

FINANCIAL REPORT

Nine months ended

31 March 2010



Contents

1. EXECUTIVE SUMMARY 3
2. FINANCIAL ANALYSIS
 - 2.1 Operating Performance 4
 - 2.2 Capital Performance 9
 - 2.3 Financial Position 11

APPENDIX A

Income Statement
Balance Sheet
Cash Flow Statement
Statement of Capital Works



Financial Report

Nine months ended 31 March 2010

1 EXECUTIVE SUMMARY

1.1 Operating performance

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast \$'000
Operating					
Revenue	102,294	105,464	3,170	110,538	114,815
Expenditure	(85,063)	(82,884)	2,179	(113,250)	(114,985)
	17,231	22,580	5,349	(2,712)	(170)
Capital					
Revenue	660	1,235	575	5,137	5,005
Gain (loss) on disposal of assets	325	286	(39)	768	479
Net surplus (deficit)	18,216	24,101	5,885	3,193	5,314

The Operating Performance for the nine months ended 31 March 2010 is an operating surplus before capital revenue and other items of \$22.6 million, which is \$5.3 million ahead of budget. After capital and other items, the operating surplus is \$24.1 million, which is \$5.9 million ahead of budget. The main items contributing to this favorable variance are rates, user fees, contributions, capital grants, other revenue, employee benefits, materials and services and depreciation expenses.

1.2 Capital performance

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast \$'000
Total capital works	21,847	11,290	10,557	35,478	32,428

The Capital Performance for the nine months ended 31 March 2010 shows that a total of \$11.3 million has been expended on the capital works program, which is \$10.6 million behind the budget. The variance is due mainly to timing differences on the roads, open space and building works projects, and the purchase of plant and equipment.

1.3 Financial position

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast \$'000
Cash and cash equivalents	24,825	36,924	12,099	17,190	22,286
Net current assets	25,267	40,817	15,550	2,053	7,585
Net assets and total equity	814,807	934,586	119,779	799,787	915,798

The Financial Position as at 31 March 2010 shows a cash balance of \$36.9 million which is \$12.1 million ahead of budget. The variance is due mainly to the timing differences in payments to suppliers and employees, government receipts and payment for property, infrastructure, plant & equipment, the receipt of proceeds from borrowings of \$2.3 million not undertaken and the higher opening cash position compared with budget. The net current asset position is \$40.8 million which is \$15.6 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 \$934.6 million, which is \$119.8 million ahead of budget.

