

Finance Report
for the period
1 July 2021 to 31 March 2022

**YARRA CITY COUNCIL
FINANCIAL REPORT
1 July 2021 to 31 March 2022**

Dashboard

Income Statement	YTD March 2022					Full Year			
	YTD Actual	YTD Budget	YTD Variance	YTD Variance	YTD Last Yr Actual	Full Year Forecast	Full Year Budget	Variance to the Budget	Variance to the Budget
	\$'000	\$'000	Fav/(Unfav) \$'000	Fav/(Unfav) %	\$'000	\$'000	\$'000	Fav/(Unfav) \$'000	Fav/(Unfav) %
Revenue from ordinary activities									
Rates and charges	120,761	119,904	858	0.7%	116,115	120,750	119,991	758	0.6%
Statutory fees and fines	15,677	25,556	(9,879)	(38.7%)	12,368	23,171	34,240	(11,069)	(32.3%)
User Fees	19,537	25,189	(5,652)	(22.4%)	16,090	26,556	32,786	(6,230)	(19.0%)
Reimbursements	598	820	(221)	(27.0%)	708	1,107	1,066	41	3.8%
Grants - Operating	15,296	11,711	3,585	30.6%	14,334	21,569	15,356	6,213	40.5%
Grants - Capital	1,413	206	1,207	85.4%	2,741	4,550	3,052	1,497	49.1%
Net gain/(loss) on disposal	124	35	89	253.3%	3,080	650	50	600	92.3%
Other Income	633	691	(58)	(8.4%)	601	993	1,079	(87)	(8.0%)
Contributions - OSR	3,125	3,375	(250)	(7.4%)	3,195	5,000	4,500	500	11.1%
Contributions - Other monetary	551	1,449	(897)	(61.9%)	550	660	1,906	(1,246)	(65.4%)
Total Revenue	177,716	188,936	(11,220)	(5.9%)	169,781	205,005	214,027	(9,022)	(4.2%)
Expenses from ordinary activities									
Materials and services	50,660	53,559	2,899	5.4%	46,687	78,326	75,720	(2,606)	(3.4%)
Employee Costs	73,162	73,233	71	0.1%	69,880	96,236	96,635	399	0.4%
Other expenses	454	422	(32)	(7.6%)	342	685	631	(54)	(8.6%)
Borrowing costs	910	1,128	218	19.3%	1,409	1,200	1,387	187	13.5%
Interest Exp - Leases	120	89	(31)	(34.5%)	125	125	119	(6)	(5.0%)
Bad and doubtful debts	2,649	3,712	1,063	28.6%	2,431	4,213	5,000	787	15.7%
Depreciation & Amortisation	17,959	18,388	430	2.3%	17,249	24,550	24,550	-	0.0%
Amortisation - right of use assets	947	830	(117)	(14.2%)	840	1,275	1,145	(130)	(11.4%)
Total Expenses	146,861	151,362	4,500	3.0%	138,963	206,611	205,188	(1,423)	(0.7%)
Net Result	30,854	37,574	(6,720)	(17.9%)	30,818	(1,606)	8,839	(10,445)	(118.2%)

Legend:	
> (100,000) and (5%)	Unfavourable variance
> = 100,000 and 5%	Favourable variance

VAGO Ranges for Liquidity

Cash Position	Full year Budget Target	End of March Result	Forecast result	Low Risk	Medium Risk	High Risk
Liquidity Ratio	1.9	2.8	1.7	> 1	0.75 - 1	< 0.75

Greater detail is included in the VAGO Indicators section on page 9

Transfers to/from the Open Space Reserve	Balance as at 30/06/2021 \$'000	March balance \$'000	Movement Inc/(Dec) \$'000	Comments
Open Space Reserve	18,871	21,679	2,808	Movement in contributions received to fund development of specific community assets YTD.

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

Borrowings	Balance as at 30/06/2021 \$m	March balance \$m	Movement Inc/(Dec) \$m	Comments
Total Borrowings	41.2	40.2	(1.0)	\$32.5M borrowings matured and was repaid in full in November 2021. A new loan for \$32.5M from TCV was settled on the 15th February 2022.

Greater detail is included in the Borrowings section on page 8

Debtors	Balance as at 30/06/2021 \$'000	March balance	Movement Inc/(Dec) \$'000	Comments
Total Debtors	18,984	52,787	33,803	Debtors have increased due to the raising of 2021/22 Rates Notice. Balance will progressively reduce throughout the year and convert to cash as rate instalments are paid.

