

# FINANCIAL REPORT

Three months ended  
30 September 2009



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Balance Sheet  
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Statement of Capital Works



## 1 EXECUTIVE SUMMARY

### 1.1 Operating performance

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000
<b>Operating</b>				
Revenue	83,688	84,608	920	<b>110,538</b>
Expenditure	(29,235)	(27,977)	1,258	<b>(113,250)</b>
	54,453	56,631	2,178	<b>(2,712)</b>
<b>Capital</b>				
Revenue	185	20	(165)	<b>5,137</b>
Gain (loss) on disposal of assets	108	57	(51)	<b>768</b>
<b>Net surplus (deficit)</b>	<b>54,746</b>	<b>56,708</b>	<b>1,962</b>	<b>3,193</b>

The Operating Performance for the three months ended 30 September 2009 is an operating surplus before capital revenue and other items of \$56.6 million, which is \$2.2 million ahead of budget. The main items contributing to this favorable variance are user fees, statutory fees and fines, contributions income, other revenue, employee benefits, materials and services and depreciation expenses. These have been partially off set by unfavorable variances in rates and capital grants. All material variances reported are of a timing nature. After capital and other items, the operating surplus is \$56.7 million, which is \$2.0 million ahead of budget.

### 1.2 Capital performance

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Adjusted Budget \$'000
Total capital works	4,047	2,409	1,638	<b>35,478</b>	<b>36,876</b>

The Capital Performance for the three months ended 30 September 2009 shows that a total of \$2.4 million has been expended on the capital works program, which is \$1.6 million behind the budget. The variance is due mainly to timing differences on construction of buildings and purchase of plant and equipment.

### 1.3 Financial position

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000
Cash and cash equivalents	27,401	31,933	4,532	<b>17,190</b>
Net current assets	66,627	72,974	6,347	<b>2,053</b>
Net assets and total equity	851,338	967,192	115,854	<b>799,787</b>

The Financial Position as at 30 September 2009 shows a cash balance of \$31.9 million which is \$4.5 million ahead of budget. The variance is due mainly to the timing difference in the payment to suppliers and the higher opening cash position compared with budget of \$2.6 million. The net current asset position is \$73.0 million which is \$6.3 million more than budget. The variance is due mainly to the higher cash and cash equivalents, trade receivables and lower trade payables and higher provisions positions compared with budget. The net asset position is \$967.2 million, which is \$115.9 million ahead of budget and reflects the impact of asset revaluations at 30 June 2009 of \$104.9 million.

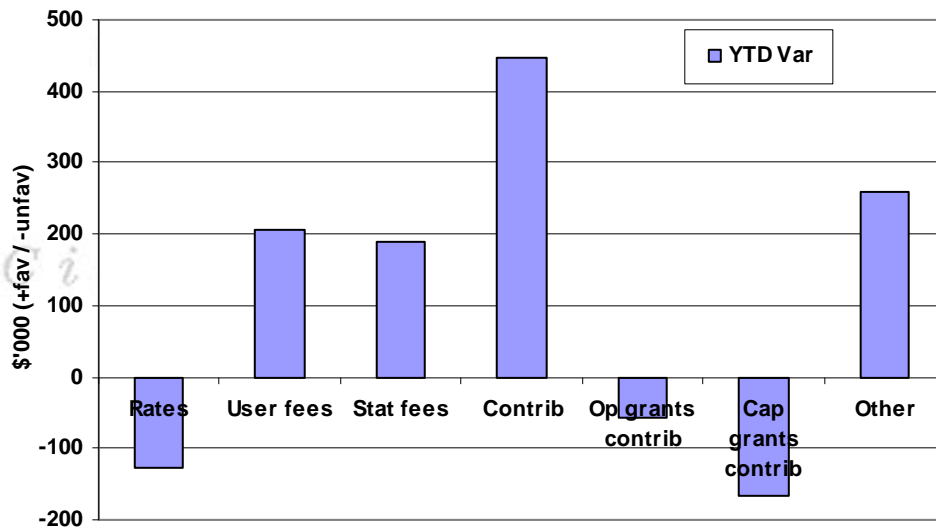
## 2. FINANCIAL ANALYSIS

### 2.1 Operating performance

#### 2.1.1 Operating revenue

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000
<b>Revenues</b>				
Rates	75,646	75,518	(128)	<b>78,067</b>
User fees	2,733	2,940	207	<b>9,775</b>
Statutory fees and fines	782	971	189	<b>4,012</b>
Contributions	375	823	448	<b>1,500</b>
Operating grants & contrib's	3,511	3,455	(56)	<b>13,731</b>
Capital grants & contrib's	185	20	(165)	<b>5,137</b>
Other revenue	641	901	260	<b>3,453</b>
<b>Total operating revenue</b>	<b>83,873</b>	<b>84,628</b>	<b>755</b>	<b>115,675</b>

