



## **Finance Report**

**for the period  
1 July 2019 to 31 March 2020**

**YARRA CITY COUNCIL  
FINANCIAL REPORT  
1 July 2019 to 31 March 2020  
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	112,465	112,465	111,895	112,149	254	0.2%	111,691	(774)	-0.7%
Statutory fees and fines	32,935	32,935	24,776	25,072	296	1.2%	29,235	(3,700)	-11.2%
User Fees	32,330	32,330	24,558	24,333	(225)	-0.9%	26,658	(5,672)	-17.5%
Reimbursements	1,055	1,055	721	827	106	14.8%	1,437	382	36.3%
Grants - Operating	12,542	12,587	8,760	9,520	759	8.7%	14,151	1,564	12.4%
Grants - Capital	2,433	2,433	2,150	1,707	(443)	-20.6%	2,994	561	23.1%
Contributions - OSR	4,300	4,300	3,225	6,021	2,796	86.7%	6,500	2,200	51.2%
Contributions - Other monetary	397	397	298	473	175	58.6%	271	(126)	-31.8%
Net gain/(loss) on disposal	180	180	135	37	(98)	-72.9%	180	-	0.0%
Other Income	2,036	2,036	1,527	3,939	2,412	158.0%	3,904	1,868	91.8%
<b>Total Revenue</b>	<b>200,673</b>	<b>200,716</b>	<b>178,045</b>	<b>184,077</b>	<b>6,032</b>	<b>3.4%</b>	<b>197,021</b>	<b>(3,695)</b>	<b>-1.8%</b>
<b>Expenses from ordinary activities</b>									
Employee Costs	87,115	87,443	63,733	65,394	(1,661)	-2.6%	86,590	853	1.0%
Materials and services	73,303	73,719	50,606	48,394	2,211	4.4%	69,038	4,681	6.3%
Bad and doubtful debts	4,000	4,000	2,994	3,552	(558)	-18.6%	5,000	(1,000)	-25.0%
Depreciation	22,800	22,800	17,100	17,000	100	0.6%	22,800	-	0.0%
Amortisation - right of use assets	-	-	-	701	(701)	0.0%	971	(971)	0.0%
Borrowing costs	2,035	2,035	1,526	1,452	75	4.9%	2,035	0	0.0%
Interest Expenses - Leases	-	-	-	127	(127)	0.0%	165	(165)	0.0%
<b>Total Expenses</b>	<b>189,254</b>	<b>189,998</b>	<b>135,959</b>	<b>136,620</b>	<b>(661)</b>	<b>-0.5%</b>	<b>186,599</b>	<b>3,399</b>	<b>1.8%</b>
<b>Net Result</b>	<b>11,418</b>	<b>10,719</b>	<b>42,087</b>	<b>47,457</b>	<b>5,371</b>	<b>12.8%</b>	<b>10,422</b>	<b>(297)</b>	<b>-2.8%</b>

Cash Position	Full year Budget Target	Current period Result	Forecast result	VAGO Ranges for Liquidity		
				Low Risk	Medium Risk	High Risk
Liquidity Ratio	2.68	3.30	2.68	> 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	854.3	869.2	869.2
Vacant positions (included in above)		46.3	

Greater detail is included in the EFT section on page 4

Transfers to/from the Open Space Reserve	Balance as at 30/06/2019	Current period balance	Movement Inc/(Dec)	Comments
	\$'000	\$'000	\$'000	
Open Space Reserve	7,799	13,461	5,662	Movement in contributions received less expenditure YTD for 2019/20.

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

Borrowings	Balance as at 30/06/2019	Current period balance	Movement Inc/(Dec)	Comments
	\$m	\$m	\$m	
Total Borrowings	43.7	42.8	(0.9)	Principal repayment of \$0.9M YTD

