

FINANCIAL REPORT

**Three months ended
30 September 2010**

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Balance Sheet
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Statement of Capital Works



Financial Report

Three months ended 30 September 2010

1 EXECUTIVE SUMMARY

1.1 Operating performance

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000
Operating				
Revenue	90,115	89,755	(360)	117,594
Expenditure	(30,818)	(28,575)	2,243	(120,078)
	59,297	61,180	1,883	(2,484)
Capital				
Revenue	20	255	235	2,631
Gain (loss) on disposal of assets	18	123	105	148
Net surplus (deficit)	59,335	61,558	2,223	295

The Operating Performance for the three months ended 30 September 2010 is an operating surplus before capital revenue and other items of \$61.2 million, which is \$1.9 million ahead of budget. The main items contributing to this favorable variance are contributions, capital grants and contributions other revenue, employee benefits, material and services, depreciation and other expenses offset by unfavorable variances in user fees and operating grants and contributions. After capital and other items, the operating surplus is \$61.6 million, which is \$2.2 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	5,802	3,969	1,833	37,317	38,632

The Capital Performance for the three months ended 30 September 2010 shows that a total of \$4.0 million has been expended on the capital works program, which is \$1.8 million behind the budget. The variance is due mainly to timing differences on the roads and building works projects and purchase of plant and equipment. The 'adjusted budget' represents the adopted budget adjusted for additional capital works carried over from the 2009/10 year.

1.3 Financial position

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000
Cash and cash equivalents	34,646	37,056	2,410	20,227
Net current assets	78,074	84,387	6,313	5,232
Net assets and total equity	977,790	982,296	4,506	918,749

The Financial Position as at 30 September 2010 shows a cash balance of \$37.1 million which is \$2.4 million ahead of budget. The variance is due mainly to the higher opening cash position compared with budget and timing differences in the receipts from customers, payments to suppliers and employees, government receipts and payment for loans and advances and property, infrastructure, plant & equipment. The net current asset position is \$84.4 million which is \$6.3 million more than budget. The variance is due mainly to the higher cash position and lower trade and other payables position compared with budget. The net asset position is \$982.3 million, which is \$4.5 million ahead of budget.

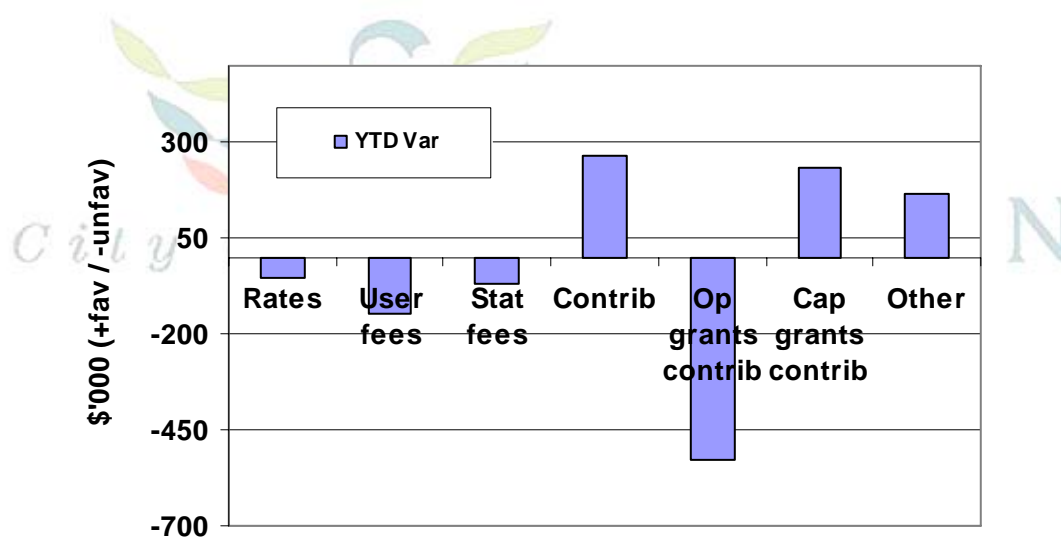
2. FINANCIAL ANALYSIS

2.1 Operating performance

2.1.1 Operating revenue

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000
Revenues				
Rates	81,759	81,708	(51)	83,918
User fees	2,623	2,477	(146)	10,270
Statutory fees and fines	965	897	(68)	4,747
Contributions	555	821	266	2,000
Operating grants & contrib's	3,587	3,061	(526)	13,731
Capital grants & contrib's	20	255	235	2,631
Other revenue	626	791	165	2,928
Total operating revenue	90,135	90,010	(125)	120,225