Greater detail is included in the Debtors section on page 4

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

Income Statement	YTD March 2021					Full Year				Variance Comments (including variance comments for forecast changes)
	YTD Actual	YTD Budget	YTD Variance	YTD Variance	YTD Last Yr Actual	Full Year Forecast	Full Year Budget	Variance to the Budget	Variance to the Budget	
	\$'000	\$'000	Fav/(Unfav) \$'000	Fav/(Unfav) %	\$'000	\$'000	\$'000	Fav/(Unfav) \$'000	Fav/(Unfav) %	
Revenue from ordinary activities										
Rates and charges	120,761	119,904	858	0.7%	116,115	120,750	119,991	758	0.6%	
Statutory fees and fines	15,677	25,556	(9,879)	(38.7%)	12,368	23,171	34,240	(11,069)	(32.3%)	YTD unfavourable variance actual to budget is driven by the COVID-19 pandemic. COVID-19 restrictions reduced parking activity, significantly decreasing revenue from parking meters and infringement notices. Full year forecast have been reassessed, revised and expected to finish under budget.
User Fees	19,537	25,189	(5,652)	(22.4%)	16,090	26,556	32,786	(6,230)	(19.0%)	YTD unfavourable variance actual to budget is driven by the COVID-19 pandemic. COVID-19 restrictions resulted in closure of Leisure & Recreational facilities, reducing user fees significantly. Full year forecast has been reassessed, revised and expected to finish under budget.
Reimbursements	598	820	(221)	(27.0%)	708	1,107	1,066	41	3.8%	YTD unfavourable variance to budget is primarily due to reimbursements for Construction and Development Reinstatements.
Grants - Operating	15,296	11,711	3,585	30.6%	14,334	21,569	15,356	6,213	40.5%	YTD favourable variance to budget is driven by unbudgeted grants, including the Outdoor Activation Fund and System and Online Portal Development, that will be offset directly by employee costs and materials and services. Full year forecast has been adjusted to reflect these unbudgeted grants as well as the brought forward payment of 2022/23 allocation of Financial Assistance Grant.
Grants - Capital	1,413	206	1,207	85.4%	2,741	4,550	3,052	1,497	49.1%	YTD variance is primarily due to the timing of grant receive. Full year variance is due to unbudgeted capital grants, such as Collingwood College Early Childhood Centre, Black Spot Projects, Fitzroy Bowl revitalisation and Alphington Park.
Net gain/(loss) on disposal	124	35	89	253.3%	3,080	650	50	600	92.3%	Variance to full year forecast is due to an expected payment for road discontinuance.
Other Income	633	691	(58)	(8.4%)	601	993	1,079	(87)	(8.0%)	
Contributions - OSR	3,125	3,375	(250)	(7.4%)	3,195	5,000	4,500	500	11.1%	YTD variance is due to Open Space contributions being slightly lower than expected, however it is anticipated that contributions will increase as development levels improve.
Contributions - Other monetary	551	1,449	(897)	(61.9%)	550	660	1,906	(1,246)	(65.4%)	YTD unfavourable variance driven by Developer Contribution being lower than expected. Full year forecast is adjusted accordingly.
Total Revenue	177,716	188,936	(11,220)	(5.9%)	169,781	205,005	214,027	(9,022)	(4.2%)	
Expenses from ordinary activities										
Materials and services	50,660	53,559	2,899	5.4%	46,687	78,326	75,720	(2,606)	(3.4%)	YTD favourable variance is due to a number of factors, including timing differences for insurance premiums and savings on statutory fees collection costs. Full year forecast unfavourable variance is mainly driven by forecasted expenses to deliver programs funded by unbudgeted grant income.
Employee Costs	73,162	73,233	71	0.1%	69,880	96,236	96,635	399	0.4%	
Other expenses	454	422	(32)	(7.6%)	342	685	631	(54)	(8.6%)	
Borrowing costs	910	1,128	218	19.3%	1,409	1,200	1,387	187	13.5%	YTD favourable variance due to timing of refinancing. Full year forecast is adjusted accordingly.
Interest Exp - Leases	120	89	(31)	(34.5%)	125	125	119	(6)	(5.0%)	
Bad and doubtful debts	2,649	3,712	1,063	28.6%	2,431	4,213	5,000	787	15.7%	YTD favourable variance to budget driven by the COVID-19 pandemic reducing the volume of parking infringements issued YTD and the level of doubtful debts expense. Full year forecast is adjusted accordingly.
Depreciation & Amortisation	17,959	18,388	430	2.3%	17,249	24,550	24,550	-	0.0%	
Amortisation - right of use assets	947	830	(117)	(14.2%)	840	1,275	1,145	(130)	(11.4%)	YTD unfavourable variance is mainly due to recognition of equipment lease funded by budget allocated in Materials and Services. Full year forecast is adjusted accordingly.
Total Expenses	146,861	151,362	4,500	3.0%	138,963	206,611	205,188	(1,423)	(0.7%)	
Net Result	30,854	37,574	(6,720)	(17.9%)	30,818	(1,606)	8,839	(10,445)	(118.2%)	

Legend:	
< (-100,000) and (-5%)	Unfavourable variance
> = 100,000 and 5%	Favourable variance

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Debtors**

Rate Debtors					
Aging (years)	Total \$'000	<1 \$'000	1 \$'000	2 \$'000	3+
Residential	30,252	25,151	2,379	1,239	1,483
Commercial	8,111	7,107	679	230	95
Industrial	2,229	1,938	184	80	28
FSL - Residential	2,679	2,266	217	96	101
FSL - Commercial	2,983	2,640	233	79	31
FSL - Industrial	1,065	936	18	79	31
FSL - Public Benefit	42	36	1	4	1
FSL - Vacant	22	18	2	0	1
FSL - Interest	42	-	7	20	16
Legal Fees	57	-	1	26	30
Bridge Road Special Charge	48	43	3	1	0
Garbage & Other	16	10	3	2	1
Prepayments	(1,170)	(987)	-	-	(183)
Refunds	(1)	(1)	-	-	-
Sub Total	46,375	39,157	3,727	1,855	1,636

Parking Debtors	Balance as at 30/06/2021 \$'000	End of March balance \$'000	Movement Inc/(Dec) \$'000	Comments
	1,581	1,057	(523)	Movement in additional parking infringement debtors raised less payments received and debt provision.

