

FINANCIAL REPORT

Eight months ended

29 February 2012



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Financial Report

Eight months ended 29 February 2012

1 EXECUTIVE SUMMARY

1.1 Operating performance

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast \$'000
Operating					
Revenue	111,716	112,223	507	123,314	125,030
Expenditure	(81,838)	(77,839)	3,999	(123,714)	(125,770)
	29,878	34,384	4,506	(400)	(740)
Capital & other					
Developer and other contributions	1,333	2,819	1,486	2,000	4,088
Revenue	659	1,483	824	4,996	5,738
Gain (loss) on disposal of assets	396	46	(350)	134	406
Net surplus (deficit)	32,266	38,732	6,466	6,730	9,492

The Operating Performance for the eight months ended 29 February 2012 is an operating surplus before capital revenue and other items of \$34.4 million, which is \$4.5 million ahead of budget. The main items contributing to this favorable variance are other revenue, employee benefits, material and services and depreciation partly offset by unfavorable variances in rates and statutory fees and fines. After capital and other items, the operating surplus is \$38.7 million, which is \$6.5 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	23,466	14,542	8,924	34,702	36,006	35,658

The Capital Performance for the eight months ended 29 February 2012 shows that a total of \$14.5 million has been expended on the capital works program, which is \$8.9 million behind the budget. Including commitments of \$5.7 million capital works expenditure was \$3.2 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	24,403	45,417	21,014	25,361	31,515
Net current assets	38,087	58,242	20,155	8,468	17,775
Net assets and total equity	956,720	966,451	9,731	931,186	937,208

The Financial Position as at 29 February 2012 shows a cash balance of \$45.4 million which is \$21.0 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, government receipts and purchase of property, infrastructure, plant and equipment. The net current asset position is \$58.2 million which is \$20.0 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 \$966.5 million, which is \$9.7 million ahead of budget.

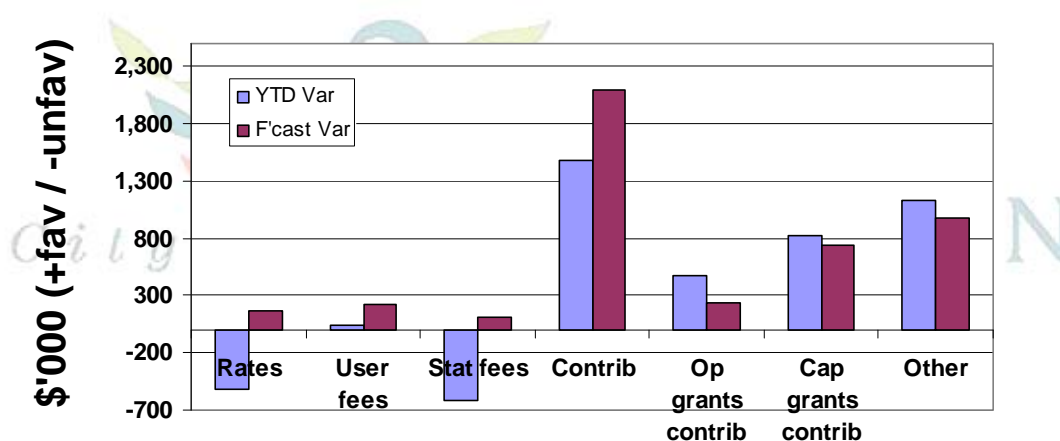
2. FINANCIAL ANALYSIS

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	88,787	88,262	(525)	89,300	89,466	166
User fees	7,563	7,609	46	11,238	11,462	224
Statutory fees and fines	3,403	2,788	(615)	4,864	4,978	114
Contributions	1,333	2,819	1,486	2,000	4,088	2,088
Operating grants & contrib's	9,916	10,392	476	14,592	14,830	238
Capital grants & contrib's	659	1,483	824	4,996	5,738	742
Other revenue	2,047	3,172	1,125	3,320	4,294	974
Total operating revenue	113,708	116,525	2,817	130,310	134,856	4,546

