CITY OF YaRRA

Finance Report

for the period
1 July 2020 to 31 March 2021

YARRA CITY COUNCIL
FINANCIAL REPORT
1 July 2020 to 31 March 2021
Dashboard

Income Statement	19/20 YTD Actuals	March Budget	March Actual	March Variance Fav/(Unfav)	YTD Budget	YTD Actuals	YTD Variance Fav/(Unfav)	Full Year Adopted Budget	Full Year Forecast	Variance to Full Year Budget Fav/(Unfav)
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue from ordinary activities										
Rates and charges	112,150	(9)	194	203	115,646	116,115	469	115,869	116,369	500
Statutory fees and fines	25,072	1,885	2,862	977	19,101	12,368	(6,733)	25,454	17,004	(8,450)
User Fees	24,334	3,292	3,145	(147)	19,197	16,089	(3,108)	25,427	20,928	(4,499)
Reimbursements	827	40	92	52	721	708	(13)	1,074	1,035	(39)
Grants - Operating	9,520	619	1,480	861	9,594	14,334	4,740	14,399	18,836	4,437
Grants - Capital	1,707	-	1,445	1,445	947	2,741	1,794	4,169	3,099	(1,070)
Contributions - OSR	6,021	563	569	6	2,813	3,195	382	4,500	4,500	-
Contributions - Other monetary	473	23	101	78	267	550	283	1,156	1,311	155
Net gain/(loss) on disposal	2,099	(88)	-	88	248	3,080	2,832	160	3,080	2,920
Other Income	1,877	87	70	(17)	678	601	(77)	1,204	1,056	(148)
Total Revenue	**184,080**	**6,412**	**9,958**	**3,546**	**169,212**	**169,781**	**569**	**193,412**	**187,218**	**(6,194)**
Expenses from ordinary activities										
Employee Costs	65,394	10,318	10,761	(443)	69,371	69,880	(509)	90,028	92,649	(2,621)
Materials and services	48,022	6,008	4,556	1,452	54,030	46,687	7,343	75,039	74,396	643
Bad and doubtful debts	3,552	417	612	(195)	3,750	2,431	1,319	5,000	3,000	2,000
Depreciation	17,000	1,983	1,945	38	17,850	17,249	601	23,800	23,800	-
Amortisation - right of use assets	701	73	99	(26)	660	840	(180)	880	1,148	(268)
Borrowing costs	1,452	153	158	(5)	1,398	1,409	(11)	1,867	1,867	-
Interest Expenses - Leases	127	10	14	(4)	89	125	(36)	118	163	(45)
Other Expenses	372	78	73	5	392	342	50	624	629	(5)
Total Expenses	**136,620**	**19,040**	**18,218**	**822**	**147,540**	**138,963**	**8,577**	**197,356**	**197,652**	**(296)**
Net Result	**47,460**	**(12,628)**	**(8,260)**	**4,368**	**21,672**	**30,818**	**9,146**	**(3,944)**	**(10,434)**	**(6,490)**

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	3.37	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 *	Vacant Positions	Comments
Establishment	866	966	127	36 of the vacant positions relate to new Working for Victoria roles

*includes vacant positions
Greater detail is included in the EFT section on page 10

Transfers to/from the Open Space Reserve	Balance as at $'000	Current period $'000	Movement $'000	Comments
Open Space Reserve	14,766	17,342	2,576	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	41.5	-0.9	Principal repayment of $0.9M YTD