Parking Debtors Aging

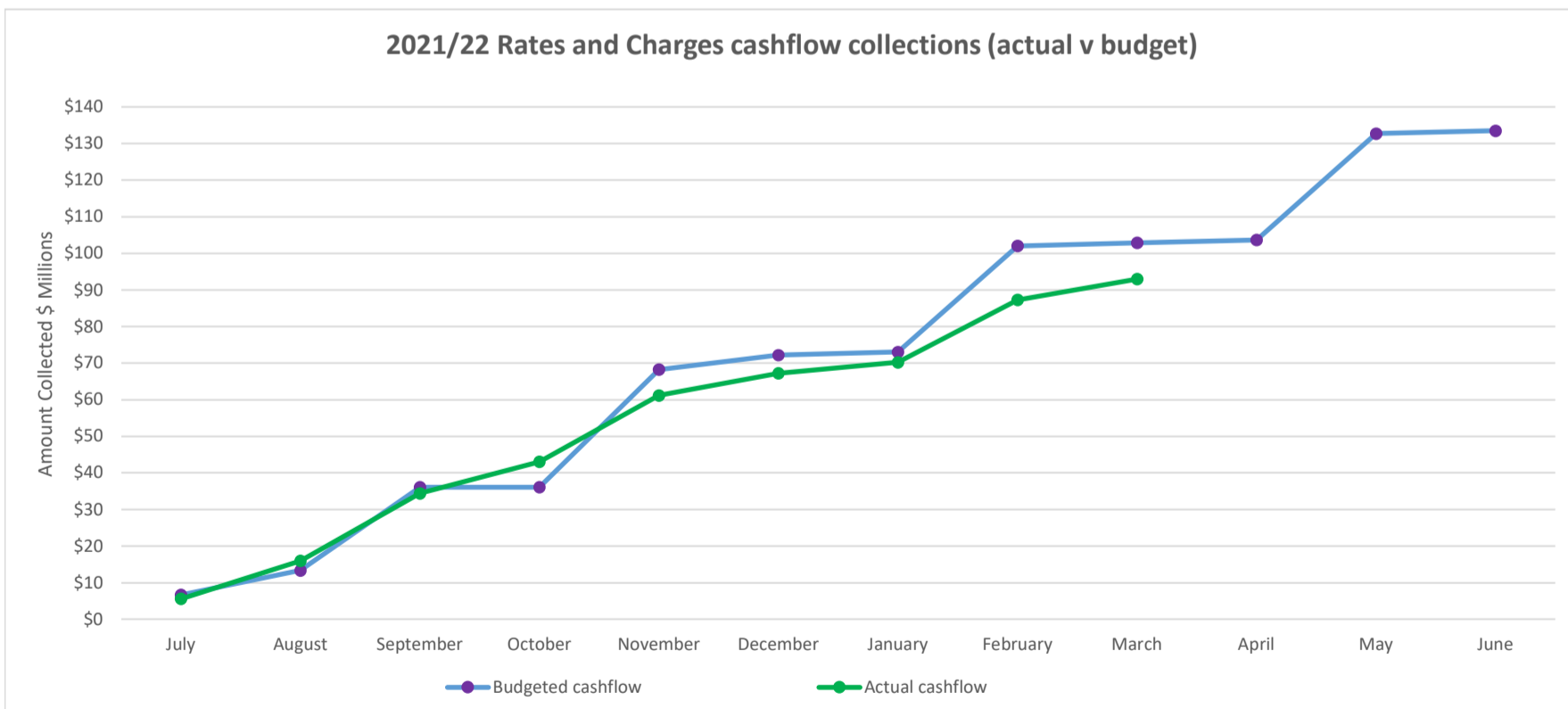
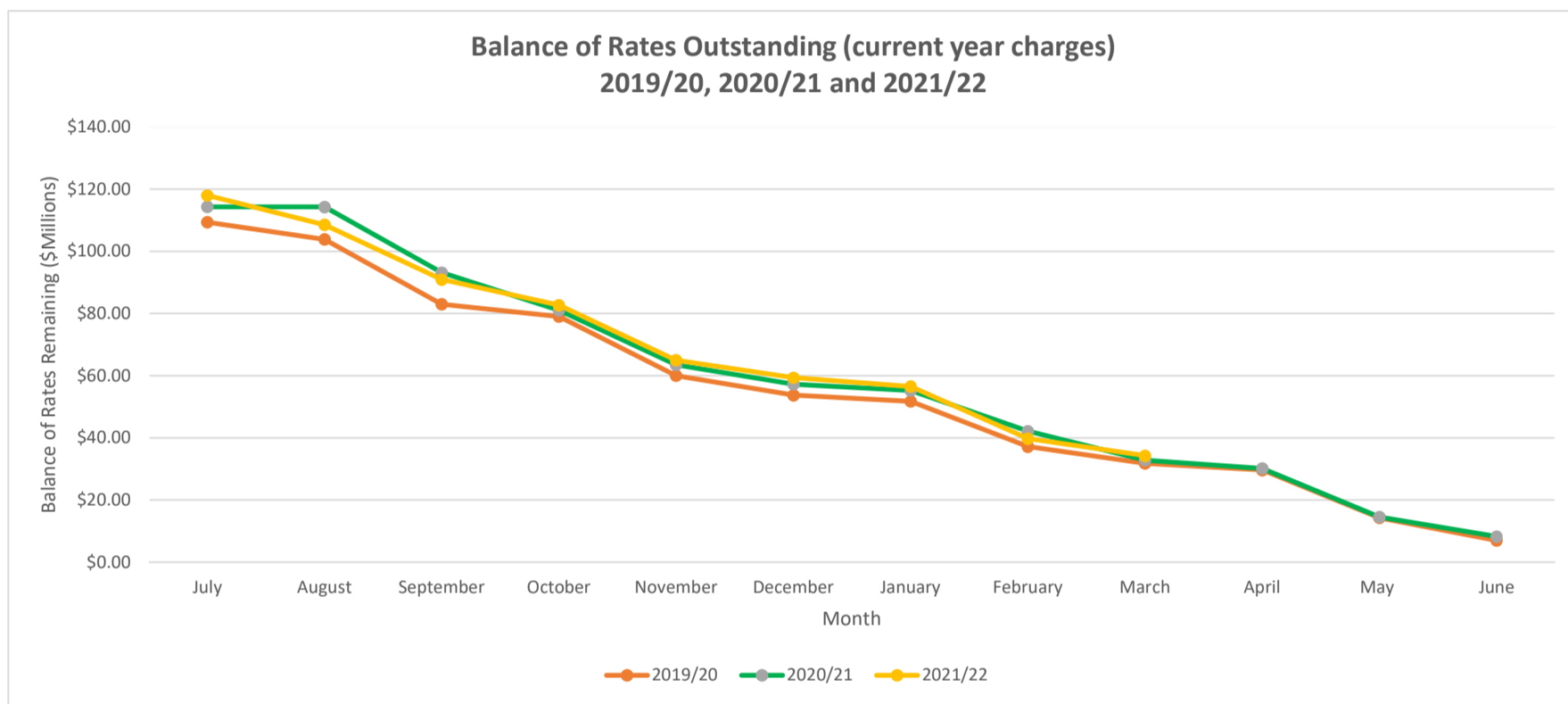
