



**Finance Report**  
**for the period**  
**1 July 2020 to 31 December 2020**

**YARRA CITY COUNCIL  
FINANCIAL REPORT  
1 July 2020 to 31 December 2020  
Dashboard**

Income Statement	Full Year Adopted Budget	YTD Budget	YTD Actuals	YTD Variance Fav/(Unfav)	YTD Variance Fav/(Unfav)	Full year forecast	Variance to Full Year Budget Fav/(Unfav)	Forecast variance Fav/(Unfav)
	\$'000	\$'000	\$'000	\$'000	%	\$'000	\$'000	%
<b>Revenue from ordinary activities</b>								
Rates and charges	115,869	115,398	115,415	17	0.0%	115,869	-	0.0%
Statutory fees and fines	25,454	13,671	6,358	(7,313)	-53.5%	17,004	(8,450)	-33.2%
User Fees	25,427	13,243	8,644	(4,599)	-34.7%	20,927	(4,500)	-17.7%
Reimbursements	1,074	601	408	(193)	-32.1%	1,035	(39)	-3.6%
Grants - Operating	14,399	6,700	9,765	3,065	45.7%	18,836	4,437	30.8%
Grants - Capital	4,169	118	1,142	1,024	867.8%	1,679	(2,490)	-59.7%
Contributions - OSR	4,500	2,250	2,129	(121)	-5.4%	4,500	-	0.0%
Contributions - Other monetary	1,156	125	383	258	206.4%	1,056	(100)	-8.7%
Net gain/(loss) on disposal	160	(48)	2,446	2,494	-5195.8%	3,080	2,920	1825.0%
Other Income	1,204	380	413	33	8.7%	1,311	107	8.9%
<b>Total Revenue</b>	<b>193,412</b>	<b>152,438</b>	<b>147,103</b>	<b>(5,335)</b>	<b>-3.5%</b>	<b>185,297</b>	<b>(8,115)</b>	<b>-4.2%</b>
<b>Expenses from ordinary activities</b>								
Employee Costs	90,028	45,565	44,925	640	1.4%	92,649	(2,621)	-2.9%
Materials and services	75,039	35,758	32,666	3,092	8.6%	74,395	644	0.9%
Bad and doubtful debts	5,000	2,500	1,188	1,312	52.5%	3,000	2,000	40.0%
Depreciation	23,800	11,900	11,593	307	2.6%	23,800	-	0.0%
Amortisation - right of use assets	880	440	504	(64)	-14.5%	1,148	(268)	-30.5%
Borrowing costs	1,867	933	947	(14)	-1.5%	1,867	-	0.0%
Interest Expenses - Leases	118	59	66	(7)	-11.9%	163	(45)	-38.1%
Other Expenses	624	285	211	74	26.0%	629	(5)	-0.8%
<b>Total Expenses</b>	<b>197,356</b>	<b>97,440</b>	<b>92,100</b>	<b>5,340</b>	<b>5.5%</b>	<b>197,651</b>	<b>(295)</b>	<b>-0.1%</b>
<b>Net Result</b>	<b>(3,944)</b>	<b>54,998</b>	<b>55,003</b>	<b>5</b>	<b>0.0%</b>	<b>(12,354)</b>	<b>(8,410)</b>	<b>213.2%</b>

Income Statement by Division	Full Year Adopted Budget	YTD Adjusted Budget	YTD Actuals	YTD Variance Fav/(Unfav)	YTD Variance Fav/(Unfav)	Full year forecast	Variance to Full Year Budget Fav/(Unfav)	Forecast variance Fav/(Unfav)
Chief Executive Revenue	1,940	678	1,188	510	75.2%	4,323	2,383	122.8%
Chief Executive Expense	13,205	6,310	7,696	(1,386)	-22.0%	16,990	(3,785)	-28.7%
<i>Net (Exp)/Rev</i>	<i>(11,265)</i>	<i>(5,632)</i>	<i>(6,508)</i>	<i>(876)</i>	<i>-15.6%</i>	<i>(12,667)</i>	<i>(1,402)</i>	<i>-12.4%</i>
Corporate, Business and Finance Revenue	151,546	132,366	125,958	(6,408)	-4.8%	142,502	(9,044)	-6.0%
Corporate, Business and Finance Expense	66,114	32,586	29,203	3,383	10.4%	59,975	6,139	9.3%
<i>Net (Exp)/Rev</i>	<i>85,432</i>	<i>99,780</i>	<i>96,755</i>	<i>(3,025)</i>	<i>-3.0%</i>	<i>82,527</i>	<i>(2,905)</i>	<i>-3.4%</i>
Planning and Place Making Revenue	8,431	4,033	4,880	847	21.0%	8,616	185	2.2%
Planning and Place Making Expense	16,524	8,023	8,729	(706)	-8.8%	18,211	(1,687)	-10.2%
<i>Net (Exp)/Rev</i>	<i>(8,093)</i>	<i>(3,990)</i>	<i>(3,849)</i>	<i>141</i>	<i>3.5%</i>	<i>(9,595)</i>	<i>(1,502)</i>	<i>-18.6%</i>
Community Wellbeing Revenue	15,226	7,685	8,458	773	10.1%	15,056	(170)	-1.1%
Community Wellbeing Expense	39,665	19,239	16,329	2,910	15.1%	38,897	768	1.9%
<i>Net (Exp)/Rev</i>	<i>(24,439)</i>	<i>(11,554)</i>	<i>(7,871)</i>	<i>3,683</i>	<i>31.9%</i>	<i>(23,841)</i>	<i>598</i>	<i>2.4%</i>
City Works and Assets Revenue	16,269	7,675	6,619	(1,056)	-13.8%	14,801	(1,468)	-9.0%
City Works and Assets Expense	61,849	31,281	30,141	1,140	3.6%	63,579	(1,730)	-2.8%
<i>Net (Exp)/Rev</i>	<i>(45,580)</i>	<i>(23,606)</i>	<i>(23,522)</i>	<i>84</i>	<i>0.4%</i>	<i>(48,778)</i>	<i>(3,198)</i>	<i>-7.0%</i>
<b>Total Net (Exp)/Rev</b>	<b>(3,944)</b>	<b>54,998</b>	<b>55,003</b>	<b>5</b>	<b>0.0%</b>	<b>(12,354)</b>	<b>(8,410)</b>	<b>213.2%</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