Greater detail is included in the Borrowings section on page 13

Income Statement by Division	19/20 YTD Actuals	March Budget	March Actual	March Variance Fav/(Unfav)	YTD Budget	YTD Actuals	YTD Variance Fav/(Unfav)	Full Year Adopted Budget	Full Year Forecast	Variance to Full Year Budget Fav/(Unfav)
Chief Executive Revenue	893	13	760	747	764	2,859	2,095	1,940	4,323	2,383
Chief Executive Expense	8,646	1,231	1,657	(426)	10,270	11,394	(1,124)	13,205	17,033	(3,828)
Net (Exp)/Rev	*(7,753)*	*(1,218)*	*(897)*	321	*(9,506)*	*(8,535)*	971	*(11,265)*	*(12,710)*	(1,445)
Corporate, Business and Finance Reven	146,798	3,159	3,957	798	138,852	135,623	(3,229)	151,546	143,002	(8,544)
Corporate, Business and Finance Expen	43,180	5,494	5,143	351	47,007	42,846	4,161	66,114	59,932	6,182
Net (Exp)/Rev	*103,618*	*(2,335)*	*(1,186)*	1,149	*91,845*	*92,777*	932	*85,432*	*83,070*	(2,362)
Planning and Place Making Revenue	9,968	754	851	97	5,140	6,609	1,469	8,431	8,616	185
Planning and Place Making Expense	11,407	1,757	1,672	85	12,358	13,098	(740)	16,524	18,211	(1,687)
Net (Exp)/Rev	*(1,439)*	*(1,003)*	*(821)*	182	*(7,218)*	*(6,489)*	729	*(8,093)*	*(9,595)*	(1,502)
Community Wellbeing Revenue	12,237	1,110	1,264	154	11,782	12,721	939	15,226	15,246	20
Community Wellbeing Expense	28,952	4,275	4,081	194	30,112	26,032	4,080	39,665	38,897	768
Net (Exp)/Rev	*(16,715)*	*(3,165)*	*(2,817)*	348	*(18,330)*	*(13,311)*	5,019	*(24,439)*	*(23,651)*	788
City Works and Assets Revenue	14,182	1,376	3,126	1,750	12,673	11,969	(704)	16,269	16,031	(238)
City Works and Assets Expense	44,435	6,283	5,664	619	47,793	45,593	2,200	61,849	63,579	(1,730)
Net (Exp)/Rev	*(30,253)*	*(4,907)*	*(2,538)*	2,369	*(35,120)*	*(33,624)*	1,496	*(45,580)*	*(47,548)*	(1,968)
Total Net (Exp)/Rev	**47,459**	**(12,628)**	**(8,260)**	**4,368**	**21,671**	**30,816**	**9,145**	**(3,944)**	**(10,434)**	**(6,490)**

Debtors	Balance as at 30/06/2020 $'000	Current period balance $'000	Movement Inc/(Dec) $'000	Comments
Total Debtors	21,621	57,613	35,992	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

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 March 2021
Income Statement by Revenue and Expenditure with Variance Commentary

Income Statement	19/20 YTD Actuals	YTD Budget	YTD Actuals	YTD Variance Fav/(Unfav)	YTD Variance Fav/(Unfav)	Full Year Adopted Budget	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	$'000	%	
Revenue from ordinary activities										
Rates and charges	112,150	115,646	116,115	469	0.4%	115,869	116,369	500	0.4%	YTD favourable variance to budget due to supplementary valuation income exceeding budget.
Statutory fees and fines	25,072	19,101	12,368	(6,733)	-35.2%	25,454	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	24,334	19,197	16,089	(3,108)	-16.2%	25,427	20,928	(4,499)	-17.7%	YTD unfavourable variance to budget mostly attributable to the impact of reduced fee income from leisure (including Burnley Golf Course) and childcare which is a result of mandatory facility closures in response to the COVID-19 pandemic and reduced operating capacity upon reopening. Footpath trading permits and health & food registrations are also down due a support package that has been offered to businesses. Full year forecast expected to finish under budget as a result.
Reimbursements	827	721	708	(13)	-1.8%	1,074	1,035	(39)	-3.6%	
Grants - Operating	9,520	9,594	14,334	4,740	49.4%	14,399	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	1,707	947	2,741	1,794	189.4%	4,169	3,099	(1,070)	-25.7%	YTD favourable variance to budget is due to unbudgeted grant received for LRCI Program (Phase 2), Victoria Street Public Safety Infrastructure and Ramsden Reserve Stormwater Harvesting. Forecast unfavourable due to the adjustment of two grants that were received last financial year.
Contributions - OSR	6,021	2,813	3,195	382	13.6%	4,500	4,500	-	0.0%	YTD favourable variance to budget is due to open space development contributions being ahead of 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	473	267	550	283	106.0%	1,156	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	2,099	248	3,080	2,832	1141.9%	160	3,080	2,920	1825.0%	YTD favourable variance due to unbudgeted sale of discontinued roads.
Other Income	1,877	678	601	(77)	-11.4%	1,204	1,056	(148)	-12.3%	Forecast reduction is primarily due to a reducion in Strategic Planning - Amendment Fee income
Total Revenue	**184,080**	**169,212**	**169,781**	**569**	**0.3%**	**193,412**	**187,218**	**(6,194)**	**-3.2%**	
Expenses from ordinary activities								-		
Employee Costs	65,394	69,371	69,880	(509)	-0.7%	90,028	92,649	(2,621)	-2.9%	YTD variance to budget relates to an increase in leave provisions due to leave taken being below budgeted levels and the Working for Victoria project, this is largely offset by vacant positions across the organisation due to the impact of facility closures. The forecast was increased to reflect the Working for Victoria project which is offset by operating grant income.
Materials and services	48,022	54,030	46,687	7,343	13.6%	75,039	74,396	643	0.9%	YTD favourable variance to budget is mainly due to delays in the timing of contract payments; legal and consulting works expected to incurred later than budget. This variance is likely to reduce throughout the course of the year as these costs are incurred. There are some savings in court fees due to the reduction in the number of parking infringements being sent to Fines Vic this is reflected in the forecast.
Bad and doubtful debts	3,552	3,750	2,431	1,319	35.2%	5,000	3,000	2,000	40.0%	YTD favourable variance to budget is due to the impact of the COVID-19 pandemic on the volume and collectability 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	17,000	17,850	17,249	601	3.4%	23,800	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	701	660	840	(180)	-27.3%	880	1,148	(268)	-30.5%	YTD unfavourable variance to budget due to amortisation expenses being ahead of budget.
Borrowing costs	1,452	1,398	1,409	(11)	-0.8%	1,867	1,867	-	0.0%	
Interest Exp - Leases	127	89	125	(36)	-40.4%	118	163	(45)	-38.1%	
Other Expenses	372	392	342	50	12.8%	624	629	(5)	-0.8%	YTD favourable variance in audit fees will be spent later than anticipated.
Total Expenses	**136,620**	**147,540**	**138,963**	**8,577**	**5.8%**	**197,356**	**197,652**	**296**	**0.1%**	
Net Result	**47,460**	**21,672**	**30,818**	**9,146**	**42.2%**	**(3,944)**	**(10,434)**	**(6,490)**	**164.6%**	