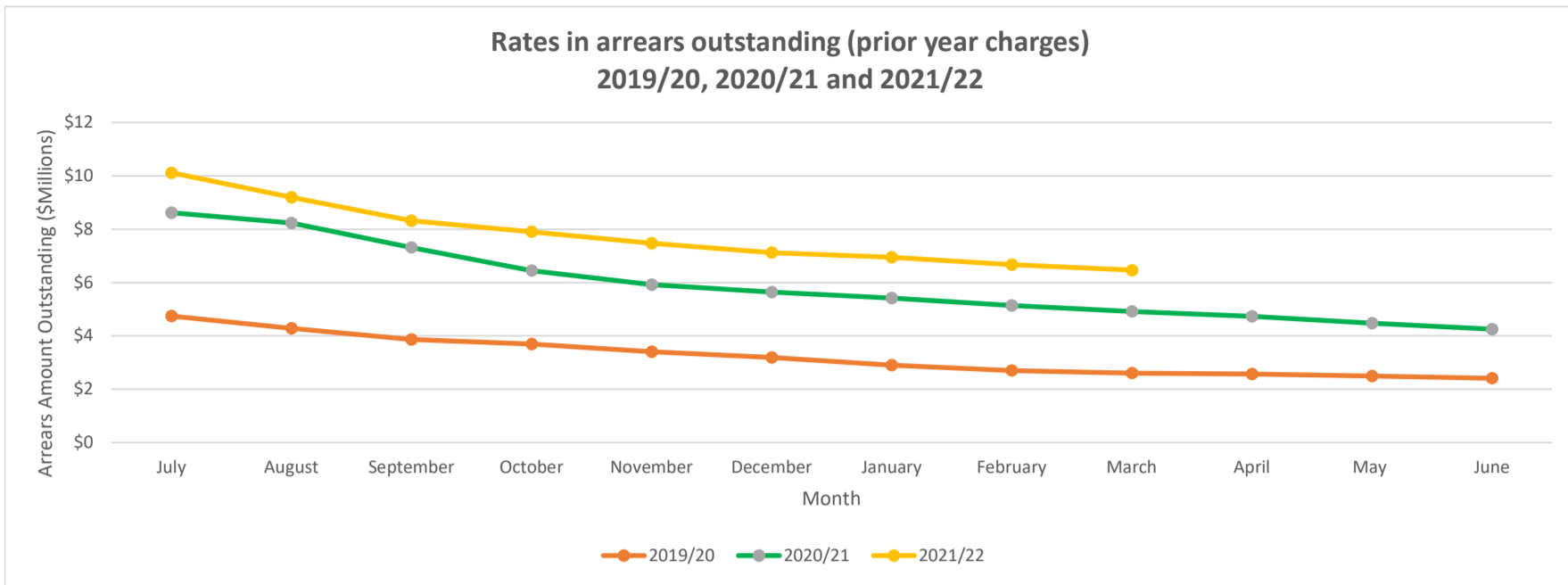
Aging (days)	Total	Current	30	60	90+
	1,057	1,054	629	247	(873)