**VAGO Ranges for Liquidity**

Cash Position	Full year Budget Target	Current period Result	Forecast result	Low Risk	Medium Risk	High Risk
Liquidity Ratio	2.68	3.54	2.68	> 1	0.75 - 1	< 0.75

Greater detail is included in the VAGO Indicators section on page 14

EFT	Full year Budget	Current period Result	Forecast result
Establishment	866	925	925
Vacant positions (included in above)		115*	

\*of which 26 EFT relate to new Working for Victoria positions  
 Greater detail is included in the EFT section on page 9

Transfers to/from the Open Space Reserve	Balance as at 30/06/2020 \$'000	Current period balance \$'000	Movement Inc/(Dec) \$'000	Comments
Open Space Reserve	14,766	16,881	2,115	Movement in contributions received less expenditure YTD for 2020/21.

Greater detail is included in the Open Space Reserves section on page 12

Borrowings	Balance as at 30/06/2020 \$m	Current period balance \$m	Movement Inc/(Dec) \$m	Comments
Total Borrowings	42.5	41.8	(0.7)	Principal repayment of \$0.3M YTD

Greater detail is included in the Borrowings section on page 13

Debtors	Balance as at 30/06/2020 \$'000	Current period balance \$'000	Movement Inc/(Dec) \$'000	Comments
Total Debtors	21,621	87,287	65,666	Debtors have increased due to the raising of 2020/21 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 10-11