#### Revenue YTD variances



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Three months ended 30 September 2009

**Major Operating Revenue Variances**

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000
<b>Rates</b>			<b>128</b>
Supplementary	T		95
Other rebates & discounts	T		36
Green waste collection	T	35	
<b>User fees</b>		<b>207</b>	
Local laws	T	54	
Roads & footpaths – maintenance	T	54	
Reservoir Leisure Center	T	36	
Right of ways	T	34	
<b>Statutory fees and fines</b>		<b>189</b>	
Traffic enforcement	T	71	
Council administration – elections	T	66	
Statutory planning	T	24	
<b>Contributions</b>		<b>448</b>	
Open space	T	353	
DCP	T	95	
<b>Capital grants and contributions</b>			<b>165</b>
Bundoora park all abilities playground	T		100
Leisure strategy	T		24
<b>Other revenue</b>		<b>260</b>	
Interest income	T	86	
Cemetery staffing	T	40	
Roads & footpaths – internal charge	T	39	

Note: Var T = Timing P = Permanent

City of

DAREBIN

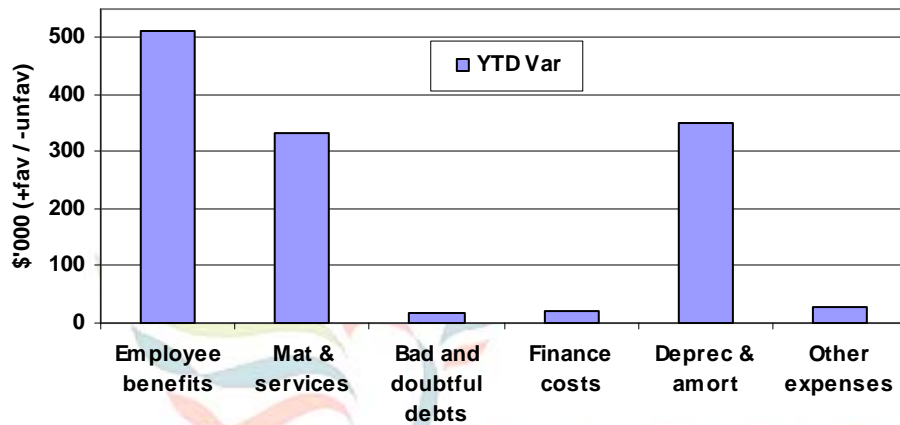
# Financial Report

## Three months ended 30 September 2009

### 2.1.2 Operating expenses

Expense type	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000
<b>Expenses</b>				
Employee benefits	14,436	13,924	512	<b>57,506</b>
Materials and services	7,285	6,953	332	<b>30,243</b>
Bad and doubtful debts	165	149	16	<b>688</b>
Finance costs	89	69	20	<b>357</b>
Depreciation and amortisation	4,317	3,966	351	<b>17,269</b>
Other expenses	2,943	2,916	27	<b>7,187</b>
<b>Total operating expenses</b>	<b>29,235</b>	<b>27,977</b>	<b>1,258</b>	<b>113,250</b>

#### Expenses YTD variances



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 Three months ended 30 September 2009

**Major Operating Expense Variances**

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000
<b>Employee benefits</b>			<b>512</b>
Home support services	T		185
Statutory planning	T		42
Customer service	T		41
Urban Development	T		35
Environmental strategy	T		33
CAMS – Customer & Asset Mgt System	T	56	
Extended care	T	42	
<b>Materials and services</b>			<b>332</b>
Darebin parks	T		225
Environmental services	T		105
Leisure services	T		34
Asset management	T		30
Road infrastructure	T	80	
Facilities maintenance – building services	T	68	
Darebin Resource Recovery Centre	P	51	
Children's services	T	42	
<b>Depreciation and amortisation</b>			<b>351</b>
Roads	P		297
Other assets	T		145
Plant & equipment	T		116
Buildings	P	195	