Revenue YTD variances



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Three months ended 30 September 2010

Major Operating Revenue Variances

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000
User fees			146
Northcote golf course	T		34
Reservoir Leisure Centre	T		39
Right of ways	T		61
DAEC theatre	T	54	
Statutory fees and fines			68
Traffic enforcement	T		119
Contributions		266	
Open space contributions	T	170	
Operating grants and contributions			526
Victorian grants commission	T		775
Darebin sport for all	T		58
Early years	T		50
Access for all abilities	T		32
Intercultural centre	P	73	
HACC support services	T	88	
Family services	T	52	
School crossing supervision	T	162	
Capital grants and contributions		235	
DR Atkinson Reserve lighting	T	54	
Bundoora Park all abilities playground	P	126	
JC Donath Reserve lighting	T	54	
Other revenue		165	
Interest	T	148	

Note: Var T = Timing P = Permanent

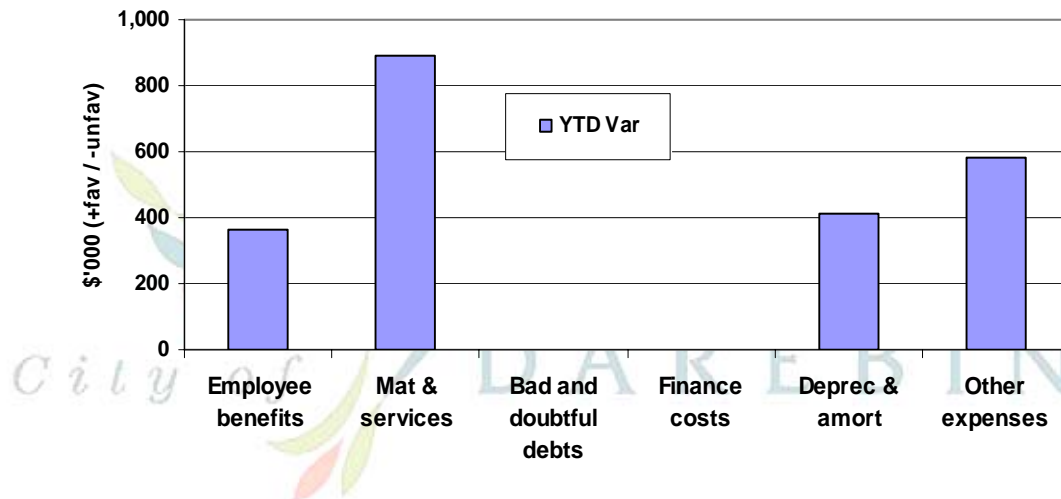
Financial Report

Three months ended 30 September 2010

2.1.2 Operating expenses

Expense type	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000
Expenses				
Employee benefits	14,961	14,596	365	60,891
Materials and services	7,549	6,658	891	32,002
Bad and doubtful debts	203	209	(6)	807
Finance costs	53	53	0	203
Depreciation and amortisation	4,349	3,939	410	17,395
Other expenses	3,703	3,120	583	8,780
Total operating expenses	30,818	28,575	2,243	120,078

Expenses YTD variances



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Three months ended 30 September 2010

Major Operating Expense Variances

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000
Employee benefits			365
Home support services	T		312
Transportation planning	T		84
Extended care	T	84	
Materials and services			891
Major maintenance	T		277
Facility maintenance	T		44
Asset strategy	T		45
IT – application systems	T		49
Roads infrastructure management	T		91
Open space management	T		87
Darebin parks	T		108
Environmental operations	T	49	
Depreciation and amortisation			410
Other assets	T		139
Plant & equipment	T		137
Building	T		97
Other			583
Darebin Creek - contribution	T		196
Inclusion support	T		151
Revenue services	T		54
Community grants program	T		77

