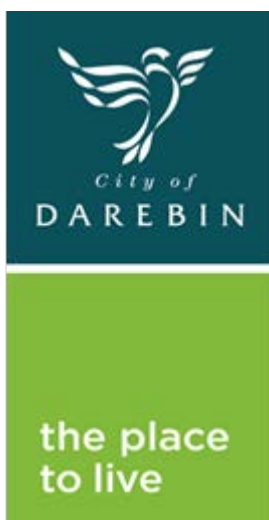


# FINANCIAL REPORT

Six months ended

31 December 2015



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## 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	134,646	136,086	1,440	<b>159,494</b>	158,547
Expenditure	(76,387)	(72,932)	3,455	<b>(152,616)</b>	(152,039)
<b>Surplus (deficit)</b>	58,259	63,154	4,895	<b>6,878</b>	6,508
<b>Capital &amp; other</b>					
Revenue / grants	(571)	(475)	96	<b>(989)</b>	(1,204)
Developer contributions	(2,750)	(3,280)	(530)	<b>(5,500)</b>	(4,684)
<b>Adjusted underlying surplus</b>	54,938	59,399	4,461	<b>389</b>	620

For the 6 months ended 31 December 2015 Council has recorded an operating surplus of \$63.15 million, which is \$4.90 million ahead of the year to date budget. After eliminating capital and other items, the adjusted underlying surplus is \$59.40 million, which is \$4.46 million ahead of budget.

The main items contributing to this favourable variance are rates, employee costs, materials and services and depreciation and amortisation. The forecast operating result for the year ending 30 June 2016 is an operating surplus of \$6.51 million, which is \$0.37 million less than budget. The forecast adjusted underlying surplus is \$0.62 million, which is \$0.23 million more than budget.

### 1.2 Capital performance

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Adjusted Budget \$'000	Forecast \$'000
Property	2,813	2,620	193	<b>6,835</b>	8,191	8,191
Plant & equipment	3,747	2,444	1,303	<b>5,290</b>	6,369	6,369
Infrastructure	8,949	7,132	1,817	<b>22,575</b>	25,252	25,656
<b>Total capital works</b>	15,509	12,196	3,313	<b>34,700</b>	39,812	40,216

For the 6 months ended 31 December 2015, Council has expended \$12.20 million on the capital works program, which is \$3.31 million behind the year to date budget. The variance is due mainly to delays in purchase of plant and equipment, roads and transport and road safety works. As at 31 December 2015 a further \$5.48 million has been committed by way of issued purchase orders. Commitments are not reflected in the reported capital expenditure and indicate that many projects are well advanced. The forecast total to be expended on capital works for the year ending 30 June 2016 is \$40.22 million, which is \$5.52 million more than the adopted budget. At this stage total of nil expenditure is forecast to be carried forward into the 2016/17 year.

### 1.3 Financial position

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast \$'000
Cash and investments	38,370	56,535	18,165	<b>39,155</b>	44,941
Net current assets	77,979	88,459	10,480	<b>22,672</b>	20,277
Net assets and total equity	1,243,498	1,242,033	(1,465)	<b>1,287,880</b>	1,280,951

The Financial Position as at 31 December 2015 shows a cash and investment balance of \$56.54 million which is \$18.17 million ahead of budget. The variance is due mainly to timing differences in receipt of other income, payments to employees, delay in payments for capital works and a higher opening cash and investment position compared with budget.

# Financial Report

## 6 months ended 31 December 2015

The cash and investment balance of \$56.54 million was sufficient to meet restricted cash and intended allocation obligations of \$25.95 million at the end of December. Restricted cash is the amount of cash holdings Council requires to meet external restrictions such as trust funds, statutory reserves and cash for intended allocations such as cash held to fund future capital works.

The net current asset position is \$88.46 million which is \$10.48 million more than budget. The net asset position of \$1.24 billion is \$1.47 million less than budget. The forecast Financial Position as at 30 June 2016 shows a cash position of \$44.94 million and net current assets of \$20.28 million.

