRA CITY COUNCIL  
FINANCIAL REPORT  
1 July 2018 to 31 December 2018  
Debtors**

Rate Debtors Aging (years)	<1 \$'000	1 \$'000	2 \$'000	3+ \$'000	Total \$'000
Commercial	9,433	196	59	20	9,707
FSL - Commercial	2,976	65	23	6	3,069
Industrial	3,324	77	28	9	3,439
FSL - Industrial	1,475	21	23	5	1,523
Residential	39,493	1,244	471	647	41,855
FSL - Residential	3,194	110	40	32	3,375
FSL - Public Benefit	38	5	0	-	43
FSL - Vacant	16	1	0	-	17
FSL - Interest	23	14	5	2	44
Legal Fees	49	4	4	21	77
Bridge Road Special Charge	88	2	1	0	90
Garbage & Other	24	3	6	1	35
<b>Sub Total</b>	<b>60,132</b>	<b>1,740</b>	<b>659</b>	<b>743</b>	<b>63,274</b>

Parking Debtors	Balance as at 30/06/18 \$'000	Current period balance \$'000	Movement Inc/(Dec) \$'000	Comments
	5,711	7,519	1,808	Jul-Dec'18 Movement in additional parking infringement debtors raised less payments received and debt provision.

**Parking Debtors Aging**

Aging (days)	Total	Current	30	60	90+
	7,519	1,049	641	697	5,132

General/Sundry Debtors	Balance as at 30/06/18 \$'000	Current period balance \$'000	Movement Inc/(Dec) \$'000	Comments
	4,761	3,813	(948)	Jul-Dec'18 decrease in debtors due to payments received exceeding new 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)	1,145	560	196	22	367
Provision for Doubtful Debt (3252)	(792)	-	-	-	(792)
RAMs Debtors (3256) - Property development applications including road openings	8,542	2,571	308	196	5,467
Animal Debtors (3257)	34	0	53	-	(19)
PLUS Debtors (3258) - Misc. permits for advertising and footpath occupation	225	3	2	(2)	222
Local Laws Debtors (3259)	99	1	-	0	97
Building Debtors (3261)	1,117	336	40	26	715
Salary Sacrifice (3264)	3	3	-	-	-
Fines and Costs (3265)	1,181	47	31	18	1,085
Leisure Debtors (3266)	-	12	5	4	(21)
Child Care Debtors (3267)	487	66	37	61	324
Library Debtors (3268)	-	-	-	-	-
BAGS Control Debtors (3271) - Asset Protection applications	270	4	8	11	248
Bin Debtors (3272)	31	9	1	1	20
CD Debtors (3276) - Construction Development works	7	15	-	-	(8)
MCC Superannuation (3222)	(1)	(1)	-	-	-
GST Clearing (3249 / 3255)	798	798	-	-	-
WorkCover Wages / Receipts (3230 / 3232) - WorkCover wages claims	195	195	-	-	-
Perin Cheques - Parking (3273)	171	-	-	-	171
<b>S/Total</b>	<b>13,510</b>	<b>4,619</b>	<b>680</b>	<b>337</b>	<b>7,875</b>
CD Bonds (3277) - Construction Development bonds	(398)	(156)	-	-	(242)
Services Contracts (3262) - Asset Protection bonds	(9,300)	(2,799)	(335)	(214)	(5,952)
<b>S/Total</b>	<b>(9,698)</b>	<b>(2,955)</b>	<b>(335)</b>	<b>(214)</b>	<b>(6,194)</b>
<b>Total</b>	<b>3,813</b>	<b>1,664</b>	<b>345</b>	<b>123</b>	<b>1,681</b>

**YARRA CITY COUNCIL  
FINANCIAL REPORT  
1 July 2018 to 31 December 2018  
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.

