

FINANCIAL REPORT

Nine months ended

31 March 2012



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Financial Report

Nine months ended 31 March 2012

1 EXECUTIVE SUMMARY

1.1 Operating performance

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast \$'000
Operating					
Revenue	114,597	116,032	1,435	123,314	125,030
Expenditure	(91,902)	(87,256)	4,646	(123,714)	(125,770)
	22,695	28,776	6,081	(400)	(740)
Capital & other					
Developer and other contributions	1,500	3,156	1,656	2,000	4,088
Revenue	1,007	1,488	481	4,996	5,738
Gain (loss) on disposal of assets	448	(8)	(456)	134	406
Net surplus (deficit)	25,650	33,412	7,762	6,730	9,492

The Operating Performance for the nine months ended 31 March 2012 is an operating surplus before capital revenue and other items of \$28.8 million, which is \$6.1 million ahead of budget. The main items contributing to this favorable variance are other revenue, employee benefits, material and services, depreciation and other expenditure partly offset by unfavorable variances in statutory fees and fines. After capital and other items, the operating surplus is \$33.4 million, which is \$7.8 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	26,060	16,984	9,076	34,702	36,006	35,658

The Capital Performance for the nine months ended 31 March 2012 shows that a total of \$17.0 million has been expended on the capital works program, which is \$9.1 million behind the budget. Including commitments of \$6.1 million capital works expenditure was \$3.0 million behind the budget. The variance is due mainly to timing differences on roads, building 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	24,872	42,145	17,273	25,361	31,515
Net current assets	30,926	52,441	21,515	8,468	17,775
Net assets and total equity	950,104	961,131	11,027	931,186	937,208

The Financial Position as at 31 March 2012 shows a cash balance of \$42.1 million which is \$17.3 million ahead of budget. The variance is due mainly to the higher opening cash position compared with budget and timing differences in payments to suppliers and employees, government receipts and purchase of property, infrastructure, plant and equipment. The net current asset position is \$52.4 million which is \$21.5 million more than budget. The variance is due mainly to the higher cash position and higher receivables compared with budget. The net asset position is \$961.1 million, which is \$11.0 million ahead of budget.

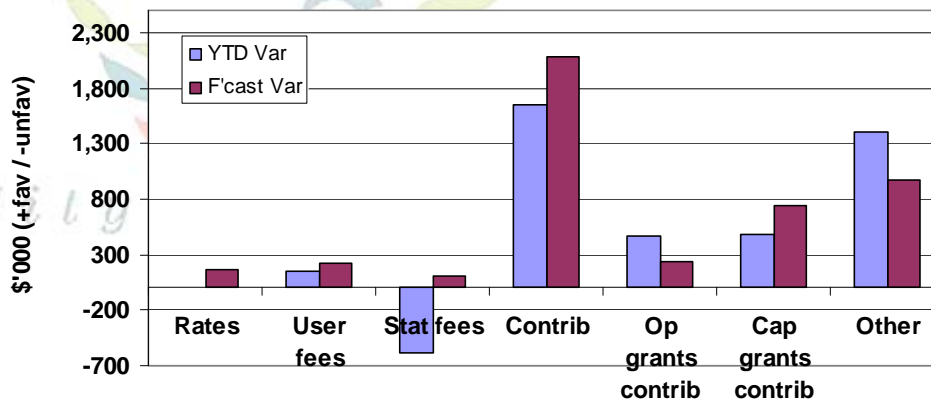
2. FINANCIAL ANALYSIS

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	88,915	88,921	6	89,300	89,466	166
User fees	8,475	8,626	151	11,238	11,462	224
Statutory fees and fines	3,768	3,185	(583)	4,864	4,978	114
Contributions	1,500	3,156	1,656	2,000	4,088	2,088
Operating grants & contrib's	11,114	11,576	462	14,592	14,830	238
Capital grants & contrib's	1,007	1,488	481	4,996	5,738	742
Other revenue	2,325	3,724	1,399	3,320	4,294	974
Total operating revenue	117,104	120,676	3,572	130,310	134,856	4,546

