

FINANCIAL REPORT

Eight months ended

29 February 2008



Financial Report
Eight months ended 29 February 2008

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Statement of Capital Works



Financial Report

Eight months ended 29 February 2008

1 EXECUTIVE SUMMARY

1.1 Operating performance

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast Actual \$'000
Operating					
Revenue	90,313	91,569	1,256	101,061	102,754
Expenditure	(69,449)	(67,784)	1,665	(104,070)	(105,295)
	20,864	23,785	2,921	(3,009)	(2,541)
Capital					
Revenue	834	2,073	1,239	4,931	4,224
Gain (loss) on disposal of assets	214	(36)	(250)	647	690
Net surplus (deficit)	21,912	25,822	3,910	2,569	2,373

The Operating Performance for the eight months ended 29 February 2008 is an operating surplus before capital revenue and other items of \$23.8 million, which is \$2.9 million ahead of budget. The main items contributing to this favorable variance are rates, contributions, capital grants, other revenue, employee benefits, materials and services, depreciation and other expenses. These have been partially off set by unfavorable variances in user fees and operating grants. After capital and other items, the operating surplus is \$25.8 million, which is \$3.9 million ahead of budget.

1.2 Capital performance

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast Actual \$'000
Total capital works	14,447	11,605	2,842	28,273	25,911

The Capital Performance for the eight months ended 29 February 2008 shows that a total of \$11.6 million has been expended on the capital works program, which is \$2.8 million behind the budget. The variance is due mainly to timing differences on the completion of plant and equipment, open space and building works projects.

1.3 Financial position

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast Actual \$'000
Cash and cash equivalents	16,715	24,186	7,471	11,610	16,644
Net current assets	22,637	31,064	8,427	(3,480)	1,245
Net assets and total equity	803,508	807,706	4,198	784,165	784,258

The Financial Position as at 29 February 2008 shows a cash balance of \$24.2 million which is \$7.5 million ahead of budget. The variance is due mainly to timing differences in the receipt of rates and other payments, GST amounts and lower capital works expenditure. The net current asset position is \$31.1 million which is \$8.4 million more than budget. The variance is due mainly to the higher cash position compared with budget and lower trade and other payables. The net asset position is \$807.7 million, which is \$4.2 million ahead of budget.

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Eight months ended 29 February 2008

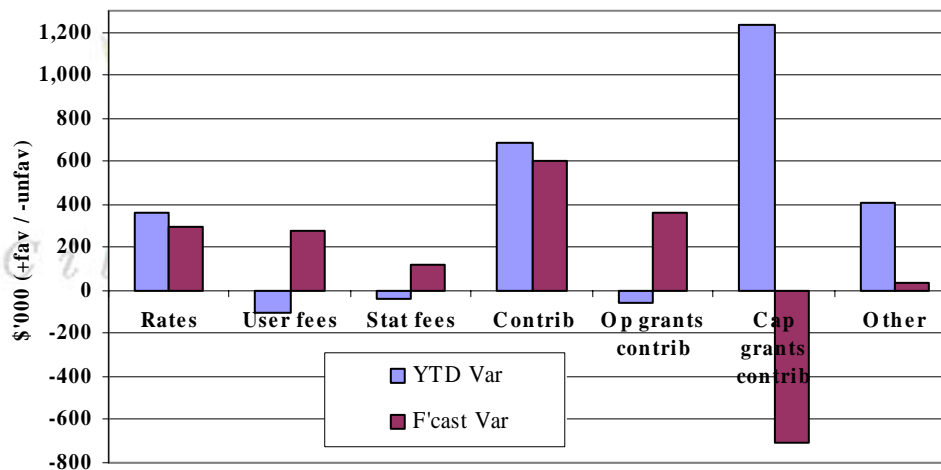
2. FINANCIAL ANALYSIS

2.1 Operating performance

2.1.1 Operating revenue

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast Actual \$'000	Forecast Var \$'000
Revenues						
Rates	68,374	68,735	361	68,967	69,264	297
User fees	6,667	6,564	(103)	9,543	9,819	276
Statutory fees and fines	2,315	2,275	(40)	3,734	3,855	121
Contributions	973	1,661	688	1,400	2,000	600
Operating grants & contrib's	9,976	9,922	(54)	14,040	14,406	366
Capital grants & contrib's	834	2,073	1,239	4,931	4,224	(707)
Other revenue	2,008	2,412	404	3,377	3,410	33
Total operating revenue	91,147	93,642	2,495	105,992	106,978	986