General/Sundry Debtors	Balance as at 30/06/2021 \$'000	End of March balance \$'000	Movement Inc/(Dec) \$'000	Comments
	4,135	5,320	1,185	Movement in additional debtors raised less payments received. No adjustment to debt provision at this time.

General/Sundry Debtors Aging

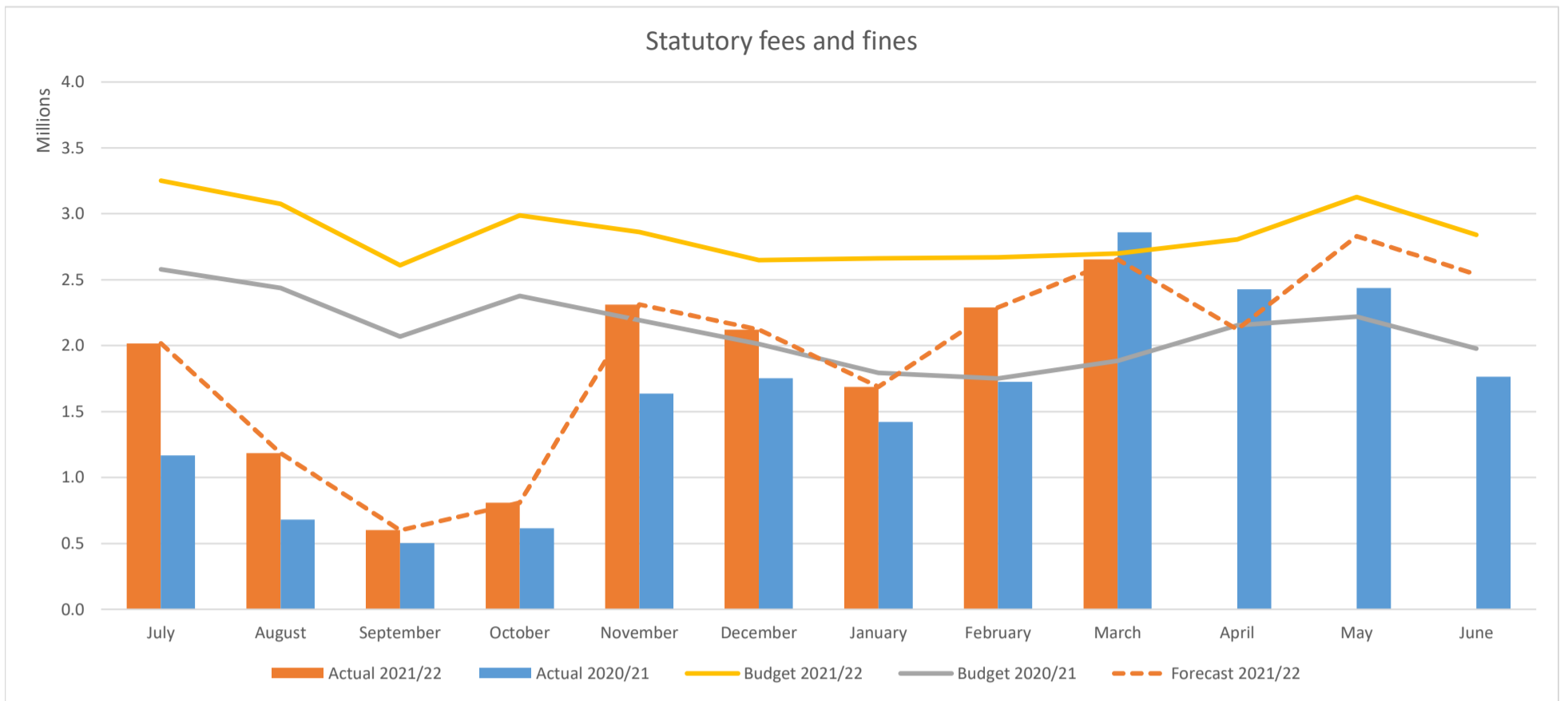
Aging (days)	Total \$'000	Current \$'000	30 \$'000	60 \$'000	90+ \$'000
Sundry Debtors	1,823	1,246	195	65	317
Property development applications	902	67	35	18	782
Animal Debtors	399	398	0	0	(0)
Misc. permits for advertising and footpath occupation	36	8	15	3	10
Local Laws Debtors	12	0	6	0	6
Salary Sacrifice	3	3	0	0	0
Fines and Costs	1,483	1,483	0	0	0
Asset Protection applications	303	12	41	64	185
MCC Superannuation	(0)	(0)	0	0	0
GST Clearing	2,399	2,399	0	0	0
Workcover wages claims	51	51	0	0	0
Fines Victoria Cheques - Parking	427	427	0	0	0
Provision for Doubtful Debt	(2,516)	0	0	0	(2,516)
S/Total	5,320	6,093	292	150	(1,215)

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Rates and Charges Collections**

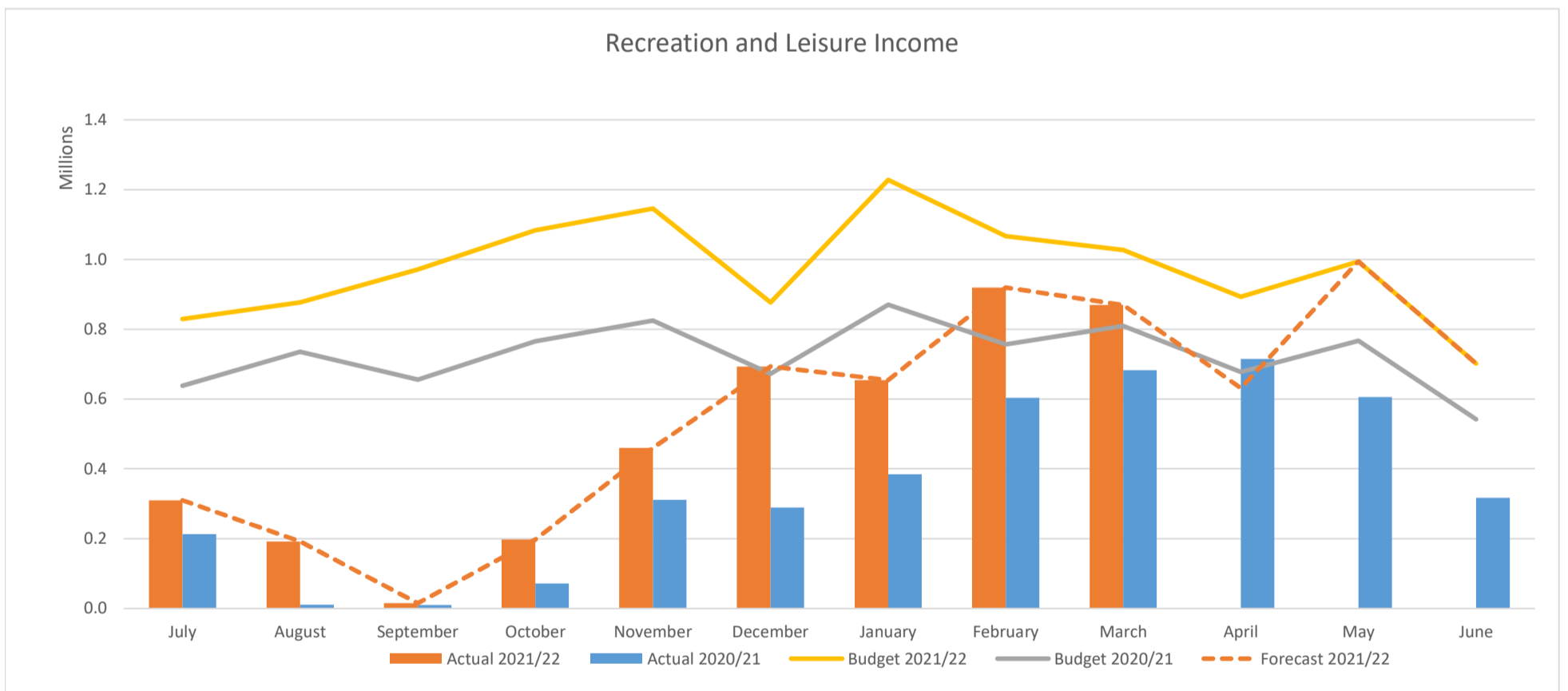


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Statutory fees and fines and Recreation and Leisure Income Charts



