

FINANCIAL REPORT

Nine months ended

31 March 2009



Financial Report
Nine months ended 31 March 2009

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Cash Flow Statement
Statement of Capital Works



1 EXECUTIVE SUMMARY

1.1 Operating performance

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast Actual \$'000
Operating					
Revenue	98,535	101,051	2,516	107,663	109,116
Expenditure	(81,265)	(79,636)	1,629	(108,822)	(110,535)
	17,270	21,415	4,145	(1,159)	(1,419)
Capital					
Revenue	2,073	2,760	687	3,671	5,219
Gain (loss) on disposal of assets	229	157	(72)	285	374
Net surplus (deficit)	19,572	24,332	4,760	2,797	4,174

The Operating Performance for the nine months ended 31 March 2009 is an operating surplus before capital revenue and other items of \$21.4 million, which is \$4.1 million ahead of budget. The main items contributing to this favorable variance are user fees, operating grants, capital grants, other income, employee benefits, bad and doubtful debts, depreciation and other expenses. These have been partially off set by an unfavorable variance in materials and services expenses. After capital and other items, the operating surplus is \$24.3 million, which is \$4.8 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	20,820	16,948	3,872	29,867	29,952

The Capital Performance for the nine months ended 31 March 2009 shows that a total of \$16.9 million has been expended on the capital works program, which is \$3.9 million behind the budget. The variance is due mainly to timing differences on the completion of roads projects, open space projects and plant and equipment.

1.3 Financial position

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast Actual \$'000
Cash and cash equivalents	15,075	26,821	11,746	15,033	17,312
Net current assets	19,974	29,544	9,570	(723)	3,194
Net assets and total equity	804,725	809,931	5,206	787,951	789,774

The Financial Position as at 31 March 2009 shows a cash balance of \$26.8 million which is \$11.7 million ahead of budget. The variance is due mainly to timing differences in the receipt of rates and user fees, payments to suppliers and employee, government receipts and payments for property, plant & equipment. The net current asset position is \$29.5 million which is \$9.6 million more than budget. The variance is due mainly to the higher cash position compared with budget offset by higher trade and other payables. The net asset position is \$809.9 million, which is \$5.2 million ahead of budget.

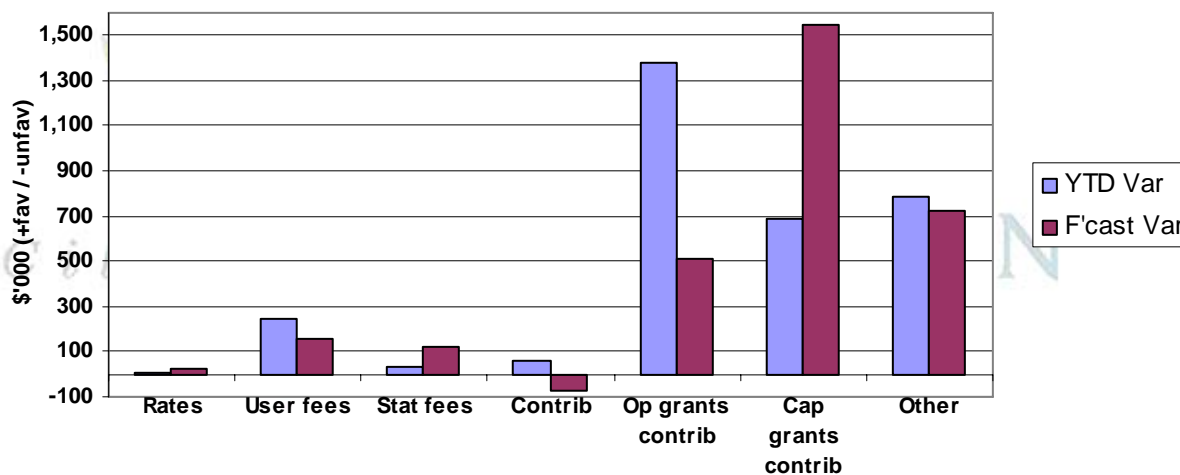
2. FINANCIAL ANALYSIS

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	73,584	73,591	7	74,132	74,152	20
User fees	7,471	7,718	247	9,878	10,032	154
Statutory fees and fines	3,166	3,202	36	4,016	4,140	124
Contributions	1,312	1,370	58	1,750	1,675	(75)
Operating grants & contrib's	10,576	11,957	1,381	14,266	14,773	507
Capital grants & contrib's	2,073	2,760	687	3,671	5,219	1,548
Other revenue	2,426	3,213	787	3,621	4,344	723
Total operating revenue	100,608	103,811	3,203	111,334	114,335	3,001