Revenue YTD & Forecast variances



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Eight months ended 29 February 2008

Major Operating Revenue Variances

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000
Rates		361	
Supplementary rates	P	274	
General rate and service charges	P	92	
User fees			103
Northcote Golf Course	P		51
Bundoora Golf Course	P		58
Road reinstatements	T		162
Engineering services	P	73	
Environmental strategy	P	30	
Statutory fees and fines			40
Traffic enforcement	T		110
Building supervision	P	46	
Contributions		688	
DCP Contributions	P	351	
Other	P	337	
Operating grants and contributions			54
Home support	T		56
Inclusion support program	T		81
Immunisation	T		71
Walking the talk	P	45	
Neighborhood renewal	P	71	
Capital grants and contributions		1,239	
NARC masterplan implementation	T	148	
Bikepath – Latrobe Uni - Macleod	P	178	
Wombat crossing installations	P	78	
RLC building upgrade	T	227	
Edwardes Lake masterplan	P	38	
Bus shelter tactile paving	P	456	
Retail activity centre	P	40	
Jika Jika Neighbourhood House	P	30	
IT core systems	P	42	
East Reservoir Neighbourhood House	P	250	
Barak tapestry	P		100
Bundoora Homestead enviro control	P		75
Darebin Creek – bike path	T		110
Kingsbury Bowls synthetic greens	P		99
Special charge scheme – Grange Rd	P		190
Other revenue		404	
Family violence	P	80	
Aboriginal TSI relations	P	44	
Interest income	P	158	
Community power	P		111

Note: Var T = Timing P = Permanent

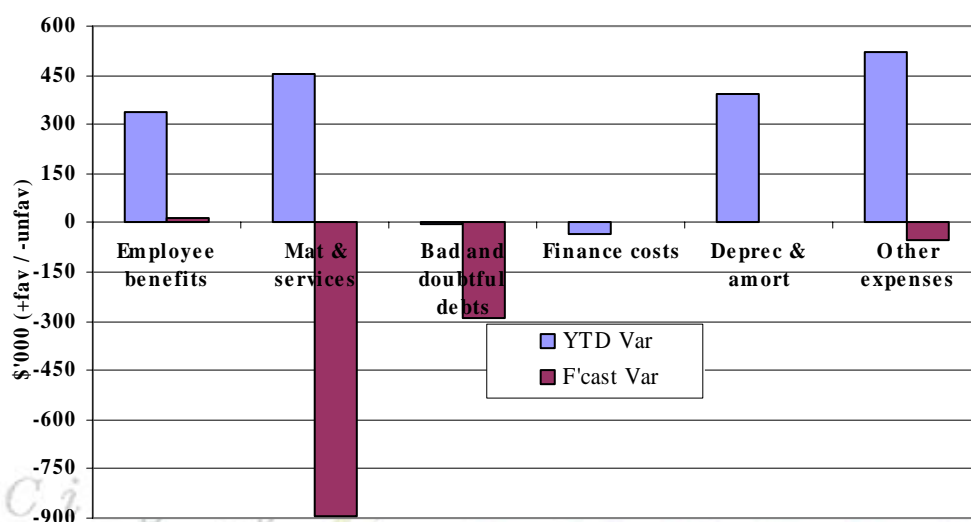
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Eight months ended 29 February 2008

2.1.2 Operating expenses

Expense type	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast Actual \$'000	Forecast Var \$'000
Expenses						
Employee benefits	34,578	34,241	337	51,597	51,582	15
Materials and services	18,032	17,578	454	28,182	29,074	(892)
Bad and doubtful debts	349	350	(1)	491	784	(293)
Finance costs	153	189	(36)	222	222	0
Depreciation and amortisation	10,628	10,238	390	15,942	15,942	0
Other expenses	5,709	5,188	521	7,636	7,691	(55)
Total operating expenses	69,449	67,784	1,665	104,070	105,295	(1,225)

Expenses YTD & Forecast variances



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Eight months ended 29 February 2008