Note: Var T = Timing P = Permanent
(1) – Capitalised expenditure

City of

DAREBIN

Financial Report

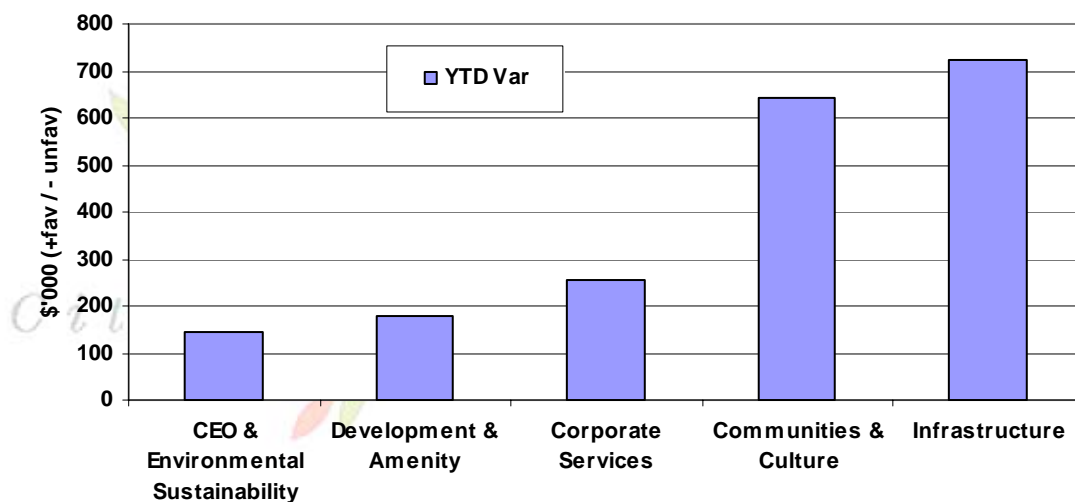
Three months ended 30 September 2010

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
Department				
CEO & Environmental Sustainability	741	597	144	3,143
Development & Amenity	1,417	1,237	179	4,625
Corporate Services	3,603	3,349	254	13,096
Communities & Culture	4,667	4,025	643	17,519
Infrastructure	5,809	5,086	723	26,001
	16,237	14,294	1,943	64,384
Other non-attributable ¹	(75,572)	(75,852)	280	(64,679)
Net (surplus) deficit	(59,335)	(61,558)	2,223	(295)