Greater detail is included in 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	1,716	1,716	1,287	903	(384)	-29.8%	1,486	(230)	-13.4%
Chief Executive Expense	15,654	15,608	11,730	11,454	276	2.4%	15,153	455	2.9%
<b>Net (Exp)/Rev</b>	<b>(13,939)</b>	<b>(13,892)</b>	<b>(10,443)</b>	<b>(10,551)</b>	<b>(108)</b>	<b>-1.0%</b>	<b>(13,667)</b>	<b>225</b>	<b>1.6%</b>
Corporate, Business and Finance Revenue	153,789	153,789	142,274	146,797	4,523	3.2%	150,327	(3,462)	-2.3%
Corporate, Business and Finance Expense	60,539	60,889	41,068	43,415	(2,347)	-5.7%	57,831	3,058	5.0%
<b>Net (Exp)/Rev</b>	<b>93,250</b>	<b>92,900</b>	<b>101,206</b>	<b>103,382</b>	<b>2,176</b>	<b>2.2%</b>	<b>92,496</b>	<b>(404)</b>	<b>-0.4%</b>
Planning and Place Making Revenue	7,833	8,182	6,136	9,967	3,831	62.4%	11,350	3,168	38.7%
Planning and Place Making Expense	15,050	15,105	11,165	11,407	(242)	-2.2%	16,059	(954)	-6.3%
<b>Net (Exp)/Rev</b>	<b>(7,216)</b>	<b>(6,923)</b>	<b>(5,029)</b>	<b>(1,441)</b>	<b>3,589</b>	<b>71.4%</b>	<b>(4,709)</b>	<b>2,214</b>	<b>32.0%</b>
Community Wellbeing Revenue	15,244	15,244	11,581	12,227	646	5.6%	15,782	538	3.5%
Community Wellbeing Expense	36,011	36,296	26,627	25,908	719	2.7%	35,320	976	2.7%
<b>Net (Exp)/Rev</b>	<b>(20,767)</b>	<b>(21,052)</b>	<b>(15,046)</b>	<b>(13,681)</b>	<b>1,365</b>	<b>9.1%</b>	<b>(19,538)</b>	<b>1,514</b>	<b>7.2%</b>
City Works and Assets Revenue	22,090	21,786	16,767	14,182	(2,585)	-15.4%	18,077	(3,709)	-17.0%
City Works and Assets Expense	62,000	62,100	45,368	44,435	933	2.1%	62,237	(137)	-0.2%
<b>Net (Exp)/Rev</b>	<b>(39,910)</b>	<b>(40,314)</b>	<b>(28,601)</b>	<b>(30,253)</b>	<b>(1,652)</b>	<b>-5.8%</b>	<b>(44,160)</b>	<b>(3,846)</b>	<b>-9.5%</b>
<b>Total Net (Exp)/Rev</b>	<b>11,418</b>	<b>10,719</b>	<b>42,087</b>	<b>47,457</b>	<b>5,371</b>	<b>12.8%</b>	<b>10,422</b>	<b>(297)</b>	<b>-2.8%</b>

**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 adjusted budget Net Result has decreased by \$0.7m after adjusting for the impact of carry over items.

Debtors	Balance as at 30/06/19	Current period balance	Movement Inc/(Dec)	Comments
	\$'000	\$'000	\$'000	
Total Debtors	14,797	50,660	35,863	Debtors have increased due to the raising of 2019/20 Rates and FSL. Balance will progressively reduce throughout the year and convert to cash as rate installments are paid.