Major Operating Expense Variances

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000
Employee benefits			337
Library management & operations	P		50
IT core systems	T		51
Customer service centre	T		53
Traffic enforcement	P		60
Children's services	P		60
Open space management	P		54
Culture & Leisure management	P		79
Reservoir Leisure Centre	P	73	
Open space planning	P	45	
Food services	P	57	
Home support services	P	51	
Materials and services			454
Facilities maintenance	T		71
Open space planning	P		59
Streetlighting	T		201
Best Start	P		112
Infrastructure planning	P		125
Road reinstatements	T		96
Valuation services	T		73
Bundoora Park	T		55
Major maintenance (from capital program)	P	279	
Fleet – parts	T	78	
Fleet – fuel and oil	P	64	
Transportation management	P	44	
Streetcleaning	T	49	
Collection services	T	51	
DISC	P	47	
Depreciation and amortisation			390
Plant & equipment	T		166
Intangibles – software & system devel.	T		100
Roads	T		69
Other			521
Travel Smart	T		59
Community aged care packages	T		53
Senior Citizens Club - other	T		165
Community power	P		85
Best Start	T		85
Environmental strategy	P		39
Inclusion support	T		36
Personal care	T	47	
Collection services	P	47	
Community grants	P	49	

Note: Var T = Timing P = Permanent

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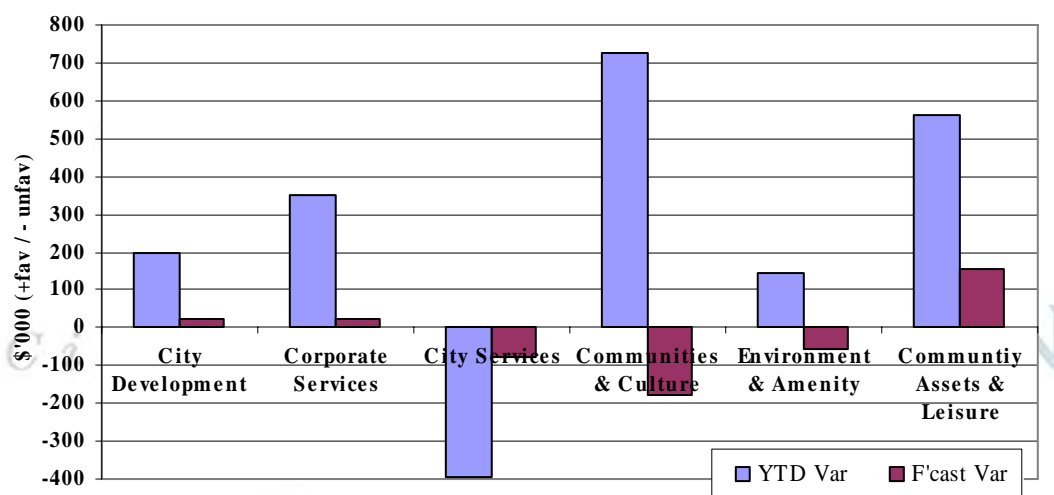
Eight months ended 29 February 2008

2.1.3 Department analysis

	YTD Budget Net cost \$'000	YTD Actual Net cost \$'000	YTD Var Net cost \$'000	Adopted Budget Net cost \$'000	Forecast Actual \$'000	Forecast Var Net cost \$'000
Department						
City Development	2,045	1,848	197	3,160	3,136	24
Corporate Services	7,725	7,374	351	11,378	11,353	25
City Services	9,495	9,889	(394)	14,829	14,909	(80)
Communities & Culture	10,201	9,473	728	14,837	15,014	(177)
Environment & Amenity	1,442	1,298	144	1,916	1,972	(56)
Community Assets & Leisure	5,454	4,891	563	7,897	7,742	155
	36,362	34,773	1,589	54,017	54,126	(109)
Other non-attributable ¹	(58,274)	(60,595)	2,321	(56,586)	(56,499)	(87)
Net (surplus) deficit	(21,912)	(25,822)	3,910	(2,569)	(2,373)	(196)

1. Other non-attributable includes rate revenue, grants commission, capital revenue, major maintenance, depreciation, insurance and other significant items.