Revenue YTD & Forecast variances



Financial Report
 Nine months ended 31 March 2012

Major Operating Revenue Variances

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000
User fees		151	
NARC profit share	P	118	
DISC license agreements	P	90	
Early childhood	P	72	
Maternal and child health	P	61	
Infrastructure maintenance & support	P	63	
Home support service delivery	P		145
Darebin Arts and Entertainment Centre	P		122
Asset strategy	T		90
Children's services	P		68
Northcote Golf Course	P		58
Statutory fees and fines			583
Traffic enforcement	T		337
Animal control	T		330
Statutory planning	P	37	
Capital works	T	43	
Contributions		1,656	
Open space contributions	P	1,470	
DCP contributions	P	186	
Operating grants and contributions		462	
Home support service delivery	T	356	
Darebin libraries	T	186	
Family support services	T	81	
Assessment and complex care	T	141	
Maternal and child health	T	64	
Environmental strategy	P	75	
Muslims reaching out program	P	100	
Healthy communities	P	110	
Children's services	P		446
Victorian grants commission	T/P		234
Capital grants and contributions		481	
Lancaster Gate Community Centre	P	340	
East Reservoir Neighbourhood house	T	67	
Bundoora Park riding for the disabled	P	64	
Cramer St powerlines undergrounding	P	225	
Cleaning up our game	P	30	
Sir Douglas Nicholls Reserve	T		60
Cotchin Reserve north sewer project	T		160
Other		1,399	
Interest on investments, rates & loans	P	807	
DAEC theatre services	P	55	
Infrastructure maintenance & support	P	128	
Workers compensation recoup	P	380	
Paid parental leave scheme recoup	P	42	

Note: Var T = Timing P = Permanent CF = Carried forward prior year

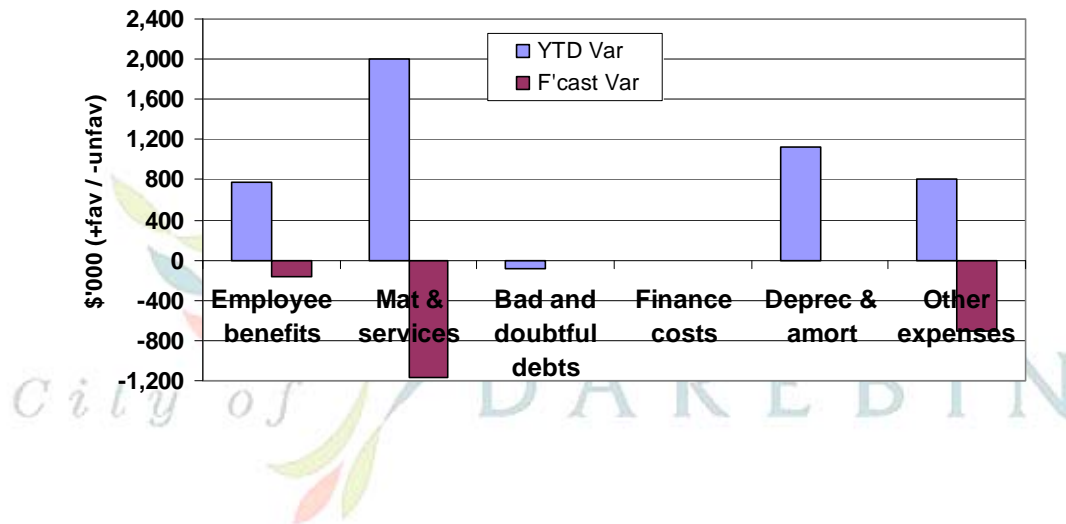
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Nine months ended 31 March 2012

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	46,374	45,592	782	63,426	63,598	(172)
Materials and services	24,234	22,225	2,009	32,393	33,568	(1,175)
Bad and doubtful debts	505	584	(79)	681	680	1
Finance costs	118	118	0	161	161	0
Depreciation and amortisation	13,275	12,152	1,123	17,701	17,701	0
Other expenses	7,396	6,585	811	9,352	10,062	(710)
Total operating expenses	91,902	87,256	4,646	123,714	125,770	(2,056)