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

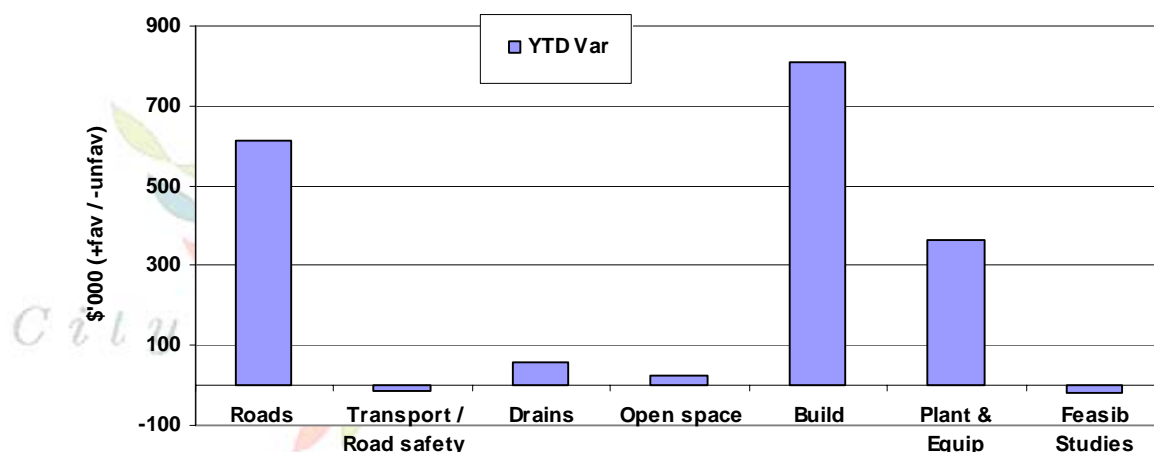
Department net cost YTD variances



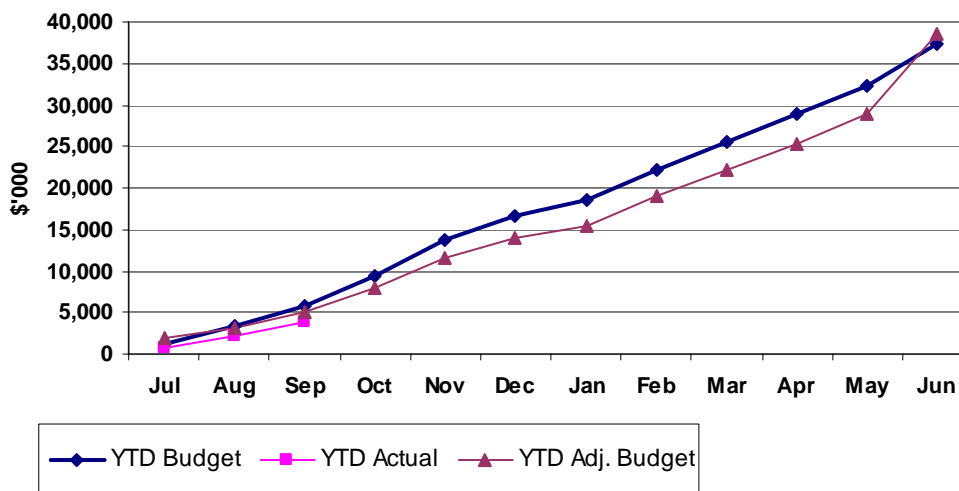
2.2 Capital performance

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Adjusted Budget \$'000
Capital works class					
Roads	860	246	614	7,567	7,191
Transport / Road safety	77	92	(15)	1,789	1,591
Drains	83	24	59	873	867
Open space	633	610	23	7,459	7,810
Buildings	2,106	1,298	808	10,770	12,025
Plant & equipment	1,987	1,625	362	8,317	8,485
Feasibility studies	56	74	(18)	542	663
Total capital works	5,802	3,969	1,833	37,317	38,632
Represented by:					
Capital expenditure	5,153	3,597	1,556	32,188	33,304
Major maintenance	649	373	277	5,129	5,328
Total capital works	5,802	3,969	1,833	37,317	38,632

Capital works YTD variances by asset class



Capital works YTD expenditure cumulative



Financial Report
 Three months ended 30 September 2010

Major Capital Works Variances

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000
Roads			614
Local roads	T		492
Right of way - Aberdeen	T		30
Right of way - Wakanui	T		30
Drains			59
No significant individual item			
Buildings			808
Lancaster Gate Community Centre	T		404
Clifton Street childcare redevelopment	T		189
NARC water supply replacement	T		45
Sweeper tipping deck & yard fencing	T		43
Preston City Oval redevelopment	T	94	
Plant & equipment			362
IT server, pc & network upgrades	T		74
Plant replacement program	T		86
CAMS – customer & asset mgt system	T		102
Preston Library – radio frequency id	T		39

Note: Var T = Timing P = Permanent



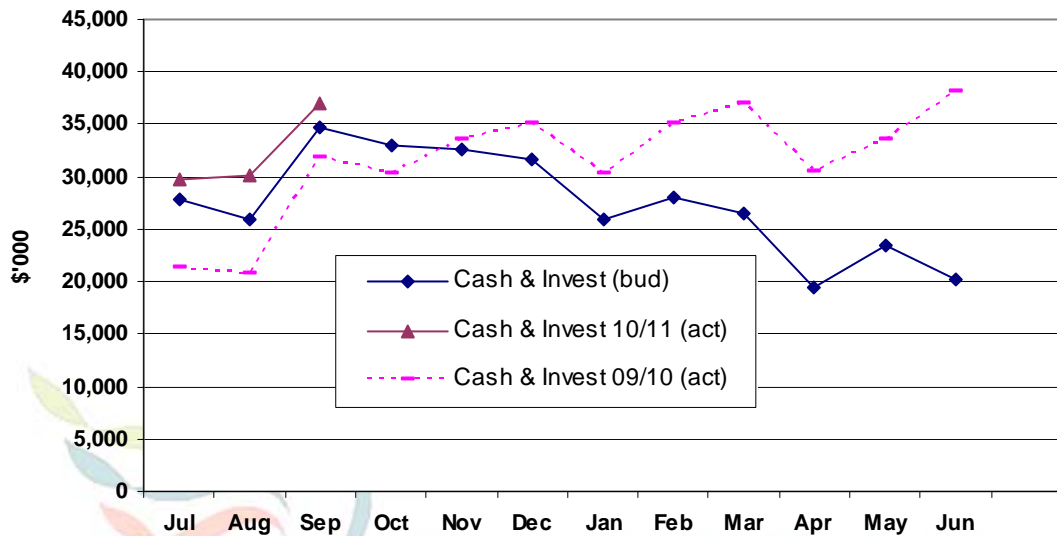
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Three months ended 30 September 2010