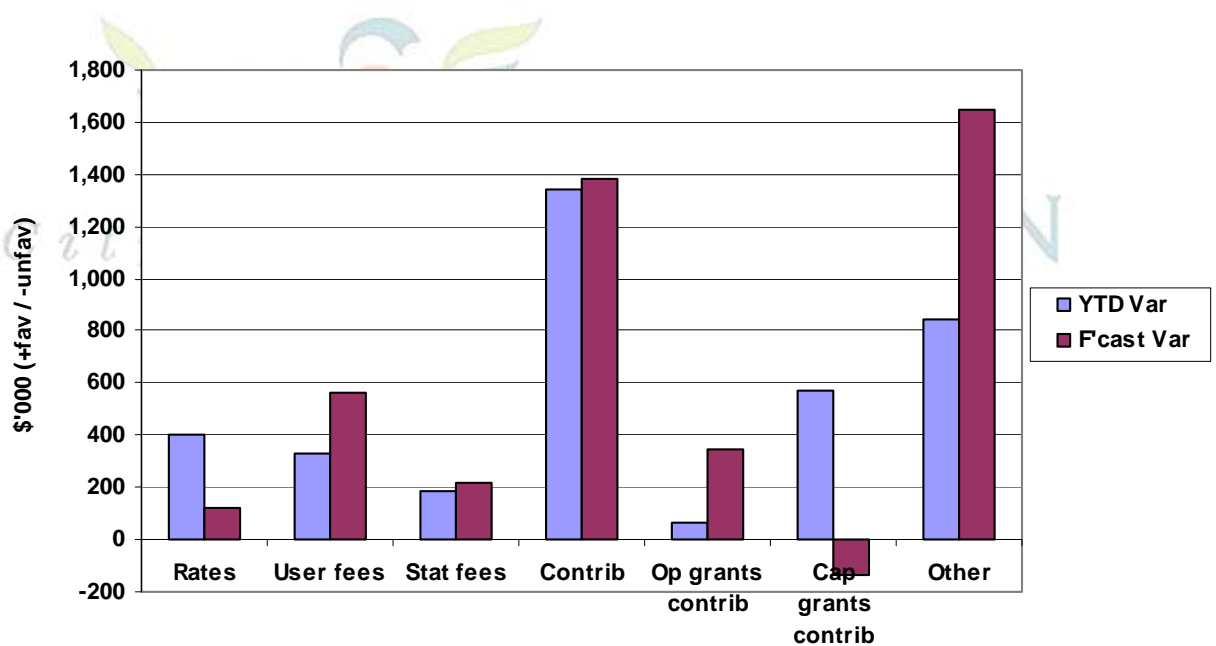
2. FINANCIAL ANALYSIS

2.1 Operating performance

2.1.1 Operating revenue

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast \$'000	Forecast Var \$'000
Revenues						
Rates	77,755	78,155	400	78,067	78,189	122
User fees	8,024	8,358	334	9,775	10,336	561
Statutory fees and fines	3,230	3,413	183	4,012	4,227	215
Contributions	1,125	2,468	1,343	1,500	2,884	1,384
Operating grants & contrib's	10,418	10,481	63	13,731	14,075	344
Capital grants & contrib's	660	1,235	575	5,137	5,005	(132)
Other revenue	1,742	2,589	847	3,453	5,104	1,651
Total operating revenue	102,954	106,699	3,745	115,675	119,820	4,145

Revenue YTD & Forecast variances



Financial Report

Nine months ended 31 March 2010

Major Operating Revenue Variances

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000
Rates		400	
Supplementary rates	P	405	
User fees		334	
Street tree replacement	P	148	
Preston Cemetery – staff costs recoup	P	74	
RLC – fitness	P	88	
RLC – swimming school	T	75	
Valuation services	P	92	
Bundoora Park – golf course	T	47	
DAEC hospitality	P	42	
Food services	T		55
Home support	P		73
Road-reinstatements	T		39
Statutory fees and fines		183	
Council administration – election	P	46	
Statutory planning	P	69	
Environmental health	P	36	
Contributions		1,343	
Open space	P	770	
DCP	P	537	
Operating grants and contributions		63	
Family services	P	39	
School crossing supervisor	T	82	
Northcote place manager	P	80	
Early years & education planning	P	50	
Family day care	P	41	
Immunisation	T		60
Streets ahead	T		60
Local area access pedestrians	T		65
Capital grants and contributions		575	
Roads to recovery	T	400	
East Reservoir Neighbourhood House	P	105	
Tram 86 corridor	P	67	
Arts in public places	P	90	
Preston connect project	P	252	
Bridges – Broadhurst / Merri Ck	T		110
Bundoora Park all abilities playground	T		100
Pedestrian friendly intersection	T		90
DISC infrastructure upgrade	T		50
Bridges – Tyler St replacement	T		40
East Reservoir early years hub	T		56
Other revenue		847	
Interest income	P	474	
DIAC International students	P	60	
Road infrastructure	P	115	
Aboriginal TSI relations	P	79	
Bushlands – admin	P	59	
Northcote Aquatic & Recreation Centre	T		130