**YARRA CITY COUNCIL  
FINANCIAL REPORT  
1 July 2020 to 31 December 2020**

**Income Statement by Revenue and Expenditure with Variance Commentary**

Income Statement	Full Year Adopted Budget	YTD Budget	YTD Actuals	YTD Variance Fav/(Unfav)	YTD Variance Fav/(Unfav)	Full year forecast	Variance to Full Year Budget Fav/(Unfav)	Forecast variance Fav/(Unfav)	Variance Comments (including variance comments for forecast changes)
	\$'000	\$'000	\$'000	\$'000	%	\$'000	\$'000	%	
<b>Revenue from ordinary activities</b>									
Rates and charges	115,869	115,398	115,415	17	0.0%	115,869	-	0.0%	
Statutory fees and fines	25,454	13,671	6,358	(7,313)	-53.5%	17,004	(8,450)	-33.2%	YTD unfavourable variance to budget due to a decline in parking activity as a result of the COVID-19 pandemic. There has been lower income received for parking metres and a reduction in the number of infringements issued. Full year forecast expected to finish under budget as a result.
User Fees	25,427	13,243	8,644	(4,599)	-34.7%	20,927	(4,500)	-17.7%	YTD unfavourable variance to budget mostly attributable to the impact of reduced fee income from childcare and leisure (including Burnley Golf Course), which is a result of mandatory facility closures in response to the COVID-19 pandemic and reduced operating capacity upon reopening. Full year forecast expected to finish under budget as a result.
Reimbursements	1,074	601	408	(193)	-32.1%	1,035	(39)	-3.6%	YTD unfavourable variance to budget mainly due to traffic and engineering works reimbursement being behind budget.
Grants - Operating	14,399	6,700	9,765	3,065	45.7%	18,836	4,437	30.8%	YTD favourable variance to budget mostly due to unbudgeted grants for Working for Victoria, outdoor dining, kindergarten support activities and the glass bin rollout. Full year forecast expected to exceed budget as a result.
Grants - Capital	4,169	118	1,142	1,024	867.8%	1,679	(2,490)	-59.7%	YTD favourable variance to budget is due to unbudgeted grant received for Ramsden Reserve Stormwater Harvesting, and grant income for Jack Dyer Pavilion - Citizens Park being received earlier than budgeted. Forecast unfavourable due to the removal of two grants that were received last financial year.
Contributions - OSR	4,500	2,250	2,129	(121)	-5.4%	4,500	-	0.0%	YTD unfavourable variance to budget is due to open space development contributions being behind budget. This is determined by the progress completion of individual developments and funds are committed to be spent on eligible open space projects.
Contributions - Other monetary	1,156	125	383	258	206.4%	1,311	155	13.4%	YTD favourable variance to budget relates to unbudgeted contributions received for street tree planting and maintenance works.
Net gain/(loss) on disposal	160	(48)	2,446	2,494	-5195.8%	3,080	2,920	1825.0%	YTD favourable variance due to unbudgeted sale of discontinued roads.
Other Income	1,204	380	413	33	8.7%	1,056	(148)	-12.3%	Forecast reduction is primarily due to a reduction in Strategic Planning - Amendment Fee income
<b>Total Revenue</b>	<b>193,412</b>	<b>152,438</b>	<b>147,103</b>	<b>(5,335)</b>	<b>-3.5%</b>	<b>185,297</b>	<b>(8,115)</b>	<b>-4.2%</b>	
<b>Expenses from ordinary activities</b>									
Employee Costs	90,028	45,565	44,925	640	1.4%	92,649	(2,621)	-2.9%	YTD favourable variance to budget relates to vacant positions across the organisation due to the impact of facility closures, this is partially offset by an increase in leave provisions due to leave taken being below budgeted levels. The forecast was increased to reflect the Working for Victoria project which is offset by operating grant income.
Materials and services	75,039	35,758	32,666	3,092	8.6%	74,395	644	0.9%	YTD favourable variance to budget is mainly due to delays in the timing of contract payments; legal and consulting works expected to be incurred later than budget. This variance is likely to reduce throughout the course of the year as these costs are incurred.
Bad and doubtful debts	5,000	2,500	1,188	1,312	52.5%	3,000	2,000	40.0%	YTD favourable variance to budget is due to the impact of the COVID-19 pandemic on the value and number of parking infringements being issued. This has resulted in a reduction in expected doubtful debts expense. Full year forecast expected to finish under budget as a result.
Depreciation	23,800	11,900	11,593	307	2.6%	23,800	-	0.0%	YTD favourable variance to budget driven by a reduction in the fair value of depreciable assets that occurred at June 2020. As a result, the depreciable asset base for 2020/21 is lower than budgeted, resulting in lower than anticipated depreciation expense.
Amortisation - right of use assets	880	440	504	(64)	-14.5%	1,148	(268)	-30.5%	YTD unfavourable variance to budget due to amortisation expenses being ahead of budget.
Borrowing costs	1,867	933	947	(14)	-1.5%	1,867	-	0.0%	
Interest Exp - Leases	118	59	66	(7)	-11.9%	163	(45)	-38.1%	
Other Expenses	624	285	211	74	26.0%	629	(5)	-0.8%	YTD favourable variance in audit fees will be spent later than anticipated.
<b>Total Expenses</b>	<b>197,356</b>	<b>97,440</b>	<b>92,100</b>	<b>5,340</b>	<b>5.5%</b>	<b>197,651</b>	<b>295</b>	<b>0.1%</b>	
<b>Net Result</b>	<b>(3,944)</b>	<b>54,998</b>	<b>55,003</b>	<b>5</b>	<b>0.0%</b>	<b>(12,354)</b>	<b>(8,410)</b>	<b>213.2%</b>	

Legend: > (50,000) Unfavourable variance  
> = 50,000 Favourable variance  
No highlight indicates that the item is within tolerance