Open Space Reserve Account	Amount \$'000
Opening Balance as at 30 June 2018	3,517

Funds Received (Transfers to Reserve)	Amount \$'000
32-36 Newry St Rich - 12 lot subdivision	153
306-312 Swan St Rich - 34 lot subdivision	157
63-65 Glass St Rich - 19 lot subdivision	153
6-10 Keele St Coll - 45 lot subdivision	221
672 Nicholson St Fitz - 14 lot subdivision	162
142-144 Johnson St Fitz - 32 lot subdivision	257
9-15 David St Rich - 130 lot subdivision	495
466-482 Smith St Coll - 90 lot subdivision	517
2-4 St Georges Rd Nth Fitz -27 lot subdivision	122
14 Hunter St Rich - 3 lot subdivision	90
802-804 Heidelberg Rd Alph. - 34 lot subdivision	131
73-77 Wellington St Coll - subdivision	600
<b>Total</b>	<b>3,058</b>

Projects (transfers from Reserve)	Amount \$'000
Curtain Square works	30
Edinburgh Gardens Playground	285
George Knott Reserve	378
<b>Total</b>	<b>693</b>

Open Space Reserve Account	Amount \$'000
Closing Balance as at 31 December 2018	5,882

**YARRA CITY COUNCIL  
FINANCIAL REPORT  
1 July 2018 to 31 December 2018  
Borrowings**

Amount \$m	Lender	Type	Term years	Maturity Date	Balance as at 30/06/18 \$m	Current period balance \$m	Movement	Comments
\$32.5M	NAB	Interest only	7	2021	32.5	32.5	-	Interest only
\$13.5M	CBA	P&I	10	2027	12.4	11.8	0.6	Principal component repayments to date \$1.7M. YTD repayment - \$0.6M (Next repayment due in Feb'19).

**YARRA CITY COUNCIL  
FINANCIAL REPORT  
1 July 2018 to 31 December 2018  
Financial Sustainability Indicators**

VAGO Indicators		VAGO Ranges			Commentary	
Indicator/Description	Formula	Current Period Result	Low Risk	Medium Risk		High Risk
Net Result (%)	Net Result / Total Revenue	47%	> 0%	-10% - 0%	< -10%	<p><b>It should be noted that all Financial sustainability indicators are intended to be measured on an annual basis to ensure an accurate picture is presented.</b></p> <p>YTD result ahead of budget due to the annual rates being raised in Aug18. Final result expected to be in line with budget placing Council in the Low Risk range.</p> <p>YTD result ahead of budget due to the annual rates being raised in Aug18. Final result expected to be in line with budget placing Council in the Low Risk range.</p> <p>YTD result ahead of budget due to net operating cashflows significantly exceeding capital works. Final result expected to be in line with budget placing Council in Low Risk range.</p> <p>Full year result expected to be more favourable than YTD result as Council continues to generate revenue from operations in line with budget. Low Risk range expected.</p> <p>Full year result expected to be more favourable than YTD result as Capital spend continues to pick up throughout the year. Medium Risk range expected.</p> <p>Full year result expected to be more favourable than YTD result as Capital spend continues to pick up throughout the year. Low Risk range expected.</p>
Liquidity (ratio)	Current assets / Current liabilities	4.06	> 1.0	0.75 - 1.0	< 0.75	
Internal financing (%)	Net operating cash flow / Net capital expenditure	321%	> 100%	75% - 100%	< 75%	
Indebtedness (%)	Non-current liabilities / own-sourced revenue	31%	< 40%	40% - 60%	> 60%	
Capital replacement (ratio)	Cash outflows for property, plant and equipment / Depreciation	0.9	>1.5	1.0 - 1.5	< 1.0	
Renewal gap (ratio)	Renewal and upgrade expenditure/depreciation	0.7	>1.0	0.5 - 1.0	<0.5	
<p>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</p> <p>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.</p> <p>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</p> <p>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</p> <p>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</p> <p>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.</p>						

Local Government Performance Reporting Framework Indicators				
Indicator/Description	Measure	2017-18 Result	Current Period Result	Variance
<b>Liquidity</b>				
L1	Current assets compared to current liabilities	196.9%	406.3%	106.4%
L2	Unrestricted cash compared to current liabilities	105.1%	176.5%	67.9%
<b>Obligations</b>				
O1	Asset renewal as a % of depreciation	102.4%	62%	-39.6%
O2	Loans and borrowings as a % of rates	42.7%	41.0%	-4.1%
O3	Loans and borrowings repayments as a % of rates	1.1%	1.5%	29.6%
O4	Non-current liabilities as a % of own source revenue	25.4%	30.7%	21.1%
<b>Operating Position</b>				
OP1	Adjusted underlying surplus (or deficit) as a % of underlying revenue	4.5%	42.6%	854.2%