**2020/21 Adopted Budget for parking and infringement income was reduced by 25% or \$8.5 million to reflect anticipated economic impacts of the COVID-19 pandemic. 2021/22 Adopted Budget assumes no COVID-19 pandemic impact*



**2020/21 Adopted Budget for recreation and leisure income was reduced by 25% or \$2.9 million to reflect anticipated economic impacts of the COVID-19 pandemic. 2021/22 Adopted budget assumes no COVID-19 pandemic impact.*

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Open Space Reserve**

Council receives contributions from application of the Yarra Planning Scheme specifically for Open Space through 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 2021	18,871

Funds Received (Transfers to Reserve)	Amount \$'000
8 Hunter St Richmond	74
10 Valiant St Abbotsford	55
32-34 Bedford St Collingwood	182
210 Alexandra Pde Clifton Hill	172
20 Tyson St Richmond	66
245-251 Swan St Richmond	284
6-8 Carroll St Richmond	79
378-390 St Georges Rd North Fitzroy	362
1-57 Wellington St & 71-77 Victoria Pde Collingwood	1,170
37-39 Shelley St & 20 Garfield St Richmond	180
24 Miller St North Fitzroy	87
25 Palmer Street Richmond	72
32 Burnley St Richmond	66
141-143 St Georges Rd North Fitzroy	74
60-64 Glass St Richmond	203
Total	3,125

Projects (transfers from Reserve)	Amount \$'000
Park extension and redevelopment - Stephenson Reserve, Cremorne	12
Cambridge Street Reserve, Collingwood - Park extension and road closure	21
Smith Reserve, Fitzroy - Playground design	44
Smith Reserve, Fitzroy - Renew lighting along paths	1
Batman St Reserve, Fitzroy North - Renew playground	1
Alphington Park - Playground	4
Cairns Reserve - Playground	1
Construction works – new small local park in Reid Street, Fitzroy	100
Merri Creek Parklands Quarries Park - Playground	134
Total	318

Open Space Reserve Account	Amount \$'000
Closing balance as at March	21,679

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Borrowings**

Amount \$m	Lender	Type	Term years	Maturity Date	Balance as at 30/06/2021 \$m	Current period balance \$m	Movement Inc/(Dec)	Comments
\$32.5M	TCV	Principal and interest	10	2032	-	32.5	32.5	Loan through TCV settled on 15 Feb 2022.
\$32.5M	NAB	Interest only	7	2021	32.5	-	(32.5)	\$32.5M borrowings matured and was repaid in full in Nov 2021.
\$13.5M	CBA	Principal and interest	10	2027	8.7	7.7	(1.0)	
					41.2	40.2	(1.0)	

**YARRA CITY COUNCIL
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Financial Sustainability Indicators**

VAGO Indicators		YTD	VAGO Ranges			Commentary
Indicator/Description	Formula	March Result	Low Risk	Medium Risk	High Risk	
Net Result (%)	Net Result / Total Revenue	17.4%	> 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.
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 income statement.						
Liquidity (ratio)	Current assets / Current liabilities	2.8	> 1.0	0.75 - 1.0	< 0.75	YTD result ahead of budget due to the annual rates being raised in August 2021. The forecast final result is expected to be less than zero and fall in the medium risk range.
This measures the ability of Council 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	66%	> 100%	75% - 100%	< 75%	YTD result in the high risk range, reflecting the unfavourable operating result under COVID impact.
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	24.1%	< 40%	40% - 60%	> 60%	YTD result in the low risk range with the forecast final result expected to stay in the low risk range following the refinancing of Council's borrowings.
Comparison of non-current liabilities (mainly comprising borrowings) to own-sourced revenue. The higher the percentage, the less Council is able to cover non-current liabilities from the revenues Council generates itself. Own-sourced revenue is used, rather than total revenue, because it does not include grants or contributions.						
Capital replacement (ratio)	Cash outflows for property, plant and equipment / Depreciation	1.2	> 1.5	1.0 - 1.5	< 1.0	YTD result under budget. Capital spend is expected to increase to exceed depreciation although COVID-19 restrictions have impacted the level of capital expenditure during the first half of 2021/22.
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 income statement.						
Renewal gap (ratio)	Renewal and upgrade expenditure/ Depreciation	0.9	> 1.0	0.5 - 1.0	< 0.5	YTD result in the medium risk range as renewal and upgrade expenditure under budget due to COVID impact. Forecast full year result expected to improve with capital spend increasing towards the end of 2021/22.
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	2020-21 Result	Current Period Result	Variance
Liquidity				
L1	Current assets compared to current liabilities	123.4%	276.4%	153.0%
L2	Unrestricted cash compared to current liabilities	13.3%	56.1%	42.8%
Obligations				
O1	Asset renewal as a % of depreciation	107.3%	91.0%	(16.2%)
O2	Loans and borrowings as a % of rates	35.5%	33.3%	(2.1%)
O3	Loans and borrowings repayments as a % of rates	2.7%	2.7%	(0.0%)
O4	Non-current liabilities as a % of own source revenue	7.9%	26.3%	18.4%
Operating Position				
OP1	Adjusted underlying surplus (or deficit) as a % of underlying revenue	(9.0%)	14.9%	23.9%

Commentary
YTD result higher than budget due to rates being raised in August 2021. Forecast full year expected to be less than budget but above the target in the LTFP of 140%.
Cash reserves can meet Councils obligations.
YTD result in the medium risk range as renewal and upgrade expenditure under budget due to COVID impact. Forecast full year result expected to improve with capital spend increasing towards the end of 2021/22.
YTD result in line with prior year's result. Favourable to budget YTD.
YTD result impacted by new borrowings of \$32.5m in February 2022. Result expected to improve towards the end of 2021/22 as fees and charges realign to budgeted levels.
YTD result impacted by total rates recognised in August 2021. Indicator will reduce progressively over the course of the financial year. Forecast full year result expected to be unfavourable to budget as a result of COVID-19 restrictions impact on revenue.