Revenue YTD & Forecast variances



Financial Report

Eight months ended 29 February 2012

Major Operating Revenue Variances

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000
Rates			525
Supplementary rates	P		171
DHS pensioner rebate	T		1,168
General rates	P	207	
Other rebates and discounts	T	55	
Green waste	P	553	
Statutory fees and fines			615
Traffic enforcement	T		374
Animal control	T		291
Statutory planning	P	40	
Contributions		1,486	
Open space contributions	P	1,298	
DCP contributions	P	188	
Operating grants and contributions		476	
Darebin libraries	T	252	
Maternal and child health	T	73	
Environmental strategy	P	66	
Muslims reaching out program	P	100	
Family support services	P	87	
Healthy communities	P	110	
Family day care	P		109
Victorian grants commission	T/P		234
Capital grants and contributions		824	
Lancaster Gate Community Centre	P	340	
Roads to recovery	T	155	
East Reservoir Neighbourhood house	T	67	
Bundoora Park riding for the disabled	P	64	
Cramer St powerlines undergrounding	P	150	
Cleaning up our game	P	30	
Sir Douglas Nicholls Reserve	T		60
Other		1,125	
Interest on investments, rates & loans	P	622	
DAEC theatre services	P	55	
Infrastructure maintenance & support	P	123	
Workers compensation recoup	P	327	
Paid parental leave scheme recoup	P	40	

Note: Var T = Timing P = Permanent

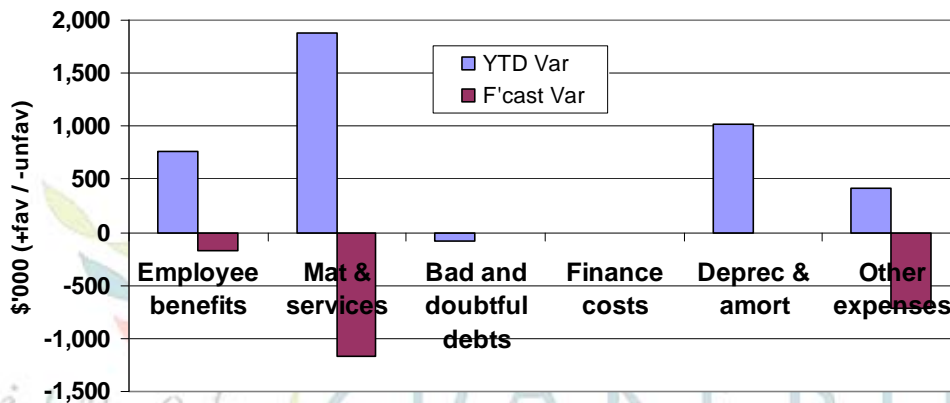
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Eight months ended 29 February 2012

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	41,496	40,729	767	63,426	63,598	(172)
Materials and services	21,347	19,475	1,872	32,393	33,568	(1,175)
Bad and doubtful debts	449	528	(79)	681	680	1
Finance costs	106	113	(7)	161	161	0
Depreciation and amortisation	11,800	10,774	1,026	17,701	17,701	0
Other expenses	6,640	6,220	420	9,352	10,062	(710)
Total operating expenses	81,838	77,839	3,999	123,714	125,770	(2,056)