Commentary
YTD result higher than budget due to Rates being raised in Aug-18. Full year result expected to be in line with budget.
YTD result higher than budget due to timing of cashflows. Full year result expected to be in line with budget.
YTD result impacted by timing in Capital spend. Full year result expected to be in line with budget.
YTD result impacted by timing of revenues from operations. Full year result expected to be in line with budget.
YTD result higher than budget due to timing of Rates being raised in Aug-18. Full year result expected to be in line with budget.



**YARRA CITY COUNCIL  
FINANCIAL REPORT  
1 July 2018 to 31 December 2018  
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	
<b>Property</b>												
Buildings	6,053	7,653	2,415	1,074	1,341	55.5%	7,580	73	1.0%	-	50	YTD variance due to slow start on buildings program, expected to catch up as the year progresses.
<b>Total buildings</b>	<b>6,053</b>	<b>7,653</b>	<b>2,415</b>	<b>1,074</b>	<b>1,341</b>	<b>55.5%</b>	<b>7,580</b>	<b>73</b>	<b>1.0%</b>	<b>-</b>	<b>50</b>	
<b>Total property</b>	<b>6,053</b>	<b>7,653</b>	<b>2,415</b>	<b>1,074</b>	<b>1,341</b>	<b>55.5%</b>	<b>7,580</b>	<b>73</b>	<b>1.0%</b>	<b>-</b>	<b>50</b>	
<b>Plant and equipment</b>												
Plant, Machinery & Equipment	1,205	1,279	718	177	541	75.3%	1,279	-	0.0%	-	-	YTD variance due to delays in timing of replacement purchases for passenger vehicles and trucks.
Computers & Telecommunications	1,935	2,260	1,251	514	737	58.9%	2,060	200	8.8%	579	-	YTD variance due to timing of projects, expected to catch up as the year progresses.
<b>Total plant and equipment</b>	<b>3,140</b>	<b>3,539</b>	<b>1,969</b>	<b>691</b>	<b>1,278</b>	<b>64.9%</b>	<b>3,339</b>	<b>200</b>	<b>8.8%</b>	<b>-</b>	<b>-</b>	
<b>Infrastructure</b>												
Roads	8,538	8,618	3,490	2,855	635	18.2%	8,538	80	0.9%	-	440	Steady progress on projects at this time and many roads projects are expected to be completed by December/January with invoicing to come.
Bridges	100	100	-	-	-	0.0%	100	-	0.0%	-	-	
Lanes	930	910	870	510	360	41.4%	705	205	22.5%	-	50	YTD variance due to timing of invoice payments.
Transport	1,187	1,780	626	254	372	59.4%	1,793	(13)	-0.8%	-	-	YTD variance due to timing of invoice payments.
Waste Management	70	70	-	-	-	0.0%	70	-	0.0%	-	-	
Parks, Open Space And Streetscapes	3,563	4,381	2,548	1,443	1,105	43.4%	4,402	(21)	-0.5%	-	-	YTD variance due to delay in a number of contracts going out to tender. Contracts expected to be awarded and expenditure to catch up over the next few months.
Street Furniture	55	55	49	12	37	75.5%	55	-	0.0%	-	-	
Retail Strips	200	200	200	-	200	100.0%	200	-	0.0%	-	-	YTD variance due to works yet to start on Lennox street.
Priority Projects	1,049	1,389	784	831	(47)	-	1,404	(15)	-1.1%	-	-	YTD variance due to ticket machines project well advanced.
Library Resources	600	600	363	197	166	45.7%	600	-	0.0%	-	-	Library resources projects are expected to occur later in the year.
<b>Total infrastructure</b>	<b>16,292</b>	<b>18,103</b>	<b>8,930</b>	<b>6,102</b>	<b>2,828</b>	<b>31.7%</b>	<b>17,867</b>	<b>236</b>	<b>21.2%</b>	<b>-</b>	<b>490</b>	
<b>Total capital works expenditure</b>	<b>25,485</b>	<b>29,295</b>	<b>13,314</b>	<b>7,867</b>	<b>5,447</b>	<b>40.9%</b>	<b>28,786</b>	<b>509</b>	<b>1.7%</b>	<b>579</b>	<b>540</b>	