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Capital Works Program with Variance Commentary

Adopted Budget Classification	Full Year Adopted Budget	Full year Adjusted Budget	YTD 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	Variance Analysis/Comments (including explanation of budget movements)
	\$'000	\$'000	\$'000	\$'000	\$'000	%	\$'000	\$'000	%	\$'000	
Property											
Buildings	15,850	16,664	11,869	7,254	4,616	38.9%	16,060	604	3.6%	3,180	The construction industry shutdown from 20 September to 01 October 2021 adding to delays to project delivery. All works stopped during this period. All scoping works requiring on site investigations stopped during this period. Previous supply chain disruption (materials and contractors in short supply) has reduced but continues to occur. At this stage, approximately \$3.18m of the 2021/22 adopted budget is expected to be carried over to 2022/23. In addition, some subcontractors have renegotiated contracts (head contractor claiming increased costs) associated with COVID 19 impacts. Some project cost over-runs, has been offset by redirecting savings from other building projects.
Total buildings	15,850	16,664	11,869	7,254	4,616	38.9%	16,060	604	3.6%	3,180	
Total property	15,850	16,664	11,869	7,254	4,616	38.9%	16,060	604	3.6%	3,180	
Plant and equipment											
Computers and telecommunications	1,906	2,589	1,147	1,188	(41)	(3.5%)	2,603	(14)	(0.5%)	74	
Fixtures, fittings and furniture	532	150	281	61	220	78.4%	150	-	0.0%	-	There has been a reduced demand to replace office furniture/equipment during the pandemic period, hence the favourable result.
Library books	630	640	502	378	124	24.7%	640	-	0.0%	-	Library books and equipment orders have been placed however, previous supply chain issues for supplies continue to occur.
Plant, machinery and equipment	2,204	3,021	578	811	(233)	(40.3%)	2,500	521	17.2%	-	The allocation for passenger cars has been paid earlier than expected (hence the unfavourable variance). Forecast savings of \$500k, is expected to materialise and will fund cost pressures in the building program.
Total plant and equipment	5,272	6,401	2,508	2,438	71	2.8%	5,894	507	7.9%	74	
Infrastructure											
Bridges	110	110	-	2	(2)	0.0%	110	-	0.0%	-	
Drainage	3,190	4,006	1,782	1,513	268	15.1%	4,033	(27)	(0.7%)	-	Refer note for roads
Footpaths and cycleways	3,691	3,252	3,044	1,732	1,313	43.1%	3,062	190	5.9%	-	Refer note for roads
Other infrastructure	4,015	4,464	2,670	608	2,062	77.2%	4,389	75	1.7%	740	LAPM and other transport projects have been delayed due to the industry shutdown from 20 September to October 1st. Shortage of available contractors and materials will translate to procurement delays. The approvals process (from external bodies e.g. VicRoads) in the past normally was two weeks now takes two months. At this stage it is expected that \$740k will be carried over to 2022/23.
Parks, open space and streetscapes	10,129	4,854	7,169	1,169	6,000	83.7%	4,784	69	1.4%	5,332	Program delivery has been delayed due to COVID 19. The shutdown period significantly delayed project delivery. The resulting supply chain issues (on the availability of materials/equipment/resources) has impacted the works program. The expected carry over amount will be \$5.3m (\$2m resulting from the Burnley golf course project).
Roads	6,009	6,555	4,139	3,573	566	13.7%	6,527	27	0.4%	150	The roads program at this point in time is behind projections due to the continuing impact of industry restrictions and shutdowns (in response to the COVID 19). There is also a shortage of materials and contractor availability which will impact project delivery. The delivery times of projects have been pushed out but the expectation at this stage is that the program will be delivered.
Waste management	75	75	-	5	(5)	0.0%	75	-	0.0%	-	
Total infrastructure	27,220	23,316	18,805	8,603	10,202	54.3%	22,980	336	8.7%	6,222	
Total capital works expenditure	48,342	46,381	33,182	18,294	14,888	44.9%	44,934	1,447	3.1%	9,476	

Legend:
> (100,000) and (5%) Unfavourable variance
> = 100,000 and 5% Favourable variance

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Income Statement**

Income Statement	Current Month			YTD March				Full Year		
	March Actual	March Budget	March Variance Fav/(Unfav)	YTD Actual	YTD Budget	YTD Variance Fav/(Unfav)	YTD Last Yr	Full Year Forecast	Full Year Budget	Variance to the Budget Fav/(Unfav)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from ordinary activities										
Rates and charges	-	(3)	3	120,761	119,904	858	116,115	120,750	119,991	758
Statutory fees and fines	2,655	2,704	(49)	15,677	25,556	(9,879)	12,368	23,171	34,240	(11,069)
User Fees	2,440	2,604	(164)	19,537	25,189	(5,652)	16,090	26,556	32,786	(6,230)
Reimbursements	(19)	179	(198)	598	820	(221)	708	1,107	1,066	41
Grants - Operating	1,713	1,524	190	15,296	11,711	3,585	14,334	21,569	15,356	6,213
Grants - Capital	-	4	(4)	1,413	206	1,207	2,741	4,550	3,052	1,497
Net gain/(loss) on disposal	51	-	51	124	35	89	3,080	650	50	600
Other Income	50	66	(17)	633	691	(58)	601	993	1,079	(87)
Contributions - OSR	203	375	(173)	3,125	3,375	(250)	3,195	5,000	4,500	500
Contributions - Other monetary	138	278	(140)	551	1,449	(897)	550	660	1,906	(1,246)
Total Revenue	7,232	7,731	(500)	177,716	188,936	(11,220)	169,781	205,005	214,027	(9,022)
Expenses from ordinary activities										
Materials and services	6,282	6,448	166	50,660	53,559	2,899	46,687	78,326	75,720	(2,606)
Employee Costs	11,050	10,869	(181)	73,162	73,233	71	69,880	96,236	96,635	399
Other expenses	110	65	(45)	454	422	(32)	342	685	631	(54)
Borrowing costs	99	90	(9)	910	1,128	218	1,409	1,200	1,387	187
Interest Exp - Leases	21	10	(11)	120	89	(31)	125	125	119	(6)
Bad and doubtful debts	491	380	(110)	2,649	3,712	1,063	2,431	4,213	5,000	787
Depreciation & Amortisation	2,031	2,073	42	17,959	18,388	430	17,249	24,550	24,550	-
Amortisation - right of use assets	185	98	(87)	947	830	(117)	840	1,275	1,145	(130)
Total Expenses	20,269	20,032	(236)	146,861	151,362	4,500	138,963	206,611	205,188	(1,423)
Net Result	(13,037)	(12,301)	(736)	30,854	37,574	(6,720)	30,818	(1,606)	8,839	(10,445)