Department net cost YTD & Forecast variances



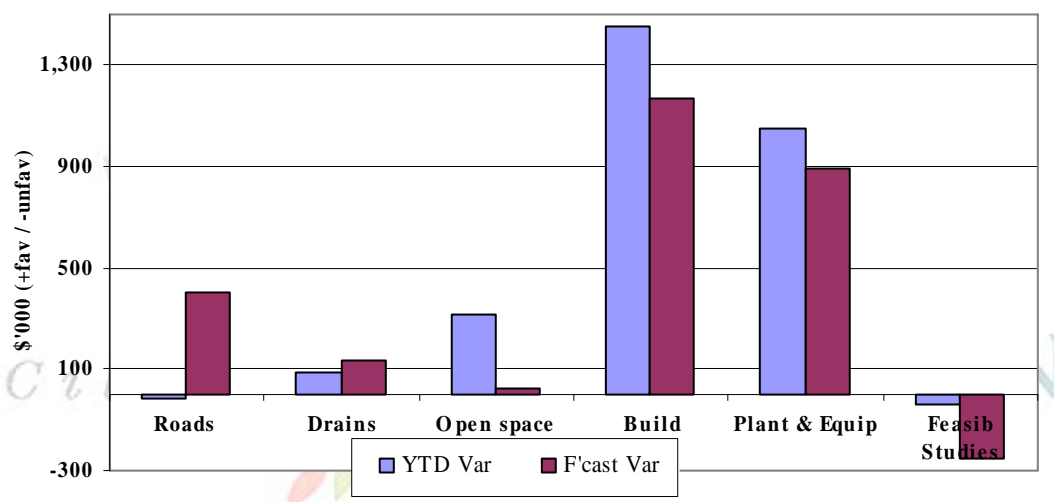
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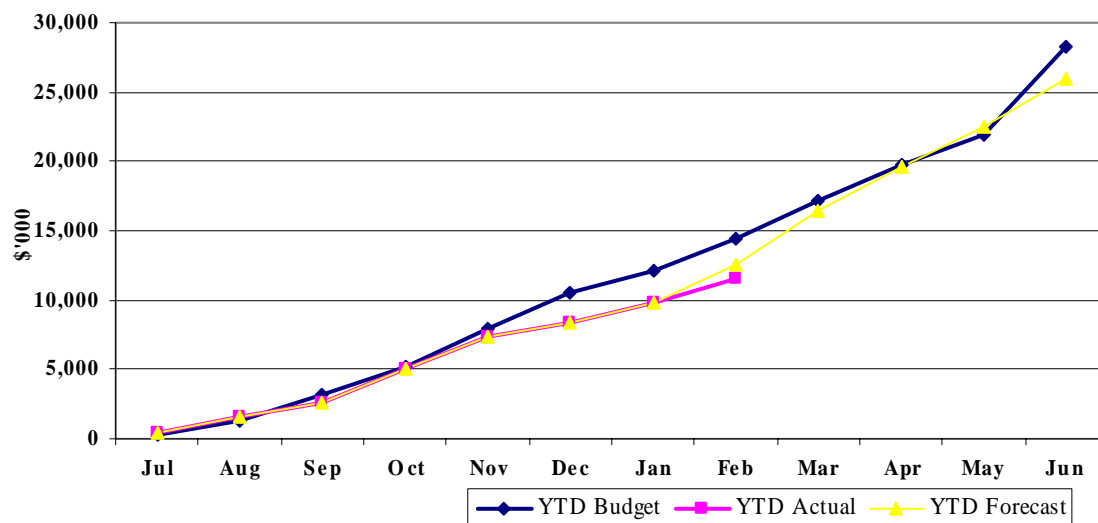
2.2 Capital performance

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast Actual \$'000	Forecast Var \$'000
Capital works class						
Roads	4,387	4,407	(20)	8,957	8,553	404
Drains	148	64	84	570	439	131
Open space	1,516	1,199	317	3,133	3,110	23
Buildings	4,028	2,577	1,451	7,969	6,799	1,170
Plant & equipment	4,253	3,205	1,048	7,264	6,375	889
Feasibility studies	115	153	(38)	380	635	(255)
Total capital works	14,447	11,605	2,842	28,273	25,911	2,362
Represented by:						
Capital expenditure	12,627	9,506	3,121	24,461	21,446	3,015
Major maintenance	1,820	2,099	(279)	3,812	4,445	(653)
Total capital works	14,447	11,605	2,842	28,273	25,911	2,362

Capital works YTD & Forecast variances by asset class



Capital works YTD & Forecast expenditure cumulative



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Major Capital Works Variances