Legend:		
	> (50,000)	Unfavourable variance
	> = 50,000	Favourable variance

No highlight indicates that the item is within tolerance

YARRA CITY COUNCIL
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EFT

Directorate	Full Year Adopted Budget	Current period balance	Movement Fav/(Unfav)	Commentary
CEO Division				
Permanent	49.5	58.1	(8.6)	Movement due additional approved EFT in the Communications team to support Council's COVID-19 response and several priority projects. Also, an increase in EFT resulting from the People and Culture restructure and reclassification of the Project Support Officer - Aboriginal Partnerships from Temporary to Permanent.
Temporary	6.0	13.7	(7.7)	Movement largely due to a new Communications Advisor, a new Project Support Officer; a Business Analyst; 3 Critical Response and Recovery Team positions, 7 new Working for Victoria positions; partially offset by the reclassification of the Project Support Officer - Aboriginal Partnerships from Temporary to Permanent, and end of contract for a HR Advisor. CRRT team is returning back to their substantive roles (-1.6EFT)
Casual	3.0	0.1	2.9	Human Resources consultant role has decreased by -1 EFT and funds repurpused to OHS management system
	58.5	**71.9**	**(13.4)**	
Corporate, Business & Financial Services				
Permanent	168.5	164.0	4.5	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	-	10.0	(10.0)	Movement due to a new Project Manager ICT, a new Project Manager Community Vision, a new Construction Enforcement Officer, a new Business Support and Projects Officer, a Compliance and Parking Administration Officer, and 5 new Working for Victoria positions.
Casual	11.3	11.3	(0.0)	
	179.8	**185.3**	**(5.5)**	
Community Wellbeing				
Permanent	262.6	278.9	(16.3)	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	35.1	(31.8)	Movement due to a new Senior Events Permits Officer, a new Youth Development Officer - L2P Program, a Team Leader - Richmond Youth Hub, and 33 new Working for Victoria Positions; which were partially offset by end of contract for 6 positions.
Casual	23.8	20.0	3.8	Movement largely due to the reduction in the number of Venues and Events Officer, as well as the reclassification of the Linkages Case Manager from casual to permanent.
	289.7	**334.1**	**(44.4)**	
City Works & Assets				
Permanent	213.8	220.0	(6.2)	Movement largely due a number of new positions, including an Asset Management Strategic Lead, 2 Multi-Purpose Officers, an Asset Drainage Engineer, Recreation and Leisure Projects Officer, 2 Civil Construction Worker/Operators, and a Coordinator Infrastructure Delivery; reclassification of a number of Lifeguards from casual and temporary to permanent; which were partially offset by reductions in a number of administration and customer service roles.
Temporary	0.6	23.0	(22.4)	Movement largely due to a number of new positions, including a Urban Agriculture Facilitator, a Senior Project Manager - Infrastructure Delivery, a Graduate Engineer, a Supervisor - Cleansing, Graffiti and Disinfecting, and 19 Multi-Purpose Officers - Cleansing, Graffiti and Disinfecting; which were partially offset by the reclassification of a Lifeguard from temporary to permanent.
Casual	32.2	31.1	1.1	Movement largely due to the reclassification and reduction of Lifeguards which was partially offset by the employment of a number of Group Fitness Instructors who were previously contractors.
	246.6	**274.1**	**(27.5)**	
Planning & Placemaking				
Permanent	87.8	91.6	(3.8)	Movement largely due to several new positions, including a Project Officer - Systems & Continuous Improvement, a Technical Building Officer - Pools & Spa, a Strategic Planner; and the reclassification of the Principal Statutory Planner from temporary to permanent.
Temporary	3.0	7.8	(4.8)	Movement largely due to several new positions, including a new Sustainability Officer, an Economic Development Special Officer - North Richmond Precinct, and 6 Working for Victoria positions (3.8 EFT); which were partially offset by the reclassification of the Principal Statutory Planner from temporary to permanent.
Casual	0.6	0.8	(0.2)	
	91.4	**100.2**	**(8.8)**	
Total Permanent	**782.2**	**812.6**	**(30.4)**	
Total Temporary	**12.9**	**89.6**	**(76.7)**	
Total Casual	**70.9**	**63.4**	**7.5**	
Total EFT	**866.0**	**965.6**	**(99.6)**	**69.70 relates to Working for Victoria**