Greater detail is included in the Debtors section on page 5

**YARRA CITY COUNCIL  
FINANCIAL REPORT  
1 July 2019 to 31 March 2020**

**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	112,465	112,465	111,895	112,149	254	0.2%	111,691	(774)	-0.7%	YTD favourable variance to budget primarily due to the raising of supplementary valuations income earlier than phased in the budget.
Statutory fees and fines	32,935	32,935	24,776	25,072	296	1.2%	29,235	(3,700)	-11.2%	YTD favourable variance to budget due to an increase in parking meter income received to date. Full year forecast is expected to be unfavourable to budget due to a downturn in parking activity as a result of the COVID-19 pandemic. It is expected there will be lower income received for parking metres and a reduction in the number of infringements issued.
User Fees	32,330	32,330	24,558	24,333	(225)	-0.9%	26,658	(5,672)	-17.5%	YTD unfavourable variance to budget mostly attributable to the impact of reduced fee income from leisure (including Burnley Golf Course and Collingwood Estate Gym) , a result of facilities closing during the month in response to the COVID-19 pandemic. Full year forecast is expected to be unfavourable to budget due to a decrease in fees and charges income in recreation and leisure as a result of the closure of the centres and facilities. Additionally, refunds for business and street trading permits have also been accounted for as part of the Yarra community and economic stimulus package.
Reimbursements	1,055	1,055	721	827	106	14.8%	1,437	382	36.3%	YTD favourable variance to budget mostly attributable to unbudgeted reimbursements received from contractors for traffic and engineering works to be undertaken, and also reimbursements for resourcing assistance at the former Amcor site. Full year forecast expected to finish ahead of budget as a result.
Grants - Operating	12,542	12,587	8,760	9,520	759	8.7%	14,151	1,564	12.4%	YTD favourable variance to budget mostly attributable to aged services receiving higher funding than budgeted and also an increase in childcare funding due to utilisation rates being higher than budgeted. Full year forecast expected to exceed budget as a result.
Grants - Capital	2,433	2,433	2,150	1,707	(443)	-20.6%	2,994	561	23.1%	YTD unfavourable variance primarily due to timing of grant money for Ryan's Reserve Netball / Tennis Court and Pavilion, which was expected to be received in February but will not be received until next financial year 2020/21. Full year forecast expected to exceed budget due to unbudgeted grant received in traffic and civil engineering relating to Stage 2 of Wellington Street, which has been used to fund Wellington Street bike lanes capital works.
Contributions - OSR	4,300	4,300	3,225	6,021	2,796	86.7%	6,500	2,200	51.2%	YTD favourable variance due to open space development contributions being ahead of budget, which is determined by the progress of completion of individual developments. These funds are committed to be spent on eligible open space projects. Full year forecast expected to finish favourable to budget.
Contributions - Other monetary	397	397	298	473	175	58.6%	271	(126)	-31.8%	YTD favourable variance relates to developer contributions received through city works relating to road maintenance. Amount received varies depending on rectification and maintenance work required as a consequence of development activity. Full year forecast is expected to finish under budget mainly due to a decrease in drainage contributions for the year.
Net gain/(loss) on disposal	180	180	135	37	(98)	-72.9%	180	-	0.0%	
Other Income	2,036	2,036	1,527	3,939	2,412	158.0%	3,904	1,868	91.8%	YTD favourable variance due to unbudgeted income for road discontinuances being received. Full year forecast expected to finish ahead of budget as a result.
<b>Total Revenue</b>	<b>200,673</b>	<b>200,716</b>	<b>178,045</b>	<b>184,077</b>	<b>6,032</b>	<b>3.4%</b>	<b>197,021</b>	<b>(3,695)</b>	<b>-1.8%</b>	
<b>Expenses from ordinary activities</b>										
Employee Costs	87,115	87,443	63,733	65,394	(1,661)	-2.6%	86,590	853	1.0%	YTD unfavourable variance is due to casual labour exceeding budget, particularly in recreation and leisure due to the need for additional lifeguards stemming from a legislative change late last year. Maternity leave costs have also exceeded budget.
Materials and services	73,303	73,719	50,606	48,394	2,211	4.4%	69,038	4,681	6.3%	YTD favourable variance primarily due to delays in the timing of contract payments as a result of the COVID-19 pandemic. Full year forecast is expected to finish favourable to budget as a result of reductions in costs associated with the impact of the COVID-19 pandemic.
Bad and doubtful debts	4,000	4,000	2,994	3,552	(558)	-18.6%	5,000	(1,000)	-25.0%	YTD unfavourable variance due to a higher doubtful debts percentage being applied to parking infringements in comparison to the budget. The collection issues Council is currently experiencing with Fines Victoria is a key contributing factor here.
Depreciation	22,800	22,800	17,100	17,000	100	0.6%	22,800	-	0.0%	
Amortisation - right of use assets	-	-	-	701	(701)	0.0%	971	(971)	0.0%	YTD unfavourable variance due to the introduction of a change in accounting treatment for Councils operating leases. The variance offsets against the materials and services line where operating lease costs are favourable to budget.
Borrowing costs	2,035	2,035	1,526	1,452	75	4.9%	2,035	0	0.0%	
Interest Exp - Leases	-	-	-	127	(127)	0.0%	165	(165)	0.0%	YTD unfavourable variance due to the introduction of a change in accounting treatment for Councils operating leases. The variance offsets against the materials and services line where operating lease costs are favourable to budget.
<b>Total Expenses</b>	<b>189,254</b>	<b>189,998</b>	<b>135,959</b>	<b>136,620</b>	<b>(661)</b>	<b>-0.5%</b>	<b>186,599</b>	<b>3,399</b>	<b>1.8%</b>	
<b>Net Result</b>	<b>11,418</b>	<b>10,719</b>	<b>42,087</b>	<b>47,457</b>	<b>5,371</b>	<b>12.8%</b>	<b>10,422</b>	<b>(297)</b>	<b>-2.8%</b>	

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 adjusted budget Net Result has decreased by \$0.7m after adjusting for the impact of carry over items.