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

Directorate	Full Year Adopted Budget	Current period balance	Movement Fav/(Unfav)	Commentary
<b>CEO Division</b>				
Permanent	49.5	56.1	(6.6)	Movement due additional approved EFT in the Communications team to support Council's COVID-19 response and a number of priority projects. Also an increase in EFT resulting from the People and Culture restructure.
Temporary	6.0	16.3	(10.3)	Movement due to 3 new positions in the Critical Response and Recovery team, a new Project Officer in the Communications team; and 7 new Working for Victoria positions, including 2 Digital Communications Officers, 2 Risk Officers, a Project Manager and 2 HR Recruitment Officers.
Casual	3.0	1.1	1.9	
	<b>58.5</b>	<b>73.5</b>	<b>(15.0)</b>	
<b>Corporate, Business &amp; Financial Services</b>				
Permanent	168.5	165.0	3.5	Movement due to the payroll team moving to the Human Resources team as part of the People and Culture restructure offset by a new Internal Control and Compliance Officer and the reinstatement of the Manager Financial Services within the Finance team.
Temporary	-	3.0	(3.0)	Movement due to a new Project Manager ICT; a new Construction Enforcement Officer and a new Compliance and Parking Administration Officer within the Compliance & Parking Services Branch; and a new Business Support & Projects Officer.
Casual	11.3	11.3	(0.0)	
	<b>179.8</b>	<b>179.3</b>	<b>0.5</b>	
<b>Community Wellbeing</b>				
Permanent	262.6	277.7	(15.1)	Movement due to realignment of the community partnerships branch into Community wellbeing resulting from the People and Culture restructure, offset by 3 new unbudgeted positions in Sept (combined EFT of 2.1); and the return of the Customer Experience Officer to their substantive role (-1 EFT).
Temporary	3.3	1.1	2.2	
Casual	23.8	20.0	3.8	Movement due to decrease in Group Fitness instructors positions.
	<b>289.7</b>	<b>298.9</b>	<b>(9.2)</b>	
<b>City Works &amp; Assets</b>				
Permanent	213.8	220.5	(6.7)	Movement due to 5 additional EFT in the Waste Management and Cleaning team, 1 EFT in the Waste Minimisation team, and the Asset Management Strategic Lead being reclassified from temporary to permanent.
Temporary	0.6	25.6	(25.0)	Movement due to 2 new roles within the Waste Minimisation team (1.6 EFT); a new Asset Drainage Engineer, a new Coordinator Infrastructure Delivery, a new Senior Project Manager - Infrastructure Delivery, and 20 new Working for Victoria positions, including a Supervisor Cleansing, Graffiti and Disinfecting and 20 Multi Purpose Officers - Cleansing, Graffiti and Disinfecting; offset by the the reclassification of the Asset Management strategic Lead to permanent as indicated above.
Casual	32.2	31.1	1.1	
	<b>246.6</b>	<b>277.2</b>	<b>(30.6)</b>	
<b>Planning &amp; Placemaking</b>				
Permanent	87.8	91.6	(3.8)	Movement due to 4 additional approved positions including Assistant Manager City Strategy, Strategic Planner, Technical Building Officer and Project Officer Continuous improvement.
Temporary	3.0	3.8	(0.8)	Movement due to 2 new Working for Victoria positions, including an Economic Development COVID19 Response Team Leader and a Small Business Ambassador. These new positions were partially offset by the contract end for the Assistant Manager
Casual	0.6	0.8	(0.2)	
	<b>91.4</b>	<b>96.2</b>	<b>(4.8)</b>	
<b>Total Permanent</b>	<b>782.2</b>	<b>810.9</b>	<b>(28.7)</b>	
<b>Total Temporary</b>	<b>12.9</b>	<b>49.8</b>	<b>(36.9)</b>	
<b>Total Casual</b>	<b>70.9</b>	<b>64.4</b>	<b>6.5</b>	
<b>Total EFT</b>	<b>866.0</b>	<b>925</b>	<b>(59.1)</b>	

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

Rate Debtors Aging (years)	<1 \$'000	1 \$'000	2 \$'000	3+ \$'000	Total \$'000
Commercial	12,363	808	99	63	13,333
FSL - Commercial	4,268	350	33	22	4,673
Industrial	3,576	173	22	16	3,787
FSL - Industrial	1,657	37	33	22	1,748
Residential	41,270	2,541	786	1,056	45,653
FSL - Residential	3,455	204	63	69	3,790
FSL - Public Benefit	31	1	4	1	36
FSL - Vacant	29	2	0	1	32
FSL - Interest	9	31	11	8	59
Legal Fees	1	34	19	12	66
Bridge Road Special Charge	78	5	0	0	83
Garbage & Other	12	5	1	1	19
<b>Sub Total</b>	<b>66,520</b>	<b>4,189</b>	<b>1,070</b>	<b>1,133</b>	<b>72,912</b>

Parking Debtors	Balance as at 30/06/2020 \$'000	Current period balance \$'000	Movement Inc/(Dec) \$'000	Comments
	3,809	2,954	(855)	Movement in additional parking infringement debtors raised less payments received and debt provision.

**Parking Debtors Aging**

Aging (days)	Total	Current	30	60	90+
	2,954	620	481	145	1,708

General/Sundry Debtors	Balance as at 30/06/2020 \$'000	Current period balance \$'000	Movement Inc/(Dec) \$'000	Comments
	2,144	4,611	2,468	Movement in additional debtors raised less payments received.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)	5,658	1,143	93	57	4,365
Provision for Doubtful Debt (3252)	(1,046)	(1,046)	-	-	-
RAMs Debtors (3256) - Property development applications	812	233	52	49	477
Animal Debtors (3257)	28	3	0	-	25
PLUS Debtors (3258) - Misc. permits for advertising and footpath occupation	0	(3)	1	-	2
Local Laws Debtors (3259)	99	-	6	-	93
Salary Sacrifice (3264)	3	3	-	-	-
Fines and Costs (3265)	1,634	1,634	-	-	-
BAGS Control Debtors (3271) - Asset Protection applications	1,739	91	63	68	1,517
MCC Superannuation (3222)	0	0	-	-	-
GST Clearing (3249 / 3255)	2,001	2,001	-	-	-
WorkCover Wages / Receipts (3230 / 3232) - WorkCover wages claims	37	37	-	-	-
Perin Cheques - Parking (3273)	428	428	-	-	-
<b>S/Total</b>	<b>11,392</b>	<b>4,522</b>	<b>216</b>	<b>174</b>	<b>6,479</b>

**YARRA CITY COUNCIL  
FINANCIAL REPORT  
1 July 2020 to 31 December 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 as revenue before being transferred into the reserve.