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Debtors

Rate Debtors Aging (years)	<1 $'000	1 $'000	2 $'000	3+ $'000	Total $'000
Commercial	7,048	615	93	63	7,819
FSL - Commercial	1,991	155	21	16	2,182
Industrial	23,804	2,120	737	1,023	27,685
FSL - Industrial	1	32	12	20	65
Residential	43	3	0	0	47
FSL - Residential	(29)	3	0	1	(24)
FSL - Public Benefit	2,399	219	31	22	2,670
FSL - Vacant	926	29	31	21	1,007
FSL - Interest	2,023	170	59	67	2,319
Legal Fees	16	1	4	0	21
Bridge Road Special Charge	17	2	0	1	20
Garbage & Other	9	28	10	8	56
Sub Total	**37,842**	**3,378**	**999**	**1,147**	**43,366**

Parking Debtors	Balance as at 30/06/2020 $'000	Current period balance $'000	Movement Inc/(Dec) $'000	Comments
	3,809	2,738	(1,071)	Movement in additional parking infringement debtors raised less payments received and debt provision.

Parking Debtors Aging

Aging (days)	Total	Current	30	60	90+
	2,738	997	494	317	930

General/Sundry Debtors	Balance as at 30/06/2020 $'000	Current period balance $'000	Movement Inc/(Dec) $'000	Comments
	2,144	3,807	1,664	Movement in additional debtors raised less payments received.No adjustment to debt provision at this time.

General/Sundy Debtors Aging

Aging (days)	Total $'000	Current $'000	30 $'000	60 $'000	90+ $'000
Sundry Debtors (3250 / 3270)	4,829	1,061	75	130	3,563
Provision for Doubtful Debt (3252)	(1,021)	(1,021)	-	-	-
RAMs Debtors (3256) - Property development applications	798	230	44	7	516
Animal Debtors (3257)	372	371	1	-	(0)
PLUS Debtors (3258) - Misc. permits for advertising and footpath occupation	474	473	1	-	0
Local Laws Debtors (3259)	103	4	6	-	93
Salary Sacrifice (3264)	1,732	1,732	-	-	-
Fines and Costs (3265)	-	-	-	-	-
BAGS Control Debtors (3271) - Asset Protection applications	1,487	78	84	(197)	1,521
MCC Superannuation (3222)	-	-	-	-	-
GST Clearing (3249 / 3255)	2,259	2,259	-	-	-
WorkCover Wages / Receipts (3230 / 3232) - WorkCover wages claims	53	53	-	-	-
Perin Cheques - Parking (3273)	427	427	-	-	-
S/Total	**11,512**	**5,667**	**211**	**- 60**	**5,693**

