




# 1.0 Comprehensive Income Statement Converted to Cash

	Year to date		YTD Variance		Full Year		Variance		Notes
	Actual (\$'000)	Forecast (\$'000)	Actual to Forecast (\$'000)	%	Forecast (\$'000)	Budget (\$'000)	Forecast to Budget (\$'000)	%	
Rates and Charges	100,924	100,425	499	0%	133,385	132,585	800	1%	
Statutory Fees and Fines	12,264	12,632	(368)	(3%)	17,175	18,668	(1,493)	(8%)	
User Fees	22,598	22,742	(144)	(1%)	30,683	32,650	(1,967)	(6%)	
Grants - Operating	10,417	9,975	442	4%	12,038	9,386	2,652	28%	
Grants - Capital	1,661	1,648	14	1%	2,394	3,370	(976)	(29%)	
Contributions - Monetary	3,826	3,949	(122)	(3%)	4,870	2,532	2,338	92%	
Contributions - Non Monetary	0	0	0	0%	0	0	0	0%	
Other Income	6,713	6,971	(258)	(4%)	19,780	19,114	666	3%	
<b>Total Income</b>	<b>158,403</b>	<b>158,341</b>	<b>62</b>	<b>0%</b>	<b>220,325</b>	<b>218,305</b>	<b>2,020</b>	<b>1%</b>	<b>1</b>
Employee Costs	64,891	64,950	59	0%	90,302	91,046	744	1%	
Materials & Services	50,703	50,792	89	0%	90,826	91,011	185	0%	
Depreciation	18,493	18,957	464	2%	22,519	25,276	2,757	11%	
Amortisation of Right of Use assets	0	0	0	0%	1,170	950	(220)	(23%)	
Bad & Doubtful Debts	2,818	2,953	135	5%	3,938	5,141	1,203	23%	
Borrowing Costs	176	254	78	31%	349	349	0	0%	
Interest - Right of Use	49	65	17	26%	86	75	(11)	(14%)	
Impairment	0	0	0	0%	0	0	0	0%	
Other expenses	4,996	4,850	(145)	(3%)	18,732	17,873	(859)	(5%)	
Net proceeds from asset disposals	(1,627)	(1,580)	47	(3%)	3,896	3,896	(0)	(0%)	
Share of Joint Venture	0	0	0	0%	0	0	0	0%	
<b>Total Expenses</b>	<b>140,499</b>	<b>141,241</b>	<b>743</b>	<b>1%</b>	<b>231,818</b>	<b>235,617</b>	<b>3,799</b>	<b>2%</b>	<b>2</b>
<b>Operating Surplus / (Deficit)</b>	<b>17,904</b>	<b>17,100</b>	<b>805</b>	<b>5%</b>	<b>(11,493)</b>	<b>(17,312)</b>	<b>5,819</b>	<b>34%</b>	
<b>Income Statement Converted to Cash</b>									
<b>Adjustments for non-cash operating items:</b>									
• Add back depreciation	18,493	18,957	(464)	(2%)	22,519	25,276	(2,757)	(11%)	
• Add back amortisation	0	0	0	0%	1,170	950	220	23%	
• Add back written-down value of infrastructure assets disposals	2,211	2,380	(169)	(7%)	7,951	7,951	0	0%	
• Add back balance sheet work in progress reallocated to operating	0	0	0	0%	1,200	1,200	0	0%	
• Add back Joint Venture Equity Accounting	0	0	0	0%	0	0	0	0%	
• Less Contributed Assets	0	0	0	0%	0	0	0	0%	
	<b>20,704</b>	<b>21,337</b>	<b>(633)</b>	<b>-3%</b>	<b>32,840</b>	<b>35,377</b>	<b>(2,537)</b>	<b>(7%)</b>	
<b>Adjustments for investing items:</b>									
• Less Capital Expenditure	(7,637)	(14,340)	6,703	47%	(20,260)	(31,172)	10,912	35%	3
<b>Adjustments for financing items:</b>									
• Add New Borrowings	0	0	0	0%	0	0	0	0%	
• Less Loan Repayments	0	0	0	0%	0	0	0	0%	
• Less Lease Repayments	(561)	(486)	(75)	15%	(648)	(648)	0	0%	
	<b>(561)</b>	<b>(486)</b>	<b>(75)</b>	<b>15%</b>	<b>(648)</b>	<b>(648)</b>	<b>0</b>	<b>0%</b>	
<b>Adjustments for financing items:</b>									
• Statutory Reserve Drawdown	0	0	0	0%	1,883	2,390	(507)	(21%)	
• Statutory Reserve Replenish	0	0	0	0%	(4,438)	(1,875)	(2,563)	(137%)	
• Discretionary Reserve Drawdown	0	0	0	0%	20,021	25,992	(5,971)	(23%)	
• Discretionary Reserve Replenish	0	0	0	0%	(14,717)	(11,176)	(3,541)	(32%)	
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>2,748</b>	<b>15,331</b>	<b>(12,583)</b>	<b>(182%)</b>	<b>4</b>
<b>Current Year Cash Surplus/ (Deficit)</b>	<b>30,410</b>	<b>23,611</b>	<b>6,800</b>	<b>(71%)</b>	<b>3,187</b>	<b>1,576</b>	<b>1,611</b>	<b>102%</b>	
Opening balance cash surplus/ (Deficit)	(276)	(276)	0	0%	(276)	(441)	165	37%	
<b>Accumulated Cash Surplus</b>	<b>30,134</b>	<b>23,335</b>	<b>6,800</b>	<b>29%</b>	<b>2,911</b>	<b>1,135</b>	<b>1,776</b>	<b>157%</b>	

Refer to explanatory notes for forecast adjustments.