Open Space Reserve Account	Amount \$'000
Opening Balance as at 30 June 2020	14,766

Funds Received (Transfers to Reserve)	Amount \$'000
72 Regent St Richmond	45
302 Mary St Richmond	158
88-92 Alexandra Pde Clifton Hill	81
117-119 Heidelberg Rd Clifton Hill	135
50 Gough St Cremorne	1,575
231 Napier St Fitzroy	135
<b>Total</b>	<b>2,129</b>

Projects (transfers from Reserve)	Amount \$'000
King William St	6
Citizens Park	7
<b>Total</b>	<b>14</b>

Open Space Reserve Account	Amount \$'000
Closing balance as at December	16,881

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

Amount \$m	Lender	Type	Term years	Maturity Date	Balance as at 30/06/2020 \$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	10.0	9.3	(0.7)	YTD repayments made (approx \$300k per quarter)
					<b>42.5</b>	<b>41.8</b>	<b>(0.7)</b>	

**YARRA CITY COUNCIL  
FINANCIAL REPORT  
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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	37%	> 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 Aug 20. Final result expected to be in line with budget which is medium risk.</p>
<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 the comprehensive operating statement.</p>						
Liquidity (ratio)	Current assets / Current liabilities	3.54	> 1.0	0.75 - 1.0	< 0.75	<p>YTD result ahead of budget due to the annual rates being raised in Aug 20. Final result expected to be in line with budget placing Council in the Low Risk range.</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>						
Internal financing (%)	Net operating cash flow / Net capital expenditure	66%	> 100%	75% - 100%	< 75%	<p>YTD result worse than budget as the net operating cash flow is lower than budget due to COVID impacts. Final result expected to further deteriorate and stay in the high risk range.</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 capital expenditure are obtained from the cash flow statement.</p>						
Indebtedness (%)	Non-current liabilities / own-sourced revenue	33%	< 40%	40% - 60%	> 60%	<p>YTD result slightly worse than budget due to COVID impact, but still in the low risk range. Final result expected to stay in the low risk range.</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 revenue is used, rather than total revenue, because it does not include grants or contributions.</p>						
Capital replacement (ratio)	Cash outflows for property, plant and equipment / Depreciation	1.0	> 1.5	1.0 - 1.5	< 1.0	<p>YTD result worse than budget but full year result expected to improve as capital spend is expected to pick up in the next few months. Low Risk range expected.</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 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.</p>						
Renewal gap (ratio)	Renewal and upgrade expenditure/ Depreciation	0.6	> 1.0	0.5 - 1.0	< 0.5	<p>YTD result worse than budget but full year result expected to improve as capital spend is expected to pick up in the next few months. Low Risk range expected.</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. 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.</p>						

Local Government Performance Reporting Framework Indicators				
Indicator/Description	Measure	2019-20 Result	Current Period Result	Variance
<b>Liquidity</b>				
L1	Current assets compared to current liabilities	233.6%	354.0%	51.5%
L2	Unrestricted cash compared to current liabilities	84.1%	44.1%	-47.6%
<b>Obligations</b>				
O1	Asset renewal as a % of depreciation	121.0%	65%	-46.6%
O2	Loans and borrowings as a % of rates	37.9%	36.3%	-4.2%
O3	Loans and borrowings repayments as a % of rates	2.8%	1.8%	-34.5%
O4	Non-current liabilities as a % of own source revenue	23.8%	32.7%	37.3%
<b>Operating Position</b>				
OP1	Adjusted underlying surplus (or deficit) as a % of underlying revenue	-1.0%	32.4%	-3337.7%

Commentary
YTD result higher than budget due to Rates being raised in Aug-20. Full year result expected to be largely in line with budget.
YTD result largely in line with budget and no significant change is expected at the full year result.
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-20. Full year result expected to be in line with budget.