**YARRA CITY COUNCIL  
FINANCIAL REPORT  
1 July 2019 to 31 March 2020  
EFT**

Directorate	Budget 01/07/2019	Current period balance	Movement Fav/(Unfav)
<b>CEO Division</b>			
Permanent	49.9	54.8	(4.9)
Temporary	5.4	6.2	(0.8)
Casual	3.2	1.2	2.0
	<b>58.5</b>	<b>62.1</b>	<b>(3.6)</b>
<b>Corporate, Business &amp; Financial Services</b>			
Permanent	155.5	167.2	(11.7)
Temporary	-	-	-
Casual	10.2	11.3	(1.1)
	<b>165.7</b>	<b>178.5</b>	<b>(12.8)</b>
<b>Community Wellbeing</b>			
Permanent	268.0	264.2	3.9
Temporary	3.1	5.9	(2.8)
Casual	20.6	20.3	0.4
	<b>291.7</b>	<b>290.3</b>	<b>1.4</b>
<b>City Works &amp; Assets</b>			
Permanent	227.7	215.5	12.2
Temporary	3.6	4.6	(1.0)
Casual	18.4	25.5	(7.1)
	<b>249.7</b>	<b>245.6</b>	<b>4.1</b>
<b>Planning &amp; Placemaking</b>			
Permanent	85.8	89.8	(4.0)
Temporary	2.8	2.0	0.8
Casual	0.2	0.8	(0.6)
	<b>88.8</b>	<b>92.6</b>	<b>(3.8)</b>
<b>Total Permanent</b>	<b>786.9</b>	<b>791.4</b>	<b>(4.5)</b>
<b>Total Temporary</b>	<b>14.9</b>	<b>18.7</b>	<b>(3.8)</b>
<b>Total Casual</b>	<b>52.6</b>	<b>59.1</b>	<b>(6.5)</b>
<b>Total EFT</b>	<b>854.3</b>	<b>869.2</b>	<b>(14.9)</b>

**YARRA CITY COUNCIL  
FINANCIAL REPORT  
1 July 2019 to 31 March 2020  
Debtors**

Rate Debtors Aging (years)	<1 \$'000	1 \$'000	2 \$'000	3+ \$'000	Total \$'000
Commercial	6,317	139	44	26	6,525
FSL - Commercial	1,933	50	15	10	2,008
Industrial	1,786	35	8	8	1,837
FSL - Industrial	769	4	15	10	798
Residential	23,263	1,097	470	734	25,564
FSL - Residential	1,863	89	40	40	2,031
FSL - Public Benefit	12	2	3	0	17
FSL - Vacant	10	1	0	0	12
FSL - Interest	31	12	5	4	52
Legal Fees	50	15	10	11	87
Bridge Road Special Charge	41	0	0	0	42
Garbage & Other	(461)	(71)	(16)	(8)	(556)
<b>Sub Total</b>	<b>35,614</b>	<b>1,373</b>	<b>595</b>	<b>835</b>	<b>38,417</b>

Parking Debtors	Balance as at 30/06/19 \$'000	Current period balance \$'000	Movement Inc/(Dec) \$'000	Comments
	4,867	5,444	577	Movement in additional parking infringement debtors raised less payments received and debt provision.

**Parking Debtors Aging**

Aging (days)	Total	Current	30	60	90+
	5,444	1,022	452	436	3,534

General/Sundry Debtors	Balance as at 30/06/19 \$'000	Current period balance \$'000	Movement Inc/(Dec) \$'000	Comments
	528	1,461	933	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)	2,603	1,461	614	324	204
Provision for Doubtful Debt (3252)	(730)	-	-	-	(730)
RAMs Debtors (3256) - Property development applications	11,987	4,554	383	245	6,806
Animal Debtors (3257)	(0)	(0)	(0)	-	(0)
PLUS Debtors (3258) - Misc. permits for advertising and footpath occupation	54	53	0	0	1
Local Laws Debtors (3259)	97	15	0	1	81
Building Debtors (3261)	1,624	639	51	32	902
Salary Sacrifice (3264)	8	8	-	-	-
Fines and Costs (3265)	1,370	137	121	128	983
BAGS Control Debtors (3271) - Asset Protection applications	27	-	-	-	27
Bin Debtors (3272)	40	16	1	1	22
MCC Superannuation (3222)	(9)	(9)	-	-	-
GST Clearing (3249 / 3255)	2,101	2,101	-	-	-
WorkCover Wages / Receipts (3230 / 3232) - WorkCover wages claims	20	20	-	-	-
Perin Cheques - Parking (3273)	(476)	-	-	-	(476)
<b>S/Total</b>	<b>20,160</b>	<b>10,193</b>	<b>1,170</b>	<b>731</b>	<b>8,066</b>
Services Contracts (3262) - Asset Protection bonds	(12,838)	(4,829)	(413)	(264)	(7,334)
CD Bonds (3277) - Construction Development bonds	(320)	(320)	-	-	-
<b>S/Total</b>	<b>(13,159)</b>	<b>(5,149)</b>	<b>(413)</b>	<b>(264)</b>	<b>(7,334)</b>
<b>Total</b>	<b>7,002</b>	<b>5,044</b>	<b>758</b>	<b>467</b>	<b>732</b>

**YARRA CITY COUNCIL  
FINANCIAL REPORT  
1 July 2019 to 31 March 2020  
Open Space Reserve**

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

Open Space Reserve Account	Amount \$'000
Opening Balance as at 30 June 2019	7,799