Note: Var T = Timing P = Permanent

Financial Report

Nine months ended 31 March 2010

2.1.2 Operating expenses

Expense type	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast \$'000	Forecast Var \$'000
Expenses						
Employee benefits	43,607	43,154	453	57,506	57,359	147
Materials and services	21,136	20,309	827	30,243	31,791	(1,548)
Bad and doubtful debts	487	569	(82)	688	648	40
Finance costs	268	189	79	357	243	114
Depreciation and amortisation	12,952	11,891	1,061	17,269	17,077	192
Other expenses	6,613	6,772	(159)	7,187	7,867	(680)
Total operating expenses	85,063	82,884	2,179	113,250	114,985	(1,735)

Expenses YTD & Forecast variances



Financial Report

Nine months ended 31 March 2010

Major Operating Expense Variances

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000
Employee benefits			453
Home support services	P		411
Transport management & planning	P		148
Urban development	P		104
Environmental strategy	P		101
Fleet service	P		89
Customer services	P		61
Building services	T		61
Asset strategy	T	215	
Aboriginal TSI relations	T	98	
Extended care	P	86	
Reservoir Leisure Centre	P	67	
Environmental operations	P	72	
Materials and services			827
Major maintenance (from capital program)	T		633
Open space - arboriculture	P		207
Northcote Aquatic & Recreation Centre	T		130
Open space management	T		74
Utilities	T		92
Asset strategy	T		56
Library – management & operations	T		83
Environmental strategy	T		58
Darebin resource recovery centre	P	146	
Facilities maintenance	P	135	
Director Infrastructure	P	99	
Customer service centres	P	47	
Road infrastructure management	T	76	
Depreciation and amortisation			1,061
Roads	P		884
Other assets	T		440
Plant & equipment	T		259
Furniture & fittings	T		119
Buildings	P	586	
Intangibles	P	76	
Other		159	
Regional food kitchen contribution	P	48	
Statutory planning	P	64	

Note: Var T = Timing P = Permanent

Financial Report

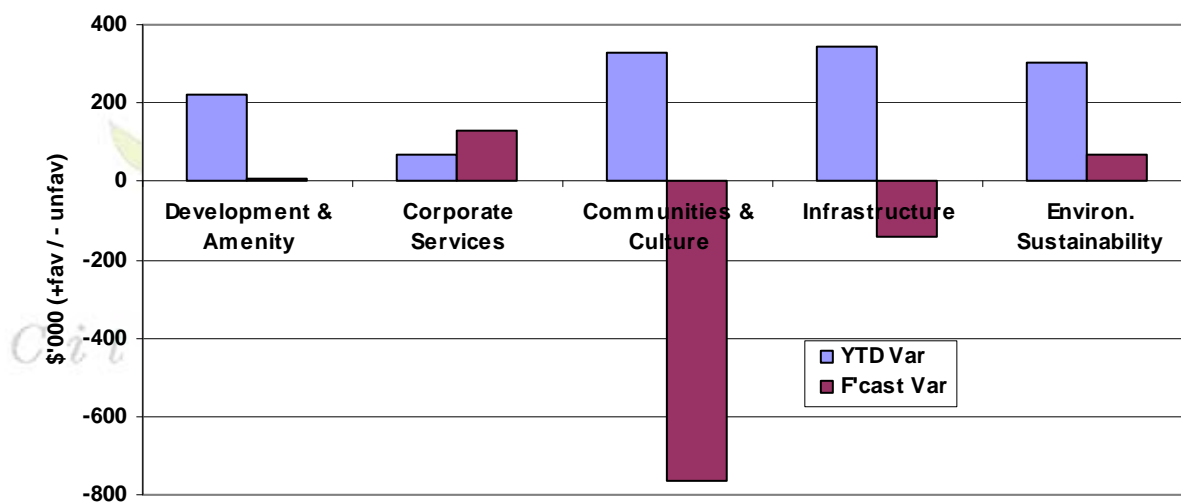
Nine months ended 31 March 2010

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	Forecast Net cost \$'000	Forecast Var Net cost \$'000
Department						
Development & Amenity	3,323	3,103	220	4,873	4,865	8
Corporate Services	9,824	9,757	67	12,860	12,729	131
Communities & Culture	12,680	12,354	326	16,739	17,505	(766)
Infrastructure	18,051	17,708	343	23,924	24,063	(139)
Environ. Sustainability	1,788	1,486	302	2,393	2,327	66
	45,666	44,408	1,258	60,789	61,489	(700)
Other non-attributable ¹	(63,882)	(68,509)	4,627	(63,982)	(66,803)	2,821
Net (surplus) deficit	(18,216)	(24,101)	5,885	(3,193)	(5,314)	2,121