Note: Full year adopted budget figure of \$25.485M has been adjusted to incorporate unspent carry over funds of \$2.954M from the 2017/18 Capital Works program. Further movement of \$0.9M in Adjusted Budget YTD primarily due to O'Ryans Reserve Pavillion and Tennis Court development. Funding of \$1.5M due to be received from Sports Recreation Victoria over the next couple of months.

**YARRA CITY COUNCIL  
FINANCIAL REPORT  
1 July 2018 to 31 December 2018**

**City of Yarra  
Income Statement**

**For Period 6 - December**

	18/19 CL Actuals YTD \$'000	18/19 CL Bud Adjust YTD \$'000	Actuals vs Budget YTD Variance \$'000	Actuals vs Budget YTD Variance %	18/19 CL Bud Adopted Full Year \$'000	18/19 CL Bud Adjust Full Year \$'000	Current Forecast Full Year \$'000	Budget vs Forecast Full Year Variance \$'000
<b>Revenue from ordinary activities</b>								
Rates and charges	108,055	107,903	151	0%	108,936	108,936	108,531	(405)
Statutory fees and fines	16,819	14,313	2,507	18%	29,570	29,870	32,521	2,651
User Fees	16,505	15,135	1,369	9%	28,041	28,969	31,030	2,061
Reimbursements	1,034	581	454	78%	1,360	1,360	1,866	506
Grants - Operating	7,556	6,491	1,066	16%	12,337	12,312	12,796	484
Grants - Capital	3,298	525	2,772	528%	1,151	1,151	4,300	3,149
Contributions - OSR	3,058	2,000	1,058	53%	4,000	4,000	4,500	500
Contributions - Other monetary	329	229	100	52%	369	371	418	47
Net gain/(loss) on disposal of property, infrastructure, pla	93	102	(10)	-10%	205	205	205	0
Other Income	1,325	694	631	91%	1,561	1,501	1,909	408
	<b>158,072</b>	<b>147,974</b>	<b>10,098</b>	<b>7%</b>	<b>187,530</b>	<b>188,675</b>	<b>198,077</b>	<b>9,402</b>
<b>Expenses from ordinary activities</b>								
Employee Costs	41,218	41,482	264	1%	82,260	82,615	82,211	404
Materials and services	29,812	29,755	(57)	6%	68,740	69,530	73,722	(4,192)
Bad and doubtful debts	1,137	604	(533)	-88%	1,980	1,980	4,000	(2,020)
Depreciation & Amortisation	11,320	11,216	(104)	-1%	22,432	22,432	22,695	(263)
Borrowing costs	995	982	(14)	0%	1,964	1,964	1,964	(0)
	<b>84,482</b>	<b>84,039</b>	<b>(443)</b>	<b>-1%</b>	<b>177,376</b>	<b>178,521</b>	<b>184,591</b>	<b>(6,070)</b>
	<b>73,590</b>	<b>63,935</b>	<b>9,655</b>	<b>15%</b>	<b>10,154</b>	<b>10,154</b>	<b>13,486</b>	<b>3,332</b>