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Open Space Reserve

Council receives contributions specifically for Open Space as part of development permits. This reserve is then expende 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
1-3 Gipps St Richmond	81
293 Church St Richmond	225
316-322 Johnson St Abbotsford	191
Total	**2,626**

Projects (transfers from Reserve)	Amount $'000
King William St	28
Citizens Park	22
Total	**50**

Open Space Reserve Account	Amount $'000
Closing balance as at March	17,342

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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	9.0	(0.9)	YTD repayments made (approx $300k per quarter)
					42.5	**41.5**	**(0.9)**	

YARRA CITY COUNCIL
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Financial Sustainability Indicators

VAGO Indicators			VAGO Ranges			Commentary
Indicator/Description	**Formula**	**Current Period Result**	**Low Risk**	**Medium Risk**	**High Risk**	**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.**
Net Result (%)	Net Result / Total Revenue	18%	> 0%	-10% - 0%	< -10%	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.
A positive result indicates a surplus, and the larger the percentage, the stronger the result. A negative result indicates a deficit. Operating deficits cannot be sustained in the long term. The net result and total revenue are obtained from the comprehensive operating statement.						
Liquidity (ratio)	Current assets / Current liabilities	3.37	> 1.0	0.75 - 1.0	< 0.75	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.
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	83%	> 100%	75% - 100%	< 75%	YTD result worse than budget as the net operating cash flow is lower than budget due to COVID impacts. Final result expected to stay in the medium to high 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 net capital expenditure are obtained from the cash flow statement.						
Indebtedness (%)	Non-current liabilities / own-sourced revenue	30%	< 40%	40% - 60%	> 60%	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.
Comparison of non-current liabilities (mainly comprising borrowings) to own-sourced revenue. The higher the percentage, the less Council is able to cover non-current liabilities from the revenues Council generates itself. Own-sourced revenue is used, rather than total revenue, because it does not include grants or contributions.						
Capital replacement (ratio)	Cash outflows for property, plant and equipment / Deprec	0.9	>1.5	1.0 - 1.5	< 1.0	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.
Comparison of the rate of spending on infrastructure with depreciation. Ratios higher than 1:1 indicate that spending is faster than the depreciation rate. This is a long-term indicator, as capital expenditure can be deferred in the short term if there are insufficient funds available from operations, and borrowing is not an option. Cash outflows for infrastructure are taken from the cash flow statement. Depreciation is taken from the comprehensive operating statement.						
Renewal gap (ratio)	Renewal and upgrade expenditure/ Depreciation	0.6	>1.0	0.5 - 1.0	<0.5	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.
Comparison of the rate of spending on existing assets through renewing, restoring, and replacing existing assets with depreciation. Ratios higher than 1.0 indicate that spending on existing assets is faster than the depreciation rate. Similar to the investment gap, this is a long-term indicator, as capital expenditure can be deferred in the short term if there are insufficient funds available from operations, and borrowing is not an option. Renewal and upgrade expenditure are taken from the statement of capital works. Depreciation is taken from the comprehensive operating statement.						

Local Government Performance Reporting Framework Indicators					
Indicator/Description	**Measure**	**2019-20 Result**	**Current Period Result**	**Variance**	**Commentary**
Liquidity					
L1	Current assets compared to current liabilities	233.6%	337.1%	44.3%	YTD result higher than budget due to Rates being raised in Aug-20. Full year result expected to be largely in line with budget.
L2	Unrestricted cash compared to current liabilities	84.1%	64.3%	-23.6%	YTD result largely in line with budget and no significant change is expected at the full year result.
Obligations					
O1	Asset renewal as a % of depreciation	121.0%	64%	-46.8%	YTD result impacted by timing in Capital spend. Full year result expected to be in line with budget.
O2	Loans and borrowings as a % of rates	37.9%	35.8%	-5.5%	
O3	Loans and borrowings repayments as a % of rates	2.8%	1.4%	-48.5%	
O4	Non-current liabilities as a % of own source revenue	23.8%	29.8%	25.3%	YTD result impacted by timing of revenues from operations. Full year result expected to be in line with budget.
Operating Position					
OP1	Adjusted underlying surplus (or deficit) as a % of underlying revenue	-1.0%	9.0%	-1000.0%	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 March 2021
Capital Works Program with Variance Commentary