Revenue YTD & Forecast variances



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Major Operating Revenue Variances

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000
User fees		247	
Early years & children's services	P	59	
Asset strategy	P	67	
Right of ways	P	70	
Reservoir Leisure Centre	P	110	
Road infrastructure	P	129	
Bundoora Park – golf course	P		32
Amenity & enforcement	P		85
Aged & disability services	P		93
Operating grants and contributions		1,381	
Children's services	P	38	
Diversity	P	49	
Early childhood	P	51	
Home support services	P	61	
Victorian Grants Commission	T	1,209	
Capital grants and contributions		687	
Zwar Reserve master plan implem	P	36	
Winifred St rain garden	P	50	
Roads to recovery – Separation St	T	186	
Bus shelter tactile paving	P	298	
Darebin Resource Recovery Centre	P	640	
Darebin creek – Ford Crsnt bike path	T		43
Bundoora Homestead env. control	P		53
Preston civic precinct – business plan	T		67
East Reservoir neighborhood house	P		546
Other		787	
Environmental services	P	80	
Family youth & community support	P	83	
Roads & footpaths maintenance	P	110	
Social inclusion & diversity	P	119	
Interest	P	282	
Northcote Aquatic & Recreation Centre	T		110
Darebin Community Sports Stadium	T		34

Note: Var T = Timing P = Permanent

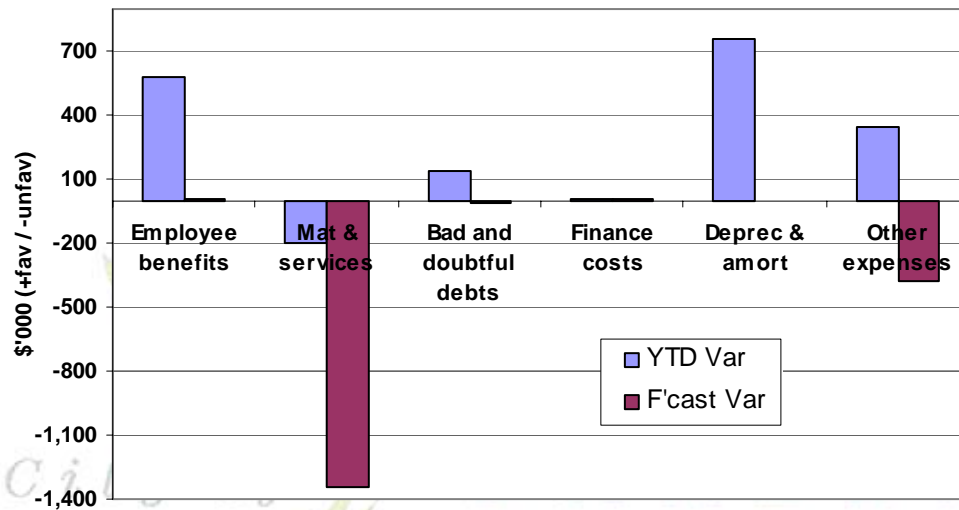
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Nine months ended 31 March 2009

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	40,810	40,225	585	54,458	54,454	4
Materials and services	21,472	21,674	(202)	29,440	30,785	(1,345)
Bad and doubtful debts	489	354	135	660	668	(8)
Finance costs	214	205	9	285	274	11
Depreciation and amortisation	12,441	11,682	759	16,588	16,588	0
Other expenses	5,839	5,496	343	7,391	7,766	(375)
Total operating expenses	81,265	79,636	1,629	108,822	110,535	(1,713)

Expenses YTD & Forecast variances



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Nine months ended 31 March 2009