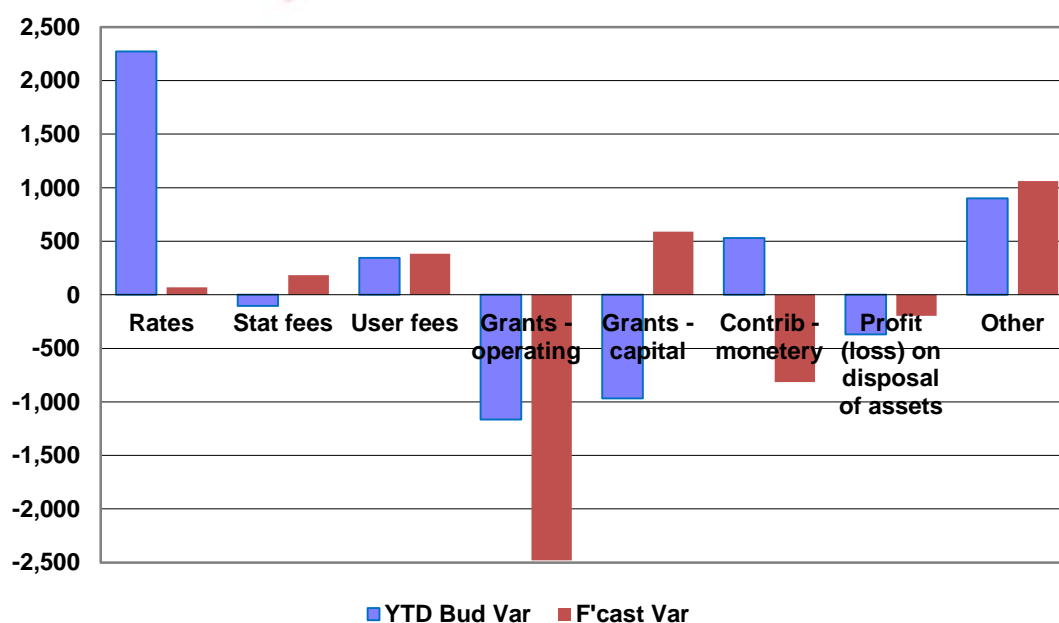
## 2. FINANCIAL ANALYSIS

### 2.1 Operating performance

#### 2.1.1 Operating income

	YTD Budget \$'000	YTD Actual \$'000	YTD Bud Var \$'000	Adopted Budget \$'000	Forecast \$'000	Forecast Variance \$'000
<b>Income</b>						
Rates and charges	110,432	112,704	2,272	113,858	113,929	71
Statutory fees and fines	3,591	3,487	(104)	6,607	6,790	183
User fees	5,961	6,306	345	11,852	12,234	382
Grants - operating	8,359	7,193	(1,166)	15,632	13,152	(2,480)
Grants - capital	1,444	475	(969)	1,862	2,451	589
Contributions - monetary	2,750	3,280	530	5,500	4,684	(816)
Net gain (loss) on disposal of assets	343	(27)	(370)	(259)	(196)	63
Other income	1,766	2,668	902	4,442	5,503	1,061
<b>Total income</b>	<b>134,646</b>	<b>136,086</b>	<b>1,440</b>	<b>159,494</b>	<b>158,547</b>	<b>(947)</b>

#### Income YTD & Forecast variances



# Financial Report

## 6 months ended 31 December 2015

### Major Operating Income Variances

	Var	YTD Fav Budget \$'000	YTD Unfav Budget \$'000	F'cast Fav Budget \$'000	F'cast Unfav Budget \$'000
<b>Rates and charges</b>		<b>2,272</b>		<b>71</b>	
Green waste service charge	T	1,107			
Supplementary rates	P	877		739	
Rebates & other adjustments	P	304		247	
Special charge – Solar \$aver	P				970
<b>Statutory fees &amp; fines</b>			<b>104</b>	<b>183</b>	
Civic compliance	T		308		
Building services	P	84		90	
Health & urban protection	P	73		61	
<b>User fees</b>		<b>345</b>		<b>382</b>	
Asset strategy	P	58		93	
Building services	P	56		66	
Civic compliance	T	177			
Darebin Arts & Entertainment Centre	P	275		381	
Leisure & public realm	T	100			
Access & support	P		150		233
Environmental operations	T		48		
Reservoir Leisure Centre	P		51		53
<b>Grants - operating</b>			<b>1,166</b>	<b>2,480</b>	
Aged & disability services	P		286		187
Victorian Grants Commission	* P,CF		1,240		2,480
Children & community development	P				83
Civic compliance	T	147			
Family & community programs	P	140		192	
<b>Grants - capital</b>			<b>969</b>	<b>589</b>	
Bundoora Park – infrastructure contrib.	P		50		50
Roads to recovery	P		873	374	
Safe crossing – Merri Parade	T		230		
Living rivers program	P	127		127	
<b>Contributions - monetary</b>		<b>530</b>			<b>816</b>
Public open space	P	1,529		1,184	
Developer contribution scheme	P		999		2,000
<b>Net gain / (loss) on sale of pip&amp;e</b>			<b>370</b>	<b>63</b>	
Proceeds on sale of plant	P		294	99	
Plant write-off	P		36		36
<b>Other</b>		<b>902</b>		<b>1,061</b>	
Interest on investments, loans & rates	P	49		168	
Infrastructure maintenance	P	63		151	
Parental leave scheme recoup	P	85		163	
Recycling waste education program	P	200		200	
Sustainable homes	P	55		55	
WorkCover salary recoup	P	139		123	

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

Fav – Favourable against budget, Unfav – Unfavourable against budget

\* VGC – Council received 50% of the 2015/16 allocation (\$2.48M) in previous year.