**YARRA CITY COUNCIL  
FINANCIAL REPORT  
1 July 2020 to 31 December 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	12,179	12,328	3,703	1,973	1,730	46.7%	12,186	142	1.2%	-	-	YTD variance in buildings projects to date due to the unavailability of contractors to undertake works and restrictions on the number of workers allowed on-site. The availability of materials has also been restricted due to COVID-19.
<b>Total buildings</b>	<b>12,179</b>	<b>12,328</b>	<b>3,703</b>	<b>1,973</b>	<b>1,730</b>	<b>46.7%</b>	<b>12,186</b>	<b>142</b>	<b>1.2%</b>	<b>-</b>	<b>-</b>	
<b>Total property</b>	<b>12,179</b>	<b>12,328</b>	<b>3,703</b>	<b>1,973</b>	<b>1,730</b>	<b>46.7%</b>	<b>12,186</b>	<b>142</b>	<b>1.2%</b>	<b>-</b>	<b>-</b>	
<b>Plant and equipment</b>												
Plant, Machinery and Equipment	2,179	2,179	1,582	363	1,219	77.0%	2,179	-	0.0%	-	-	YTD variance due to the delayed delivery of electric trucks & passenger cars. The trucks and vehicles need to be imported and have been affected by delays associated with COVID 19.
Computers & Telecommunications	2,738	2,987	808	547	261	32.3%	2,987	-	0.0%	-	-	YTD variance largely due to the delay in procuring new GIS software. Council has received tenders and expects to award the contract in the near future. There are also some delays in delivering I.S. Network infrastructure projects.
<b>Total plant and equipment</b>	<b>4,917</b>	<b>5,166</b>	<b>2,390</b>	<b>910</b>	<b>1,480</b>	<b>61.9%</b>	<b>5,166</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	
<b>Infrastructure</b>												
Roads	9,709	10,319	5,668	3,419	2,249	39.7%	10,444	(124)	-1.2%	-	-	YTD variance in roads projects to date due to the unavailability of contractors to undertake works and restrictions on the number of workers allowed on-site. The availability of materials has also been restricted due to COVID-19. Main delays have been in delivering drainage related projects.
Bridges	110	110	60	72	(12)	-19.9%	110	-	0.0%	-	-	
Lanes	816	816	533	464	69	12.9%	751	65	8.0%	-	-	Program is well advanced and projects are nearing completion.
Transport	1,500	1,500	928	119	809	87.2%	1,500	-	0.0%	-	-	YTD variance due to works on the Black Spots improvement program yet to commence. Expected to finish in line with budget.
Waste Management	75	75	-	23	(23)	0.0%	75	-	0.0%	-	-	
Parks, Open Space And Streetscapes	6,767	6,897	2,248	358	1,891	84.1%	6,930	(33)	-0.5%	-	-	YTD variance due to the impact of COVID 19. This has resulted in delays in the ability to undertake consultation processes hence the program is falling behind. Projects like the Burnley Golf course needs further consultation and instruction from Council. These delays will probably translate to some projects being carried over.
Street Furniture	255	255	4	10	(5)	-126.3%	255	-	0.0%	-	-	
Retail Strips	-	-	-	-	-	0.0%	-	-	0.0%	-	-	
Priority Projects	540	540	50	-	50	100.0%	540	-	0.0%	-	-	
Library Resources	640	640	343	225	118	34.4%	640	-	0.0%	-	-	YTD variance due to some delays in purchasing library resources due to COVID 19 restrictions. All projects will be delivered as restrictions ease
<b>Total infrastructure</b>	<b>20,412</b>	<b>21,152</b>	<b>9,835</b>	<b>4,690</b>	<b>5,145</b>	<b>52.3%</b>	<b>21,244</b>	<b>(92)</b>	<b>6.3%</b>	<b>-</b>	<b>-</b>	
<b>Total capital works expenditure</b>	<b>37,507</b>	<b>38,646</b>	<b>15,928</b>	<b>7,572</b>	<b>8,356</b>	<b>52.5%</b>	<b>38,596</b>	<b>50</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	
NEW	1,100	1,600	378	81	297	78.6%	1,600	-	0.0%	-	-	
REN	33,498	34,086.623	14,452.738	7,180	7,273	50.3%	34,037.011	50	0.1%	0	0	
UPG	2,909	2,958.912	1,097.664	312	786	71.6%	2,958.912	-	0.0%	0	0	
	<b>37,507</b>	<b>38,646</b>	<b>15,928</b>	<b>7,572</b>	<b>8,356</b>	<b>10.1%</b>	<b>38,596</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>-</b>	

Note: Full year adopted budget figure of \$30.543M has been adjusted to incorporate unspent carry over funds of \$7.067M from the 2019/20 Capital Works program.

