

# FINANCIAL REPORT

Eight months ended

28 February 2011



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Statement of Capital Works



# Financial Report

## Eight months ended 28 February 2011

### 1 EXECUTIVE SUMMARY

#### 1.1 Operating performance

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast \$'000
<b>Operating</b>					
Revenue	105,696	108,683	2,987	117,594	120,369
Expenditure	(79,934)	(75,781)	4,153	(120,078)	(118,611)
	25,762	32,902	7,140	(2,484)	1,758
<b>Capital</b>					
Revenue	1,367	1,673	306	2,631	3,044
Gain (loss) on disposal of assets	95	165	70	148	490
<b>Net surplus (deficit)</b>	<b>27,224</b>	<b>34,740</b>	<b>7,516</b>	<b>295</b>	<b>5,292</b>

The Operating Performance for the eight months ended 28 February 2011 is an operating surplus before capital revenue and other items of \$32.9 million, which is \$7.1 million ahead of budget. The main items contributing to this favorable variance are contributions, operating and capital grants, material and services and depreciation partly offset by unfavorable variances in user fees and parking fines. After capital and other items, the operating surplus is \$34.7 million, which is \$7.5 million ahead of budget.

#### 1.2 Capital performance

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Adjusted Budget \$'000	Forecast \$'000
Total capital works	22,291	15,222	7,069	37,317	38,632	36,177

The Capital Performance for the eight months ended 28 February 2011 shows that a total of \$15.2 million has been expended on the capital works program, which is \$7.1 million behind the budget. The variance is due mainly to timing differences on the road, drainage and open space works projects and 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	28,000	45,083	17,083	20,227	30,187
Net current assets	38,798	54,618	15,820	5,232	13,411
Net assets and total equity	945,679	955,479	9,800	918,749	926,029

The Financial Position as at 28 February 2011 shows a cash balance of \$45.1 million which is \$17.1 million ahead of budget. The variance is due mainly to the higher opening cash position compared with budget and timing differences in receipts from customers, payments to suppliers and employees, purchase of property, infrastructure, plant and equipment, interest and government receipts. The net current asset position is \$54.6 million which is \$15.8 million more than budget. The variance is due mainly to the higher cash position, lower trade and other receivables and lower trade and other payables compared with budget. The net asset position is \$955.5 million, which is \$9.8 million ahead of budget.

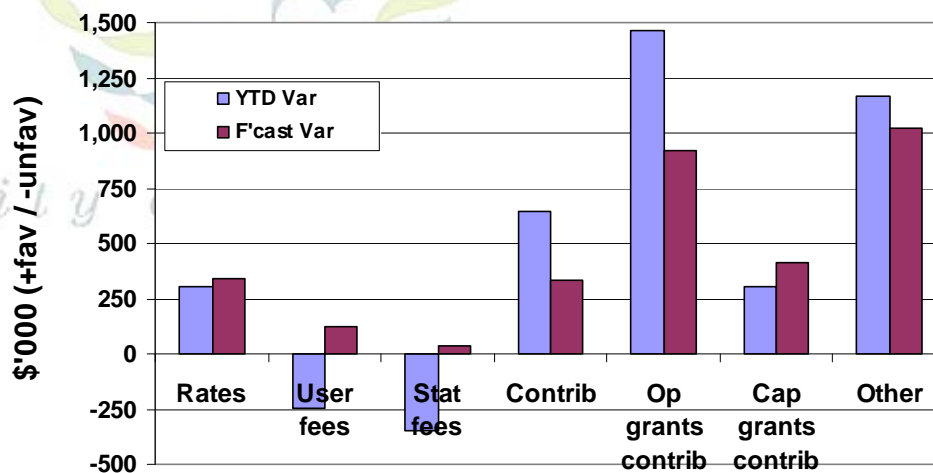
## 2. FINANCIAL ANALYSIS

### 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
<b>Revenues</b>						
Rates	82,829	83,135	306	<b>83,918</b>	84,260	342
User fees	7,016	6,770	(246)	<b>10,270</b>	10,393	123
Statutory fees and fines	2,992	2,643	(349)	<b>4,747</b>	4,783	36
Contributions	1,333	1,976	643	<b>2,000</b>	2,336	336
Operating grants & contrib's	9,665	11,129	1,464	<b>13,731</b>	14,650	919
Capital grants & contrib's	1,367	1,673	306	<b>2,631</b>	3,044	413
Other revenue	1,861	3,030	1,169	<b>2,928</b>	3,947	1,019
<b>Total operating revenue</b>	<b>107,063</b>	<b>110,356</b>	<b>3,293</b>	<b>120,225</b>	<b>123,413</b>	<b>3,188</b>