## 2.0 Notes to the Income Statement

### Note 1. Operating income forecast adjustments:

  	\$ Variance	Operating income forecast explanatory notes
↑	\$1.76m	Favourable Long Day Child Care income due to: 1) Transitional Commonwealth COVID-19 Childcare relief package has been extended to January 2021 which was not budgeted and 2) Greater utilisation (77% year to date) than the 70% budgeted.
↑	\$0.80m	Additional supplementary rates from completed developments mainly at Port Melbourne.
↑	\$0.40m	Victorian Government funding for the Kirrip Park and Ferrars St Streetscape works finalised in 2020/21 (most of the expenditure incurred in 2019/20). Funding have been delayed by COVID and staff/structural changes at the Fishermans Bend Taskforce.
↑	\$0.22m	Unbudgeted Victorian Government COVID-19 funding for Kindergarten services.
↑	\$0.17m	South Melbourne Market stallholder rent forecast increased to reflect updated gross rent. Rent waiver as part of the COVID response is reported separately.
↑	\$0.16m	Safe System Road Infrastructure Program funding taken up in 2020/21 due to delays in finalising project. Capital expenditure had taken place in prior financial year.
→	\$1.93m	Open Space Contributions are expected to be greater than budgeted mainly at Elwood and Montague neighbourhoods. All receipts are to be quarantined in the Statutory Resort & Recreation Reserve for future enhancement of open space facilities.
→	\$1.12m	Council received from Victorian Government as part of their Working for Victoria Fund to keep people employed impacted COVID-19. This will be offset by matching expenditure.
→	\$0.50m	Victorian Government COVID-19 funding to facilitate Outdoor Eating and Entertainment initiatives. This will be offset by matching expenditure.
→	\$0.25m	Additional COVID-19 meals funding which will be offset by matching expenditure.
→	\$0.40m	Unbudgeted Victorian Government funding for Homelessness and Social Inclusion initiatives. This will be offset by matching expenditure.
→	\$0.20m	VicRoad funding related to prior financial year works at Foote St, Reed St & Beaconsfield parade. The favourable funds are to be used to offset the cost increases for Wellington St Upgrade Stage 3.
→	\$0.11m	Unbudgeted Victorian Government funding for Maternal Child Health Sleep & Settling program. This will be offset by matching employee costs.
→	(\$0.87m)	Budgeted funding for EcoCentre Redevelopment (construction) will not materialise this financial year. Project contingent on Victorian Government funding, therefore project deferred to next financial year.
→	(\$0.33m)	Major events income reduced due to COVID cancellations. A large portion of budgeted expenditure will not be spent and to be used as offsets to the income loss.
→	(\$0.18m)	Commonwealth Blackspot program funding for the Fitzroy St and Loch St work was not successful. Project will not go ahead.
→	(\$0.77m)	Council endorsed a further \$1.21m of COVID-19 Economic and Social Relief Package to be funded from the unutilised St Kilda Festival budget. \$0.77m relates to income reduction including: A further 25% food premise registration fees and 50% health premise registration fee, further 50% waiver of footpath trading fees, further rental waivers for Council tenants, and Carlisle Art Space Exhibitor Fee waivers.
↓	(\$3.20m)	The budget included parking revenue assumptions akin to the first wave COVID-19 impact. The severity and length of the second wave of COVID-19 restrictions have been greater than budgeted. Further, the Victorian Government prohibited enforcement of overstay offences, which account for approximately 60% of our parking infringement income. Parking infringement income has been forecast down by \$1.2m and paid parking forecast reduced by \$2m. The lower number of Parking

↑ → ↓	\$ Variance	Operating income forecast explanatory notes
		Infringement Notices will be partially offset by lower doubtful debts and lodgement expenditure. Net unfavourable impact approximately \$2.0m.
↓	(\$0.33m)	Council experienced greater revenue impact due to extended COVID-19 restrictions which resulted in loss of stallholder revenue from the Esplanade Market, reduction in sporting licences and leases, and loss of Council hall hire income. The impacts are partially offset by lower operating expenditure.
↓	(\$0.23m)	South Melbourne Market parking fees reduced due to extended COVID lockdown than was budgeted.