**YARRA CITY COUNCIL  
FINANCIAL REPORT  
1 July 2020 to 31 December 2020**

For Period 06 - December

	20/21 CL Actuals YTD \$'000	20/21 CL Bud Adjust YTD \$'000	Actuals vs Budget YTD Variance \$'000	Actuals vs Budget YTD Variance %	20/21 CL Bud Adopted Full Year \$'000	20/21 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	115,415	115,398	17	0%	115,869	115,869	115,869	0
Statutory fees and fines	6,358	13,671	(7,313)	-53%	25,454	25,454	17,004	(8,450)
User Fees	8,644	13,243	(4,599)	-35%	25,427	25,427	20,927	(4,500)
Reimbursements	408	601	(193)	-32%	1,074	1,074	1,035	(39)
Grants - Operating	9,765	6,700	3,065	46%	14,399	13,874	18,836	4,962
Grants - Capital	1,142	118	1,024	868%	4,169	4,169	1,679	(2,490)
Contributions - OSR	2,129	2,250	(121)	-5%	4,500	4,500	3,080	(1,420)
Contributions - Other monetary	383	125	258	206%	1,156	1,156	1,056	(100)
Net gain/(loss) on disposal of property, infrastructure, pla	2,446	(48)	2,494	-5196%	160	160	4,500	4,340
Other Income	413	380	33	9%	1,204	1,204	1,311	107
	<u>147,103</u>	<u>152,438</u>	<u>(5,335)</u>	<u>-3%</u>	<u>193,412</u>	<u>192,887</u>	<u>185,297</u>	<u>(7,590)</u>
<b>Expenses from ordinary activities</b>								
Employee Costs	44,925	45,565	640	1%	90,028	90,264	92,649	(2,385)
Materials and services	32,666	35,758	3,092	9%	75,039	75,300	74,396	904
Bad and doubtful debts	1,188	2,500	1,312	52%	5,000	5,000	3,000	2,000
Depreciation	11,593	11,900	307	3%	23,800	23,800	23,800	0
Amortisation - right of use assets	504	440	(64)	-15%	880	880	1,148	268
Borrowing costs	947	933	(14)	-2%	1,867	1,867	1,867	0
Interest Exp - Leases	66	59	(7)	-12%	118	118	163	45
Other Expenses	211	285	74	26%	624	624	629	5
	<u>92,100</u>	<u>97,440</u>	<u>5,340</u>	<u>5%</u>	<u>197,356</u>	<u>197,853</u>	<u>197,651</u>	<u>202</u>
	<u>55,003</u>	<u>54,998</u>	<u>5</u>	<u>0%</u>	<u>(3,944)</u>	<u>(4,966)</u>	<u>(12,354)</u>	<u>(7,388)</u>

**YARRA CITY COUNCIL  
FINANCIAL REPORT  
1 July 2020 to 31 December 2020  
Balance sheet**

	Balance as at 30/06/2020 \$'000	Balance as at period end \$'000	Movement Inc/(Dec) \$'000	Comments
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	94,738	88,918	(5,820)	Cash reduction due to creditor payments for the year combined with reduction in receipts as a result of COVID-19.
Receivables - Rates	9,826	72,941	63,115	Rates for 2020/21 were raised in August 2020. Receivable reduces with each payment instalment received. Balance expected to significantly reduce by 30 June 2021.
Receivables - Parking	3,809	2,954	(855)	Jul 20 - Nov 20 infringement debtors raised less payments and debt provision.
Receivables - Other	7,986	11,392	3,406	The movement mainly relates to additional invoices raised that yet to be paid.
Accrued income	15	32	17	
Prepayments	1,080	360	(720)	Prepayments have been raised as at October 2020. This balance is expected to increase again as at 30 June 2021 for year end statutory adjustments.
Inventories	166	166	-	
Assets Held for Resale	-	-	-	
<b>Total Current Assets</b>	<b>117,620</b>	<b>176,763</b>	<b>59,143</b>	
<b>Non-Current Assets</b>				
Non-current receivables	-	-	-	
Financial assets	5	5	-	
Property, infrastructure ,plant and equipment	1,930,850	1,926,914	(3,936)	Work in progress less depreciation expense for PPE YTD.
Right-of-use assets	2,307	1,803	(504)	Depreciation expense for Right-of-use assets YTD.
<b>Total Non-Current Assets</b>	<b>1,933,162</b>	<b>1,928,722</b>	<b>(4,440)</b>	
<b>TOTAL ASSETS</b>	<b>2,050,782</b>	<b>2,105,485</b>	<b>54,703</b>	
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	11,782	1,164	(10,618)	Payments have been made which reduce the payables owing amount. This will vary during the financial year.
Fire Services Levy	5,461	15,917	10,456	Raised at the same time as Rates for the financial year. Payments made quarterly to the SRO which will reduce the liability.
Trust funds	6,528	6,627	99	
Accrued Expenses	6,252	5,826	(426)	Accruals raised for expenditure not yet paid. This will vary during the financial year. Accruals include contract payments and utilities.
Income in advance	2,678	2,251	(427)	There is a reduction in prepaid user fee income due to COVID-19.
Employee benefits	15,520	17,134	1,614	Increase in employee benefits liability due to less leave being taken during COVID-19.
Interest-bearing liabilities	1,270	641	(629)	Reduction in the loan due to the repayment of the loan principal.
Lease liabilities	851	375	(476)	Reduction in lease liabilities as a result of lease payments being made.
<b>Total Current Liabilities</b>	<b>50,342</b>	<b>49,935</b>	<b>(407)</b>	
<b>Non-Current Liabilities</b>				
Non-current employee benefits	1,269	1,374	105	Increase in non-current employee benefits liability due to less leave being taken during COVID-19.
Non-current interest bearing liabilities	41,203	41,203	-	
Non-current lease liabilities	1,539	1,539	-	
Non-current Trust Liability	374	374	-	
<b>Total Non-Current Liabilities</b>	<b>44,385</b>	<b>44,490</b>	<b>105</b>	
<b>TOTAL LIABILITIES</b>	<b>94,727</b>	<b>94,425</b>	<b>(302)</b>	
<b>NET ASSETS</b>	<b>1,956,054</b>	<b>2,011,059</b>	<b>55,006</b>	
<b>Represented by:</b>				
Accumulated surplus	670,892	668,780	(2,112)	
Asset revaluation reserves	1,270,317	1,270,317	-	
Other reserves	14,845	16,959	2,114	Open space contributions for the year less transfers out.
Retained Earnings	-	55,004	55,004	Net result for the year YTD.
<b>EQUITY</b>	<b>1,956,054</b>	<b>2,011,060</b>	<b>55,006</b>	