Adopted Budget Classification	Full Year Adopted Budget	Full year Adjusted Budget	YTD Adjusted Budget	YTD Actuals	YTD Variance Fav/(Unfav)	YTD Variance Fav/(Unfav)	Full year forecast	Variance to Full Year Adjusted Budget Fav/(Unfav)	Forecast variance Fav/(Unfav)	Carry Over	Deferred	Variance Analysis/Comments (including explanation of budget movements)
	$'000	$'000	$'000	$'000	$'000	%	$'000	$'000	%	$'000	$'000	
Property												
Buildings	12,179	12,408	6,862	3,131	3,731	54.4%	12,337	71	0.6%	4,793	-	YTD variance in buildings projects is 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. Approximately $4.8m is expected to be carried over.
Total buildings	12,179	12,408	6,862	3,131	**3,731**	**54.4%**	12,337	**71**	**0.6%**	4,793	-	
Total property	**12,179**	**12,408**	**6,862**	**3,131**	**3,731**	**54.4%**	**12,337**	**71**	**0.6%**	**4,793**	**-**	
Plant and equipment												
Plant, Machinery and Equipment	2,179	2,179	1,774	370	1,404	79.1%	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	1,716	951	766	44.6%	2,987	-	0.0%	-	-	YTD variance largely due to the delay in procuring new GIS software. Council has only recently awarded the GIS contract. There are also some delays in delivering I.S. Network infrastructure projects.
Total plant and equipment	**4,917**	**5,166**	**3,490**	**1,321**	**2,170**	**62.2%**	**5,166**	**-**	**0.0%**	**-**	**-**	
Infrastructure												
Roads	9,709	10,349	7,268	4,632	2,637	36.3%	10,063	287	2.8%	-	-	YTD variance in roads projects was 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	110	74	36	33.0%	120	(10)	-9.2%	-	-	pedestrian bridge project has now commenced.
Lanes	816	816	741	493	248	33.4%	757	59	7.3%	-	-	Program is well advanced and projects are nearing completion. The delays were due to inability to source materials due COVID-19 restrictions.
Transport	1,500	1,500	1,224	317	907	74.1%	1,500	-	0.0%	621	-	YTD variance due to works on the Black Spots improvement program yet to commence. There is expected to be a carry over component for the LAPM 19 projects and the Gleadell Street Urban design project
Waste Management	75	75	75	23	52	68.9%	75	-	0.0%	-	-	
Parks, Open Space And Streetscapes	6,767	6,897	3,617	909	2,709	74.9%	6,895	2	0.0%	3,543	-	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 approximately $3.5m worth in carry over projects.
Street Furniture	255	255	25	10	15	60.3%	255	-	0.0%	-	-	
Retail Strips	-	-	-	-	-	0.0%	-	-	0.0%	-	-	
Priority Projects	644	589	154	34	120	78.2%	590	(1)	-0.1%	228	-	The favourable variance is due to the delay in procuring new ticket machines.
Library Resources	640	650	532	423	109	20.5%	650	0	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
Total infrastructure	**20,516**	**21,241**	**13,746**	**6,914**	**6,832**	**49.7%**	**20,904**	**337**	**0.8%**	**4,392**	**-**	
Total capital works expenditure	**37,611**	**38,816**	**24,098**	**11,366**	**12,732**	**52.8%**	**38,408**	**408**	**1.1%**	**9,185**	**-**	