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000
Drains			84
Improvement works – Bourke St	P		45
Open space			317
Warm season turf establishment	T		67
Sports ground water tanks	T		32
Northcote Golf Course – drought works	T		40
Preston Oval landscape & fencing	P		116
Kingsbury Bowls synthetic green	P		102
Arts in public places	P		51
Edwardes Park Lake masterplan	P	86	
Cochrane Reserve	T	70	
Buildings			1,451
Reservoir Leisure Centre	T		648
NARC masterplan implementation	P		207
DCSS outdoor courts	T		53
Reservoir Library airconditioning	T		80
NARC carpark	P		38
Sweeping / tipping deck and yard	P		90
Bundoora Homestead enviro control	T		118
Northcote Park pavillion	T		43
Crispe Park pavillion	P		71
East Reservoir Neighbourhood House	P	55	
Plant & equipment			1,048
Server & hardware upgrades	T		34
Desktop & network upgrades	P		110
Library product purchases	P		50
Energy efficiency works	T		75
Plant replacement program	T		540
Customer & asset mgt system	P		139
Barak tapestry	P		110
GIS upgrade	P		30
IT core systems upgrade	P	59	
Mobile garbage bin replacements	T	44	

Note: Var T = Timing P = Permanent

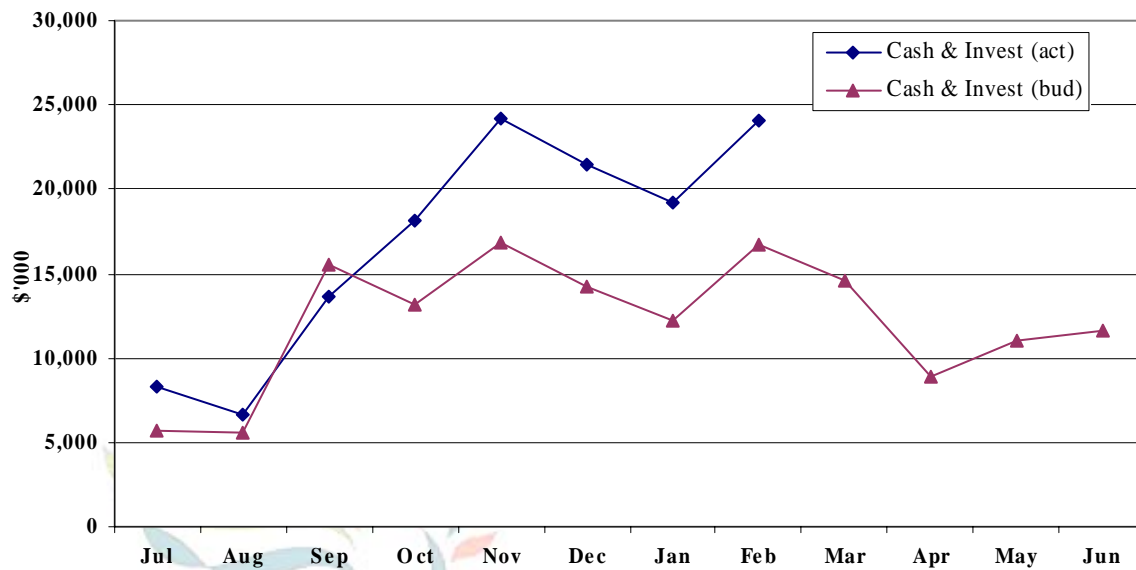
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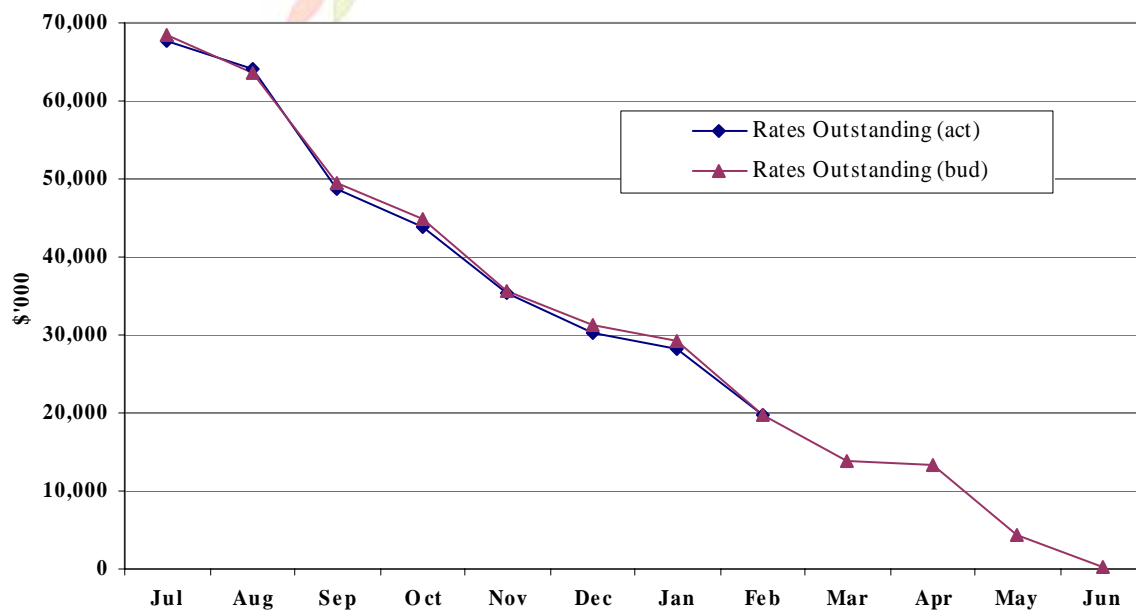
2.3 Financial position