#### Revenue YTD & Forecast variances



# Financial Report

## Eight months ended 28 February 2011

### Major Operating Revenue Variances

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000
<b>Rates</b>		<b>306</b>	
Supplementary rates	P	411	
Rebates & discounts	T		189
<b>User fees</b>			<b>246</b>
Reservoir Leisure Centre	P		89
Bundoora Park golf course	T		60
Right of ways	T		95
Food services	P		78
Street tree replacement	P	45	
<b>Statutory fees and fines</b>			<b>349</b>
Traffic enforcement	T		444
Environmental health	T	40	
<b>Contributions</b>		<b>643</b>	
Open space contributions	P	567	
DCP contributions	P	76	
<b>Operating grants and contributions</b>		<b>1,464</b>	
Victorian grants commission	T/P	1,174	
HACC support services	P	110	
Family services	T	147	
School crossing supervision	T/P	118	
Maternal & child health	T	40	
Access for all abilities	T	42	
Darebin sport for all	T		58
Early years	T		50
Family day care	T		61
Streets ahead	P		53
<b>Capital grants and contributions</b>		<b>306</b>	
Regional local community infrastructure program funding	P	128	
Early years kindergarten upgrades	P	600	
Batman Park community hall & kinder	T	100	
Bundoora Park all abilities playground	P	126	
Traffic management & road safety	P	96	
Reservoir Library redevelopment	T	127	
Cothchin Reserve Nth sewer	T		80
Darebin International Sports Centre roof repair	P		50
Cramer St powerline relocation	T		125
Roads to recovery - various	T		353
Preston connect	P		128
<b>Other revenue</b>		<b>1,169</b>	
Edwards Lake – circling the lake	P	100	
Sustainable homes	P	52	
Interest on investment	P	754	
Road infrastructure management	T	49	
Bushlands	P	48	