## Note 2. Operating expenditure forecast adjustments:

↑ → ↓	\$ Variance	Operating expenditure forecast explanatory notes
↑	\$1.58m	Lower employee costs and savings due to enterprise vacancies and COVID-19 impacting on service delivery. The main services impacted include: Long Day Care centres, Adventure Playgrounds, Library Services, Festivals & Major Events, Parking Enforcements, School Crossings, Aged and Diversity services,
↑	\$1.20m	Lower parking doubtful debts expected due to lower number of parking infringements issued.
↑	\$0.40m	Lower registration costs payable to Fines Victoria due to lower parking infringement notices.
↑	\$0.33m	Victorian Government has delayed the 2020/21 landfill levy increase until the 2021/22 financial year.
↑	\$0.22m	Victoria Government COVID-19 support included one-off 25% reduction on congestion levy expenditure for 2021/21.
↑	\$0.20m	Forecast savings from target employee training and lower training spend due COVID-19.
↑	\$0.15m	Forecast reduction in Parking Infringement refunds (Appeals Function Outsourcing issue) based on year to date rate of refunds.
↑	\$0.15m	Lower building maintenance requests as a result of temporary service closures.
→	\$2.76m	Officers are reviewing asset conditions and useful lives with updated data using Council's new finance and asset systems. At this stage, we expect depreciation to reduce by up to \$2.76m in 2020/21.
→	\$0.80m	Wattie Watson Oval reconstruction is expected to award contract in the last quarter of this financial year. A forecast deferral of \$0.8m to 2021/22.
→	\$0.28m	Budgeted Council contribution toward the Victorian Government Montague Stimulus Package no longer required. Budget reallocated to Rotary Park Playspace Development (Capital).
→	(\$1.12m)	Council received from Victorian Government as part of their Working for Victoria Fund to keep people employed impacted COVID-19. This will be offset by matching expenditure.
→	(\$0.50m)	Victorian Government COVID-19 funding to facilitate Outdoor Eating and Entertainment initiatives. This will be offset by matching expenditure.
→	(\$0.45m)	Council endorsed a further \$1.21m of COVID-19 Economic and Social Relief Package to be funded from the unutilised St Kilda Festival budget. \$0.45m relates to expenditure reallocations toward: Hostile Vehicle Mitigation for Acland St, Data and measurement of all initiatives, COVID safe community event and live music support, further Arts Rescue Grants, One-off recovery grant funding to key organisations.
→	(\$0.49m)	Council endorsed a further \$0.49m of COVID-19 Economic and Social Support funded from the remaining St Kilda Festival budget as part of the Mid-year financial report toward: concerts at the Palais, seed funding for trader associations, St Kilda Road Tourism initiatives, High St Business Support and Beautification projects, St



↑ → ↓	\$ Variance	Operating expenditure forecast explanatory notes
		Kilda Blues Festival, Community Public Art Fund, fee reduction for Esplanade Market stallholders and financial support to ANAM for free community concerts.
→	(\$0.30m)	Expenditure related to the Victorian Government funding for Homelessness Housing Support (temporary common ground).
→	(\$0.25m)	Additional COVID-19 meals funding which will be offset by matching expenditure.
→	(\$0.11m)	Unbudgeted employee expenditure due to receipt of Sleep & Settling Maternal Child Health program from Victorian Government.
↓	(\$0.56m)	Additional COVID-19 expenditure for Vulnerable Employees. This is offset by savings from enterprise vacancies.
↓	(\$0.68m)	Additional budget approved by Council as part of the First Quarter Financial Review: \$0.4m Summer Management, \$0.11m Heritage Program, \$0.17m Pressure Cleaning, \$0.035m Kerferd Road Safety Trial.

### Note 3. Capital expenditure forecast adjustments:

↑ → ↓	\$ Variance	Capital expenditure forecast explanatory notes
→	\$2.90m	Luna Park and Palais Hostile Vehicle Mitigation - Scope and timing of the project is being reconsidered due to current budget pressures due to COVID. An updated delivery schedule will consider the impact on the social and economic recovery of businesses in the area.
→	\$1.90m	EcoCentre redevelopment - Council committed to delivering a redevelopment of the Port Phillip EcoCentre subject to receiving a 50 per cent contribution from a funding partner. This partnership funding has not been received and the next opportunity to obtain funding is in the Victorian Government's 2021-22 budget announcement in May 2021. Council will complete design and permitting milestones in 2020-21 but construction milestones and budget now need to be deferred to 2021-22. The delivery of the 2021-22 construction works remain dependant on obtaining a funding partner.
→	\$1.20m	South Melbourne Market Compliance works - Building Surveyors required more extensive investigations than anticipated to obtain building permit and Fire Engineering approvals. This has extended the timeline for tender and delivery of the works, which can only occur after all permits have been obtained.
→	\$0.60m	Childcare Centre Fence Compliance - Works are yet to commence at one of the sites due to delays obtaining consent from the Department of Education and Training and the timeline for completion of all sites has now been adjusted to allow for longer State Government consent timelines.
→	\$0.59m	Elwood Foreshore Lighting - Procurement was delayed to align with the Bay Trail lighting procurement process and additional time built into the schedule to allow for a realistic tender evaluation period.
→	\$0.57m	Graham St Overpass Skate Park - Procurement process delayed as opportunities for additional grant funding were considered. The budget decision had a significant impact on scope so until this was resolved the project was held at a design point.
→	\$0.54m	Building Safety Corrective Action Response - Delays have been incurred due to site access restrictions under COVID-19 restrictions, and additional site documentation that was not readily available required by the Building Surveyor to confirm building permit requirements. Fire Engineering Victoria reports are expected to take an additional 6 weeks following final consultation with the building surveyor, therefore the majority of the works will not commence until the 21/22 financial year.
→	\$0.41m	Garden City Shared Bike Path - Final Cost Plan estimates were higher than expected due to the requirement to include vehicle intersection safety improvements. As a result, it was decided to deliver the project across two financial years, resulting in deferrals.
→	\$0.36m	Waterfront Public Toilet - Additional investigations and options assessment into an appropriate location for the new toilet were required following information received regarding the proposed 1-7 Waterfront PI development, which has impacted the timeline for delivery.
→	\$0.32m	Cora Graves Accessibility - Delays were incurred due to design modifications required to ensure the best outcome for the community. Planning permit activities required for legislative compliance have also taken longer than anticipated to complete, resulting in deferrals.