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

	Balance as at 30/06/2018 \$'000	Balance as at period end \$'000	Movement Inc/(Dec) \$'000	Comments
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	51,086	71,755	20,669	Change in cash levels mainly due to receipt of rate payments, income grants and parking income over outgoing payments made July-Dec18.
Receivables - Rates	5,385	63,274	57,889	Rates for 2018/19 were raised in August 2018 and Receivables reduce with each payment instalment received.
Receivables - Parking	5,711	7,519	1,808	Jul18-Dec18 infringement debtors raised less payments and debt provision.
Receivables - Other	4,761	3,813	(948)	Jul18-Dec18 debtors charges raised less payments received.
Accrued income	371	167	(204)	Revenue raised in previous periods has been received in cash
Prepayments	643	88	(555)	Prepayments are expected to expire by the end of the FY and relates to motor vehicle registration and insurance.
Inventories	107	107	-	
<b>Total Current Assets</b>	<b>68,063</b>	<b>146,723</b>	<b>78,660</b>	
<b>Non-Current Assets</b>				
Non-current receivables	230	230	-	
Financial assets	5	5	-	
Property, infrastructure ,plant and equipment	1,906,881	1,903,273	(3,608)	Payments for property, plant & equipment offset by accumulated depreciation.
<b>Total Non-Current Assets</b>	<b>1,907,116</b>	<b>1,903,508</b>	<b>(3,608)</b>	
<b>TOTAL ASSETS</b>	<b>1,975,179</b>	<b>2,050,231</b>	<b>75,052</b>	
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	5,411	1,019	(4,392)	Payments have been made which reduce the payables owing amount. This will vary during the financial year.
Fire Services Levy	5,335	13,833	8,498	Raised at the same time as Rate income. Final instalment for 2017/18 has been paid. Instalment 2 for 2018/19 is now due for payment.
Trust funds	5,390	6,095	705	The movement is mainly due to construction management and asset protection bonds received.
Accrued Expenses	3,871	2,079	(1,792)	Accruals raised for expenditure not yet paid. This will vary during the financial year. Accruals include payroll and utilities.
Employee benefits	13,209	12,489	(720)	The movement is due to leave benefits taken across the Christmas and New year period.
Income in advance	181	-	(181)	The movement is due to income received in advance used in 2018-19
Interest-bearing liabilities	1,176	595	(581)	Payment of loan principal.
<b>Total Current Liabilities</b>	<b>34,574</b>	<b>36,110</b>	<b>1,537</b>	
<b>Non-Current Liabilities</b>				
Non-current employee benefits	1,398	1,320	(78)	
Non-current interest bearing liabilities	43,691	43,691	-	
Non-current Trust Liability	230	233	3	
<b>Total Non-Current Liabilities</b>	<b>45,319</b>	<b>45,244</b>	<b>(75)</b>	
<b>TOTAL LIABILITIES</b>	<b>79,893</b>	<b>81,354</b>	<b>1,462</b>	
<b>NET ASSETS</b>	<b>1,895,287</b>	<b>1,968,877</b>	<b>73,590</b>	
<b>Represented by:</b>				
Accumulated surplus	624,716	622,351	(2,365)	
Asset revaluation reserves	1,246,876	1,246,876	-	
Other reserves	23,696	26,061	2,365	
Retained Earnings	-	73,590	73,590	
<b>EQUITY</b>	<b>1,895,287</b>	<b>1,968,877</b>	<b>73,590</b>	

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

	Balance as at period end \$'000
<b>Cash Flows from Operating Activities</b>	
Rates and Charges	58,327
Parking Revenue	12,761
Government Grants Received	6,664
Victoria Grants Commission	504
User Charges, Fees and Other Fines Received	20,611
Reimbursements and Contributions Received	738
Interest Revenue	459
Other Revenue	7,160
Payments to Suppliers	(31,403)
Payments to Employees	(43,370)
Net GST	(159)
<b>Net Cash Provided by Operating Activities</b>	<b>32,293</b>
<b>Cash Flows from Investing Activities</b>	
Proceeds from Sale of Property, Plant & Equipment	74
Payments for Infrastructure, Property Plant & Equipment	(10,130)
<b>Net Cash (Used in) Investing Activities</b>	<b>(10,056)</b>
<b>Cash Flows from/(used in) Financing Activities</b>	
Finance Costs	(987)
(Proceeds from Borrowings)/Payments Towards	(581)
<b>Net Cash (Used In) Financing Activities</b>	<b>(1,568)</b>
<b>Cash Balances</b>	
Change in Cash Held	20,669
Cash at beginning of year	51,086
<b>Cash at the End of the Financial Period</b>	<b>71,755</b>
<b>End of year Budgeted cash balance</b>	<b>31,818</b>
<b>Future items to be funded</b>	<b>\$'000</b>
Grant Commission Funding (2018-19 funds received in 2017-18)	1,192
Capital Carry Forwards	3,579
Grants received in 2018-19 for expenditure in 2019-20	3,000
Operating Grant Income Received - to be paid back in 2018-19 (NDIS Funding Target Shortfall)	1,103
Open Space Reserve to be cash backed	5,882
Future legal commitments	400
<b>Total</b>	<b>15,156</b>