Note: Var T = Timing P = Permanent



# Financial Report

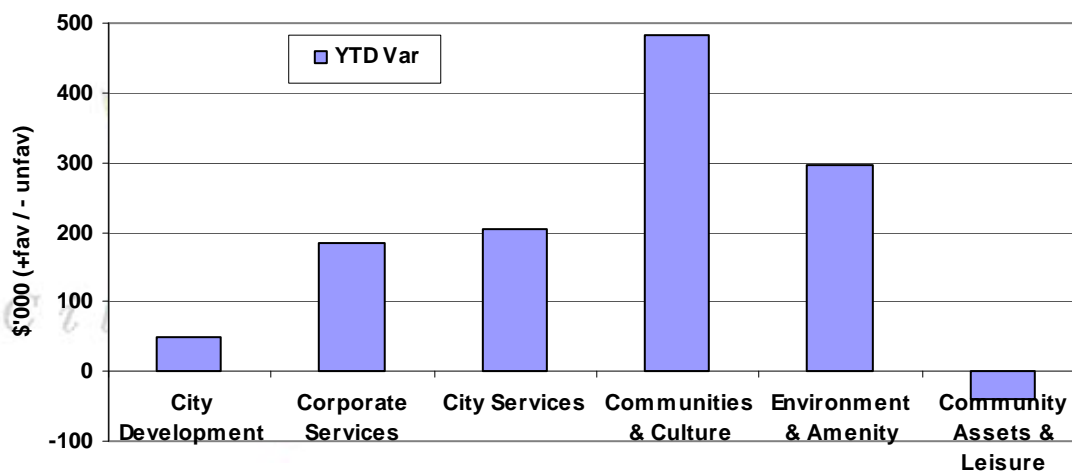
## Three months ended 30 September 2009

### 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
<b>Department</b>				
City Development	905	856	49	<b>3,636</b>
Corporate Services	3,409	3,224	185	<b>12,860</b>
City Services	3,142	2,939	203	<b>16,469</b>
Communities & Culture	4,534	4,050	484	<b>16,747</b>
Environment & Amenity	1,190	894	296	<b>3,631</b>
Community Assets & Leisure	2,181	2,220	(39)	<b>7,446</b>
	15,361	14,183	1,178	<b>60,789</b>
Other non-attributable <sup>1</sup>	(70,107)	(70,891)	784	<b>(63,982)</b>
<b>Net (surplus) deficit</b>	<b>(54,746)</b>	<b>(56,708)</b>	<b>1,962</b>	<b>(3,193)</b>