  	\$ Variance	Capital expenditure forecast explanatory notes
→	\$0.30m	Sandbar public toilet upgrade - Redesign of the proposed unisex toilets, and additional investigations relating to the impact on the building occupancy limits during construction were required following advice received from the Building Surveyors. This has extended the timeline for delivery.
→	\$0.30m	St Kilda Town Hall Staff Accommodation - Staff Accommodation plan to be reviewed to respond to COVID related changes to workplace design, function and policies resulting in deferral of \$250,000 to next financial year. The remaining \$50,000 has been reallocated to the Workplace Locker and Team Storage Project.
→	\$0.26m	Buildings CCTV - Additional site visits requested by the design consultant initially impacted the schedule. The procurement approach has also been revised to ensure best value which will take longer than the original approach.
→	\$0.25m	Access Control Renewal - Project has been put on hold while the Security Policy, which includes access control principles, is being developed. The policy is currently being finalised and the project plan being revised to recommence the project.
→	\$0.25m	Council Furniture and Fitting program - Budget reallocated to deliver the Workplace Locker and Team Storage project.
→	\$0.20m	Gasworks Arts Park Reinstatement - Awaiting further testing and a contaminated soil remediation plan from State Government before Council can progress landscape design and construction works.
→	\$0.19m	Moran Reserve Pedestrian and Cycle Bridge - Original quotes received through the request for quote process were well above the allocated budget and not considered best value. A revised procurement approach (public tender) will be implemented which has impacted the timeline for delivery.
→	\$0.16m	Shakespeare Grove Public Toilet - Additional site investigations and options were required to identify a suitable location for both the Exeloo once removed, and the new toilet to be delivered, impacting the timeline for delivery.
→	\$0.13m	Fitzroy St and Loch St Blackspot project - Application for Commonwealth Blackspot program funding was not successful. Project withdrawn.
→	\$0.10m	South Melbourne Market Cecil Street Essential Services - Additional scope items were required to ensure compliance with current regulations, this required additional design works to be completed. The revised design now requires a building permit and Fire Engineering Reports to be completed by Fire Rescue Victoria, which has impacted the timeline for construction.
→	(\$0.20m)	Wellington Street stage 3 - Wellington Street Stage 3 upgrade tenders received had a higher than expected cost of construction. Requirements to comply with VicRoads design standards also increased the cost of the project.
→	(\$0.25m)	Kings Place Plaza Pocket Park - Budget brought forward from next financial year in order to undertake preliminary design investigation works to meet State grant funding timelines.
↓	(\$0.28m)	Rotary Park - Project has been delayed in order to better consider scope, budget and timeframes. An updated delivery schedule will consider the impact on the social and economic recovery of foreshore businesses.

**Note 4. Reserve forecast adjustments:**

  	\$ Variance	Reserve forecast adjustment explanatory notes
→	\$1.70m	Council endorsed a further \$1.21m of COVID-19 Economic and Social Relief Package to be funded from the unutilised St Kilda Festival budget.
→	\$0.45m	Reserve drawdown for homeless initiative as part of COVID response (unspent budgeted was put aside to reserve in 2019/20).
→	\$0.20m	Wellington Street stage 3 upgrade additional budget required from competitive tenders received. This is to be funded from VicRoads contribution to transport safety and improvement projects recognised in 2020/21.
→	\$0.25m	Kings Place Plaza Pocket Park expenditure to be accelerated in order to meet funding timeline requirements of December 2021 set by the Victorian Government.
→	(\$2.90m)	Luna Park and Palais Hostile Vehicle Mitigation Construction works to be rescheduled to minimise impact to businesses in their summer (peak) trading periods. Completion expected in 2021/22.
→	(\$1.93m)	Open Space Contributions are expected to be greater than budgeted mainly at Elwood and Montague neighbourhoods. All receipts are to be quarantined in the Statutory Resort & Recreation Reserve for future enhancement of open space facilities.
→	(\$1.90m)	Victorian Government funding for the EcoCentre redevelopment has not materialised resulting in deferral to next financial year.
→	(\$1.20m)	South Melbourne Market Compliance works deferral to next financial year due to fire engineering requirements.
→	(\$0.80m)	Wattie Watson Oval reconstruction is expected to award contract in the last quarter of this financial year. A forecast deferral of \$0.8m to 2021/22.
→	(\$0.60m)	Childcare Centre Fence Compliance deferrals due to additional scope for soil testing & removal.
→	(\$0.59m)	Delays in procurement and lead time on light pole deliveries will result in deferrals to 21/22.
→	(\$0.58m)	A number of bike infrastructure projects including St Kilda Rd Central Bike Corridor Trial, Shimmy Routes, and Domain Precinct - Park St Temp Bike Lane have been deferred to 2021/22 to align council decisions and seeking funding from the Department of Transport.
→	(\$0.57m)	Graham St Overpass Skate Park delays due to consolidation of stages 1a and 1b into one single construction contract.
→	(\$0.48m)	Garden City Shared Bike Path procurement delays and construction works rescheduled to commence in the last quarter of this financial year. Deferrals identified.
→	(\$0.41m)	Building Safety Corrective Action Response - consultants continue to work on the revised Fire Engineering Report required as part of the additional scope of works resulting in a deferral.
→	(\$0.36m)	Waterfront Public Toilet deferrals expected due to additional time required to investigate and assess options before going into construction works.
→	(\$0.32m)	Cora Graves Accessibility and Asbestos removal project delays due to design modifications to ensure best outcome for the community and meet legislative compliance requirements.
→	(\$0.30m)	Staff Accommodation plan to be reviewed to respond to COVID related changes to workplace design, function and policies resulting in deferrals to next financial year.
→	(\$0.30m)	Sandbar public toilet upgrade experience contract award process delays which will impact on construction timelines. Deferrals expected.
→	(\$0.26m)	CCTV upgrade on council buildings experienced delays due to review and audit of additional CCTV sites and procurement.
→	(\$0.25m)	Expected deferrals for Access Control Renewal in Council Buildings due to inclusion of upgrades for electronic access control (PACOM).