Expenses YTD & Forecast variances



Financial Report

Nine months ended 31 March 2012

Major Operating Expense Variances

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000
Employee benefits			782
Asset strategy	P		194
Human resources	T		289
Home support service delivery	P		273
Transport management & planning	P		122
Compliance and amenity	P		158
Environmental health	P		100
Libraries	T		144
Children's services	P		122
Strategic planning	P		56
Parks and gardens	P		88
Major projects and activity centres	P	135	
Communications & marketing	P	189	
Equity & diversity	P	77	
Maternal and child health	T	131	
Infrastructure maintenance & support	T	96	
Statutory planning	P	65	
Workers compensation insurance	P	546	
Materials and services			2,009
Major maintenance	CF		1,095
Communications and marketing	P		207
Operational projects and fleet	T		223
Strategic planning	P		92
Children's services	P		147
Lancaster Gate Community Centre	P		170
Facilities maintenance	P		107
Arboriculture	T		70
Darebin libraries	T		64
Asset strategy	T		85
Open space management	T		103
Home support service delivery	T		57
Human resources	T		58
Environmental operations	P	186	
Ageing communities unit	P	54	
Bundoora Park heritage village	P	57	
Environmental health	P	86	
Infrastructure maintenance & support	P	123	
Transport management & planning	P	65	
Compliance and amenity	P	113	
Depreciation and amortisation			1,123
Other assets	T/P		929
Building	T/P		371
Land improvements	T/P		69
Intangibles	T/P	194	
Other			811
Rate collection costs	T		111
Asset strategy	T		159
Strategic planning	T		77
Environmental strategy	T		73
Children's services	T		182
Insurances various	P	248	

Note: Var T = Timing P = Permanent CF = Carried forward prior year

Financial Report

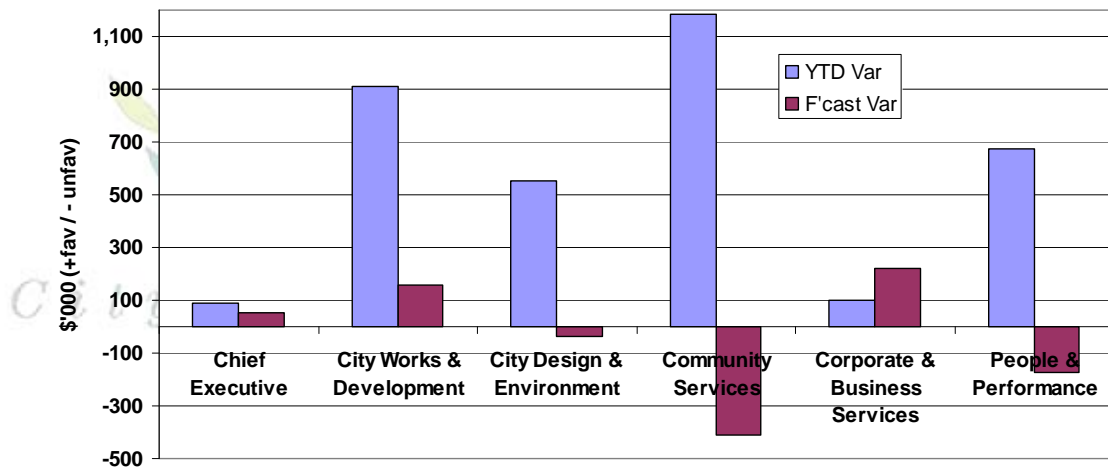
Nine months ended 31 March 2012

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						
Chief Executive	577	488	89	785	731	54
City Works & Development	18,226	17,316	910	24,750	24,591	159
City Design & Environment	9,826	9,275	551	13,379	13,416	(37)
Community Services	9,438	8,256	1,182	13,669	14,081	(412)
Corporate & Business Services	8,281	8,182	99	11,226	11,004	222
People & Performance	5,859	5,183	676	7,741	7,913	(172)
	52,207	48,700	3,506	71,550	71,736	(186)
Other non-attributable ¹	(77,857)	(82,112)	4,255	(78,280)	(81,228)	2,948
Net (surplus) deficit	(25,650)	(33,412)	7,762	(6,730)	(9,492)	2,762