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

### Department net cost YTD variances





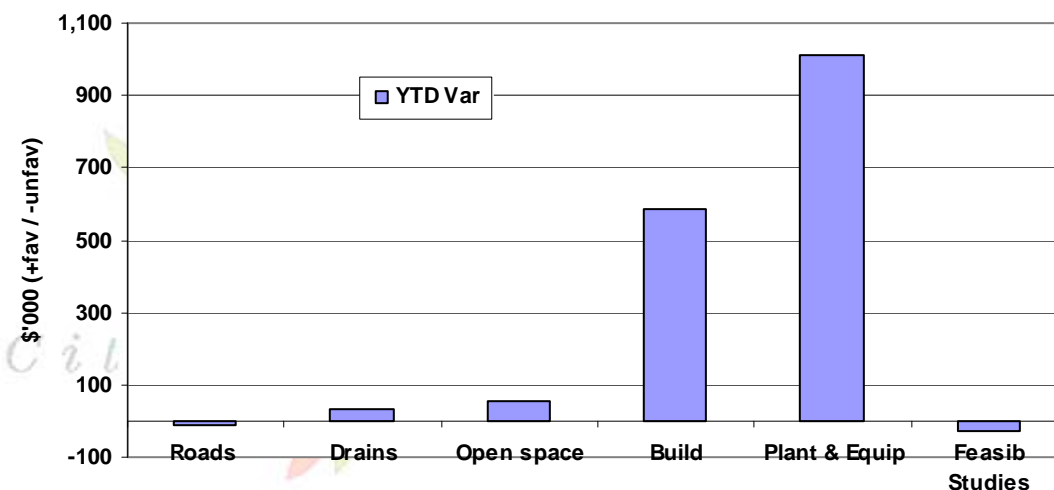
# Financial Report

## Three months ended 30 September 2009

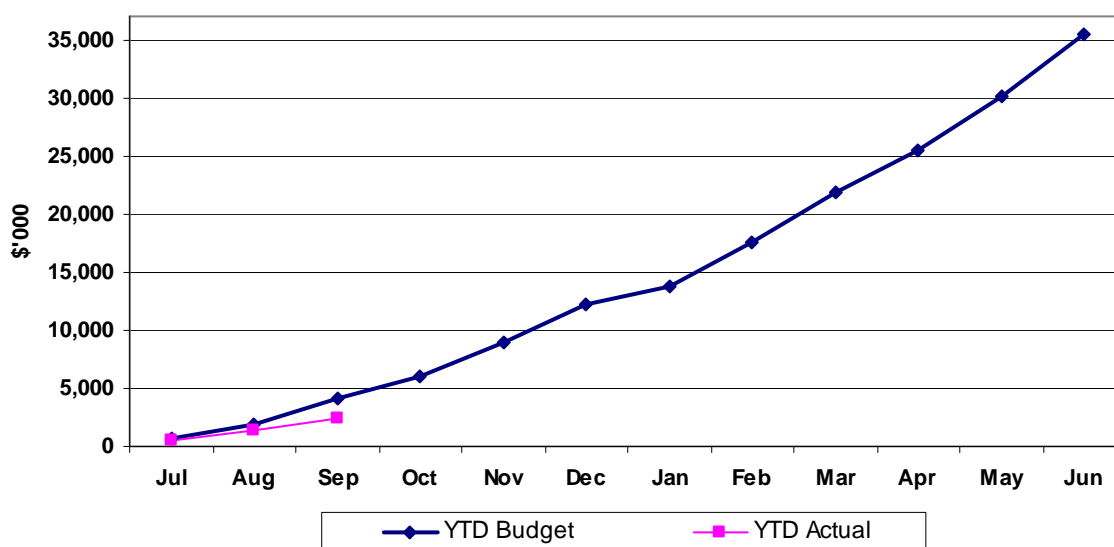
### 2.2 Capital performance

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000
<b>Capital works class</b>				
Roads	527	540	(13)	<b>8,607</b>
Drains	40	9	31	<b>1,201</b>
Open space	673	618	55	<b>4,527</b>
Buildings	1,087	504	583	<b>13,474</b>
Plant & equipment	1,702	690	1,012	<b>7,167</b>
Feasibility studies	18	48	(30)	<b>502</b>
<b>Total capital works</b>	<b>4,047</b>	<b>2,409</b>	<b>1,638</b>	<b>35,478</b>
<b>Represented by:</b>				
Capital expenditure	3,503	1,914	1,589	<b>31,792</b>
Major maintenance	544	495	49	<b>3,686</b>
<b>Total capital works</b>	<b>4,047</b>	<b>2,409</b>	<b>1,638</b>	<b>35,478</b>

**Capital works YTD variances by asset class**



**Capital works YTD expenditure cumulative**



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**Major Capital Works Variances**

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000
<b>Open space</b>			<b>55</b>
TW Andrews Reserve master plan	T		63
Northcote Golf Course drought proof	T		34
Street tree planting – various	T	37	
<b>Buildings</b>			<b>583</b>
Lancaster Gate Community Centre	T		388
Clyde St. Comm. Centre – hall refurb.	T		136
East Reservoir early years hub	T		38
Floor coverings replacement – various	T		38
Darebin Information Volunteer Resource Service fit out	T		35
Building painting program – maint.	T		34
East Reservoir Neighbourhood House	T	42	
Preston City Hall floor reblocking	T	36	
<b>Plant &amp; equipment</b>			<b>1,012</b>
Plant replacement program	T		527
Customer & asset mgmt system	T		406
Energy efficiency works	T		52
Library product purchases	T	45	