↑ → ↓	\$ Variance	Reserve forecast adjustment explanatory notes
→	(\$0.25m)	Council Furniture and Fitting program procurement delays expected.
→	(\$0.20m)	Gasworks Arts Park Reinstatement deferrals due to further concept design and masterplan development.
→	(\$0.19m)	Moran Reserve Pedestrian and Cycle Bridge tender pricing well above budget provision. Additional time to investigate and assess options will result in expenditure deferral.
→	(\$0.16m)	Deferral of Shakespeare Grove Public Toilet budget to bring in line with updated project completion in 2021/22.
→	(\$0.10m)	South Melbourne Market Cecil Street Essential Services Connect requiring design review by Fire Engineering services. Deferral is expected.

## 3.0 Balance Sheet

	Opening	Year to Date			Full Year			Variance %	Note
	Balance \$'000	Actual \$'000	Forecast \$'000	Variance \$'000	Forecast \$'000	Budget \$'000	Variance \$'000		
<b>ASSETS</b>									
<b>Current assets</b>									
Cash and cash equivalents	7,642	(794)	8,000	(8,794)	8,000	8,280	(280)	(3%)	
Trade and other receivables	17,865	9,563	18,133	(8,570)	18,133	15,052	3,081	20%	
Other financial assets	87,000	134,529	110,616	23,913	95,444	75,000	20,444	27%	1
Non current assets classified as held for sale	2,211	0	0	0	0	0	0	0%	
Other assets	1,904	245	1,933	(1,688)	1,933	3,706	(1,773)	(48%)	
<b>Total current assets</b>	<b>116,621</b>	<b>143,543</b>	<b>138,681</b>	<b>4,862</b>	<b>123,510</b>	<b>102,038</b>	<b>21,472</b>	<b>21%</b>	
<b>Non-current assets</b>									
Investments in associates and joint ventures	307	307	307	0	307	347	(40)	(12%)	
Trade and other receivables	516	516	516	0	516	616	(100)	(16%)	
Other financial assets	5	5	5	0	5	0	5	0%	
Property, infrastructure, plant and equipment	3,200,370	3,190,129	3,195,584	(5,455)	3,254,171	3,258,634	(4,463)	(0%)	2
Right of use assets	1,339	1,339	1,339	0	169	945	(776)	(82%)	
<b>Total non-current assets</b>	<b>3,202,538</b>	<b>3,192,296</b>	<b>3,197,751</b>	<b>(5,455)</b>	<b>3,255,168</b>	<b>3,260,542</b>	<b>(5,374)</b>	<b>(0%)</b>	
<b>TOTAL ASSETS</b>	<b>3,319,158</b>	<b>3,335,839</b>	<b>3,336,432</b>	<b>(593)</b>	<b>3,378,678</b>	<b>3,362,580</b>	<b>16,098</b>	<b>0%</b>	
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Trade and other payables	8,294	6,682	8,418	1,736	16,418	16,517	99	1%	
Trust funds and deposits	7,949	8,102	8,108	6	8,108	5,730	(2,378)	(41%)	
Provisions	15,523	16,142	15,833	(309)	15,833	14,844	(989)	(7%)	
Interest-bearing loans and borrowings	0	7,500	7,500	0	7,500	7,500	0	0%	
Lease liabilities	585	1,212	99	(1,113)	(63)	342	405	118%	
<b>Total current liabilities</b>	<b>32,351</b>	<b>39,637</b>	<b>39,958</b>	<b>321</b>	<b>47,796</b>	<b>44,933</b>	<b>(2,863)</b>	<b>(6%)</b>	
<b>Non-current liabilities</b>									
Provisions	3,367	3,367	3,434	67	3,434	2,648	(786)	(30%)	
Interest-bearing loans and borrowings	7,500	0	0	0	0	0	0	0%	
Lease liabilities	788	0	788	788	788	404	(384)	(95%)	
<b>Total non-current liabilities</b>	<b>11,655</b>	<b>3,367</b>	<b>4,222</b>	<b>855</b>	<b>4,222</b>	<b>3,052</b>	<b>(1,170)</b>	<b>(38%)</b>	
<b>TOTAL LIABILITIES</b>	<b>44,006</b>	<b>43,004</b>	<b>44,180</b>	<b>1,176</b>	<b>52,018</b>	<b>47,985</b>	<b>(4,033)</b>	<b>(8%)</b>	
<b>TOTAL ASSETS</b>	<b>3,275,152</b>	<b>3,292,835</b>	<b>3,292,252</b>	<b>583</b>	<b>3,326,660</b>	<b>3,314,595</b>	<b>12,065</b>	<b>0%</b>	
<b>EQUITY</b>									
Accumulated surplus	639,699	657,397	656,798	599	630,954	635,794	(4,840)	(1%)	
Asset revaluation reserve	2,557,780	2,557,780	2,557,780	0	2,620,780	2,621,644	(864)	(0%)	
Other reserves	77,674	77,659	77,674	(15)	74,926	57,157	17,769	31%	3
<b>TOTAL EQUITY</b>	<b>3,275,152</b>	<b>3,292,835</b>	<b>3,292,252</b>	<b>583</b>	<b>3,326,660</b>	<b>3,314,595</b>	<b>12,065</b>	<b>0%</b>	