**YARRA CITY COUNCIL
FINANCIAL REPORT
1 July 2021 to 31 March 2022
Cash Flow Statement**

	Balance as at period end \$'000
Cash Flows from Operating Activities	
Rates and charges	92,437
Statutory fees and fines	16,200
User fees	18,613
Grants - operating	13,553
Grants - capital	1,413
Contributions - monetary	3,676
Interest received	164
Trust funds and deposits taken	16,943
Other receipts	911
Net GST refund/(payment)	1,616
Payments to Employees	(74,275)
Payments to Suppliers	(58,154)
Trust funds and deposits repaid	(18,732)
Net Cash Provided by Operating Activities	14,364
Cash Flows from Investing Activities	
Payments for property, infrastructure, plant and equipment	(22,037)
Proceeds from sale of property, infrastructure, plant and equipment	124
Payments for investments	(30,000)
Proceeds from sale of investments	9,991
Net Cash (Used in) Investing Activities	(41,923)
Cash Flows from/(used in) Financing Activities	
Finance costs	(1,188)
Proceeds from borrowings	32,500
Repayment of borrowings	(33,482)
Interest paid - lease liability	(120)
Repayment of lease liabilities	(952)
Net Cash (Used In) Financing Activities	(3,243)
Cash Balances	
Change in Cash Held	(30,802)
Cash at beginning of year	78,930
Cash at the End of the Financial Period*	48,128

* Does not include Other Financial Assets - Term deposits (\$30M)

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 (e.g. grants)

Future items to be funded	\$'000
Capital Carry Forwards	-
Capital Grants	19,318
Other Grant Carry Overs	2,001
Trust Funds and deposits	8,430
Open Space Reserve to be cash backed	21,679
Total	51,428

**YARRA CITY COUNCIL
FINANCIAL REPORT
1 July 2021 to 31 March 2022
Balance sheet**

	Balance as at 30/06/2021	Balance as at period end	Movement Inc/(Dec)	Comments
	\$'000	\$'000	\$'000	
ASSETS				
Current Assets				
Cash and cash equivalents	78,930	48,128	(30,802)	Cash equivalents, comprise cash on hand and cash at bank, deposits at call and short-term deposits, with original maturities of three months or less, that are held for the purpose of meeting short-term cash commitments rather than for investment purposes.
Other financial assets	10,000	30,009	20,009	Term Deposits with a maturity greater than 90 days.
Receivables - Rates	13,268	46,409	33,141	Rates for 2021/22 were raised in August 2021. Receivable reduces with each payment instalment received. Balance expected to significantly reduce by 30 June 2022.
Receivables - Parking	1,581	1,057	(523)	
Receivables - Other	4,135	5,320	1,186	
Accrued income	14	17	4	
Prepayments	1,389	609	(780)	
Inventories	96	96	-	
Assets Held for Resale	-	-	-	
Total Current Assets	109,412	131,646	22,234	
Non-Current Assets				
Non-current receivables	-	-	-	
Financial assets	5	5	-	
Property, infrastructure ,plant and equipment	2,025,671	2,025,897	226	
Right-of-use assets	2,374	1,595	(779)	
Total Non-Current Assets	2,028,050	2,027,497	(552)	
TOTAL ASSETS	2,137,462	2,159,143	21,682	
LIABILITIES				
Current Liabilities				
Payables	11,240	2,859	(8,381)	
Fire Services Levy	6,026	8,603	2,577	Raised at the same time as Rates for the financial year. Payments made quarterly to the SRO which will reduce the liability.
Trust funds	5,828	6,278	451	
Accrued Expenses	6,752	6,187	(565)	
Income in advance	5,703	3,960	(1,743)	Movement mainly due to a grant income unspent year to date.
Employee benefits	18,139	18,385	246	
Interest-bearing liabilities	33,818	1,050	(32,768)	Reduction in the loan due to the repayment of the \$32.5m NAB loan in November 2021.
Lease liabilities	1,165	312	(853)	
Total Current Liabilities	88,670	47,634	(41,037)	
Non-Current Liabilities				
Non-current employee benefits	1,435	1,439	4	
Non-current interest bearing liabilities	7,385	39,171	31,786	Council has two loans, one with the CBA (\$7.7m) maturing 2027 and the second with Treasury Corporation Victoria (TCV) (\$32.5m) drawn down on the 15th February 2022, maturing 2032.
Non-current lease liabilities	1,347	1,416	69	
Non-current Trust Liability	377	382	5	
Total Non-Current Liabilities	10,544	42,408	31,864	
TOTAL LIABILITIES	99,214	90,042	(9,172)	
NET ASSETS	2,038,247	2,069,101	30,854	
Represented by:				
Accumulated surplus	666,789	653,854	(12,935)	
Asset revaluation reserves	1,362,635	1,362,635	-	
Other reserves	18,950	21,758	2,808	
Retained Earnings	(10,127)	30,854	40,982	Net result for the year YTD.
EQUITY	2,038,247	2,069,101	30,854	