Note: Var T = Timing P = Permanent

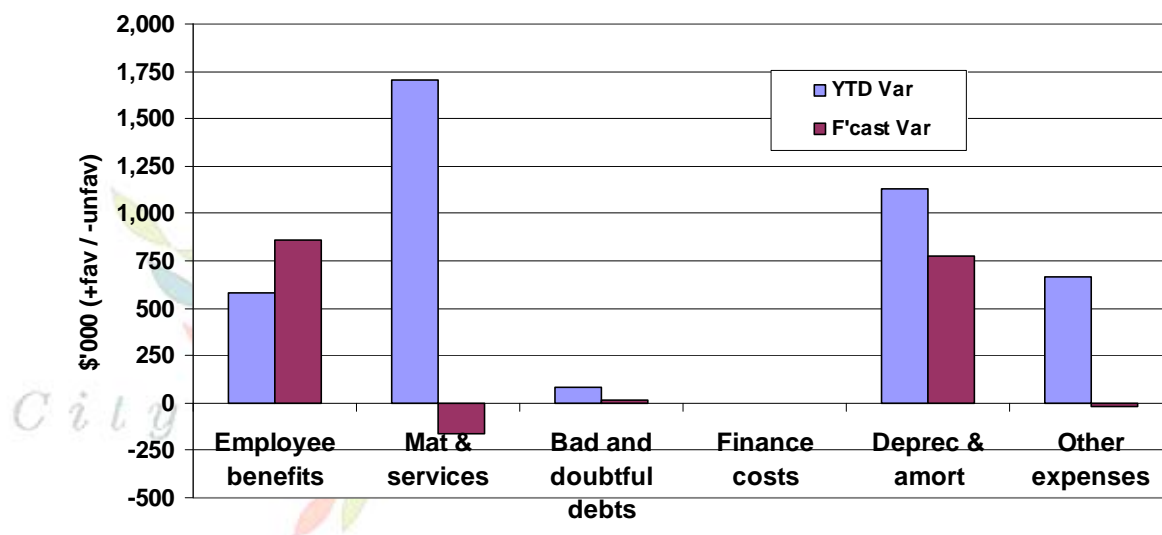
# Financial Report

## Eight months ended 28 February 2011

### 2.1.2 Operating expenses

Expense type	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast \$'000	Forecast Var \$'000
<b>Expenses</b>						
Employee benefits	40,212	39,633	579	<b>60,891</b>	60,034	857
Materials and services	20,754	19,048	1,706	<b>32,002</b>	32,162	(160)
Bad and doubtful debts	537	455	82	<b>807</b>	794	13
Finance costs	137	140	(3)	<b>203</b>	203	0
Depreciation and amortisation	11,597	10,470	1,127	<b>17,395</b>	16,616	779
Other expenses	6,697	6,035	662	<b>8,780</b>	8,802	(22)
<b>Total operating expenses</b>	<b>79,934</b>	<b>75,781</b>	<b>4,153</b>	<b>120,078</b>	<b>118,611</b>	<b>1,467</b>

### Expenses YTD & Forecast variances



# Financial Report

## Eight months ended 28 February 2011

### Major Operating Expense Variances

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000
<b>Employee benefits</b>			<b>579</b>
Capital works	P		50
City development	P		66
Building services	P		78
Assessment & complex care	P		465
Transport management & planning	P		197
Business support	P		57
Customer service	P		53
Environmental health	P		42
Human resources	P		80
Risk management	P	80	
Staff vacancy & other	T	271	
Youth services	P	63	
Parks and gardens	P	83	
Major projects & activity centres	T	68	
<b>Materials and services</b>			<b>1,706</b>
Major maintenance	P		680
Parks and gardens	P		335
Roads infrastructure management	T		150
Facility maintenance	T		45
Asset strategy	P		94
IT – application systems	T		79
IT - infrastructure	P		89
Aged & disability services	T		71
Children's services	T		74
Occupational health & safety	P		56
Home support service delivery	T		58
City works operations	P		78
Environmental strategy	P		62
Street lighting	P		62
Strategic planning	P		68
Transport management & planning	P	70	
Environmental operations	P	185	
Fleet services	T	103	
Human resources	P	151	
Family support services	P	45	
<b>Depreciation and amortisation</b>			<b>1,127</b>
Other assets	P		375
Plant & equipment	P		447
Building	P		282
<b>Other</b>			<b>662</b>
Leisure services	T		143
Facility maintenance	T		56
Inclusion support program	P		167
Environmental strategy	T		48
Environmental operations	P	49	