### Balance Sheet explanatory notes

Note	Explanatory notes
1	Forecast year end cash and investment balance of \$103.4m. This is greater than expected due to: a higher carried forward cash balance from 2019/20, an improvement to our finances, and lower capital expenditure in 2020/21 to be deferred to 2021/22.
2	Capital works in 2020/21 will be lower than the total annual asset depreciation and the one-off sale of York St property. This will result in a reduced carrying value of fixed asset.
3	Drawdown on reserves to fund Capital Works program and the Customer Experience program. This is expected to be lower due to \$12.6m of projects deferrals identified.



## 4.0 Statement of Cash Flows

	Full Year	Year to Date			Full Year			Variance	Variance	Note
	2019/20	Actual	Forecast	Variance	Forecast	Budget	\$'000			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
<b>Cash flows from operating activities</b>										
Rates and charges	125,278	108,014	107,515	499	133,385	132,585	800	1%		
Statutory fees and fines	16,021	9,990	6,956	3,034	13,116	13,700	(584)	(4%)	1	
User Fees	39,792	25,592	19,917	5,675	33,589	35,608	(2,019)	(6%)	1	
Grants - operating	12,939	10,417	9,975	442	12,038	9,386	2,652	28%	2	
Grants - capital	3,249	1,661	1,648	14	2,394	3,370	(976)	(29%)	3	
Contributions- monetary	10,362	3,826	3,949	(122)	4,870	2,532	2,338	92%	4	
Interest received	1,383	614	552	62	552	552	0	0%		
Trust funds and deposits taken	56,770	40,774	40,776	(1)	54,291	54,274	17	0%		
Other receipts	13,992	9,208	7,634	1,574	10,670	9,354	1,316	14%		
Net GST refund	8,330	3,359	4,512	(1,153)	7,077	8,871	(1,794)	(20%)		
Employee costs	(94,751)	(64,272)	(64,573)	301	(89,925)	(90,826)	901	(1%)		
Materials and services	(96,338)	(58,431)	(57,459)	(972)	(94,908)	(93,905)	(1,003)	1%		
Short term, low value and variable lease payments	(691)	(315)	(344)	29	(629)	(630)	1	(0%)		
Trust funds and deposits repaid	(55,907)	(40,622)	(40,617)	(5)	(54,132)	(54,162)	30	(0%)		
Other payments	(8,774)	(5,494)	(5,333)	(161)	(9,548)	(8,603)	(945)	11%		
<b>Net cash provided by/(used in) operating activities</b>	<b>31,655</b>	<b>44,322</b>	<b>35,108</b>	<b>9,214</b>	<b>22,840</b>	<b>22,106</b>	<b>734</b>	<b>3%</b>		
<b>Cash flows from investing activities</b>										
Payments for property, infrastructure, plant and equipment	(22,370)	(8,282)	(14,290)	6,008	(17,010)	(31,172)	14,162	(45%)	5	
Proceeds from sale of property, infrastructure, plant and equipment	218	3,838	3,960	(122)	4,055	4,055	0	0%		
Payments for investments	(87,000)	(134,529)	(110,616)	(23,913)	(95,444)	(75,000)	(20,444)	27%	6	
Proceeds from sale of investments	83,000	87,000	87,000	0	87,000	75,000	12,000	16%		
<b>Net cash provided by/(used in) investing activities</b>	<b>(26,152)</b>	<b>(51,973)</b>	<b>(33,945)</b>	<b>(18,028)</b>	<b>(21,399)</b>	<b>(27,117)</b>	<b>5,718</b>	<b>(21%)</b>		
<b>Cash flows from financing activities</b>										
Finance costs	(349)	(176)	(254)	78	(349)	(349)	0	(0%)		
Repayment of borrowings	0	0	0	0	0	0	0	0%		
Interest paid - lease liability	(75)	(49)	(65)	17	(86)	(75)	(11)	14%		
Repayment of lease liabilities	(698)	(561)	(486)	(75)	(648)	(648)	0	0%		
<b>Net cash provided by/(used in) financing activities</b>	<b>(1,122)</b>	<b>(785)</b>	<b>(805)</b>	<b>20</b>	<b>(1,083)</b>	<b>(1,072)</b>	<b>(11)</b>	<b>1%</b>		
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>4,381</b>	<b>(8,436)</b>	<b>358</b>	<b>(8,794)</b>	<b>358</b>	<b>(6,083)</b>	<b>6,441</b>	<b>(106%)</b>		
Cash and cash equivalents at the beginning of the financial year	3,261	7,642	7,642	0	7,642	14,363	(6,721)	(47%)		
<b>Cash and cash equivalents at the end of the financial year</b>	<b>7,642</b>	<b>(794)</b>	<b>8,000</b>	<b>(8,794)</b>	<b>8,000</b>	<b>8,280</b>	<b>(280)</b>	<b>(3%)</b>		
<b>Total Cash and investments</b>	<b>94,642</b>	<b>133,735</b>	<b>118,616</b>	<b>15,119</b>	<b>103,444</b>	<b>83,280</b>	<b>20,164</b>	<b>24%</b>		

### Cash flows explanatory notes

Note	Explanatory notes
1	Lower cash receipts from parking revenue (paid parking and infringements) due to the severity and length of the second COVID-19 lockdown. Other reductions for COVID relief including rental waivers, premise registration and footpath trading.
2	Additional unbudgeted grants from the Commonwealth and State Government for COVID-19 economic and social recovery programs. This is offset by additional expenditure (material & services).