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



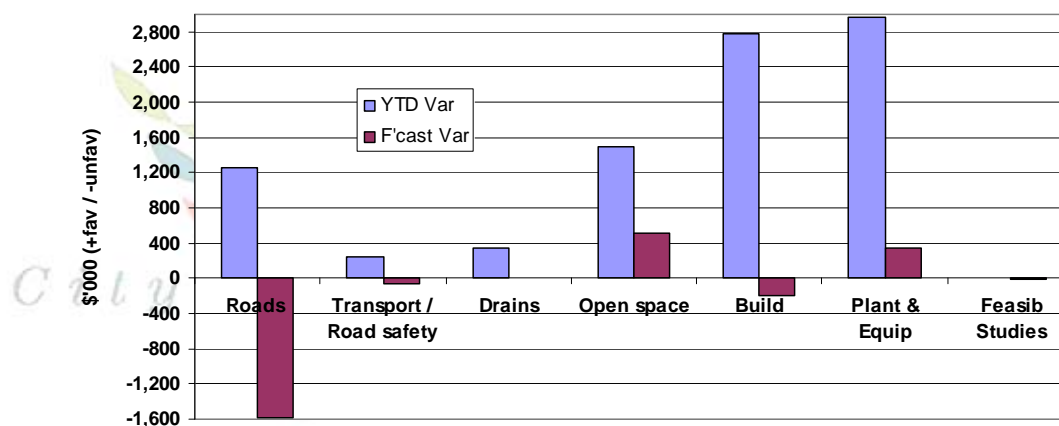
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Nine months ended 31 March 2012

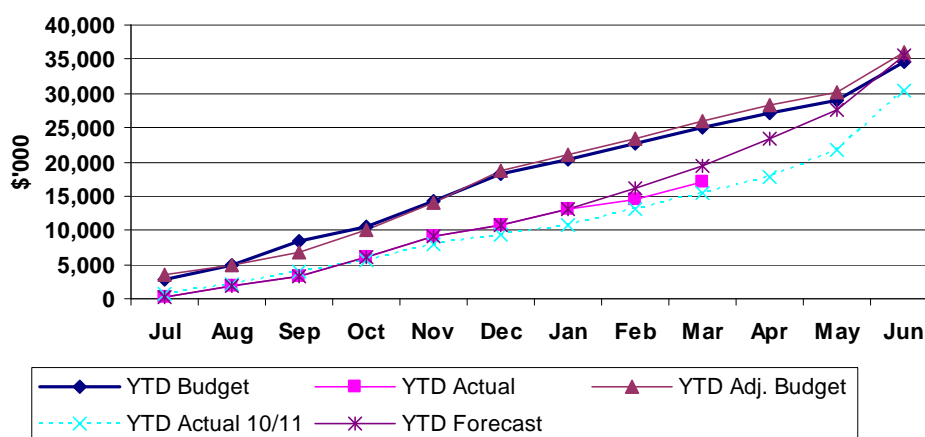
2.2 Capital performance

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Adjusted Budget \$'000	Forecast \$'000
Capital works class						
Roads	7,920	6,670	1,250	7,290	8,878	8,865
Transport / Road safety	812	563	249	1,003	1,060	1,059
Drains	425	85	340	725	725	725
Open space	5,898	4,408	1,490	7,738	7,066	7,220
Buildings	4,825	2,045	2,780	11,231	11,375	11,422
Plant & equipment	6,141	3,179	2,962	6,681	6,863	6,328
Feasibility studies	39	34	5	34	39	39
Total capital works	26,060	16,984	9,076	34,702	36,006	35,658
Represented by:						
Capital expenditure	22,594	14,612	7,982	30,597	31,802	31,271
Major maintenance	3,466	2,372	1,094	4,105	4,204	4,387
Total capital works	26,060	16,984	9,076	34,702	36,006	35,658