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast Actual \$'000
Cash and investments	16,715	24,186	7,471	11,610	16,644
Net current assets	22,637	31,064	8,427	(3,480)	1,245
Net assets and total equity	803,508	807,706	4,198	784,165	784,258

Actual & Budget cash & investments balance by month



Actual & Budget rates outstanding balances by month



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Major Balance Sheet YTD variances

	Var	YTD Budget Increase \$'000	YTD Budget Decrease \$'000
Current assets		7,441	
Cash and investments	P	7,471	
Receivables	P		261
Other financial assets	T	231	
Current liabilities			986
Trade creditors	P		953
Employee provisions	P		26
Non current assets			3,865
Property, Infra. plant & equipment	P		4,014
Intangible assets	P	158	
Non current liabilities		364	
Employee provisions	P	356	
Equity		4,198	
Accumulated surplus	P	4,425	
Asset revaluation reserve	P		257
Other reserves	P	30	

Note: Var T = Timing P = Permanent



APPENDIX A

Income Statement
Balance Sheet
Cash Flow Statement
Statement of Capital Works



Financial Report
Eight months ended 29 February 2008

DAREBIN CITY COUNCIL

Income Statement

For the 8 months ended 29 February, 2008

	YTD Budget	YTD Actual	YTD Variance	Annual Budget	Forecast Actual
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues from ordinary activities					
Rates	68,374	68,735	361	68,967	69,264
User fees	6,667	6,564	(103)	9,543	9,819
Statutory fees and fines	2,315	2,275	(40)	3,734	3,855
Contributions	973	1,661	688	1,400	2,000
Operating grants and contributions	9,976	9,922	(54)	14,040	14,406
Capital grants and contributions	834	2,073	1,239	4,931	4,224
Other	2,008	2,412	404	3,377	3,410
Total revenues	<u>91,147</u>	<u>93,642</u>	<u>2,495</u>	<u>105,992</u>	<u>106,978</u>
Expenses from ordinary activities					
Employee benefits	34,578	34,241	337	51,597	51,582
Materials and services	18,032	17,578	454	28,182	29,074
Bad and doubtful debts	349	350	(1)	491	784
Finance costs	153	189	(36)	222	222
Depreciation and amortisation	10,628	10,238	390	15,942	15,942
Other	5,709	5,188	521	7,636	7,691
Total expenses	<u>69,449</u>	<u>67,784</u>	<u>1,665</u>	<u>104,070</u>	<u>105,295</u>
Net gain (loss) on disposal of property infrastructure, plant and equipment	214	(36)	(250)	647	690
Surplus (deficit) for the year	<u><u>21,912</u></u>	<u><u>25,822</u></u>	<u><u>3,910</u></u>	<u><u>2,569</u></u>	<u><u>2,373</u></u>

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Eight months ended 29 February 2008