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 March 2021

For Period 09 - March

	19/20 CL Actuals YTD	March Actual	March Budget	March Variance Fav/(Unfav)	20/21 CL Actuals YTD	20/21 CL Bud YTD	Actuals vs Budget YTD Variance	20/21 CL Bud Adopted Full Year	Current Forecast Full Year	Budget vs Forecast Full Year Variance
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue from ordinary activities										
Rates and charges	112,150	194	(9)	203	116,115	115,646	469	115,869	116,369	500
Statutory fees and fines	25,072	2,862	1,885	977	12,368	19,101	(6,733)	25,454	17,004	(8,450)
User Fees	24,334	3,145	3,292	(147)	16,089	19,197	(3,108)	25,427	20,928	(4,499)
Reimbursements	827	92	40	52	708	721	(13)	1,074	1,035	(39)
Grants - Operating	9,520	1,480	619	861	14,334	9,594	4,740	14,399	18,836	4,962
Grants - Capital	1,707	1,445	0	1,445	2,741	947	1,794	4,169	3,099	(1,070)
Contributions - OSR	6,021	569	563	6	3,195	2,813	382	4,500	3,080	(1,420)
Contributions - Other monetary	473	101	23	78	550	267	283	1,156	1,056	(100)
Net gain/(loss) on disposal of property, infrastructure, p	2,099	0	(88)	88	3,080	248	2,832	160	4,500	4,340
Other Income	1,877	70	87	(17)	601	678	(77)	1,204	1,311	107
	184,080	9,958	6,412	3,546	169,781	169,212	569	193,412	187,218	(5,669)
Expenses from ordinary activities										
Employee Costs	65,394	10,761	10,318	(443)	69,880	69,371	(509)	90,028	92,649	(2,385)
Materials and services	48,022	4,556	6,008	1,452	46,687	54,030	7,343	75,039	74,396	903
Bad and doubtful debts	3,552	612	417	(195)	2,431	3,750	1,319	5,000	3,000	2,000
Depreciation	17,000	1,945	1,983	38	17,249	17,850	601	23,800	23,800	0
Amortisation - right of use assets	701	99	73	(26)	840	660	(180)	880	1,148	268
Borrowing costs	1,452	158	153	(5)	1,409	1,398	(11)	1,867	1,867	0
Interest Exp - Leases	127	14	10	(4)	125	89	(36)	118	163	45
Other Expenses	372	73	78	5	342	392	50	624	629	5
	136,620	18,218	19,040	822	138,963	147,540	8,577	197,356	197,651	201
	47,460	(8,260)	(12,628)	4,368	30,818	21,672	9,146	(3,944)	(10,433)	(5,468)

YARRA CITY COUNCIL
FINANCIAL REPORT
1 July 2020 to 31 March 2021
Balance sheet

	Balance as at 30/06/2020 $'000	Balance as at period end $'000	Movement Inc/(Dec) $'000	Comments
ASSETS				
Current Assets				
Cash and cash equivalents	94,738	90,367	(4,371)	Cash reduction due to creditor payments for the year combined with reduction in receipts as a result of COVID-19.
Receivables - Rates	9,826	43,363	33,537	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	2,738	(1,071)	Jul 20 - Feb 21 infringement debtors raised less payments and debt provision.
Receivables - Other	7,986	11,512	3,526	The movement mainly relates to additional sundry invoices raised that yet to be paid.
Accrued income	15	14	(1)	Accrued income relates to interest income that will be received in cash when term deposits mature.
Prepayments	1,080	771	(309)	Prepayments have been raised as at February 2021. This balance is expected to increase again as at 30 June 2021 for year end statutory adjustments.
Inventories	166	166	-	
Assets Held for Resale	-	-	-	
Total Current Assets	**117,620**	**148,931**	**31,311**	
Non-Current Assets				
Non-current receivables	-	-	-	
Financial assets	5	5	-	
Property, infrastructure ,plant and equipment	1,930,850	1,924,922	(5,928)	Movement due to work in progress less depreciation expense for PIPE YTD.
Right-of-use assets	2,307	2,693	386	Movement due to additional right of use assets less YTD depreciation expense.
Total Non-Current Assets	**1,933,162**	**1,927,620**	**(5,542)**	
TOTAL ASSETS	**2,050,782**	**2,076,551**	**25,769**	
LIABILITIES				
Current Liabilities				
Payables	11,782	1,413	(10,369)	Payments have been made which reduce the payables owing amount. This will vary during the financial year.
Fire Services Levy	5,461	10,342	4,881	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	6,816	288	The movement is mainly due to holding trusts and bonds.
Accrued Expenses	6,252	5,517	(735)	Accruals raised for expenditure not yet paid. This will vary during the financial year. Accruals mainly include contract payments and utilities.
Income in advance	2,678	1,947	(731)	Movement mainly due to a reduction in prepaid user fee income due to COVID-19.
Employee benefits	15,520	17,506	1,986	Increase in employee benefits liability due to less leave being taken during COVID-19.
Interest-bearing liabilities	1,270	323	(947)	Reduction in the loan due to the repayment of the loan principal.
Lease liabilities	851	313	(538)	Reduction in lease liabilities as a result of lease payments being made.
Total Current Liabilities	**50,342**	**44,177**	**(6,165)**	
Non-Current Liabilities				
Non-current employee benefits	1,269	1,411	142	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	2,512	973	Increase in lease liability due to addition of new lease.
Non-current Trust Liability	374	374	-	
Total Non-Current Liabilities	**44,385**	**45,500**	**1,115**	
TOTAL LIABILITIES	**94,727**	**89,677**	**(5,050)**	
NET ASSETS	**1,956,054**	**1,986,873**	**30,820**	
Represented by:				
Accumulated surplus	670,892	667,774	(3,118)	
Asset revaluation reserves	1,270,317	1,270,317	-	
Other reserves	14,845	17,965	3,120	Open space contributions for the year less transfers out.
Retained Earnings	-	30,819	30,819	Net result for the year YTD.
EQUITY	**1,956,054**	**1,986,875**	**30,821**	