Expenses YTD & Forecast variances



Financial Report

Eight months ended 29 February 2012

Major Operating Expense Variances

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000
Employee benefits			767
Asset strategy	P		176
Human resources	T		248
Home support service delivery	P		248
Transport management & planning	P		113
Compliance and amenity	P		160
Environmental health	P		95
Libraries	T		132
Children's services	P		99
Operational projects and fleet	T		79
Parks and gardens	P		77
Major projects and activity centres	P	119	
Communications & marketing	P	177	
Equity & diversity	P	75	
Maternal & child health	T	125	
Infrastructure maintenance & support	T	87	
Statutory planning	P	60	
Workers compensation insurance	P	455	
Early childhood	P	58	
Materials and services			1,872
Major maintenance	P		1,209
Communications and marketing	P		180
Operational projects and fleet	T		177
Strategic planning	P		64
Lancaster Gate Community Centre	P		147
Facilities maintenance	P		109
Darebin libraries	T		62
Asset strategy	T		61
Open space management	T		59
Economic development and employment	T		55
Human resources	T		54
Environmental operations	P	81	
Environmental strategy	P	49	
Arboriculture	T	63	
Arts and culture	T	66	
Environmental health	P	74	
Infrastructure maintenance & support	P	71	
Transport management & planning	P	78	
Compliance and amenity	P	84	
Depreciation and amortisation			1,026
Other assets	P		827
Building	P		334
Land improvements	P		62
Intangibles	P	173	
Other			420
Rate collection costs	T		152
Asset strategy	T		141
Strategic planning	T		68
Environmental strategy	T		64
Assessment and complex care	T		47
Insurances various	P	324	

Note: Var T = Timing P = Permanent

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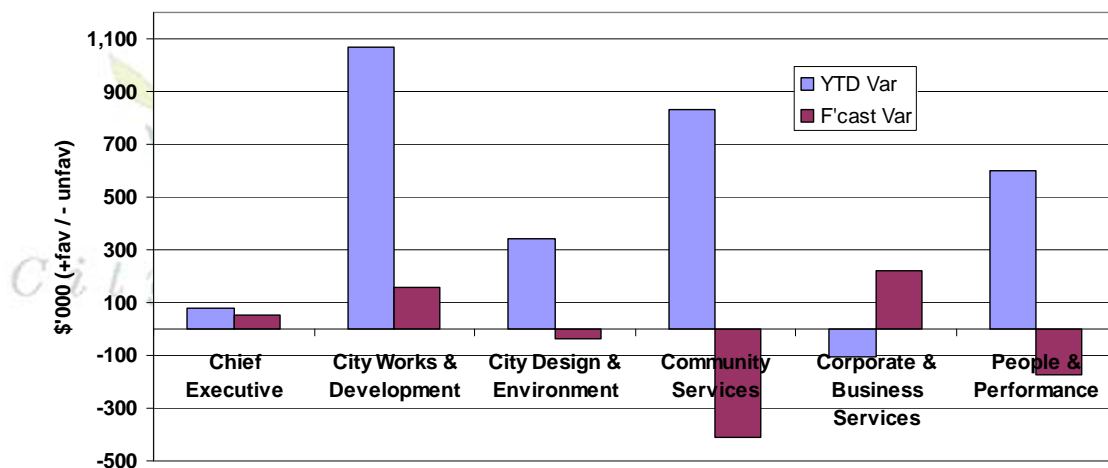
Eight months ended 29 February 2012

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	510	433	77	785	731	54
City Works & Development	16,271	15,205	1,066	24,750	24,591	159
City Design & Environment	8,687	8,345	342	13,379	13,416	(37)
Community Services	8,618	7,784	834	13,669	14,081	(412)
Corporate & Business Services	7,210	7,313	(103)	11,226	11,004	222
People & Performance	5,286	4,688	598	7,741	7,913	(172)
	46,582	43,768	2,814	71,550	71,736	(186)
Other non-attributable ¹	(78,848)	(82,500)	3,652	(78,280)	(81,228)	2,948
Net (surplus) deficit	(32,266)	(38,732)	6,466	(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