Major Operating Expense Variances

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000
Employee benefits			585
Major projects management	P		53
Customer services	P		58
Youth services	P		75
Chief financial officer	P		79
Asset strategy	P		81
Amenity & enforcement	P		91
Desktop & network support	P		115
Roads infrastructure	P		121
Darebin parks	P		123
General / Personal home care	T		206
Children's services	P	41	
Organisation development	P	45	
Early childhood	P	47	
Social policy	P	54	
Social planning	P	56	
Customer & asset management system	T	250	
Materials and services		202	
Animal control	P	45	
Reservoir Leisure Centre	P	50	
Desktop & network support	P	51	
Street cleaning	P	77	
Customer & asset management system	T	80	
Arboriculture	P	82	
Inspections and permits	P	89	
Facilities maintenance	P	156	
Collection services	T	205	
Roads & footpath maintenance	P	464	
Organisation development	T		48
Urban development	P		62
Environmental strategy	P		64
Utilities	P		76
Major maintenance (from capital program)	P		109
Open space management	T		221
Leisure services	T		230
Fleet - fuel & oil	P		249
Bad and doubtful debts			135
Traffic enforcement	T		172
Depreciation and amortisation			759
Roads	T		70
Building	T		90
Furniture & fittings	T		105
Other assets	T		459
Other			343
Communications & public affairs	T		117
Insurance – public liability	P		131
Aged & disability services	T		206
Urban development	T	64	
Customer & civic services	T	40	
Family youth & community support	T	108	

Note: Var T = Timing P = Permanent

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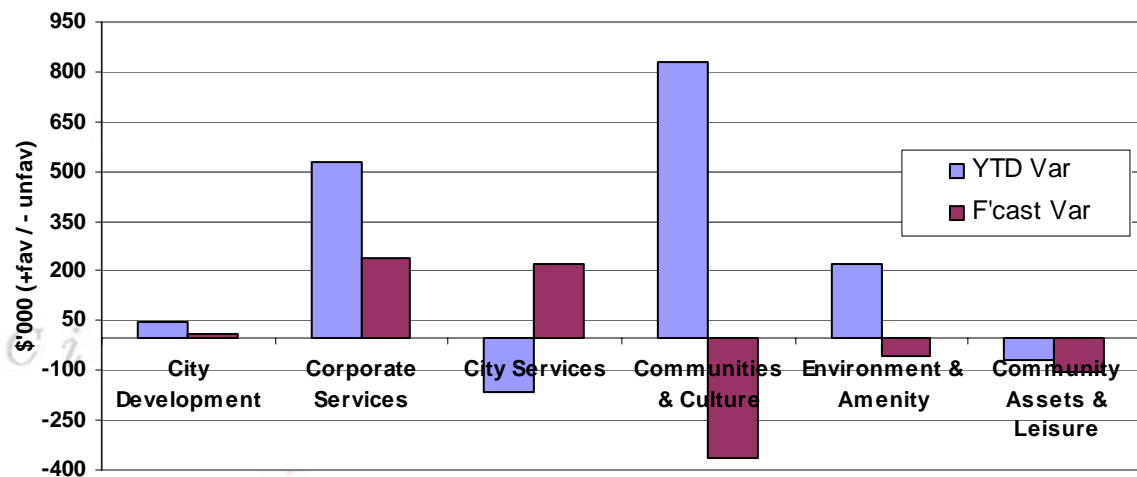
Nine months ended 31 March 2009

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	Forecast Actual \$'000	Forecast Var Net cost \$'000
Department						
City Development	2,447	2,403	44	3,286	3,278	8
Corporate Services	9,654	9,124	530	12,524	12,283	241
City Services	11,643	11,807	(164)	15,956	15,738	218
Communities & Culture	12,007	11,179	828	15,917	16,282	(365)
Environment & Amenity	2,421	2,197	224	3,472	3,526	(54)
Community Assets & Leisure	5,258	5,328	(70)	6,814	6,917	(103)
	43,430	42,038	1,392	57,969	58,024	(55)
Other non-attributable ¹	(63,002)	(66,370)	3,368	(60,766)	(62,198)	1,432
Net (surplus) deficit	(19,572)	(24,332)	4,760	(2,797)	(4,174)	1,377