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



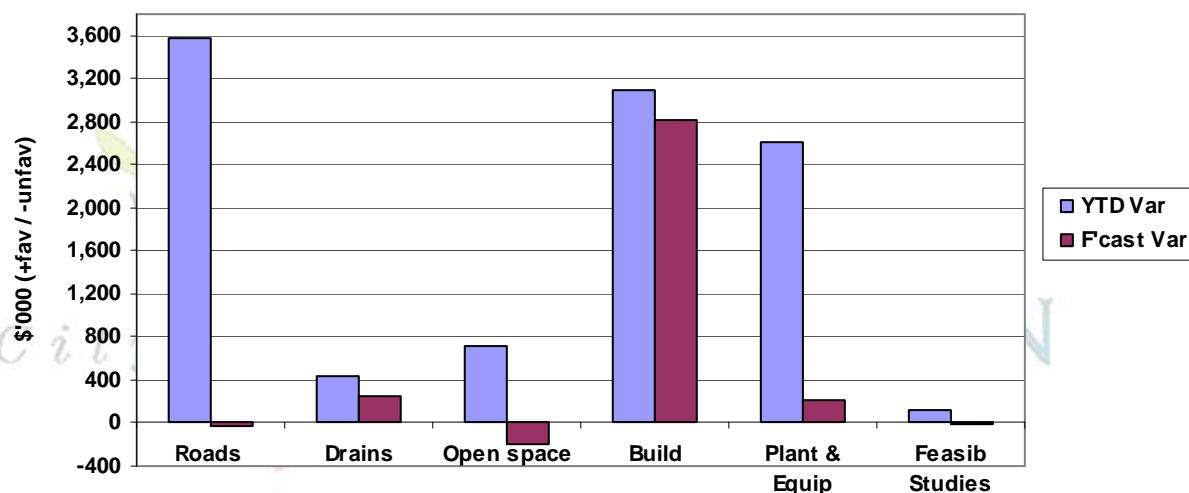
Financial Report

Nine months ended 31 March 2010

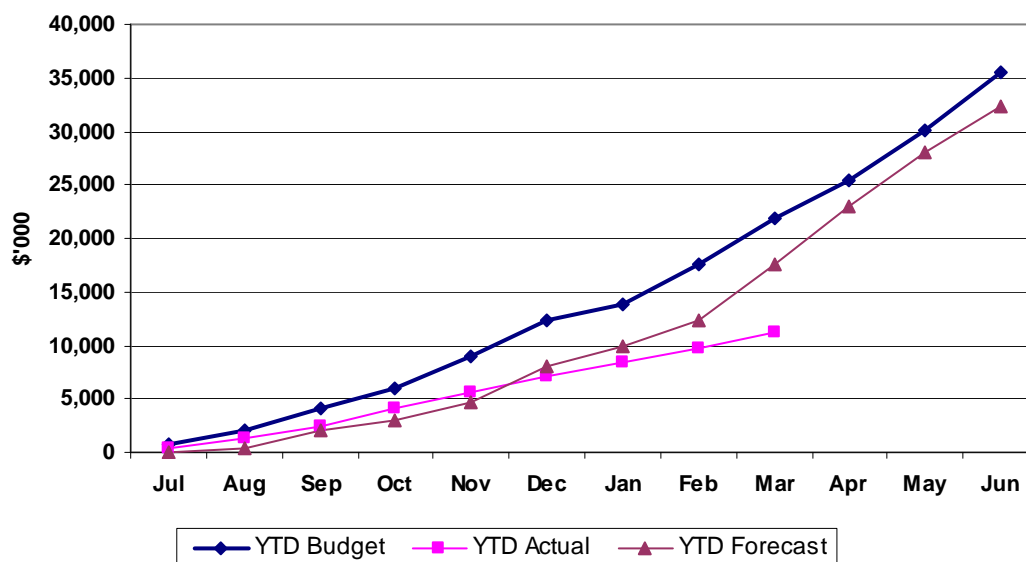
2.2 Capital performance

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast \$'000	Forecast Var \$'000
Capital works class						
Roads	7,296	3,722	3,574	8,607	8,633	(26)
Drains	514	76	438	1,201	951	250
Open space	2,556	1,847	709	4,527	4,727	(200)
Buildings	5,767	2,665	3,102	13,474	10,663	2,811
Plant & equipment	5,472	2,856	2,616	7,167	6,950	217
Feasibility studies	242	124	118	502	504	(2)
Total capital works	21,847	11,290	10,557	35,478	32,428	3,050
Represented by:						
Capital expenditure	19,406	9,482	9,924	31,792	28,769	3,023
Major maintenance	2,441	1,808	633	3,686	3,659	27
Total capital works	21,847	11,290	10,557	35,478	32,428	3,050

Capital works YTD & Forecast variances by asset class



Capital works YTD & Forecast expenditure cumulative



Financial Report

Nine months ended 31 March 2010

Major Capital Works Variances

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000
Roads			3,574
Local roads	T		2,219
Merri Creek shared path pipe bridge	P		241
Roads to recovery	P		179
Pedestrian friendly intersections	T		234
Traffic devices/LATM	T		104
Transport Planning	T		113
Bridges & culverts	T		331
Public Transport	T		55
Drains			438
Drainage maintenance	T		59
Fairfield Views drainage upgrade	P		48
Flood mapping	T		50