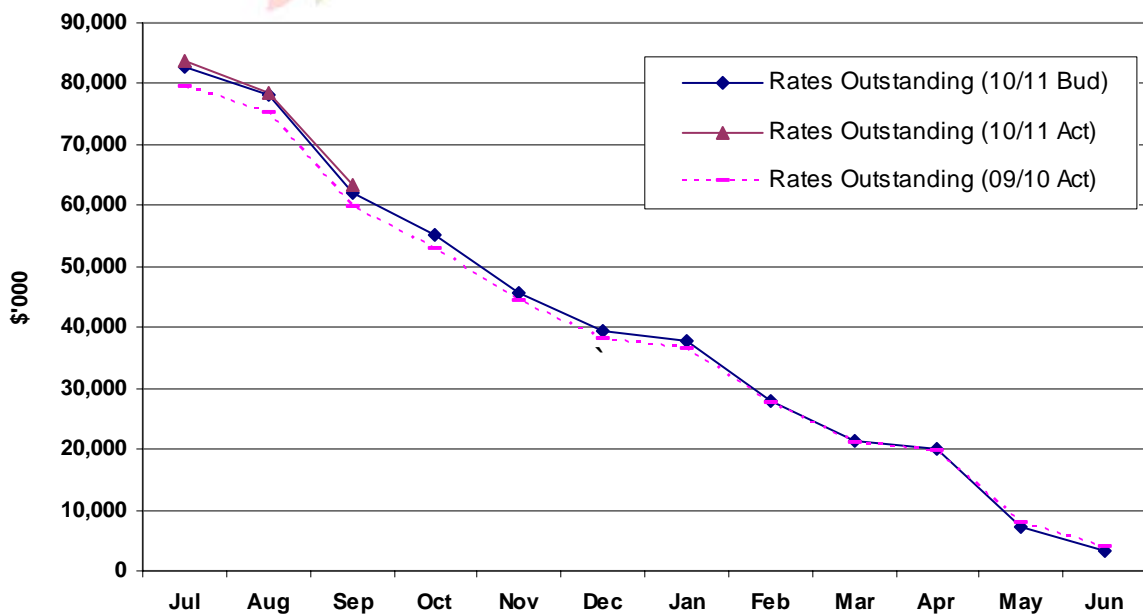
2.3 Financial position

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000
Cash and investments	34,646	37,056	2,410	20,227
Net current assets	78,074	84,387	6,313	5,232
Net assets and total equity	977,790	982,296	4,506	918,749

Actual & Budget cash & investments balance by month



Actual & Budget rates outstanding balances by month



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Three months ended 30 September 2010

Major Balance Sheet YTD variances

	Var	YTD Budget Increase \$'000	YTD Budget Decrease \$'000
Current assets		1,376	
Cash and investments	P	2,410	
Receivables	T		818
Current liabilities			4,937
Trade creditors	T		4,992
Employee provisions	P	52	
Non current assets			1,873
Property, Infra. plant & equipment	P		1,624
Investment property	P	67	
Intangible assets	P		311
Non current liabilities			66
Employee provisions	P		63
Equity		4,506	
Accumulated surplus	P	4,213	
Other reserves	P	293	