Capital works YTD & Forecast variances by asset class



Capital works YTD expenditure cumulative



Financial Report

Nine months ended 31 March 2012

Major Capital Works Variances

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000
Roads			1,250
Roads to Recovery	CF		197
Local roads	CF		1,140
Shared path – Gronn / Holt	T		367
Shared path – Darebin / Merri Creek	T	230	
Footpath replacement program	T	270	
Transport / road safety			249
Route 86 development facilities	CF		46
Traffic management road safety	T		76
Drains			340
Drainage renewal – McComas St	T		100
Drainage renewal – St Georges Rd	T		95
Drainage flood mapping	T		100
Fairfield Views drainage upgrade	T		50
Open space			1,490
Bill Lawry Oval multi purpose sports facility	T		94
Playground upgrades	T		150
Sir Doug Nicholls oval	T		469
Path replacement / bridge maintenance	T		77
Shopping strip streetscapes	T		379
Sportsfield lighting	T		270
Storm damage repairs	P	60	
Street tree planting	P	105	
Tram route 86 corridor	CF	103	
Cramer St powerlines undergrounding	P	120	
Buildings			2,780
Lancaster Gate Community Centre	CF		678
Reservoir library redevelopment	P		856
J E Moore pavillion	T		262
Donath Reserve east pavillion	T		148
Building painting program	T		149
Disability access at facilities	T		66
East Reservoir Neighbourhood house	T		58
Major building rectification	T		87
Raleigh St Kindergarten	T		88
Depot lighting and sealing works	T		90
NARC cogeneration	T		97
Barling Reserve pavillion	T		50
DISC roof repair	P	54	
Bundoora Park riding for the disabled	P	97	
Preston City Oval redevelopment	P	201	
Plant & equipment			2,962
Mobile solutions – data collection	P		136
IT web strategy & e-services	T		108
Plant replacement program	T		1,951
CAMS – customer & asset mgt system	P		315
Library product purchases	T		154
Wifi broadband project	T		87
Telephone system upgrade	T		76
Mobile garbage bin replacement	T	71	

Note: Var T = Timing P = Permanent CF = Carried forward prior year

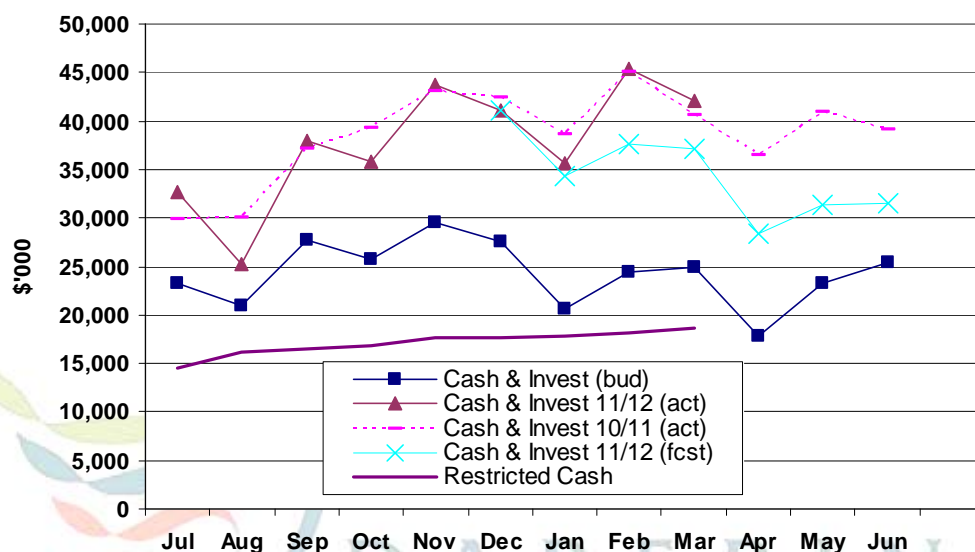
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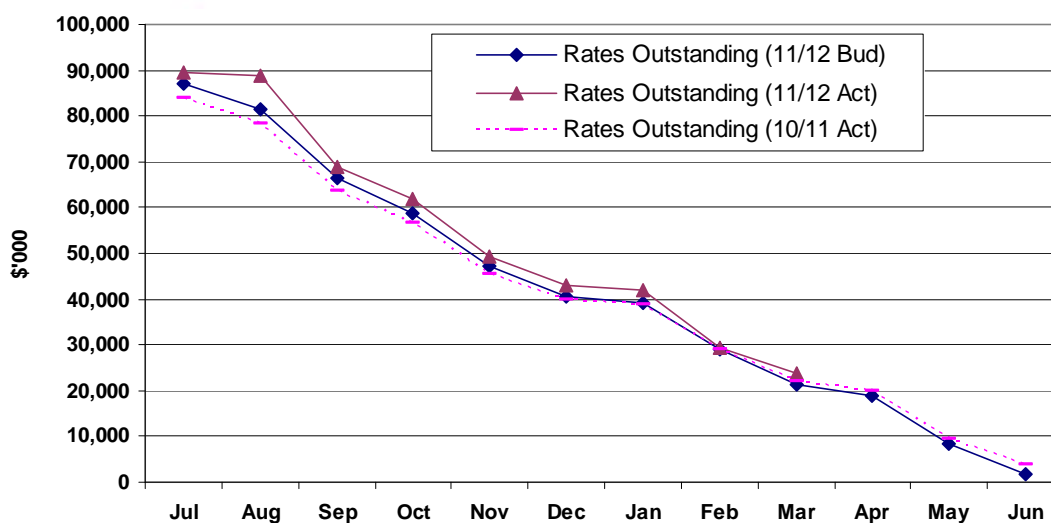
2.3 Financial position