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



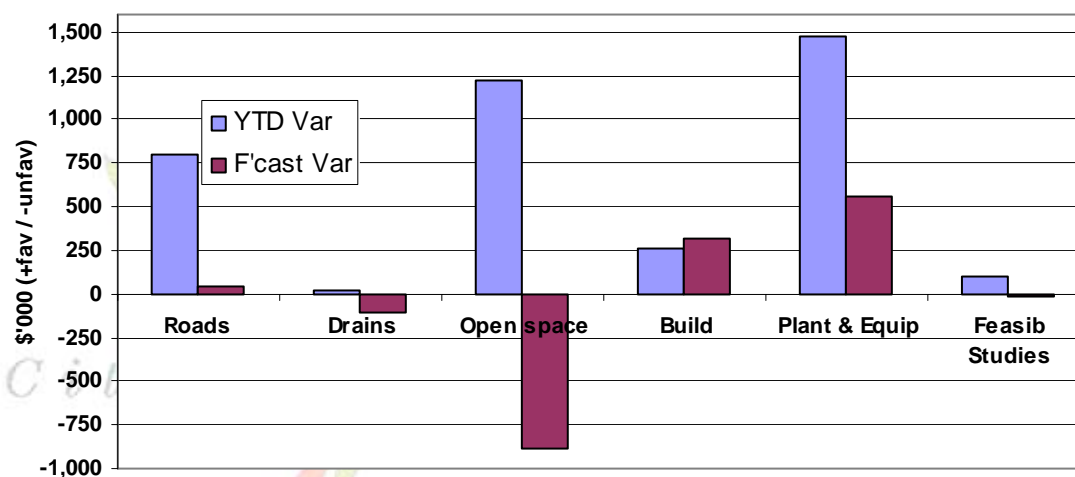
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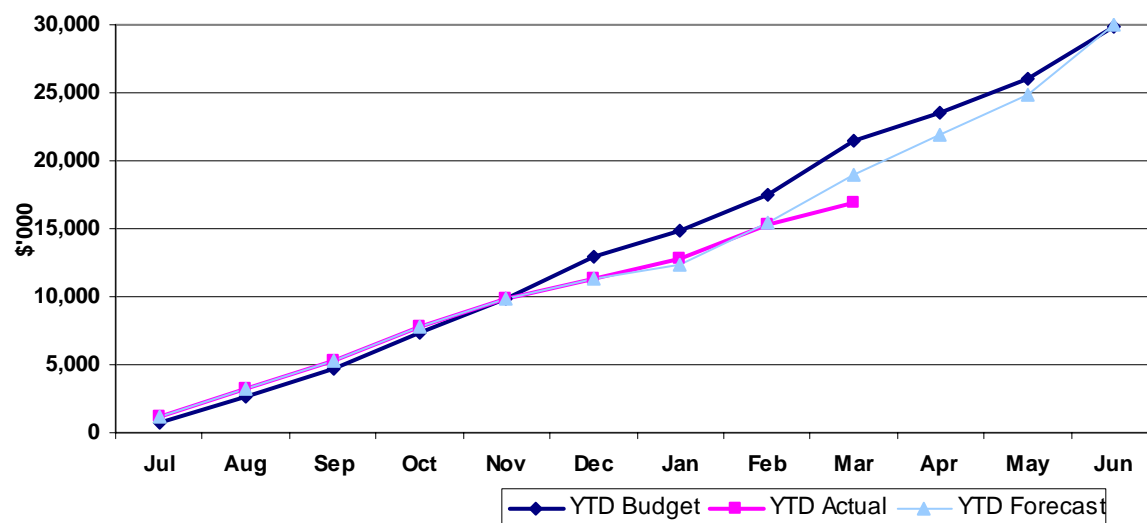
2.2 Capital performance

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast Actual \$'000	Forecast Var \$'000
Capital works class						
Roads	5,665	4,868	797	8,877	8,838	39
Drains	234	218	16	772	874	(102)
Open space	3,054	1,828	1,226	3,348	4,238	(890)
Buildings	5,804	5,540	264	8,784	8,464	320
Plant & equipment	5,722	4,247	1,475	7,556	6,995	561
Feasibility studies	341	247	94	530	543	(13)
Total capital works	20,820	16,948	3,872	29,867	29,952	(85)
Represented by:						
Capital expenditure	18,430	14,667	3,763	26,153	25,877	276
Major maintenance	2,390	2,281	109	3,714	4,075	(361)
Total capital works	20,820	16,948	3,872	29,867	29,952	(85)

Capital works YTD & Forecast variances by asset class



Capital works YTD & Forecast expenditure cumulative



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Nine months ended 31 March 2009