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

# Financial Report

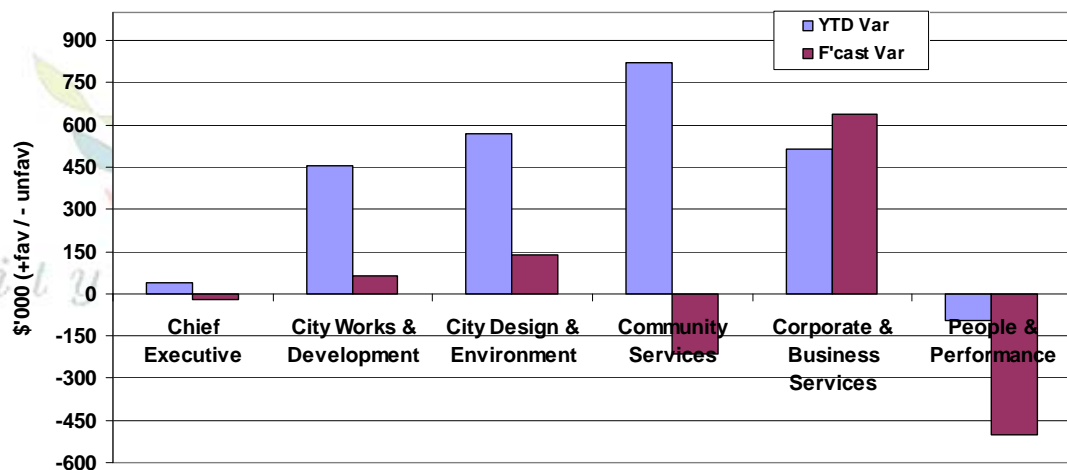
## Eight months ended 28 February 2011

### 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
<b>Department</b>						
Chief Executive	507	466	41	722	740	(18)
City Works & Development	13,197	12,741	456	19,240	19,175	65
City Design & Environment	8,671	8,102	569	13,062	12,922	140
Community Services	8,978	8,157	821	13,534	13,747	(213)
Corporate & Business Services	6,696	6,180	516	10,381	9,743	638
People & Performance	4,444	4,541	(97)	6,246	6,749	(503)
	42,493	40,187	2,306	63,185	63,076	109
Other non-attributable <sup>1</sup>	(69,717)	(74,927)	5,210	(63,480)	(68,368)	4,888
<b>Net (surplus) deficit</b>	<b>(27,224)</b>	<b>(34,740)</b>	<b>7,516</b>	<b>(295)</b>	<b>(5,292)</b>	<b>4,997</b>

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





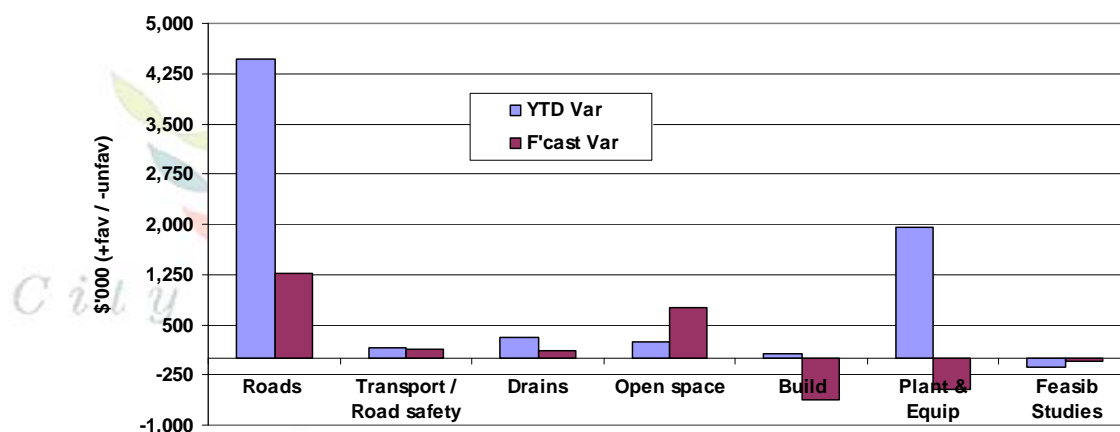
# Financial Report

## Eight months ended 28 February 2011

### 2.2 Capital performance

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Adjusted Budget \$'000	Forecast \$'000
<b>Capital works class</b>						
Roads	5,547	1,072	4,475	<b>7,567</b>	7,191	6,291
Transport / Road safety	700	547	153	<b>1,789</b>	1,591	1,655
Drains	489	176	313	<b>873</b>	867	756
Open space	3,430	3,175	255	<b>7,459</b>	7,810	6,705
Buildings	6,159	6,093	66	<b>10,770</b>	12,025	11,402
Plant & equipment	5,743	3,797	1,946	<b>8,317</b>	8,485	8,784
Feasibility studies	223	362	(139)	<b>542</b>	663	584
<b>Total capital works</b>	<b>22,291</b>	<b>15,222</b>	<b>7,069</b>	<b>37,317</b>	<b>38,632</b>	<b>36,177</b>
<b>Represented by:</b>						
Capital expenditure	19,646	13,257	6,389	<b>32,188</b>	33,304	31,563
Major maintenance	2,645	1,965	680	<b>5,129</b>	5,328	4,614
<b>Total capital works</b>	<b>22,291</b>	<b>15,222</b>	<b>7,069</b>	<b>37,317</b>	<b>38,632</b>	<b>36,177</b>