DAREBIN CITY COUNCIL

Balance Sheet

As at 29 February, 2008

	YTD	YTD	YTD	Annual	Forecast
	Budget	Actual	Variance	Budget	Actual
	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	16,715	24,186	7,471	11,610	16,644
Trade and other receivables	24,366	24,105	(261)	5,711	5,861
Other financial assets	276	507	231	35	35
Total current assets	41,357	48,798	7,441	17,356	22,540
Non-current assets					
Trade and other receivables	575	566	(9)	554	554
Property, infrastructure, plant & equipment	782,553	778,539	(4,014)	788,876	784,542
Investment property	2,993	2,993	0	2,993	2,993
Intangible assets	252	410	158	532	590
Total non-current assets	786,373	782,508	(3,865)	792,955	788,679
Total assets	827,730	831,306	3,576	810,311	811,219
Current liabilities					
Trade and other payables	7,405	6,452	953	9,324	9,824
Interest bearing loans and borrowings	596	589	7	596	596
Provisions	10,719	10,693	26	10,916	10,875
Total current liabilities	18,720	17,734	986	20,836	21,295
Non-current liabilities					
Interest bearing loans and borrowings	4,081	4,089	(8)	3,889	3,889
Provisions	1,421	1,777	(356)	1,421	1,777
Total non-current liabilities	5,502	5,866	(364)	5,310	5,666
Total liabilities	24,222	23,600	622	26,146	26,961
Net assets	803,508	807,706	4,198	784,165	784,258
Equity					
Accumulated surplus	452,593	457,018	4,425	433,993	433,694
Asset revaluation reserve	347,289	347,032	(257)	347,290	347,032
Other reserves	3,626	3,656	30	2,882	3,532
Total equity	803,508	807,706	4,198	784,165	784,258

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DAREBIN CITY COUNCIL

Cash Flow Statement

For the 8 months ended 29 February, 2008

	YTD Budget \$'000 Inflows (Outflows)	YTD Actual \$'000 Inflows (Outflows)	YTD Varianc e \$'000	Annual Budget \$'000 Inflows (Outflows)	Forecast Actual \$'000 Inflows (Outflows)
Cash flows from operating activities					
Receipts from customers (incl GST)	62,840	63,477	637	88,547	90,293
Payments to suppliers and employees (incl GST)	(60,368)	(60,239)	129	(92,825)	(94,517)
Interest	2,472	3,238	766	(4,278)	(4,224)
Government receipts	548	717	169	870	1,081
Finance costs	10,849	11,978	1,129	18,971	19,429
Net GST refund / payment	(154)	(179)	(25)	(222)	(222)
	1,162	2,374	1,212	2,966	2,966
Net cash provided by operating activities	14,877	18,128	3,251	18,308	19,030
Cash flows from investing activities					
Proceeds from sale of property, plant & equipment	838	580	(258)	1,280	1,418
Repayment of loans and advances	49	51	3	65	65
Payment for property, infrastructure, plant & equipment	(15,659)	(12,695)	2,963	(24,460)	(21,811)
Net cash used in investing activities	(14,772)	(12,064)	2,708	(23,115)	(20,328)
Cash flows from financing activities					
Trust funds and deposits	0	277	277	0	287
Proceeds from interest bearing loans and borrowings	1,450	1,450	0	1,450	1,450
Repayment of interest bearing loans and borrowings	(365)	(368)	(3)	(558)	(558)
Net cash used in financing activities	1,085	1,359	274	892	1,179
Net increase / (decrease) in cash & cash equivalents					
Cash & cash equivalents at the beginning of the year	1,190	7,423	6,233	(3,915)	(119)
	15,525	16,763	1,238	15,525	16,763
Cash & cash equivalents at the end of the year	16,715	24,186	7,471	11,610	16,644

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DAREBIN CITY COUNCIL

Statement of Capital Works

For the 8 months ended 29 February, 2008

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000	Forecast Actual \$'000
Roads	4,387	4,407	(20)	8,957	8,653
Drains	148	64	84	570	439
Open space	1,516	1,199	317	3,133	3,110
Buildings	4,028	2,577	1,451	7,969	6,799
Plant & equipment	4,253	3,205	1,048	7,264	6,375
Feasibility studies	115	153	(38)	380	635
Total capital works	14,447	11,605	2,842	28,273	25,911

Represented by:

Capital expenditure	12,627	9,506	3,121	24,461	21,466
Major maintenance	1,820	2,099	(279)	3,812	4,445
Total capital works	14,447	11,605	2,842	28,273	25,911