Note: Var T = Timing P = Permanent



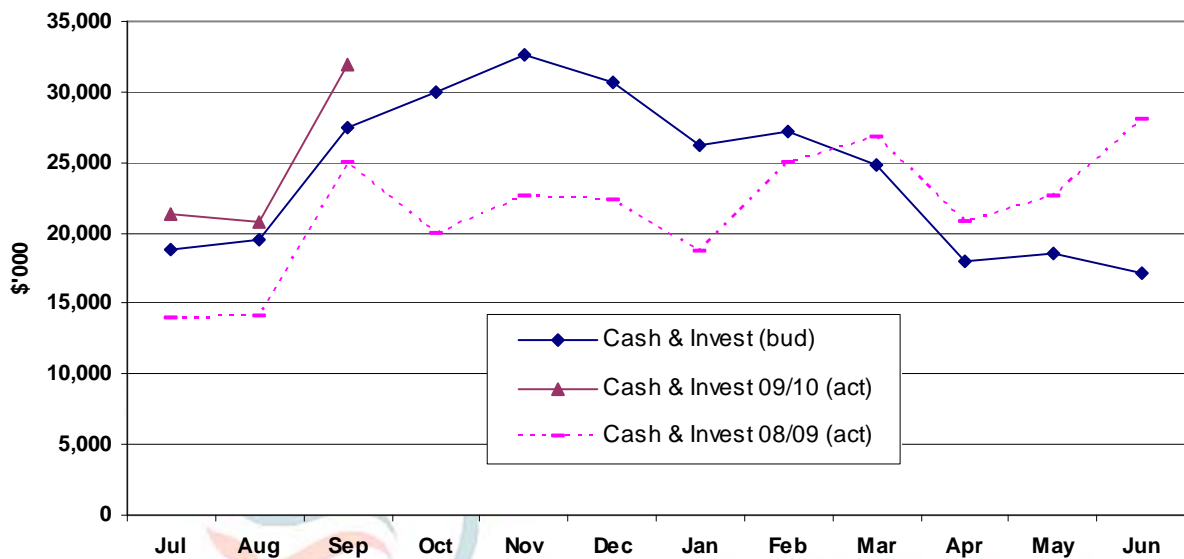
# Financial Report

## Three months ended 30 September 2009

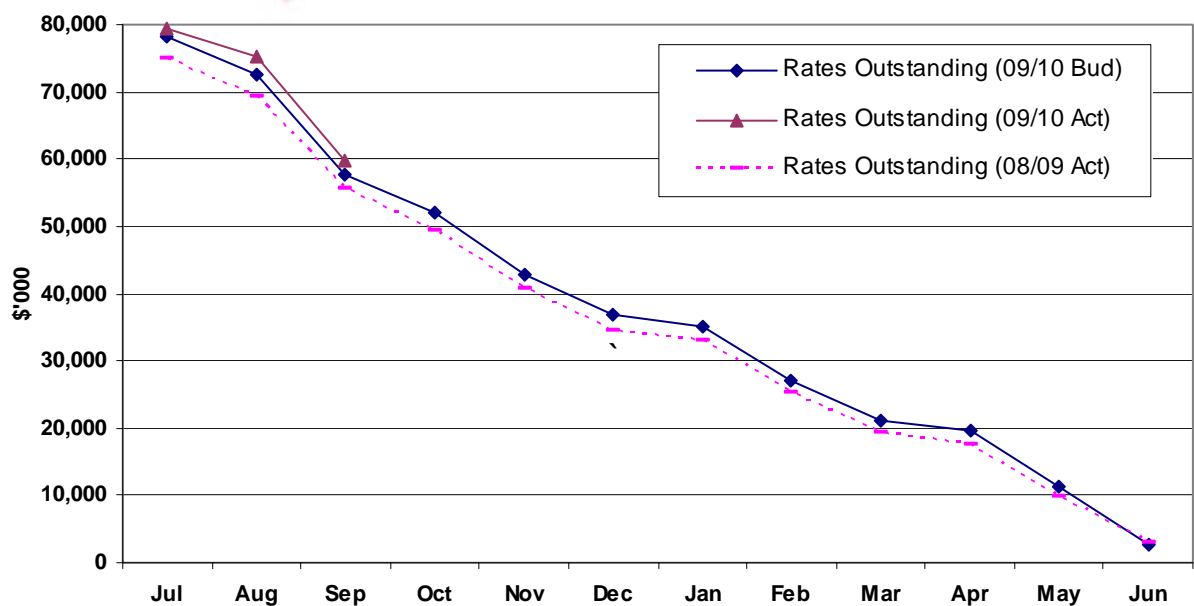
### 2.3 Financial position

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000
Cash and investments	27,401	31,933	4,532	17,190
Net current assets	66,627	72,974	6,347	2,053
Net assets and total equity	851,338	967,192	115,854	799,787