#### Capital works YTD & Forecast variances by asset class

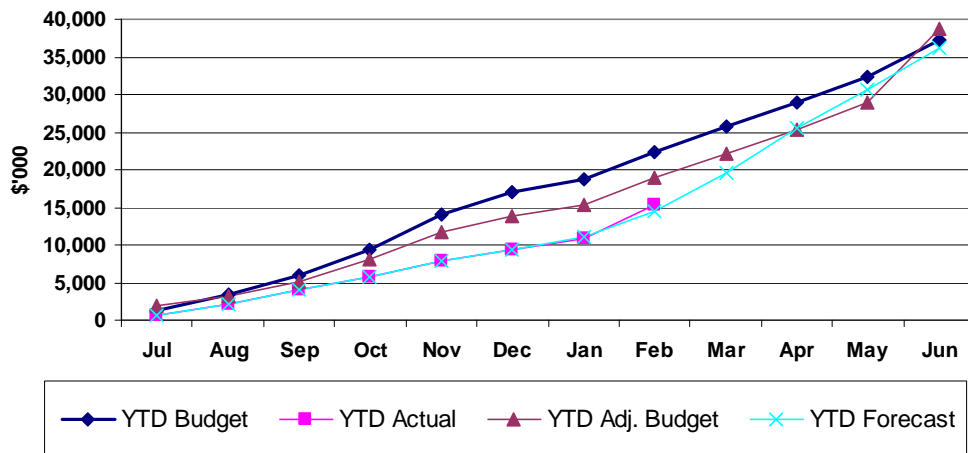


#### Capital works YTD & Forecast expenditure cumulative

# Financial Report

## Eight months ended 28 February 2011

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# Financial Report

## Eight months ended 28 February 2011

### Major Capital Works Variances

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000
<b>Roads</b>			<b>4,475</b>
Local roads	P		4,003
Right of way - various	T		83
Carpark – Reservoir Leisure Centre	T		170
Footpath replacement program	P		158
<b>Transport / Road safety</b>			<b>153</b>
Preston connect	P		176
Integrated transportation planning	T		94
Traffic management / road safety	P	148	
<b>Drains</b>			<b>313</b>
Water quality works	T		144
Flood mapping	P		105
Water sensitive Darebin depot	T		116
Renewal drainage – McComas St	T	100	
<b>Open space</b>			<b>255</b>
DR Atkinson Reserve lighting	T		42
Arts in public places	P		66
Northcote Golf Course droughtproofing	T		81
Neighbourhood parks renewal	T		59
Darebin Ck shared path	T		93
Cramer St powerline relocation	T		256
Bundoora Park all abilities playground	P	101	
Warm season turf		47	
Street tree planting	P	50	
<b>Buildings</b>			<b>66</b>
Lancaster Gate Community Centre	T/P		315
Intercultural centre project	T/P		87
Clyde St Community Centre hall	T		55
Darebin International Sports Centre roof repair	T/P		61
Northcote Aquatic & Recreation Centre water supply replacement	T		67
Sweeper tipping deck & yard fencing	T		84
Building painting program	T		87
Building floor coverings	T		44
JE Moore windows & shutters	T		96
Preston City Oval redevelopment	P	434	
Relocatable kindergarten building	P	392	
Darebin meals kitchen upgrade	T	52	
Clifton Street childcare redevelopment	P	76	
<b>Plant &amp; equipment</b>			<b>1,946</b>
IT server, pc & network upgrades	T		162
IT web strategy & e-services	T		110
Plant replacement program	T/P		965
CAMS – customer & asset mgt system	T/P		251
Core system – aged & disability support	P		100
Mobile garbage bin replacement	T		82
Preston library RFDI	T		80
Mobile solutions data collection	T		90
<b>Feasibility studies</b>		<b>139</b>	
Early years infrastructure study	P	55	
Preston civic precinct	T	152	