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast \$'000
Cash and investments	24,872	42,145	17,273	25,361	31,515
Net current assets	30,926	52,441	21,515	8,468	17,775
Net assets and total equity	950,104	961,131	11,027	931,186	937,208

Actual & Budget cash & investments balance by month



Actual & Budget rates outstanding balances by month



Financial Report
 Nine months ended 31 March 2012

Major Balance Sheet YTD variances

	Var	YTD Budget Increase \$'000	YTD Budget Decrease \$'000
Current assets		21,165	
Cash and investments	CF	17,273	
Receivables	T	4,137	
Other financial assets	T		245
Current liabilities			350
Trade creditors & other payables	P		88
Employee provisions	P		289
Non current assets			10,496
Property, Infra. plant & equipment	P		10,340
Intangible assets	P		472
Trade & other receivables	T	111	
Investment property	P	205	
Non current liabilities			8
No individual significant item			
Equity		11,027	
Accumulated surplus	P	9,293	
Other reserves	P	1,734	

Note: Var T = Timing P = Permanent CF = Carried forward prior year



APPENDIX A

Income Statement
Balance Sheet
Cash Flow Statement
Statement of Capital Works



Financial Report
 Nine months ended 31 March 2012

DAREBIN CITY COUNCIL
Income Statement

For the 9 months ended 31 March, 2012

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000	Forecast Actual \$'000
Revenues from ordinary activities					
Rates	88,915	88,921	6	89,300	89,466
User fees	8,475	8,626	151	11,238	11,462
Statutory fees and fines	3,768	3,185	(583)	4,864	4,978
Contributions	1,500	3,156	1,656	2,000	4,088
Operating grants and contributions	11,114	11,576	462	14,592	14,830
Capital grants and contributions	1,007	1,488	481	4,996	5,738
Other	2,325	3,724	1,399	3,320	4,294
Total revenues	117,104	120,676	3,572	130,310	134,856
Expenses from ordinary activities					
Employee benefits	46,374	45,592	782	63,426	63,598
Materials and services	24,234	22,225	2,009	32,393	33,568
Bad and doubtful debts	505	584	(79)	681	680
Finance costs	118	118	0	161	161
Depreciation and amortisation	13,275	12,152	1,123	17,701	17,701
Other	7,396	6,585	811	9,352	10,062
Total expenses	91,902	87,256	4,646	123,714	125,770
Net gain (loss) on disposal of property infrastructure, plant and equipment	448	(8)	(456)	134	406
Surplus for the year	25,650	33,412	7,762	6,730	9,492