Drainage improvement works	T		250
Open space			709
Merri Creek trail safety review	T		120
Playground upgrades	P		58
Darebin Parklands masterplan	T		43
Northcote Golf Course drought proof	T		91
TW Andrews Reserve master plan	T		118
Preston library surrounds improvement	T		62
Busy parks improvement projects	T		44
Sportsfield lighting	P		41
John Cain Memorial Park masterplan	T		36
Edwardes Park lake master plan	P	80	
Buildings			3,102
Lancaster Gate Community Centre	P		2,012
Clyde St. Comm. Centre – hall refub.	P		256
NARC masterplan implem & asset maint	P		114
Preston City oval redevelopment	P		159
Northcote Police Station media arts bus	T		128
East Reservoir early years hub	T		113
Redevelop Clifton Street childcare	P		163
Water sensitive Darebin depot	T		90
Disability access at facilities – various	T		63
Electrical switchboard & sub-circuit	T		42
Floor covering replacement program	T		44
DISC infrastructure & greens upgrade	P	127	
Merri Community Child Care redevelop	P	91	
Kindergarten action plan	P	63	
Plant & equipment			2,616
Plant replacement program	T		1,062
CAMS – customer & asset mgt system	T		879
IT PCS & network upgrades – various	P		103
Energy efficiency works – various	T		72
Darebin library PC replacement	T		90
IT server hardware upgrades – various	P		174
IT core system upgrades – various	P		60
Darebin libraries – product purchases	T		111
Early years centralized database	T		50
Mobile garbage bin replacement	T	53	