Note: Var T = Timing P = Permanent T/P = Timing YTD / Permanent Forecast

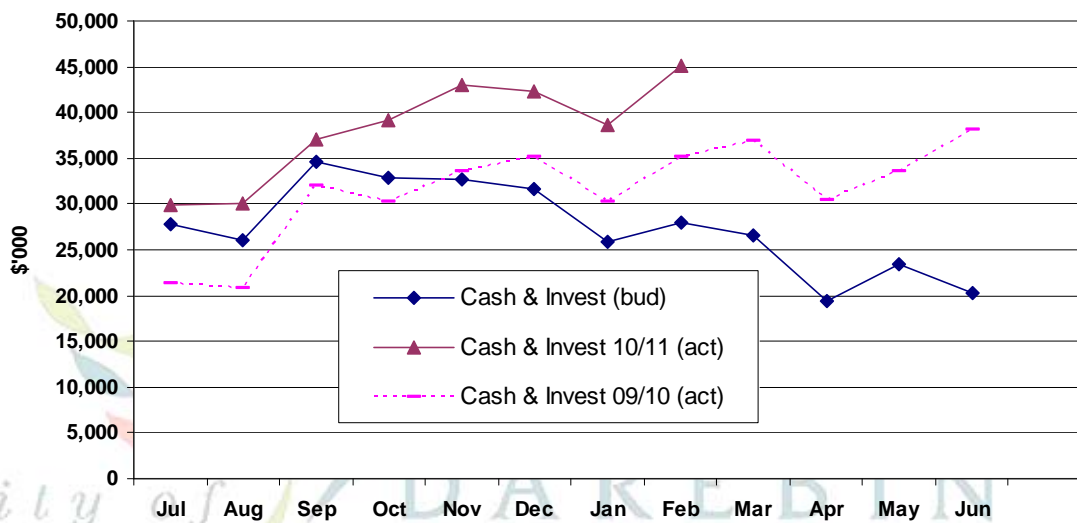
# Financial Report

## Eight months ended 28 February 2011

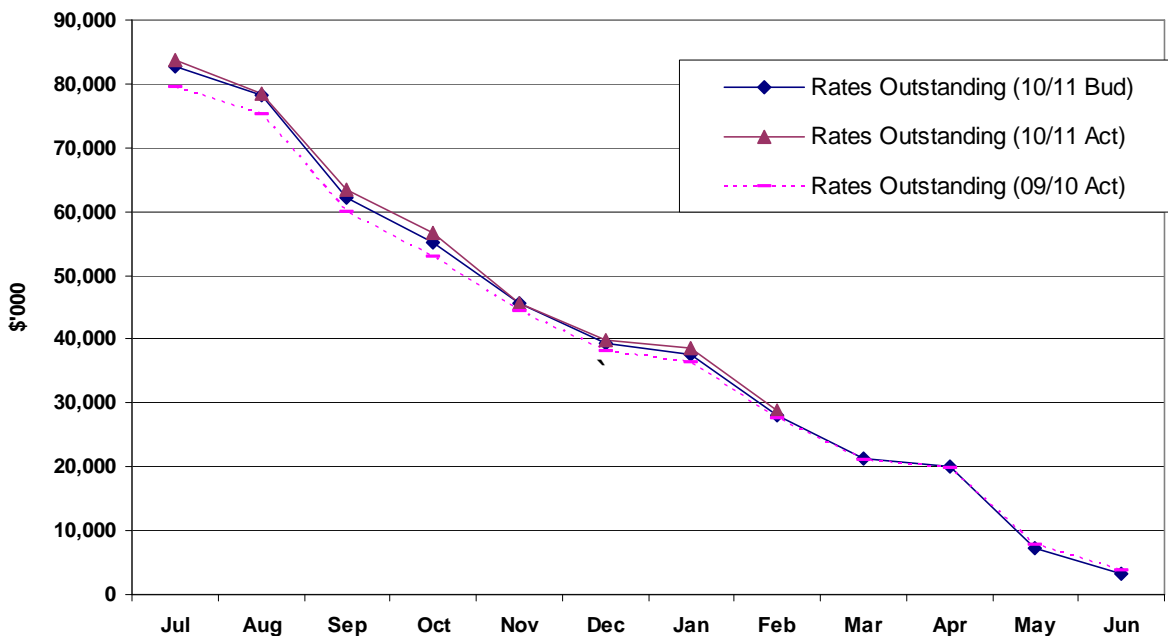
### 2.3 Financial position

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast \$'000
Cash and investments	28,000	45,083	17,083	<b>20,227</b>	30,187
Net current assets	38,798	54,618	15,820	<b>5,232</b>	13,411
Net assets and total equity	945,679	955,479	9,800	<b>918,749</b>	926,029

**Actual & Budget cash & investments balance by month**



**Actual & Budget rates outstanding balances by month**



# Financial Report

## Eight months ended 28 February 2011

### Major Balance Sheet YTD & Forecast variances

	Var	YTD Budget Increase \$'000	YTD Budget Decrease \$'000
<b>Current assets</b>		<b>15,190</b>	
Cash and investments	P	17,083	
Receivables	P		1,760
Other financial assets	P		133
<b>Current liabilities</b>			<b>630</b>
Trade creditors & other payables	P		911
Employee provisions	P	271	
<b>Non current assets</b>			<b>6,092</b>
Property, Infra. plant & equipment	T		5,681
Investment property	P	67	
Intangible assets	P		500
<b>Non current liabilities</b>			<b>72</b>
Employee provisions	P		63
<b>Equity</b>		<b>9,800</b>	
Accumulated surplus	P	9,507	
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