YARRA CITY COUNCIL
FINANCIAL REPORT
1 July 2020 to 31 March 2021
Cash Flow Statement

	Balance as at period end $'000
Cash Flows from Operating Activities	
Rates and Charges	87,054
Parking Revenue	9,705
Government Grants Received	14,074
Victoria Grants Commission	-
User Charges, Fees and Other Fines Received	18,929
Reimbursements and Contributions Received	638
Interest Revenue	295
Other Revenue	6,673
Payments to Suppliers	(54,776)
Payments to Employees	(68,973)
Net GST	(869)
Net Cash Provided by Operating Activities	**12,750**
Cash Flows from Investing Activities	
Proceeds from Sale of Property, Plant & Equipment	635
Payments for Infrastructure, Property Plant & Equipment	(16,081)
Net Cash (Used in) Investing Activities	**(15,446)**
Cash Flows from/(used in) Financing Activities	
Finance Costs	(1,161)
(Proceeds from Borrowings)/Payments Towards	(512)
Net Cash (Used In) Financing Activities	**(1,673)**
Cash Balances	
Change in Cash Held	(4,369)
Cash at beginning of year	94,738
Cash at the End of the Financial Period	**90,369**

YARRA CITY COUNCIL
FINANCIAL REPORT
1 July 2020 to 31 March 2021
Capital Works Statement

Adopted Budget Classification	Full Year Adopted Budget	Full year Adjusted Budget	YTD Adjusted Budget	YTD Actuals	YTD Variance Fav/(Unfav)	YTD Variance Fav/(Unfav)	Full year forecast	Variance to Full Year Adjusted Budget Fav/(Unfav)	Forecast variance Fav/(Unfav)	Carry Over	Deferred
	$'000	$'000	$'000	$'000	$'000	%	$'000	$'000	%	$'000	$'000
Property											
Buildings	12,179	12,408	6,862	3,131	3,731	54.4%	12,337	71	0.6%	4,793	-
Total Property	**12,179**	**12,408**	**6,862**	**3,131**	**3,731**	**54.4%**	**12,337**	**71**	**0.6%**	**4,793**	**-**
Plant and equipment											
Plant, Machinery & Equipment	2,179	2,179	1,774	370	1,404	79.1%	2,179	-	0.0%	-	-
Computers & Telecommunications	2,738	2,987	1,716	951	766	44.6%	2,987	-	0.0%	-	-
Total plant and equipment	**4,917**	**5,166**	**3,490**	**1,321**	**2,170**	**62.2%**	**5,166**	**-**	**0.0%**	**-**	**-**
Infrastructure											
Roads	9,709	10,349	7,268	4,632	2,637	36.3%	10,063	287	2.8%	-	-
Bridges	110	110	110	74	36	33.0%	120	(10)	-9.2%	-	-
Lanes	816	816	741	493	248	33.4%	757	59	7.3%	-	-
Transport	1,500	1,500	1,224	317	907	74.1%	1,500	-	0.0%	621	-
Waste Management	75	75	75	23	52	68.9%	75	-	0.0%	-	-
Parks, Open Space And Streetscapes	6,767	6,897	3,617	909	2,709	74.9%	6,895	2	0.0%	3,543	-
Street Furniture	255	255	25	10	15	60.3%	255	-	0.0%	-	-
Retail Strips	-	-	-	-	-	0.0%	-	-	0.0%	-	-
Priority Projects	644	589	154	34	120	78.2%	590	(1)	-0.1%	228	-
Library Resources	640	650	532	423	109	20.5%	650	0	0.0%	-	-
Total infrastructure	**20,516**	**21,241**	**13,746**	**6,914**	**6,832**	**49.7%**	**20,904**	**337**	**1.6%**	**4,392**	**-**
Total capital works expenditure	**37,611**	**38,816**	**24,098**	**11,366**	**12,732**	**52.8%**	**38,408**	**408**	1.1%	**9,185**	**-**

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.