Major Capital Works Variances

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000
Roads			797
Local roads	T		987
Roads to recovery	T		257
Walking initiatives	T		81
Footpath replacement	T		70
Right of ways	T		58
Footpath repairs	T		57
Car parks	T		49
Bus shelter tactile paving	P	408	
Bikepath – Macleod station	T	231	
Tram 86 corridor	P	228	
Open space			1,226
Darebin Creek-Ford Crsnt bike path	T		246
Edwardes Park Lake master plan	T		193
Merri Creek trail safety review	T		152
Zwar Reserve master plan implement	P		106
Retail activity centers	T		70
Playground upgrades	T		69
Parks renewals projects	T		69
Gateway signs	T		66
TW Andrews Reserve master plan	T		53
Warm season turf establishment	T		50
Activity centres masterplan	T		50
Northcote golf course drought proof	P		47
Arts in public places	T		42
Winifred St rain garden	P	52	
Buildings			264
DISC infrastructure & greens upgrade	T		259
Merri Community Child Care redevelop	T		251
NARC- masterplan implementation	P		214
Barling Reserve pavilion	P		187
Sweeping tipping deck & yard fencing	P		175
Major building rectification & repair	T		106
RLC plant & facility pool filters	T		64
Lancaster Gate community centre	P		63
High St Preston air handling renewal	T		50
NARC backflow protection device	T		45
Disability access at facilities – various	T		43
Darebin Resource Recovery Centre	P	640	
East Reservoir neighborhood house	T	309	
RLC – building upgrade	P	127	
Depot lift to operation level	P	93	
Bundoora Homestead environmental	P	64	
Plant & equipment			1,475
CAMS – customer & asset mgt system	P		940
Plant	P		352
Darebin libraries – product purchase	T		53
IT server hardware upgrades	P		50
Energy efficiency works	P		47

Note: Var T = Timing P = Permanent

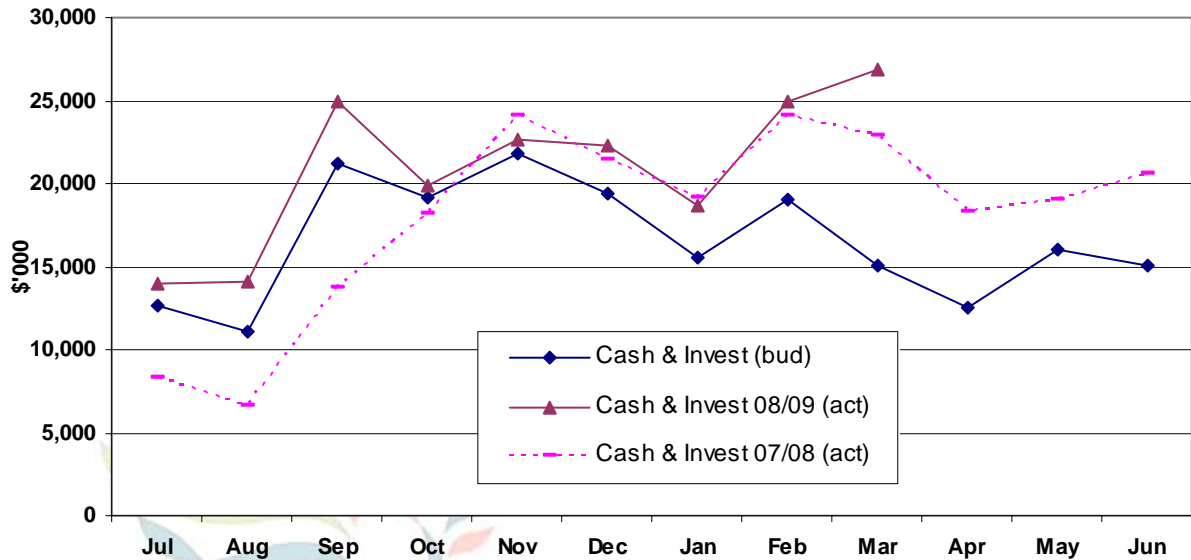
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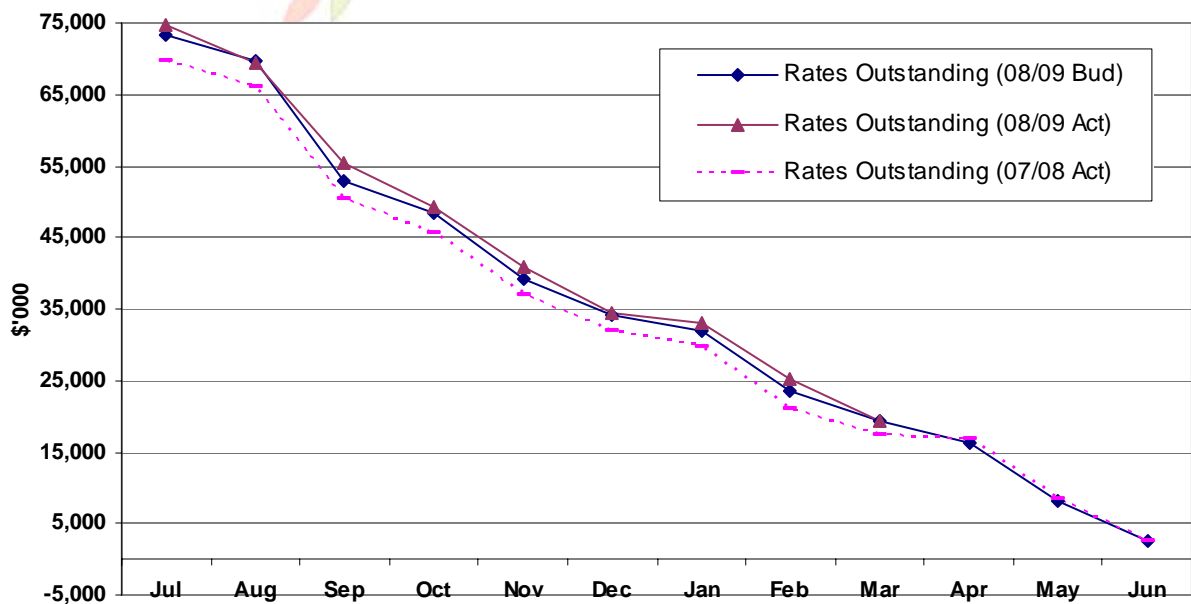
2.3 Financial position