Note	Explanatory notes
3	Lower capital grants mainly due to the EcoCentre redevelopment funding not successful.
4	Greater Open Space Contributions based on year to date receipts and Fishermans Bend Development Contribution received from the Victorian Government for Kirrip Park and Ferrars St Streetscape works for works completed in 2019/20.
5	Lower capital works spend due to timing of works and deferrals.
6	Due to improvements to our financial performance and lower capital spend expected in 2020/21 (deferred to 2021/22), our investments have increased.

## 5.0 Capital Works Statement

	YTD	YTD	YTD Variance		Annual	Annual	Full Year Variance		Note
	Actuals (\$'000)	Forecast (\$'000)	Actual to Forecast (\$'000)	%	Forecast (\$'000)	Budget (\$'000)	Forecast to Budget (\$'000)	%	
<b>Property</b>									
Land	-	-	-	0%	-	-	-	0%	
Buildings	2,633	4,515	1,882	42%	5,863	11,905	6,042	51%	1
<b>Total property</b>	<b>2,633</b>	<b>4,515</b>	<b>1,882</b>	<b>42%</b>	<b>5,863</b>	<b>11,905</b>	<b>6,042</b>	<b>51%</b>	
<b>Plant and equipment</b>									
Plant, machinery and equipment	18	889	871	98%	1,364	1,364	(0)	0%	
Fixtures, fittings and furniture	146	336	190	57%	232	782	550	70%	2
Computers and telecommunications	668	950	282	30%	1,457	1,457	(0)	0%	
Heritage and art works	-	20	20	0%	30	30	(0)	0%	
Library books	435	425	(10)	(2%)	652	652	-	0%	
<b>Total plant and equipment</b>	<b>1,267</b>	<b>2,620</b>	<b>1,353</b>	<b>52%</b>	<b>3,735</b>	<b>4,285</b>	<b>550</b>	<b>13%</b>	
<b>Infrastructure</b>									
Roads	471	1,454	983	68%	2,272	2,387	115	5%	
Footpaths and cycle ways	310	879	569	65%	1,327	1,774	447	25%	3
Drainage	246	569	323	57%	854	965	111	12%	
Parks, open space and streetscapes	2,710	4,303	1,593	37%	6,209	9,856	3,647	37%	4
<b>Total infrastructure</b>	<b>3,737</b>	<b>7,205</b>	<b>3,468</b>	<b>48%</b>	<b>10,662</b>	<b>14,982</b>	<b>4,320</b>	<b>29%</b>	
<b>Total capital portfolio expenditure</b>	<b>7,637</b>	<b>14,340</b>	<b>6,703</b>	<b>47%</b>	<b>20,260</b>	<b>31,172</b>	<b>10,912</b>	<b>35%</b>	
<b>Capital Expenditure Type</b>									
New asset expenditure	453	850	397	47%	1,201	1,848	647	35%	
Asset renewal expenditure	4,432	8,324	3,892	47%	11,760	18,094	6,334	35%	5
Asset upgrade expenditure	2,735	5,135	2,400	47%	7,255	11,162	3,908	35%	5
Asset expansion expenditure	17	31	14	45%	44	68	24	35%	
<b>Total capital works expenditure</b>	<b>7,637</b>	<b>14,340</b>	<b>6,703</b>	<b>47%</b>	<b>20,260</b>	<b>31,172</b>	<b>10,912</b>	<b>35%</b>	

### Capital expenditure explanatory notes

Note	Explanatory notes
1	Buildings deferral of \$6m including: <ul style="list-style-type: none"> <li>EcoCentre Redevelopment funding bid with Victorian Government was not successful, the project deferred to next year (\$1.9m).</li> <li>South Melbourne Market Compliance works delays in confirming engineering requirements and fire hazards (\$1.2m)</li> <li>Childcare Centre Fence Compliance - deferral due to issues relating to soil testing, removal of soil, and blue stone wall (\$0.6m)</li> <li>Other deferrals including Building Safety Corrective Action, Waterfront Public Toilet, Cora Graves Accessibility project, Access control renewals, Sandbar Public Toilet, and Building CCTV.</li> </ul>
2	Fixtures, fittings & furniture deferral of \$0.6m including: <ul style="list-style-type: none"> <li>St. Kilda Town hall Staff accommodation (\$0.3m) - additional time to re-design workplace, engage with staff, and develop policies.</li> <li>Others including Council furniture &amp; fittings project.</li> </ul>
3	Footpath & Cycleways deferral of \$0.4m including: <ul style="list-style-type: none"> <li>Garden City Bike Path (\$0.3m) - due to scope variations to the overall ITS program including design &amp; construction</li> </ul>
4	Parks, Open spaces & streetscapes deferral of \$3.6m including: <ul style="list-style-type: none"> <li>Luna Park and Palais - rescheduled to minimise business impact during peak summer trading periods (\$2.9m)</li> <li>Other deferrals including Elwood Foreshore lighting, Graham Street Overpass skatepark.</li> </ul>
5	Total deferrals identified at \$11m which are mainly renewal and upgrade expenditure types.