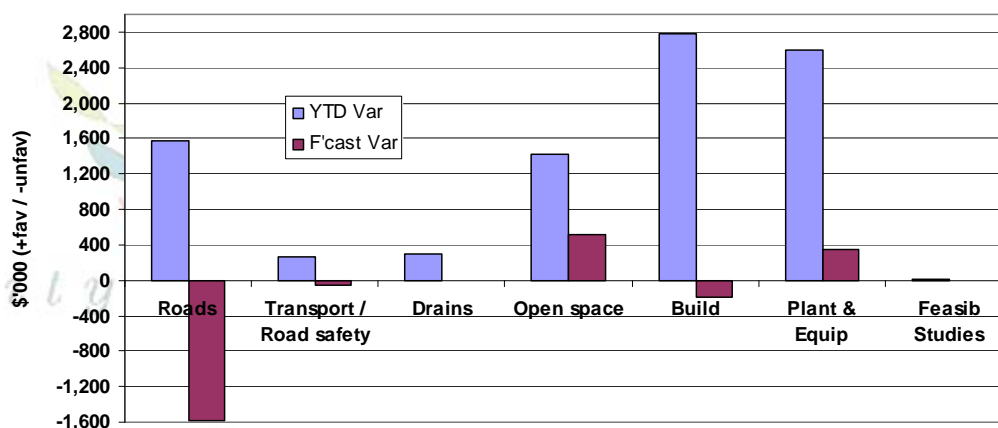
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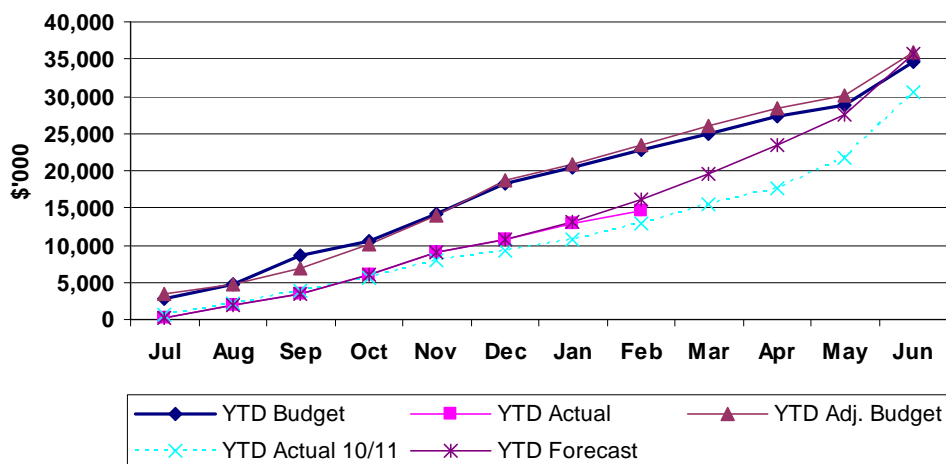
2.2 Capital performance

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Adjusted Budget \$'000	Forecast \$'000
Capital works class						
Roads	6,996	5,431	1,565	7,290	8,878	8,865
Transport / Road safety	726	463	263	1,003	1,060	1,059
Drains	375	85	290	725	725	725
Open space	5,444	4,030	1,414	7,738	7,066	7,220
Buildings	4,364	1,580	2,784	11,231	11,375	11,422
Plant & equipment	5,523	2,919	2,604	6,681	6,863	6,328
Feasibility studies	38	34	4	34	39	39
Total capital works	23,466	14,542	8,924	34,702	36,006	35,658
Represented by:						
Capital expenditure	20,354	12,639	7,715	30,597	31,802	31,271
Major maintenance	3,112	1,903	1,209	4,105	4,204	4,387
Total capital works	23,466	14,542	8,924	34,702	36,006	35,658

Capital works YTD & Forecast variances by asset class



Capital works YTD expenditure cumulative



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Eight months ended 29 February 2012