**Actual & Budget cash & investments balance by month with prior year comparison**



**Actual & Budget rates outstanding balances by month with prior year comparison**



Financial Report  
 Three months ended 30 September 2009

**Major Balance Sheet YTD variances**

	Var	YTD Budget Increase \$'000	YTD Budget Decrease \$'000
<b>Current assets</b>		<b>5,404</b>	
Cash and investments	P	4,532	
Receivables	T	899	
<b>Current liabilities</b>			<b>943</b>
Trade creditors	P		662
Employee provisions	P		234
<b>Non current assets</b>		<b>109,998</b>	
Property, Infra. plant & equipment	P	109,368	
Investment property	P	365	
Intangible assets	P	269	
<b>Non current liabilities</b>		<b>491</b>	
Employee provisions	P	443	
<b>Equity</b>		<b>115,854</b>	
Accumulated surplus	P	10,698	
Asset revaluation reserve	P	104,868	
Other reserves	P	288	

Note: Var T = Timing P = Permanent



## APPENDIX A

Income Statement  
Balance Sheet  
Cash Flow Statement  
Statement of Capital Works



Financial Report  
Three months ended 30 September 2009

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**DAREBIN CITY COUNCIL**

**Income Statement**

For the 3 months ended 30 September, 2009

	YTD Budget \$'000	YTD Actual \$'000	YTD Varianc e \$'000	Annual Budget \$'000
<b>Revenues from ordinary activities</b>				
Rates	75,646	75,518	(128)	<b>78,067</b>
User fees	2,733	2,940	207	<b>9,775</b>
Statutory fees and fines	782	971	189	<b>4,012</b>
Contributions	375	823	448	<b>1,500</b>
Operating grants and contributions	3,511	3,455	(56)	<b>13,731</b>
Capital grants and contributions	185	20	(165)	<b>5,137</b>
Other	641	901	260	<b>3,453</b>
Total revenues	<u>83,873</u>	<u>84,628</u>	<u>755</u>	<u><b>115,675</b></u>
<b>Expenses from ordinary activities</b>				
Employee benefits	14,436	13,924	512	<b>57,506</b>
Materials and services	7,285	6,953	332	<b>30,243</b>
Bad and doubtful debts	165	149	16	<b>688</b>
Finance costs	89	69	20	<b>357</b>
Depreciation and amortisation	4,317	3,966	351	<b>17,269</b>
Other	2,943	2,916	27	<b>7,187</b>
Total expenses	<u>29,235</u>	<u>27,977</u>	<u>1,258</u>	<u><b>113,250</b></u>
Net gain (loss) on disposal of property infrastructure, plant and equipment	<u>108</u>	<u>57</u>	<u>(51)</u>	<u><b>768</b></u>
<b>Surplus (deficit) for the year</b>	<u><u>54,746</u></u>	<u><u>56,708</u></u>	<u><u>1,962</u></u>	<u><u><b>3,193</b></u></u>