Note: Var T = Timing P = Permanent

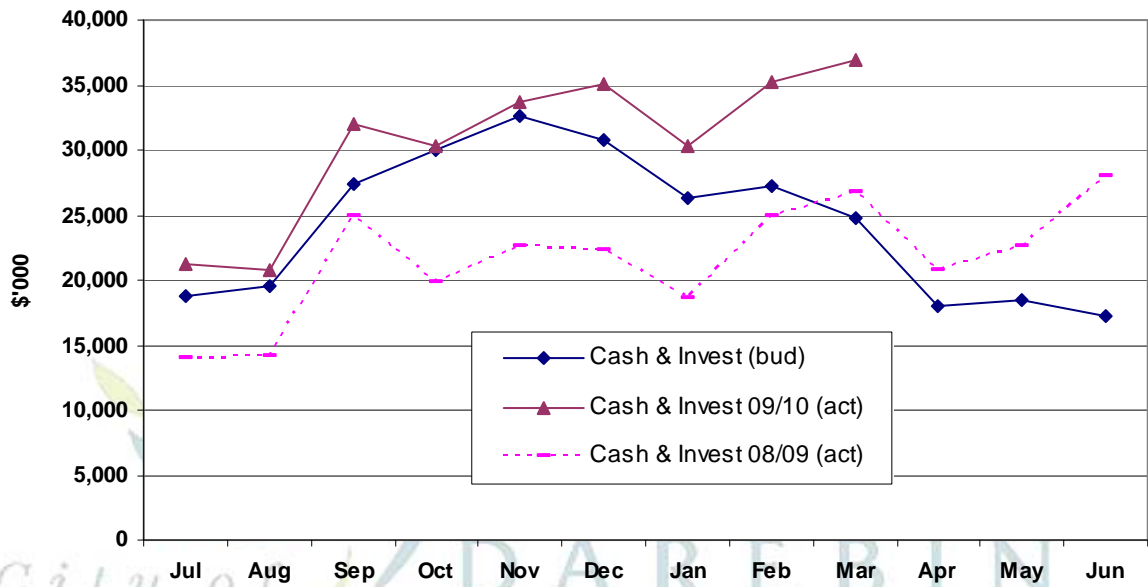
Financial Report

Nine months ended 31 March 2010

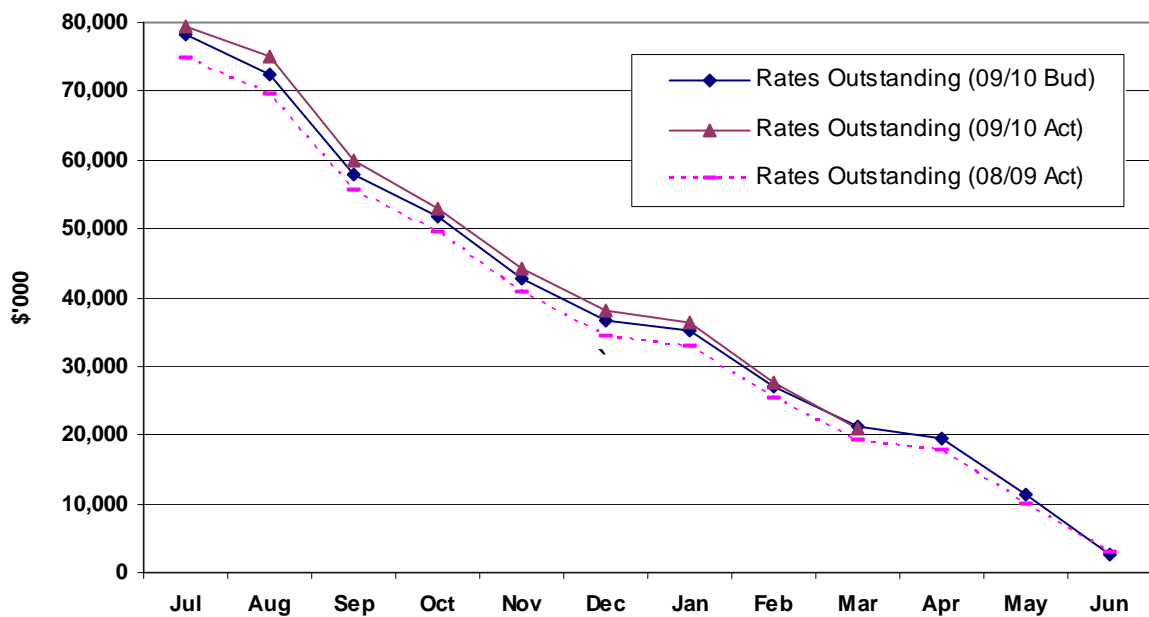
2.3 Financial position

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast \$'000
Cash and investments	24,825	36,924	12,099	17,190	22,286
Net current assets	25,267	40,817	15,550	2,053	7,585
Net assets and total equity	814,807	934,586	119,779	799,787	915,798