Major Capital Works Variances

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000
Roads			1,565
Roads to Recovery	T/P		98
Local roads	P		1,737
Shared path – Gronn / Holt	T		372
Shared path – Darebin / Merri Creek	T	305	
Footpath replacement program	T	417	
Transport / road safety			263
Route 86 development facilities	P		46
Traffic management road safety	T		76
Drains			290
Drainage renewal – McComas St	T		100
Drainage renewal – St Georges Rd	T		95
Drainage flood mapping	T		50
Fairfield Views drainage upgrade	T		50
Open space			1,414
Bill Lawry Oval multi purpose sports facility	T		94
Playground upgrades	T		143
Sir Doug Nicholls oval	T		522
Path replacement / bridge maintenance	T		68
Shopping strip streetscapes	T		295
Sportsfield lighting	T		273
Storm damage repairs	P	50	
Street tree planting	P	102	
Tram route 86 corridor	P	148	
Cramer St powerlines undergrounding	P	119	
Buildings			2,784
Lancaster Gate Community Centre	P		884
Reservoir library redevelopment	P		628
J E Moore pavillion	T		262
Donath Reserve east pavillion	T		180
Building painting program	T		147
Preston office accommodation	T		65
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		52
Barling Reserve pavillion	T		50
Bundoora Park riding for the disabled	P	97	
Preston City Oval redevelopment	P	201	
Plant & equipment			2,604
Mobile solutions – data collection	P		136
IT web strategy & e-services	T		108
Plant replacement program	T		1,666
CAMS – customer & asset mgt system	P		315
Library product purchases	T		140
Wifi broadband project	T		89
Telephone system upgrade	T		76
IT library strategy implementation	T		51
Mobile garbage bin replacement	T	71	
IT pc / network upgrades	T	76	

Note: Var T = Timing P = Permanent

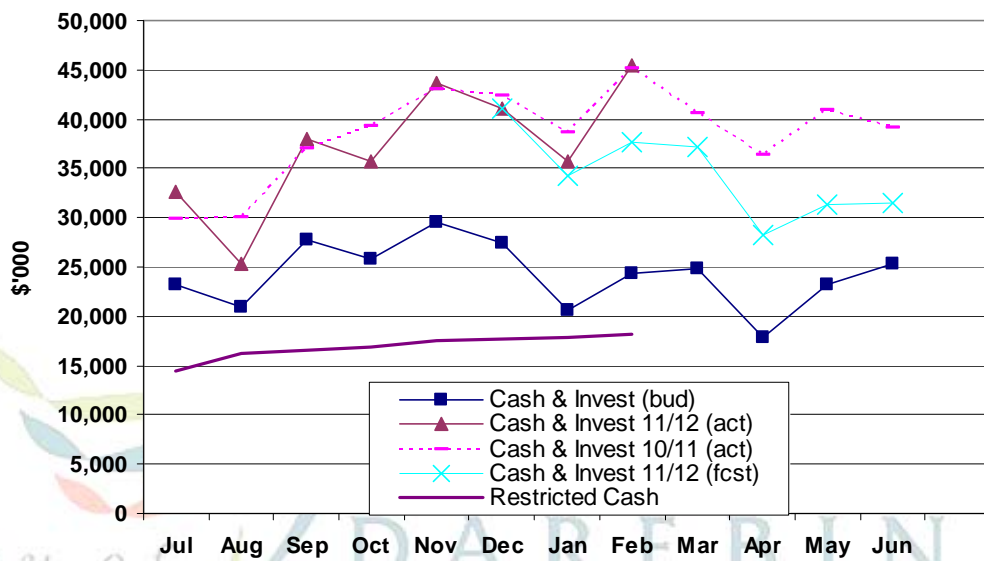
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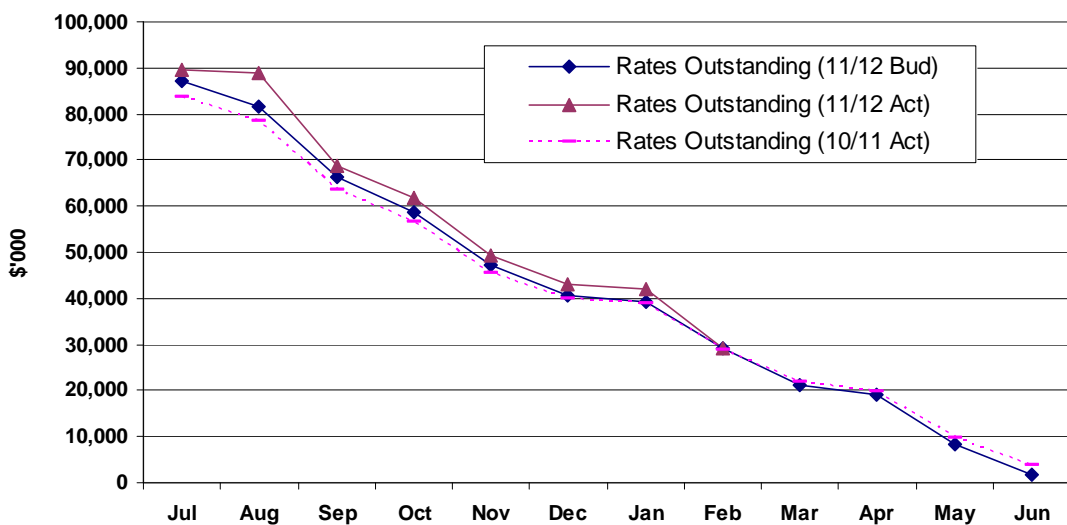
2.3 Financial position