Financial Report
 Nine months ended 31 March 2012

DAREBIN CITY COUNCIL
Balance Sheet

As at 31 March, 2012

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000	Forecast Actual \$'000
Current assets					
Cash and cash equivalents	24,872	42,145	17,273	25,361	31,515
Trade and other receivables	24,300	28,437	4,137	7,443	7,443
Other financial assets	982	737	(245)	1,250	1,250
Total current assets	50,154	71,319	21,165	34,054	40,208
Non-current assets					
Trade and other receivables	180	291	111	163	163
Property, infrastructure, plant & equipment	918,459	908,119	(10,340)	921,839	918,909
Investment property	3,459	3,664	205	3,459	3,664
Intangible assets	777	305	(472)	777	240
Other financial assets	206	206	0	206	206
Total non-current assets	923,081	912,585	(10,496)	926,444	923,182
Total assets	973,235	983,904	10,669	960,498	963,390
Current liabilities					
Trade and other payables	5,896	5,808	88	11,649	9,114
Interest bearing loans and borrowings	622	649	(27)	637	637
Provisions	12,710	12,421	289	13,300	12,682
Total current liabilities	19,228	18,878	350	25,586	22,433
Non-current liabilities					
Interest bearing loans and borrowings	1,592	1,561	31	1,415	1,415
Provisions	2,311	2,334	(23)	2,311	2,334
Total non-current liabilities	3,903	3,895	8	3,726	3,749
Total liabilities	23,131	22,773	358	29,312	26,182
Net assets	950,104	961,131	11,027	931,186	937,208
Equity					
Accumulated surplus	494,553	503,846	9,293	476,676	477,673
Asset revaluation reserve	451,900	451,900	0	451,900	451,900
Other reserves	3,651	5,385	1,734	2,610	7,635
Total equity	950,104	961,131	11,027	931,186	937,208

Financial Report

Nine months ended 31 March 2012

DAREBIN CITY COUNCIL

Cash Flow Statement

For the 9 months ended 31 March, 2012

	YTD Budget \$'000 Inflows (Outflows)	YTD Actual \$'000 Inflows (Outflows)	YTD Variance \$'000	Annual Budget \$'000 Inflows (Outflows)	Forecast Actual \$'000 Inflows (Outflows)
Cash flows from operating activities					
Receipts from customers (incl GST)	85,823	86,419	596	109,927	114,333
Payments to suppliers and employees (incl GST)	(84,177)	(81,547)	2,630	(111,471)	(117,687)
	1,646	4,872	3,226	(1,544)	(3,354)
Interest	998	1,882	884	1,249	1,860
Government receipts	11,618	12,876	1,258	19,588	20,833
Net GST refund / payment	4,673	3,797	(876)	5,920	5,920
Net cash provided by operating activities	18,935	23,427	4,492	25,213	25,259
Cash flows from investing activities					
Proceeds from sale of property, plant & equipment	710	276	(434)	764	1,074
loans and advances	38	38	(0)	51	50
Payment for property, infrastr, plant & equipment	(24,934)	(21,170)	3,764	(30,597)	(33,644)
Net cash used in investing activities	(24,186)	(20,856)	3,330	(29,782)	(32,520)
Cash flows from financing activities					
Finance costs	(129)	(125)	4	(161)	(161)
Trust funds and deposits	0	159	159	0	(445)
Repayment of interest bearing loans and borrowings	(476)	(480)	(4)	(637)	(638)
Net cash used in financing activities	(605)	(446)	159	(798)	(1,244)
Net increase / (decrease) in cash & cash equivalents					
	(5,856)	2,125	7,981	(5,367)	(8,505)
Cash & cash equivalents at the beginning of the year	30,728	40,020	9,292	30,728	40,020
Cash & cash equivalents at the end of the year	24,872	42,145	17,273	25,361	31,515



DAREBIN CITY COUNCIL
Statement of Capital Works

For the 9 months ended 31 March, 2012

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000	Adjusted Budget \$'000	Forecast Actual \$'000
Roads	7,920	6,670	1,250	7,290	8,878	8,865
Transport / Road safety	812	563	249	1,003	1,060	1,059
Drains	425	85	340	725	725	725
Open space	5,898	4,408	1,490	7,738	7,066	7,220
Buildings	4,825	2,045	2,780	11,231	11,375	11,422
Plant & equipment	6,141	3,179	2,962	6,681	6,863	6,328
Feasibility studies	39	34	5	34	39	39
Total capital works	26,060	16,984	9,076	34,702	36,006	35,658

Represented by:

Capital expenditure	22,594	14,612	7,982	30,597	31,802	31,271
Major maintenance	3,466	2,372	1,094	4,105	4,204	4,387
Total capital works	26,060	16,984	9,076	34,702	36,006	35,658