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast Actual \$'000
Cash and investments	15,075	26,821	11,746	15,033	17,312
Net current assets	19,974	29,544	9,570	(723)	3,194
Net assets and total equity	804,725	809,931	5,206	787,951	789,774

Actual & Budget cash & investments balance by month



Actual & Budget rates outstanding balances by month



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 Nine months ended 31 March 2009

Major Balance Sheet YTD variances

	Var	YTD Budget Increase \$'000	YTD Budget Decrease \$'000
Current assets		12,119	
Cash and investments	P	11,746	
Receivables	P	342	
Current liabilities		2,549	
Trade creditors	P	2,485	
Employee provisions	P	73	
Non current assets			4,187
Property, Infra. plant & equipment	P		4,034
Intangible assets	P		178
Non current liabilities		177	
Employee provisions	P	154	
Equity		5,206	
Accumulated surplus	P	5,006	
Other reserves	P	200	

Note: Var T = Timing P = Permanent



APPENDIX A

Income Statement
Balance Sheet
Cash Flow Statement
Statement of Capital Works



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DAREBIN CITY COUNCIL

Income Statement

For the 9 months ended 31 March, 2009

	YTD	YTD	YTD	Annual	Forecast
	Budget	Actual	Variance	Budget	Actual
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues from ordinary activities					
Rates	73,584	73,591	7	74,132	74,152
User fees	7,471	7,718	247	9,878	10,032
Statutory fees and fines	3,166	3,202	36	4,016	4,140
Contributions	1,312	1,370	58	1,750	1,675
Operating grants and contributions	10,576	11,957	1,381	14,266	14,773
Capital grants and contributions	2,073	2,760	687	3,671	5,219
Other	2,426	3,213	787	3,621	4,344
Total revenues	100,608	103,811	3,203	111,334	114,335
Expenses from ordinary activities					
Employee benefits	40,810	40,225	585	54,458	54,454
Materials and services	21,472	21,674	(202)	29,440	30,785
Bad and doubtful debts	489	354	135	660	668
Finance costs	214	205	9	285	274
Depreciation and amortisation	12,441	11,682	759	16,588	16,588
Other	5,839	5,496	343	7,391	7,766
Total expenses	81,265	79,636	1,629	108,822	110,535
Net gain (loss) on disposal of property infrastructure, plant and equipment	229	157	(72)	285	374
Surplus (deficit) for the year	19,572	24,332	4,760	2,797	4,174