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast \$'000
Cash and investments	24,403	45,417	21,014	25,361	31,515
Net current assets	38,087	58,242	20,155	8,468	17,775
Net assets and total equity	956,720	966,451	9,731	931,186	937,208

Actual & Budget cash & investments balance by month



Actual & Budget rates outstanding balances by month



Financial Report
Eight months ended 29 February 2012

Major Balance Sheet YTD variances

	Var	YTD Budget Increase \$'000	YTD Budget Decrease \$'000
Current assets		22,998	
Cash and investments	P	21,014	
Receivables	T	2,250	
Other financial assets	T		266
Current liabilities		2,843	
Trade creditors & other payables	P	3,230	
Employee provisions	P		412
Non current assets			10,427
Property, Infra. plant & equipment	P		10,309
Intangible assets	P		450
Trade & other receivables	T	127	
Investment property	P	205	
Non current liabilities			
No individual significant item			
Equity		9,731	
Accumulated surplus	P	7,997	
Other reserves	P	1,734	

Note: Var T = Timing P = Permanent



APPENDIX A

Income Statement
Balance Sheet
Cash Flow Statement
Statement of Capital Works



Financial Report

Eight months ended 29 February 2012

DAREBIN CITY COUNCIL

Income Statement

For the 8 months ended 29 February, 2012

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000	Forecast Actual \$'000
Revenues from ordinary activities					
Rates	88,787	88,262	(525)	89,300	89,466
User fees	7,563	7,609	46	11,238	11,462
Statutory fees and fines	3,403	2,788	(615)	4,864	4,978
Contributions	1,333	2,819	1,486	2,000	4,088
Operating grants and contributions	9,916	10,392	476	14,592	14,830
Capital grants and contributions	659	1,483	824	4,996	5,738
Other	2,047	3,172	1,125	3,320	4,294
Total revenues	113,708	116,525	2,817	130,310	134,856
Expenses from ordinary activities					
Employee benefits	41,496	40,729	767	63,426	63,598
Materials and services	21,347	19,475	1,872	32,393	33,568
Bad and doubtful debts	449	528	(79)	681	680
Finance costs	106	113	(7)	161	161
Depreciation and amortisation	11,800	10,774	1,026	17,701	17,701
Other	6,640	6,220	420	9,352	10,062
Total expenses	81,838	77,839	3,999	123,714	125,770
Net gain (loss) on disposal of property infrastructure, plant and equipment	396	46	(350)	134	406
Surplus for the year	32,266	38,732	6,466	6,730	9,492