Funds Received (Transfers to Reserve)	Amount \$'000
19-21 Judd Street Richmond - 30 lot subdivision	176
487-489 Nicholson Street Carlton North	50
61-69 William Street Abbotsford	495
110 Leicester Street Fitzroy	167
223 Napier Street Fitzroy	140
15-21 Derby Street Collingwood	338
44-46 Greeves St Fitzroy	144
429-437 Swan St Richmond	367
87-89 Church St Richmond	63
247-259 Johnston St & 36-40 Stafford St Abbotsford	675
271 Bridge Rd Richmond	2,588
172-174 Lennox Street Richmond	360
229 Smith Street Fitzroy	158
182 Johnston St Fitzroy	176
60A Gibdon St Burnley	72
44 Keele St Collingwood	56
<b>Total</b>	<b>6,021</b>

Projects (transfers from Reserve)	Amount \$'000
Condell Street Reserve	81
Browns Reserve	24
Alphington Park	1
Alphington Park Oval	120
Burnley Park Oval	120
Edinburgh Gardens	13
<b>Total</b>	<b>359</b>

Open Space Reserve Account	Amount \$'000
Closing balance as at March	13,461

**YARRA CITY COUNCIL  
FINANCIAL REPORT  
1 July 2019 to 31 March 2020  
Borrowings**

Amount \$m	Lender	Type	Term years	Maturity Date	Balance as at 30/06/19 \$m	Current period balance \$m	Movement Inc/(Dec)	Comments
\$32.5M	NAB	Interest only	7	2021	32.5	32.5	-	Interest only
\$13.5M	CBA	P&I	10	2027	11.2	10.3	(0.9)	YTD repayments made (approx \$300k per quarter)
					<b>43.7</b>	<b>42.8</b>	<b>(0.9)</b>	

**YARRA CITY COUNCIL  
FINANCIAL REPORT  
1 July 2019 to 31 March 2020  
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	26%	> 0%	-10% - 0%	< -10%	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. YTD result ahead of budget due to the annual rates being raised in Aug19. Final result expected to be in line with budget placing Council in the Low Risk range.
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						
Liquidity (ratio)	Current assets / Current liabilities	3.30	> 1.0	0.75 - 1.0	< 0.75	YTD result ahead of budget due to the annual rates being raised in Aug19. Final result expected to be in line with budget placing Council in the Low Risk range.
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	192%	> 100%	75% - 100%	< 75%	YTD result well ahead of budget due to net operating cashflows significantly higher than capital works. This is the result of cashflow from rates starting to flow in. Final result expected to be in line with budget placing Council in Low Risk range.
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						
Indebtedness (%)	Non-current liabilities / own-sourced revenue	27%	< 40%	40% - 60%	> 60%	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.
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-						
Capital replacement (ratio)	Cash outflows for property, plant and equipment / Depreciation	1.1	>1.5	1.0 - 1.5	< 1.0	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.
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						
Renewal gap (ratio)	Renewal and upgrade expenditure/depreciation	0.9	>1.0	0.5 - 1.0	<0.5	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.
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						

Local Government Performance Reporting Framework Indicators				
Indicator/Description	Measure	2018-19 Result	Current Period Result	Variance
<b>Liquidity</b>				
L1	Current assets compared to current liabilities	282.2%	329.9%	16.9%
L2	Unrestricted cash compared to current liabilities	183.5%	244.8%	33.4%
<b>Obligations</b>				
O1	Asset renewal as a % of depreciation	96.1%	74%	-22.7%
O2	Loans and borrowings as a % of rates	40.3%	38.1%	-5.3%
O3	Loans and borrowings repayments as a % of rates	1.1%	-0.7%	-163.2%
O4	Non-current liabilities as a % of own source revenue	26.4%	26.8%	1.5%
<b>Operating Position</b>				
OP1	Adjusted underlying surplus (or deficit) as a % of underlying revenue	8.4%	21.0%	150.1%