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Nine months ended 31 March 2009

DAREBIN CITY COUNCIL

Balance Sheet

As at 31 March, 2009

	YTD	YTD	YTD	Annual	Forecast
	Budget	Actual	Variance	Budget	Actual
	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	15,075	26,821	11,746	15,033	17,312
Trade and other receivables	22,908	23,250	342	6,011	7,844
Other financial assets	29	60	31	29	71
Total current assets	38,012	50,131	12,119	21,073	25,227
Non-current assets					
Trade and other receivables	502	493	(9)	478	478
Property, infrastructure, plant & equipment	785,686	781,652	(4,034)	789,469	787,804
Investment property	2,993	3,027	34	2,993	3,027
Intangible assets	590	412	(178)	590	281
Other financial assets	206	206	0	206	206
Total non-current assets	789,977	785,790	(4,187)	793,736	791,796
Total assets	827,989	835,921	7,932	814,809	817,023
Current liabilities					
Trade and other payables	6,191	8,676	(2,485)	9,824	9,824
Interest bearing loans and borrowings	604	595	9	607	607
Provisions	11,243	11,316	(73)	11,365	11,602
Total current liabilities	18,038	20,587	(2,549)	21,796	22,033
Non-current liabilities					
Interest bearing loans and borrowings	3,449	3,472	(23)	3,285	3,285
Provisions	1,777	1,931	(154)	1,777	1,931
Total non-current liabilities	5,226	5,403	(177)	5,062	5,216
Total liabilities	23,264	25,990	(2,726)	26,858	27,249
Net assets	804,725	809,931	5,206	787,951	789,774
Equity					
Accumulated surplus	454,008	459,014	5,006	437,614	439,313
Asset revaluation reserve	347,032	347,032	0	347,032	347,032
Other reserves	2	3,885	200	3,305	3,429
Total equity	804,725	809,931	5,206	787,951	789,774



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DAREBIN CITY COUNCIL

Cash Flow Statement

For the 9 months ended 31 March, 2009

	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)	71,659	72,446	787	94,874	96,006
Payments to suppliers and employees (incl GST)	(74,380)	(68,350)	6,030	(97,876)	(98,366)
	(2,721)	4,096	6,817	(3,002)	(2,360)
Interest	919	1,181	262	1,144	1,396
Government receipts	13,468	15,084	1,616	17,937	19,992
Net GST refund / payment	2,765	3,059	294	3,321	3,320
Net cash provided by operating activities	14,431	23,420	8,989	19,400	22,348
Cash flows from investing activities					
Proceeds from sale of property, plant & equipment	1,055	743	(312)	1,427	1,218
Repayment of loans and advances	52	53	1	70	69
Payment for property, infrastr, plant & equipment	(20,971)	(17,293)	3,678	(26,153)	(25,877)
Net cash used in investing activities	(19,864)	(16,497)	3,367	(24,656)	(24,590)
Cash flows from financing activities					
Finance costs	(219)	(206)	13	(287)	(293)
Trust funds and deposits	0	(58)	(58)	0	(141)
Repayment of interest bearing loans and borrowings	(443)	(445)	(2)	(593)	(619)
Net cash used in financing activities	(662)	(709)	(47)	(880)	(1,053)
Net increase / (decrease) in cash & cash equivalents					
	(6,095)	6,214	12,309	(6,137)	(3,295)
Cash & cash equivalents at the beginning of the year	21,170	20,607	(563)	21,170	20,607
Cash & cash equivalents at the end of the year	15,075	26,821	11,746	15,033	17,312

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DAREBIN CITY COUNCIL

Statement of Capital Works

For the 9 months ended 31 March, 2009

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000	Forecast Actual \$'000
Roads	5,665	4,868	797	8,877	8,838
Drains	234	218	16	772	874
Open space	3,054	1,828	1,226	3,348	4,238
Buildings	5,804	5,540	264	8,784	8,464
Plant & equipment	5,722	4,247	1,475	7,556	6,995
Feasibility studies	341	247	94	530	543
Total capital works	20,820	16,948	3,872	29,867	29,952
Represented by:					
Capital expenditure	18,430	14,667	3,763	26,153	25,877
Major maintenance	2,390	2,281	109	3,714	4,075
Total capital works	20,820	16,948	3,872	29,867	29,952