## Eight months ended 28 February 2011

### DAREBIN CITY COUNCIL

#### Income Statement

For the 8 months ended 28 February, 2011

	YTD Budget	YTD Actual	YTD Variance	Annual Budget	Forecast Actual
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenues from ordinary activities</b>					
Rates	82,829	83,135	306	<b>83,918</b>	84,260
User fees	7,016	6,770	(246)	<b>10,270</b>	10,393
Statutory fees and fines	2,992	2,643	(349)	<b>4,747</b>	4,783
Contributions	1,333	1,976	643	<b>2,000</b>	2,336
Operating grants and contributions	9,665	11,129	1,464	<b>13,731</b>	14,650
Capital grants and contributions	1,367	1,673	306	<b>2,631</b>	3,044
Other	1,861	3,030	1,169	<b>2,928</b>	3,947
Total revenues	<u>107,063</u>	<u>110,356</u>	<u>3,293</u>	<u><b>120,225</b></u>	<u>123,413</u>
<b>Expenses from ordinary activities</b>					
Employee benefits	40,212	39,633	579	<b>60,891</b>	60,034
Materials and services	20,754	19,048	1,706	<b>32,002</b>	32,162
Bad and doubtful debts	537	455	82	<b>807</b>	794
Finance costs	137	140	(3)	<b>203</b>	203
Depreciation and amortisation	11,597	10,470	1,127	<b>17,395</b>	16,616
Other	6,697	6,035	662	<b>8,780</b>	8,802
Total expenses	<u>79,934</u>	<u>75,781</u>	<u>4,153</u>	<u><b>120,078</b></u>	<u>118,611</u>
Net gain (loss) on disposal of property infrastructure, plant and equipment	95	165	70	<b>148</b>	490
<b>Surplus for the year</b>	<u>27,224</u>	<u>34,740</u>	<u>7,516</u>	<u><b>295</b></u>	<u>5,292</u>



Financial Report  
Eight months ended 28 February 2011

**DAREBIN CITY COUNCIL**  
**Balance Sheet**

As at 28 February, 2011

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000	Forecast Actual \$'000
<b>Current assets</b>					
Cash and cash equivalents	28,000	45,083	17,083	<b>20,227</b>	30,187
Trade and other receivables	33,320	31,560	(1,760)	<b>8,520</b>	6,817
Other financial assets	846	713	(133)	<b>846</b>	1,018
<b>Total current assets</b>	<b>62,166</b>	<b>77,356</b>	<b>15,190</b>	<b>29,593</b>	<b>38,022</b>
<b>Non-current assets</b>					
Trade and other receivables	335	357	22	<b>308</b>	219
Property, infrastructure, plant & equipment	906,599	900,918	(5,681)	<b>913,081</b>	912,773
Investment property	3,392	3,459	67	<b>3,392</b>	3,459
Intangible assets	972	472	(500)	<b>972</b>	340
Other financial assets	206	206	0	<b>206</b>	206
<b>Total non-current assets</b>	<b>911,504</b>	<b>905,412</b>	<b>(6,092)</b>	<b>917,959</b>	<b>916,997</b>
<b>Total assets</b>	<b>973,670</b>	<b>982,768</b>	<b>9,098</b>	<b>947,552</b>	<b>955,019</b>
<b>Current liabilities</b>					
Trade and other payables	10,620	9,709	911	<b>11,123</b>	11,279
Interest bearing loans and borrowings	622	632	(10)	<b>622</b>	622
Provisions	12,126	12,397	(271)	<b>12,616</b>	12,710
<b>Total current liabilities</b>	<b>23,368</b>	<b>22,738</b>	<b>630</b>	<b>24,361</b>	<b>24,611</b>
<b>Non-current liabilities</b>					
Interest bearing loans and borrowings	2,249	2,240	9	<b>2,068</b>	2,068
Provisions	2,374	2,311	63	<b>2,374</b>	2,311
<b>Total non-current liabilities</b>	<b>4,623</b>	<b>4,551</b>	<b>72</b>	<b>4,442</b>	<b>4,379</b>
<b>Total liabilities</b>	<b>27,991</b>	<b>27,289</b>	<b>702</b>	<b>28,803</b>	<b>28,990</b>
<b>Net assets</b>	<b>945,679</b>	<b>955,479</b>	<b>9,800</b>	<b>918,749</b>	<b>926,029</b>