Financial Report
Eight months ended 29 February 2012

DAREBIN CITY COUNCIL
Balance Sheet

As at 29 February, 2012

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000	Forecast Actual \$'000
Current assets					
Cash and cash equivalents	24,403	45,417	21,014	25,361	31,515
Trade and other receivables	31,213	33,463	2,250	7,443	7,443
Other financial assets	1,157	891	(266)	1,250	1,250
Total current assets	56,773	79,771	22,998	34,054	40,208
Non-current assets					
Trade and other receivables	180	307	127	163	163
Property, infrastructure, plant & equipment	917,940	907,631	(10,309)	921,839	918,909
Investment property	3,459	3,664	205	3,459	3,664
Intangible assets	777	327	(450)	777	240
Other financial assets	206	206	0	206	206
Total non-current assets	922,562	912,135	(10,427)	926,444	923,182
Total assets	979,335	991,906	12,571	960,498	963,390
Current liabilities					
Trade and other payables	5,354	8,584	(3,230)	11,649	9,114
Interest bearing loans and borrowings	622	647	(25)	637	637
Provisions	12,710	12,298	412	13,300	12,682
Total current liabilities	18,686	21,529	(2,843)	25,586	22,433
Non-current liabilities					
Interest bearing loans and borrowings	1,618	1,592	26	1,415	1,415
Provisions	2,311	2,334	(23)	2,311	2,334
Total non-current liabilities	3,929	3,926	3	3,726	3,749
Total liabilities	22,615	25,455	(2,840)	29,312	26,182
Net assets	956,720	966,451	9,731	931,186	937,208
Equity					
Accumulated surplus	501,169	509,166	7,997	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	956,720	966,451	9,731	931,186	937,208

Financial Report

Eight months ended 29 February 2012

DAREBIN CITY COUNCIL

Cash Flow Statement

For the 8 months ended 29 February, 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)	76,268	78,815	2,547	109,927	114,333
Payments to suppliers and employees (incl GST)	(75,208)	(70,538)	4,670	(111,471)	(117,687)
	1,060	8,277	7,217	(1,544)	(3,354)
Interest	916	1,571	655	1,249	1,860
Government receipts	10,232	11,468	1,236	19,588	20,833
Net GST refund / payment	4,220	3,465	(755)	5,920	5,920
Net cash provided by operating activities	16,428	24,781	8,353	25,213	25,259
Cash flows from investing activities					
Proceeds from sale of property, plant & equipment	666	201	(465)	764	1,074
loans and advances	38	25	(13)	51	50
Payment for property, infrastr, plant & equipment	(22,888)	(19,170)	3,718	(30,597)	(33,644)
Net cash used in investing activities	(22,184)	(18,944)	3,240	(29,782)	(32,520)
Cash flows from financing activities					
Finance costs	(119)	(119)	(0)	(161)	(161)
Trust funds and deposits	0	130	130	0	(445)
Repayment of interest bearing loans and borrowings	(450)	(451)	(1)	(637)	(638)
Net cash used in financing activities	(569)	(440)	129	(798)	(1,244)
Net increase / (decrease) in cash & cash equivalents					
	(6,325)	5,397	11,722	(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	24,403	45,417	21,014	25,361	31,515



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DAREBIN CITY COUNCIL
Statement of Capital Works

For the 8 months ended 29 February, 2012

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000	Adjusted Budget \$'000	Forecast Actual \$'000
Roads	6,996	5,431	1,565	7,290	8,878	8,865
Transport / Road safety	726	463	263	1,003	1,060	1,059
Drains	375	85	290	725	725	725
Open space	5,444	4,030	1,414	7,738	7,066	7,220
Buildings	4,364	1,580	2,784	11,231	11,375	11,422
Plant & equipment	5,523	2,919	2,604	6,681	6,863	6,328
Feasibility studies	38	34	4	34	39	39
Total capital works	23,466	14,542	8,924	34,702	36,006	35,658

Represented by:

Capital expenditure	20,354	12,639	7,715	30,597	31,802	31,271
Major maintenance	3,112	1,903	1,209	4,105	4,204	4,387
Total capital works	23,466	14,542	8,924	34,702	36,006	35,658