Financial Report  
Three months ended 30 September 2009

DAREBIN CITY COUNCIL

**Balance Sheet**

As at 30 September, 2009

	YTD Budget \$'000	YTD Actual \$'000	YTD Varianc e \$'000	Annual Budget \$'000
<b>Current assets</b>				
Cash and cash equivalents	27,401	31,933	4,532	<b>17,190</b>
Trade and other receivables	60,304	61,203	899	<b>7,998</b>
Other financial assets	71	44	(27)	<b>71</b>
Total current assets	<u>87,776</u>	<u>93,180</u>	<u>5,404</u>	<u><b>25,259</b></u>
<b>Non-current assets</b>				
Trade and other receivables	460	456	(4)	<b>397</b>
	785,46			
Property, infrastructure, plant & equipment	4	894,832	109,368	<b>800,170</b>
Investment property	3,027	3,392	365	<b>3,027</b>
Intangible assets	598	867	269	<b>598</b>
Other financial assets	206	206	0	<b>206</b>
	789,75			
Total non-current assets	<u>5</u>	<u>899,753</u>	<u>109,998</u>	<u><b>804,398</b></u>
	877,53			
<b>Total assets</b>	<u>1</u>	<u>992,933</u>	<u>115,402</u>	<u><b>829,657</b></u>
<b>Current liabilities</b>				
Trade and other payables	8,570	7,908	662	<b>10,119</b>
Interest bearing loans and borrowings	654	607	47	<b>795</b>
Provisions	11,925	11,691	234	<b>12,292</b>
Total current liabilities	<u>21,149</u>	<u>20,206</u>	<u>943</u>	<u><b>23,206</b></u>
<b>Non-current liabilities</b>				
Interest bearing loans and borrowings	3,113	3,161	(48)	<b>4,733</b>
Provisions	1,931	2,374	(443)	<b>1,931</b>
Total non-current liabilities	<u>5,044</u>	<u>5,535</u>	<u>(491)</u>	<u><b>6,664</b></u>
<b>Total liabilities</b>	<u>26,193</u>	<u>25,741</u>	<u>452</u>	<u><b>29,870</b></u>
	851,33			
<b>Net assets</b>	<u>8</u>	<u>967,192</u>	<u>115,854</u>	<u><b>799,787</b></u>
<b>Equity</b>				
	500,80			
Accumulated surplus	3	511,501	10,698	<b>449,602</b>
	347,03			
Asset revaluation reserve	2	451,900	104,868	<b>347,032</b>
Other reserves	3,503	3,791	288	<b>3,153</b>
	851,33			
<b>Total equity</b>	<u>8</u>	<u>967,192</u>	<u>115,854</u>	<u><b>799,787</b></u>

Financial Report  
Three months ended 30 September 2009

**DAREBIN CITY COUNCIL**

**Cash Flow Statement**

For the 3 months ended 30 September, 2009

	YTD Budget \$'000 Inflows (Outflows)	YTD Actual \$'000 Inflows (Outflows)	YTD Varianc e \$'000	Annual Budget \$'000 Inflows (Outflows)
<b>Cash flows from operating activities</b>				
Receipts from customers (incl GST)	27,591	27,076	(515)	<b>99,052</b>
Payments to suppliers and employees (incl GST)	(25,787)	(23,131)	2,656	<b>(101,915)</b>
Interest	1,804	3,945	2,141	<b>(2,863)</b>
Government receipts	156	317	161	<b>865</b>
Net GST refund / payment	4,795	4,440	(355)	<b>18,868</b>
Net cash provided by operating activities	866	1,305	439	<b>3,817</b>
	7,621	10,007	2,386	<b>20,687</b>
<b>Cash flows from investing activities</b>				
Proceeds from sale of property, plant & equipment	402	53	(349)	<b>1,609</b>
Repayment of loans and advances	18	20	2	<b>76</b>
Payment for property, infrastr, plant & equipment	(5,781)	(5,808)	(27)	<b>(31,793)</b>
Net cash used in investing activities	(5,361)	(5,735)	(374)	<b>(30,108)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	0	0	0	<b>2,300</b>
Finance costs	(66)	(61)	5	<b>(357)</b>
Trust funds and deposits	0	(112)	(112)	<b>0</b>
Repayment of interest bearing loans and borrowings	(150)	(150)	0	<b>(689)</b>
Net cash used in financing activities	(216)	(323)	(107)	<b>1,254</b>
<b>Net increase / (decrease) in cash &amp; cash equivalents</b>	2,044	3,949	1,905	<b>(8,167)</b>
Cash & cash equivalents at the beginning of the year	25,357	27,984	2,627	<b>25,357</b>
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>27,401</b>	<b>31,933</b>	<b>4,532</b>	<b>17,190</b>



## DAREBIN CITY COUNCIL

### Statement of Capital Works

For the 3 months ended 30 September, 2009

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000
Roads	527	540	(13)	8,607
Drains	40	9	31	1,201
Open space	673	618	55	4,527
Buildings	1,087	504	583	13,474
Plant & equipment	1,702	690	1,012	7,167
Feasibility studies	18	48	(30)	502
<b>Total capital works</b>	<b>4,047</b>	<b>2,409</b>	<b>1,638</b>	<b>35,478</b>
<b>Represented by:</b>				
Capital expenditure	3,503	1,914	1,589	31,792
Major maintenance	544	495	49	3,686
<b>Total capital works</b>	<b>4,047</b>	<b>2,409</b>	<b>1,638</b>	<b>35,478</b>