Actual & Budget cash & investments balance by month



Actual & Budget rates outstanding balances by month



Financial Report
 Nine months ended 31 March 2010

Major Balance Sheet YTD variances

	Var	YTD Budget Increase \$'000	YTD Budget Decrease \$'000
Current assets		12,498	
Cash and investments	P	12,099	
Receivables	P	417	
Current liabilities			3,052
Trade creditors	P		2,549
Interest bearing loans and borrowings	P		141
Employee provisions	P		362
Non current assets		102,555	
Property, Infra. plant & equipment	P	102,096	
Investment property	P	365	
Intangible assets	P	60	
Non current liabilities			1,674
Interest bearing loans and borrowings	P		2,117
Employee provisions	P	443	
Equity		119,779	
Accumulated surplus	P	14,622	
Asset revaluation reserve	P	104,868	
Other reserves	P	289	

Note: Var T = Timing P = Permanent



APPENDIX A

Income Statement
Balance Sheet
Cash Flow Statement
Statement of Capital Works



Financial Report
 Nine months ended 31 March 2010

DAREBIN CITY COUNCIL

Income Statement

For the 9 months ended 31 March, 2010

	YTD Budget \$'000	YTD Actual \$'000	YTD Varianc e \$'000	Annual Budget \$'000	Forecast \$'000
Revenues from ordinary activities					
Rates	77,755	78,155	400	78,067	78,189
User fees	8,024	8,358	334	9,775	10,336
Statutory fees and fines	3,230	3,413	183	4,012	4,227
Contributions	1,125	2,468	1,343	1,500	2,884
Operating grants and contributions	10,418	10,481	63	13,731	14,075
Capital grants and contributions	660	1,235	575	5,137	5,005
Other	1,742	2,589	847	3,453	5,104
	<u>102,954</u>	<u>106,699</u>	<u>3,745</u>	<u>115,675</u>	<u>119,820</u>
Total revenues					
Expenses from ordinary activities					
Employee benefits	43,607	43,154	453	57,506	57,359
Materials and services	21,136	20,309	827	30,243	31,791
Bad and doubtful debts	487	569	(82)	688	648
Finance costs	268	189	79	357	243
Depreciation and amortisation	12,952	11,891	1,061	17,269	17,077
Other	6,613	6,772	(159)	7,187	7,867
	<u>85,063</u>	<u>82,884</u>	<u>2,179</u>	<u>113,250</u>	<u>114,985</u>
Total expenses					
Net gain (loss) on disposal of property infrastructure, plant and equipment	325	286	(39)	768	479
Surplus (deficit) for the year	<u>18,216</u>	<u>24,101</u>	<u>5,885</u>	<u>3,193</u>	<u>5,314</u>