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 2019 to 31 March 2020  
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	12,485	13,295	7,961	5,094	2,866	36.0%	11,299	1,996	15.0%	-	144	YTD variance due to slow start on buildings program which is a historical trend. Forecast has been updated to reflect reduced expected spend on a number of projects this year including Ryan's Reserve which will be carried forward to the 20/21 program.
<b>Total buildings</b>	<b>12,485</b>	<b>13,295</b>	<b>7,961</b>	<b>5,094</b>	<b>2,866</b>	<b>36.0%</b>	<b>11,299</b>	<b>1,996</b>	<b>15.0%</b>	<b>-</b>	<b>144</b>	
<b>Total property</b>	<b>12,485</b>	<b>13,295</b>	<b>7,961</b>	<b>5,094</b>	<b>2,866</b>	<b>36.0%</b>	<b>11,299</b>	<b>1,996</b>	<b>15.0%</b>	<b>-</b>	<b>144</b>	
<b>Plant and equipment</b>												
Plant, Machinery and Equipment	1,902	1,902	1,013	598	415	41.0%	1,902	-	0.0%	-	-	YTD variance due to the timing of plant purchases being behind budget. Expected to finish in line with budget.
Computers & Telecommunications	2,704	2,970	1,989	678	1,311	65.9%	2,970	-	0.0%	-	-	YTD variance due to timing of payments for software and network infrastructure, now expected later than budgeted.
<b>Total plant and equipment</b>	<b>4,606</b>	<b>4,872</b>	<b>3,002</b>	<b>1,275</b>	<b>1,726</b>	<b>57.5%</b>	<b>4,872</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	
<b>Infrastructure</b>												
Roads	9,268	9,308	5,116	4,356	760	14.9%	8,937	371	4.0%	-	1,048	YTD variance due to slow start on Road projects. Expected to finish slightly under budget.
Bridges	93	93	-	44	(44)	0.0%	93	-	0.0%	-	-	
Lanes	1,099	1,159	1,099	967	132	12.0%	1,090	69	5.9%	-	45	
Transport	3,507	4,761	2,832	1,545	1,287	45.4%	4,661	100	2.1%	-	-	YTD variance due to works on the LATM's being behind schedule. Expected to finish in line with budget, with some carry forward for LAPM's expected.
Waste Management	70	70	-	-	-	0.0%	70	-	0.0%	-	-	
Parks, Open Space And Streetscapes	4,000	3,946	2,690	2,359	331	12.3%	4,098	(152)	-3.9%	204	-	YTD variance due to projects behind schedule due to start dates later than originally programmed. Expected to finish in line with budget.
Street Furniture	270	270	49	10	39	79.0%	270	-	0.0%	-	-	
Retail Strips	200	200	200	167	33	16.4%	227	(27)	-13.6%	-	-	
Priority Projects	971	971	342	193	149	43.5%	959	12	1.3%	-	-	YTD variance due to timing of work on Bridge road and Swan Street activity centre.
Library Resources	690	724	485	385	100	20.6%	724	-	0.0%	-	-	YTD variance due to timing of purchases. Expected to finish in line with budget.
<b>Total infrastructure</b>	<b>20,168</b>	<b>21,501</b>	<b>12,814</b>	<b>10,027</b>	<b>2,787</b>	<b>21.7%</b>	<b>21,129</b>	<b>372</b>	<b>-4.2%</b>	<b>204</b>	<b>1,093</b>	
<b>Total capital works expenditure</b>	<b>37,259</b>	<b>39,668</b>	<b>23,776</b>	<b>16,397</b>	<b>7,379</b>	<b>31.0%</b>	<b>37,300</b>	<b>2,368</b>	<b>6.0%</b>	<b>204</b>	<b>1,237</b>	

Note: Full year adopted budget figure of \$31.244M has been adjusted to incorporate unspent carry over funds of \$6.014M from the 2018/19 Capital Works program. Further movement of \$2.4M in Adjusted Budget YTD primarily due to Malcolm Graham Pavillion and the Blackspots Improvement project for which Federal Government funding is to be received.

**YARRA CITY COUNCIL  
FINANCIAL REPORT  
1 July 2019 to 31 March 2020**

**City of Yarra  
Income Statement**

**For Period 09 - March**

	19/20 CL Actuals YTD \$'000	19/20 CL Bud Adjust YTD \$'000	Actuals vs Budget YTD Variance \$'000	Actuals vs Budget YTD Variance %	19/20 CL Bud Adopted Full Year \$'000	19/20 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	112,149	111,895	254	0%	112,465	112,465	111,691	(774)
Statutory fees and fines	25,072	24,776	296	1%	32,935	32,935	29,235	(3,700)
User Fees	24,333	24,558	(225)	-1%	32,330	32,330	26,658	(5,672)
Reimbursements	827	721	106	15%	1,055	1,055	1,437	382
Grants - Operating	9,520	8,760	759	9%	12,542	12,587	14,151	1,564
Grants - Capital	1,707	2,150	(443)	-21%	2,433	2,433	2,994	561
Contributions - OSR	6,021	3,225	2,796	87%	4,300	4,300	6,500	2,200
Contributions - Other monetary	473	298	175	59%	397	397	271	(126)
Net gain/(loss) on disposal of property, infrastructure, pla	37	135	(98)	-73%	180	180	180	0
Other Income	3,939	1,527	2,412	158%	2,036	2,036	3,904	1,868
	<b>184,077</b>	<b>178,045</b>	<b>6,032</b>	<b>3%</b>	<b>200,673</b>	<b>200,716</b>	<b>197,021</b>	<b>(3,695)</b>
<b>Expenses from ordinary activities</b>								
Employee Costs	65,394	63,733	(1,661)	-3%	87,115	87,443	86,590	853
Materials and services	48,394	50,606	2,211	4%	73,303	73,719	69,038	4,681
Bad and doubtful debts	3,552	2,994	(558)	-19%	4,000	4,000	5,000	(1,000)
Depreciation	17,000	17,100	100	1%	22,800	22,800	22,800	0
Amortisation - right of use assets	701	0	(701)	0%	0	0	971	971
Borrowing costs	1,452	1,526	75	5%	2,035	2,035	2,035	(0)
Interest Exp - Leases	127	0	(127)	0%	0	0	165	165
	<b>136,620</b>	<b>135,959</b>	<b>(661)</b>	<b>0%</b>	<b>189,254</b>	<b>189,998</b>	<b>186,599</b>	<b>3,399</b>
	<b>47,457</b>	<b>42,087</b>	<b>5,371</b>	<b>13%</b>	<b>11,418</b>	<b>10,719</b>	<b>10,422</b>	<b>(297)</b>