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

	Balance as at period end \$'000
<b>Cash Flows from Operating Activities</b>	
Rates and Charges	62,493
Parking Revenue	5,312
Government Grants Received	9,308
Victoria Grants Commission	-
User Charges, Fees and Other Fines Received	11,010
Reimbursements and Contributions Received	164
Interest Revenue	193
Other Revenue	3,164
Payments to Suppliers	(39,144)
Payments to Employees	(44,344)
Net GST	(844)
<b>Net Cash Provided by Operating Activities</b>	<b>7,312</b>
<b>Cash Flows from Investing Activities</b>	
Proceeds from Sale of Property, Plant & Equipment	1
Payments for Infrastructure, Property Plant & Equipment	(11,016)
<b>Net Cash (Used in) Investing Activities</b>	<b>(11,015)</b>
<b>Cash Flows from/(used in) Financing Activities</b>	
Finance Costs	(1,013)
(Proceeds from Borrowings)/Payments Towards	(1,104)
<b>Net Cash (Used In) Financing Activities</b>	<b>(2,117)</b>
<b>Cash Balances</b>	
Change in Cash Held	(5,820)
Cash at beginning of year	94,738
<b>Cash at the End of the Financial Period</b>	<b>88,918</b>
<b>End of year Budgeted cash balance</b>	<b>56,638</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>
Capital Carry Forwards	7,067
Catial Grants	19,085
Other Grant Carry Overs	931
Trust Funds and deposits	22,918
Open Space Reserve to be cash backed	16,881
<b>Total</b>	<b>66,882</b>

**YARRA CITY COUNCIL  
FINANCIAL REPORT  
1 July 2020 to 31 December 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	12,179	12,328	3,703	1,973	1,730	46.7%	12,186	142	1.2%	-	-
<b>Total Property</b>	<b>12,179</b>	<b>12,328</b>	<b>3,703</b>	<b>1,973</b>	<b>1,730</b>	<b>46.7%</b>	<b>12,186</b>	<b>142</b>	<b>1.2%</b>	<b>-</b>	<b>-</b>
<b>Plant and equipment</b>											
Plant, Machinery & Equipment	2,179	2,179	1,582	363	1,219	77.0%	2,179	-	0.0%	-	-
Computers & Telecommunications	2,738	2,987	808	547	261	32.3%	2,987	-	0.0%	-	-
<b>Total plant and equipment</b>	<b>4,917</b>	<b>5,166</b>	<b>2,390</b>	<b>910</b>	<b>1,480</b>	<b>61.9%</b>	<b>5,166</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>
<b>Infrastructure</b>											
Roads	9,709	10,319	5,668	3,419	2,249	39.7%	10,444	(124)	-1.2%	-	-
Bridges	110	110	60	72	(12)	-19.9%	110	-	0.0%	-	-
Lanes	816	816	533	464	69	12.9%	751	65	8.0%	-	-
Transport	1,500	1,500	928	119	809	87.2%	1,500	-	0.0%	-	-
Waste Management	75	75	-	23	(23)	0.0%	75	-	0.0%	-	-
Parks, Open Space And Streetscapes	6,767	6,897	2,248	358	1,891	84.1%	6,930	(33)	-0.5%	-	-
Street Furniture	255	255	4	10	(5)	-126.3%	255	-	0.0%	-	-
Retail Strips	-	-	-	-	-	0.0%	-	-	0.0%	-	-
Priority Projects	540	540	50	-	50	100.0%	540	-	0.0%	-	-
Library Resources	640	640	343	225	118	34.4%	640	-	0.0%	-	-
<b>Total infrastructure</b>	<b>20,412</b>	<b>21,152</b>	<b>9,835</b>	<b>4,690</b>	<b>5,145</b>	<b>52.3%</b>	<b>21,244</b>	<b>(92)</b>	<b>-0.4%</b>	<b>-</b>	<b>-</b>
<b>Total capital works expenditure</b>	<b>37,507</b>	<b>38,646</b>	<b>15,928</b>	<b>7,572</b>	<b>8,356</b>	<b>52.5%</b>	<b>38,596</b>	<b>50</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>

Note: Full year adopted budget figure of \$30.543M has been adjusted to incorporate unspent carry over funds of \$7.067M from the 2019/20 Capital Works program.