**YARRA CITY COUNCIL  
FINANCIAL REPORT  
1 July 2018 to 31 December 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
<b>Property</b>											
Buildings	6,053	7,653	2,415	1,074	1,341	55.5%	7,580	73	1.0%	-	50
<b>Total buildings</b>	<b>6,053</b>	<b>7,653</b>	<b>2,415</b>	<b>1,074</b>	<b>1,341</b>	<b>55.5%</b>	<b>7,580</b>	<b>73</b>	<b>1.0%</b>	<b>0</b>	<b>50</b>
<b>Total property</b>	<b>6,053</b>	<b>7,653</b>	<b>2,415</b>	<b>1,074</b>	<b>1,341</b>	<b>55.5%</b>	<b>7,580</b>	<b>73</b>	<b>1.0%</b>	<b>0</b>	<b>50</b>
<b>Plant and equipment</b>											
Plant, Machinery & Equipment	1,205	1,279	718	177	541	75.3%	1,279	-	0.0%	-	-
Computers & Telecommunications	1,935	2,260	1,251	514	737	58.9%	2,060	200	8.8%	579	-
<b>Total plant and equipment</b>	<b>3,140</b>	<b>3,539</b>	<b>1,969</b>	<b>691</b>	<b>1,278</b>	<b>64.9%</b>	<b>3,339</b>	<b>200</b>	<b>5.7%</b>	<b>579</b>	<b>-</b>
<b>Infrastructure</b>											
Roads	8,538	8,618	3,490	2,855	635	18.2%	8,538	80	0.9%	-	440
Bridges	100	100	-	-	-	0.0%	100	-	0.0%	-	-
Lanes	930	910	870	510	360	41.4%	705	205	22.5%	-	50
Transport	1,187	1,780	626	254	372	59.4%	1,793	(13)	-0.8%	-	-
Waste Management	70	70	-	-	-	0.0%	70	-	0.0%	-	-
Parks, Open Space And Streetscapes	3,563	4,381	2,548	1,443	1,105	43.4%	4,402	(21)	-0.5%	-	-
Street Furniture	55	55	49	12	37	75.5%	55	-	0.0%	-	-
Retail Strips	200	200	200	-	200	100.0%	200	-	0.0%	-	-
Priority Projects	1,049	1,389	784	831	(47)	-6.0%	1,404	(15)	-1.1%	-	-
Library Resources	600	600	363	197	166	45.7%	600	-	0.0%	-	-
<b>Total infrastructure</b>	<b>16,292</b>	<b>18,103</b>	<b>8,930</b>	<b>6,102</b>	<b>2,828</b>	<b>31.7%</b>	<b>17,867</b>	<b>236</b>	<b>1.3%</b>	<b>0</b>	<b>490</b>
<b>Total capital works expenditure</b>	<b>25,485</b>	<b>29,295</b>	<b>13,314</b>	<b>7,867</b>	<b>5,447</b>	<b>40.9%</b>	<b>28,786</b>	<b>509</b>	<b>1.7%</b>	<b>579</b>	<b>540</b>

Note: Full year adjusted budget figure of \$25.485M has been adjusted to incorporate unspent carry over funds of \$2.954M from the 2017/18 Capital Works program. Further movement of \$0.9M in Adjusted Budget YTD primarily due to O'Ryan's Reserve Pavillion and Tennis Court development. Funding of \$1.5M due to be received from Sports Recreation Victoria over the next couple of months.