## 6.0 Aged Debtors

Division/Business Unit	Current	1-30 days	31-60 days	60 days +	Total	Note
<b>Community Wellbeing and Inclusion</b>						
Child Care Council Managed Centres	56,292	5,846	5,848	19,628	87,614	1
Community Building and Inclusion	-	102,108	-	27,500	129,608	2
Independent Living	35,552	9,491	4,258	6,767	56,069	
Open Space & Recreation	15,827	156	973	18,584	35,540	3
<b>Total Community &amp; Economic Development</b>	<b>107,671</b>	<b>117,600</b>	<b>11,080</b>	<b>72,479</b>	<b>308,830</b>	
<b>Customer, Operations and Infrastructure</b>						
Community Facilities	1,759	-	100	4,338	6,196	
Finance	65,508	37,125	4,769	3,493	110,896	
Property	171,459	101,267	43,756	1,042,915	1,359,397	4
Maintenance & Operations	48,016	10,450	10,450	1	68,917	
<b>Total Customer &amp; Corporate Services</b>	<b>286,742</b>	<b>148,842</b>	<b>59,075</b>	<b>1,050,746</b>	<b>1,545,406</b>	
<b>City Growth &amp; Organisational Capability</b>						
Arts	2,739	1,254	859	3,818	8,670	
Esplanade Market	1,306	2,573	15,492	11,307	30,679	5
Festivals	33,000	11,488	-	19,599	64,088	6
Filming Permits	565	51	1,240	-	1,856	
South Melbourne Market	574,219	100,587	42,052	185,303	902,163	7
Events	26,511	1,821	386	100	28,818	
<b>Total City Growth &amp; Organisational Capability</b>	<b>638,340</b>	<b>117,775</b>	<b>60,030</b>	<b>220,128</b>	<b>1,036,273</b>	
<b>Development, Transport &amp; City Amenity</b>						
Development Permits	245,433	92,670	25,761	195,786	559,649	8
Health Services	3,906	61	717	39,861	44,545	9
Private Parking	-	-	-	660	660	
Transport Safety	262,139	-	-	2,518	264,657	
Traffic & Parking	2,000	-	-	260	2,260	
Pay Parking	20,000	-	-	-	20,000	
<b>Total Development, Transport &amp; City Amenity</b>	<b>533,478</b>	<b>92,731</b>	<b>26,477</b>	<b>239,085</b>	<b>891,771</b>	
<b>Grand Total</b>	<b>1,566,231</b>	<b>476,948</b>	<b>156,662</b>	<b>1,582,439</b>	<b>3,782,280</b>	

### Capital expenditure explanatory notes

Note	Explanatory notes
1	Child Care Council Managed Centres \$19K - Debts are under review by Children's Services Coordinators and FYC Manager with Finance support provided and regular monthly meetings being held. Approx. \$3K is lodged with the debt collection agency (a new debtor agency is yet to be appointed via tender process)
2	Community Building and Inclusion \$27K - has been paid and will be corrected in April 2021 reports.
3	Open Space & Recreation \$20K - \$16K to be reversed and billed quarterly as per new loan repayment agreement (\$50K to be repaid in 16 instalments - \$3,125 each). \$2K relates to unpaid Sport Grounds bookings for period prior April 2020. Payment reminders were sent in Feb and Mar.
4	Property \$1.1M - \$800K relates to sale of a former road (1 debtor). The matter is still with our solicitors. Property has now contacted the lawyers as payment plan was requested. \$139K old debt that is managed by our lawyers. \$93K relates to overdue rent that is not being paid regularly due to past Stage 4 lockdown closures.
5	Esplanade Market \$11K - COVID-19 rebate applied on 31-Mar-2021. 8 debtors to be set up on monthly direct debit (Apr-Jun 21). Aged Balance report provided to the St Kilda Esplanade Market Manager on 01-Apr-2021 for review.
6	Festivals \$19K - \$3K is on payment plan that has been successfully resumed (\$200/month); \$9K to be lodged with debt collection agency as soon as it is appointed; \$4K could have been offset at debtors end with a tax invoice issued to CoPP (Festivals asked to liaise with this debtor to resolve any discrepancies); \$3K owed by an international organization that has its AP department in New Delhi - AR followed in April to see if any additional details are still required

Note	Explanatory notes
7	South Melbourne Market \$185K - full amount relates to stall rent fees. SMM Coordinator advised that we must wait for the govt guidelines with regard to commercial tenancies after 31 March to assess what action we can take (currently we cannot take action to terminate and must negotiate a payment plans).
8	Development Permits \$195K - \$62K relates to asset protection refundable security bonds. \$133K (47 debtors) relates to projects invoiced but development is either on hold, further information is required or permit has been withdrawn and cancelled but a credit adjustment has not yet been provided to AR. \$33K payment received in April for one of the majors accounts.
9	Health Services \$39K - full amount relates to food registration renewals issued in Nov 2020, due on 31-Dec-2020. Health Services team issued reminders to all proprietors advising to pay by 26-Feb-2021 with some exceptions being extended until 12-Mar-2021.