# Financial Report

## Eight months ended 28 February 2011

### DAREBIN CITY COUNCIL

#### Cash Flow Statement

For the 8 months ended 28 February, 2011

	YTD Budget \$'000 Inflows (Outflows)	YTD Actual \$'000 Inflows (Outflows)	YTD Variance \$'000	Annual Budget \$'000 Inflows (Outflows)	Forecast Actual \$'000 Inflows (Outflows)
<b>Cash flows from operating activities</b>					
Receipts from customers (incl GST)	73,179	72,037	(1,142)	<b>105,064</b>	107,127
Payments to suppliers and employees (incl GST)	(72,210)	(68,595)	3,615	<b>(109,036)</b>	(108,515)
	969	3,442	2,473	<b>(3,972)</b>	(1,388)
Interest	853	1,627	774	<b>1,275</b>	1,436
Government receipts	10,900	13,141	2,241	<b>16,361</b>	18,226
Net GST refund / payment	3,162	3,130	(32)	<b>4,723</b>	4,723
Net cash provided by operating activities	<b>15,884</b>	<b>21,340</b>	<b>5,456</b>	<b>18,387</b>	<b>22,997</b>
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant & equipment	617	233	(384)	<b>932</b>	1,502
loans and advances	60	(90)	(150)	<b>81</b>	(67)
Payment for property, infrastr, plant & equipment	(21,812)	(14,303)	7,509	<b>(32,188)</b>	(31,562)
Net cash used in investing activities	<b>(21,135)</b>	<b>(14,160)</b>	<b>6,975</b>	<b>(31,175)</b>	<b>(30,127)</b>
<b>Cash flows from financing activities</b>					
Finance costs	(148)	(148)	(0)	<b>(202)</b>	(203)
Trust funds and deposits	0	349	349	<b>0</b>	0
Repayment of interest bearing loans and borrowings	(440)	(439)	1	<b>(622)</b>	(621)
Net cash used in financing activities	<b>(588)</b>	<b>(238)</b>	<b>350</b>	<b>(824)</b>	<b>(824)</b>
<b>Net increase / (decrease) in cash &amp; cash equivalents</b>					
	(5,839)	6,942	12,781	<b>(13,612)</b>	(7,954)
Cash & cash equivalents at the beginning of the year	<b>33,839</b>	<b>38,141</b>	<b>4,302</b>	<b>33,839</b>	<b>38,141</b>
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>28,000</b>	<b>45,083</b>	<b>17,083</b>	<b>20,227</b>	<b>30,187</b>



Financial Report  
Eight months ended 28 February 2011

**DAREBIN CITY COUNCIL**  
**Statement of Capital Works**

For the 8 months ended 28 February, 2011

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000	Adjusted Budget \$'000	Forecast Actual \$'000
Roads	5,547	1,072	4,475	<b>7,567</b>	7,191	6,292
Transport / Road safety	700	547	153	<b>1,789</b>	1,591	1,655
Drains	489	176	313	<b>873</b>	867	756
Open space	3,430	3,175	255	<b>7,459</b>	7,810	6,704
Buildings	6,159	6,093	66	<b>10,770</b>	12,025	11,402
Plant & equipment	5,743	3,797	1,946	<b>8,317</b>	8,485	8,784
Feasibility studies	223	362	(139)	<b>542</b>	663	584
<b>Total capital works</b>	<b>22,291</b>	<b>15,222</b>	<b>7,069</b>	<b>37,317</b>	<b>38,632</b>	<b>36,177</b>

**Represented by:**

Capital expenditure	19,646	13,257	6,389	<b>32,134</b>	33,304	31,563
Major maintenance	2,645	1,965	680	<b>5,183</b>	5,328	4,614
<b>Total capital works</b>	<b>22,291</b>	<b>15,222</b>	<b>7,069</b>	<b>37,317</b>	<b>38,632</b>	<b>36,177</b>