**YARRA CITY COUNCIL  
FINANCIAL REPORT  
1 July 2019 to 31 March 2020**

**Balance sheet**

	Balance as at 30/06/2019 \$'000	Balance as at period end \$'000	Movement Inc/(Dec) \$'000	Comments
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	87,653	106,354	18,701	Change in cash levels due to third instalment of rates for 2019/20 being received.
Receivables - Rates	5,561	38,417	32,856	Rates for 2019/20 were raised in August 2019 and Receivables reduce with each payment instalment received.
Receivables - Parking	4,867	5,444	577	Jul19 - Mar20 infringement debtors raised less payments and debt provision.
Receivables - Other	4,369	6,799	2,430	Movement due to increase in planning and construction and development works.
Accrued income	58	2,482	2,424	Accrued income relates to interest income that will be received in cash when term deposits mature and parking metre income earned but not yet received.
Prepayments	562	-	(562)	
Inventories	129	129	-	
Assets Held for Resale	-	-	-	
<b>Total Current Assets</b>	<b>103,199</b>	<b>159,625</b>	<b>56,426</b>	
<b>Non-Current Assets</b>				
Non-current receivables	230	230	-	
Financial assets	5	5	-	
Property, infrastructure, plant and equipment	1,984,061	1,983,609	(452)	Depreciation expense for PPE YTD.
Right-of-use assets	-	2,570	2,570	As a result of the introduction of AASB 16 right-of-use assets have been recognised.
<b>Total Non-Current Assets</b>	<b>1,984,296</b>	<b>1,986,414</b>	<b>2,118</b>	
<b>TOTAL ASSETS</b>	<b>2,087,495</b>	<b>2,146,039</b>	<b>58,544</b>	
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	7,999	1,539	(6,460)	Payments have been made which reduce the payables owing amount. This will vary during the financial year.
Fire Services Levy	5,563	17,531	11,968	Raised at the same time as Rate income and payments made quarterly to SRO.
Trust funds	6,735	8,783	2,048	The movement is mainly due to receiving and holding trusts and bonds.
Accrued Expenses	4,730	5,594	864	Accruals raised for expenditure not yet paid. This will vary during the financial year. Accruals include contract payments and utilities.
Income in advance	157	210	53	
Employee benefits	13,158	14,181	1,023	
Interest-bearing liabilities	1,218	310	(908)	
Lease liabilities	-	235	235	As a result of the introduction of AASB 16 lease liabilities have been recognised.
<b>Total Current Liabilities</b>	<b>39,560</b>	<b>48,383</b>	<b>8,823</b>	
<b>Non-Current Liabilities</b>				
Non-current employee benefits	1,393	1,216	(177)	
Non-current interest bearing liabilities	42,473	42,473	-	
Non-current lease liabilities	-	2,389	2,389	As a result of the introduction of AASB 16 lease liabilities have been recognised.
Non-current Trust Liability	237	243	6	
<b>Total Non-Current Liabilities</b>	<b>44,103</b>	<b>46,321</b>	<b>2,218</b>	
<b>TOTAL LIABILITIES</b>	<b>83,663</b>	<b>94,704</b>	<b>11,041</b>	
<b>NET ASSETS</b>	<b>2,003,833</b>	<b>2,051,335</b>	<b>47,502</b>	
<b>Represented by:</b>				
Accumulated surplus	666,415	660,798	(5,617)	
Asset revaluation reserves	1,329,540	1,329,540	-	
Other reserves	7,878	13,540	5,662	Open space contributions for the year less transfers out.
Retained Earnings	-	47,457	47,457	Net result for the year YTD.
<b>EQUITY</b>	<b>2,003,833</b>	<b>2,051,335</b>	<b>47,502</b>	