Financial Report
 Nine months ended 31 March 2010

DAREBIN CITY COUNCIL

Balance Sheet

As at 31 March, 2010

	YTD Budget \$'000	YTD Actual \$'000	YTD Varianc e \$'000	Annual Budget \$'000	Forecas t \$'000
Current assets					
Cash and cash equivalents	24,825	36,924	12,099	17,190	22,286
Trade and other receivables	24,320	24,737	417	7,998	8,823
Other financial assets	71	53	(18)	71	44
Total current assets	49,216	61,714	12,498	25,259	31,153
Non-current assets					
Trade and other receivables	422	456	34	397	390
Property, infrastructure, plant & equipment	792,192	894,288	102,096	800,170	908,316
Investment property	3,027	3,392	365	3,027	3,392
Intangible assets	598	658	60	598	972
Other financial assets	206	206	0	206	206
Total non-current assets	796,445	899,000	102,555	804,398	913,276
Total assets	845,661	960,714	115,053	829,657	944,429
Current liabilities					
Trade and other payables	11,031	8,482	2,549	10,119	10,820
Interest bearing loans and borrowings	748	607	141	795	622
Provisions	12,170	11,808	362	12,292	12,126
Total current liabilities	23,949	20,897	3,052	23,206	23,568
Non-current liabilities					
Interest bearing loans and borrowings	4,974	2,857	2,117	4,733	2,689
Provisions	1,931	2,374	(443)	1,931	2,374
Total non-current liabilities	6,905	5,231	1,674	6,664	5,063
Total liabilities	30,854	26,128	4,726	29,870	28,631
Net assets	814,807	934,586	119,779	799,787	915,798
Equity					
Accumulated surplus	464,272	478,894	14,622	449,602	459,073
Asset revaluation reserve	347,032	451,900	104,868	347,032	451,900
Other reserves	3,503	3,792	289	3,153	4,825
Total equity	814,807	934,586	119,779	799,787	915,798

Financial Report
 Nine months ended 31 March 2010

DAREBIN CITY COUNCIL

Cash Flow Statement

For the 9 months ended 31 March, 2010

	YTD Budget \$'000 Inflows (Outflows)	YTD Actual \$'000 Inflows (Outflows)	YTD Varianc e \$'000	Annual Budget \$'000 Inflows (Outflows)	Forecast \$'000 Inflows (Outflows)
Cash flows from operating activities					
Receipts from customers (incl GST)	76,247	78,154	1,907	99,052	99,248
Payments to suppliers and employees (incl GST)	(75,684)	(71,374)	4,310	(101,915)	(101,382)
	563	6,780	6,217	(2,863)	(2,135)
Interest	659	1,208	549	865	1,428
Government receipts	14,271	11,402	(2,869)	18,868	20,075
Net GST refund / payment	2,700	2,973	273	3,817	4,857
Net cash provided by operating activities	18,193	22,363	4,170	20,687	24,225
Cash flows from investing activities					
Proceeds from sale of property, plant & equipment	1,206	837	(369)	1,609	1,494
Repayment of loans and advances	56	20	(36)	76	75
Payment for property, infrastr, plant & equipment	(21,565)	(13,533)	8,032	(31,793)	(30,613)
Net cash used in investing activities	(20,303)	(12,676)	7,627	(30,108)	(29,044)
Cash flows from financing activities					
Proceeds from borrowings	2,300	0	(2,300)	2,300	0
Finance costs	(227)	(181)	46	(357)	(272)
Trust funds and deposits	0	(112)	(112)	0	0
Repayment of interest bearing loans and borrowings	(495)	(454)	41	(689)	(607)
Net cash used in financing activities	1,578	(747)	(2,325)	1,254	(879)
Net increase / (decrease) in cash & cash equivalents	(532)	8,940	9,472	(8,167)	(5,698)
Cash & cash equivalents at the beginning of the year	25,357	27,984	2,627	25,357	27,984
Cash & cash equivalents at the end of the year	24,825	36,924	12,099	17,190	22,286

Financial Report
 Nine months ended 31 March 2010

DAREBIN CITY COUNCIL

Statement of Capital Works

For the 9 months ended 31 March, 2010

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000	Forecast \$'000
Roads	7,296	3,722	3,574	8,607	8,633
Drains	514	76	438	1,201	951
Open space	2,556	1,847	709	4,527	4,727
Buildings	5,767	2,665	3,102	13,474	10,663
Plant & equipment	5,472	2,856	2,616	7,167	6,950
Feasibility studies	242	124	118	502	504
Total capital works	21,847	11,290	10,557	35,478	32,428
Represented by:					
Capital expenditure	19,406	9,482	9,924	31,792	28,769
Major maintenance	2,441	1,808	633	3,686	3,659
Total capital works	21,847	11,290	10,557	35,478	32,428