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 2010

DAREBIN CITY COUNCIL

Income Statement

For the 3 months ended 30 September, 2010

	YTD Budget	YTD Actual	YTD Variance	Annual Budget
	\$'000	\$'000	\$'000	\$'000
Revenues from ordinary activities				
Rates	81,759	81,708	(51)	83,918
User fees	2,623	2,477	(146)	10,270
Statutory fees and fines	965	897	(68)	4,747
Contributions	555	821	266	2,000
Operating grants and contributions	3,587	3,061	(526)	13,731
Capital grants and contributions	20	255	235	2,631
Other	626	791	165	2,928
Total revenues	<u>90,135</u>	<u>90,010</u>	<u>(125)</u>	<u>120,225</u>
Expenses from ordinary activities				
Employee benefits	14,961	14,596	365	60,891
Materials and services	7,549	6,658	891	32,002
Bad and doubtful debts	203	209	(6)	807
Finance costs	53	53	0	203
Depreciation and amortisation	4,349	3,939	410	17,395
Other	3,703	3,120	583	8,780
Total expenses	<u>30,818</u>	<u>28,575</u>	<u>2,243</u>	<u>120,078</u>
Net gain (loss) on disposal of property infrastructure, plant and equipment	18	123	105	148
Surplus for the year	<u>59,335</u>	<u>61,558</u>	<u>2,223</u>	<u>295</u>

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Three months ended 30 September 2010

DAREBIN CITY COUNCIL

Balance Sheet

As at 30 September, 2010

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000
Current assets				
Cash and cash equivalents	34,646	37,056	2,410	20,227
Trade and other receivables	67,557	66,739	(818)	8,520
Other financial assets	846	630	(216)	846
Total current assets	103,049	104,425	1,376	29,593
Non-current assets				
Trade and other receivables	375	370	(5)	308
Property, infrastructure, plant & equipment	899,680	898,056	(1,624)	913,081
Investment property	3,392	3,459	67	3,392
Intangible assets	972	661	(311)	972
Other financial assets	206	206	0	206
Total non-current assets	904,625	902,752	(1,873)	917,959
Total assets	1,007,674	1,007,177	(497)	947,552
Current liabilities				
Trade and other payables	12,227	7,235	4,992	11,123
Interest bearing loans and borrowings	622	625	(3)	622
Provisions	12,126	12,178	(52)	12,616
Total current liabilities	24,975	20,038	4,937	24,361
Non-current liabilities				
Interest bearing loans and borrowings	2,535	2,532	3	2,068
Provisions	2,374	2,311	63	2,374
Total non-current liabilities	4,909	4,843	66	4,442
Total liabilities	29,884	24,881	5,003	28,803
Net assets	977,790	982,296	4,506	918,749
Equity				
Accumulated surplus	521,065	525,278	4,213	462,713
Asset revaluation reserve	451,900	451,900	0	451,900
Other reserves	4,825	5,118	293	4,136
Total equity	977,790	982,296	4,506	918,749

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Cash Flow Statement

For the 3 months ended 30 September, 2010

	YTD Budget \$'000 Inflows (Outflows)	YTD Actual \$'000 Inflows (Outflows)	YTD Variance \$'000	Annual Budget \$'000 Inflows (Outflows)
Cash flows from operating activities				
Receipts from customers (incl GST)	29,927	26,967	(2,960)	105,064
Payments to suppliers and employees (incl GST)	(26,741)	(25,840)	901	(109,036)
	3,186	1,127	(2,059)	(3,972)
Interest	319	226	(93)	1,275
Government receipts	3,531	3,651	120	16,361
Net GST refund / payment	1,200	1,377	177	4,723
Net cash provided by operating activities	8,236	6,381	(1,855)	18,387
Cash flows from investing activities				
Proceeds from sale of property, plant & equipment	214	172	(42)	932
loans and advances	20	(102)	(122)	81
Payment for property, infrastr, plant & equipment	(7,453)	(7,560)	(107)	(32,188)
Net cash used in investing activities	(7,219)	(7,490)	(271)	(31,175)
Cash flows from financing activities				
Finance costs	(56)	(55)	1	(202)
Trust funds and deposits	0	233	233	0
Repayment of interest bearing loans and borrowings	(154)	(154)	(0)	(622)
Net cash used in financing activities	(210)	24	233	(824)
Net increase / (decrease) in cash & cash equivalents	807	(1,085)	(1,892)	(13,612)
Cash & cash equivalents at the beginning of the year	33,839	38,141	4,302	33,839
Cash & cash equivalents at the end of the year	34,646	37,056	2,410	20,227

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DAREBIN CITY COUNCIL

Statement of Capital Works

For the 3 months ended 30 September, 2010

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000	Adjusted Budget \$'000
Roads	860	246	614	7,567	7,191
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