**YARRA CITY COUNCIL  
FINANCIAL REPORT  
1 July 2019 to 31 March 2020  
Cash Flow Statement**

	Balance as at period end \$'000
<b>Cash Flows from Operating Activities</b>	
Rates and Charges	91,079
Parking Revenue	17,737
Government Grants Received	9,149
Victoria Grants Commission	602
User Charges, Fees and Other Fines Received	31,672
Reimbursements and Contributions Received	325
Interest Revenue	932
Other Revenue	6,031
Payments to Suppliers	(55,174)
Payments to Employees	(64,856)
Net GST	(186)
<b>Net Cash Provided by Operating Activities</b>	<b>37,311</b>
<b>Cash Flows from Investing Activities</b>	
Proceeds from Sale of Property, Plant & Equipment	63
Payments for Infrastructure, Property Plant & Equipment	(19,469)
<b>Net Cash (Used in) Investing Activities</b>	<b>(19,406)</b>
<b>Cash Flows from/(used in) Financing Activities</b>	
Finance Costs	(1,113)
(Proceeds from Borrowings)/Payments Towards	1,909
<b>Net Cash (Used In) Financing Activities</b>	<b>796</b>
<b>Cash Balances</b>	
Change in Cash Held	18,701
Cash at beginning of year	87,653
<b>Cash at the End of the Financial Period</b>	<b>106,354</b>
<b>End of year Budgeted cash balance</b>	<b>78,531</b>

Council needs to fund the following items from the current cash balance. This may include expenses associated with revenue received in a previous financial year (eg: grants)

<b>Future items to be funded</b>	<b>\$'000</b>
Grant Commission Funding (2019-20 funds received in 2018-19)	1,000
Capital Carry Forwards	6,000
Depot Relocation Grant Funding	16,700
Other Capital Grants	2,500
Operating Grant Income Received - to be paid back in 2019-20 (NDIS Funding Target Shortfall)	1,500
Open Space Reserve to be cash backed	13,461
<b>Total</b>	<b>41,161</b>

**YARRA CITY COUNCIL  
FINANCIAL REPORT  
1 July 2019 to 31 March 2020  
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	12,485	13,295	7,961	5,094	2,866	36.0%	11,299	1,996	15.0%	-	144
<b>Total Property</b>	<b>12,485</b>	<b>13,295</b>	<b>7,961</b>	<b>5,094</b>	<b>2,866</b>	<b>36.0%</b>	<b>11,299</b>	<b>1,996</b>	<b>15.0%</b>	<b>-</b>	<b>144</b>
<b>Plant and equipment</b>											
Plant, Machinery & Equipment	1,902	1,902	1,013	598	415	41.0%	1,902	-	0.0%	-	-
Computers & Telecommunications	2,704	2,970	1,989	678	1,311	65.9%	2,970	-	0.0%	-	-
<b>Total plant and equipment</b>	<b>4,606</b>	<b>4,872</b>	<b>3,002</b>	<b>1,275</b>	<b>1,726</b>	<b>57.5%</b>	<b>4,872</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>
<b>Infrastructure</b>											
Roads	9,268	9,308	5,116	4,356	760	14.9%	8,937	371	4.0%	-	1,048
Bridges	93	93	-	44	(44)	0.0%	93	-	0.0%	-	-
Lanes	1,099	1,159	1,099	967	132	12.0%	1,090	69	5.9%	-	45
Transport	3,507	4,761	2,832	1,545	1,287	45.4%	4,661	100	2.1%	-	-
Waste Management	70	70	-	-	-	0.0%	70	-	0.0%	-	-
Parks, Open Space And Streetscapes	4,000	3,946	2,690	2,359	331	12.3%	4,098	(152)	-3.9%	204	-
Street Furniture	270	270	49	10	39	79.0%	270	-	0.0%	-	-
Retail Strips	200	200	200	167	33	16.4%	227	(27)	-13.6%	-	-
Priority Projects	971	971	342	193	149	43.5%	959	12	1.3%	-	-
Library Resources	690	724	485	385	100	20.6%	724	-	0.0%	-	-
<b>Total infrastructure</b>	<b>20,168</b>	<b>21,501</b>	<b>12,814</b>	<b>10,027</b>	<b>2,787</b>	<b>21.7%</b>	<b>21,129</b>	<b>372</b>	<b>1.7%</b>	<b>204</b>	<b>1,093</b>
<b>Total capital works expenditure</b>	<b>37,259</b>	<b>39,668</b>	<b>23,776</b>	<b>16,397</b>	<b>7,379</b>	<b>31.0%</b>	<b>37,300</b>	<b>2,368</b>	<b>6.0%</b>	<b>204</b>	<b>1,237</b>

Note: Full year adopted budget figure of \$31.244M has been adjusted to incorporate unspent carry over funds of \$6.014M from the 2018/19 Capital Works program. Further movement of \$2.4M in Adjusted Budget YTD primarily due to Malcolm Graham Pavillion and the Blackspots Improvement project for which Federal Government funding is to be received.