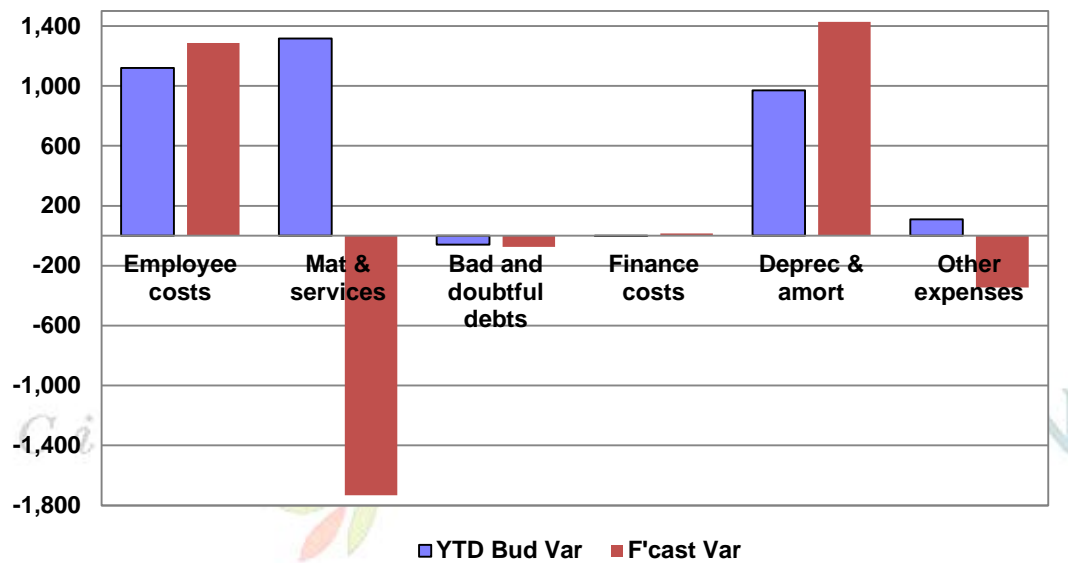
# Financial Report

## 6 months ended 31 December 2015

### 2.1.2 Operating expenses

Expense type	YTD Budget \$'000	YTD Actual \$'000	YTD Bud Var \$'000	Adopted Budget \$'000	Forecast \$'000	Forecast Variance \$'000
<b>Expenses</b>						
Employee costs	38,775	37,656	1,119	<b>78,530</b>	77,243	1,287
Materials and services	21,043	19,726	1,317	<b>42,692</b>	44,425	(1,733)
Bad and doubtful debts	401	460	(59)	<b>802</b>	876	(74)
Depreciation and amortisation	11,122	10,152	970	<b>22,243</b>	20,816	1,427
Finance costs	4	5	(1)	<b>23</b>	7	16
Other expenses	5,042	4,933	109	<b>8,326</b>	8,672	(346)
<b>Total expenses</b>	<b>76,387</b>	<b>72,932</b>	<b>3,455</b>	<b>152,616</b>	<b>152,039</b>	<b>577</b>

### Expenses YTD & Forecast variances



Financial Report  
6 months ended 31 December 2015

**Major Operating Expense Variances**

	Var	YTD Fav Budget \$'000	YTD Unfav Budget \$'000	F'cast Fav Budget \$'000	F'cast Unfav Budget \$'000
<b>Employee costs</b>		<b>1,119</b>		<b>1,287</b>	
Access & support	P	77		149	
Accounting support	P	53		51	
Application systems	P	55		56	
Bundoora Park – golf operations	P	66		61	
Children & community development	P	73		69	
Civic compliance	P	95		96	
Communications & marketing	P	61		76	
Community facilities	P	89		78	
Community participation & development	P	88		95	
Customer service	P	133		131	
Darebin Libraries	P	59		59	
Environmental operations	P	94		86	
Human resources	P	108		149	
Park & vegetation	P	126		121	
Performance support	P	66		71	
Risk services	P	53		52	
Transport	P	166		270	
Community development	P		46		101
Corporate initiatives	T		58		
Darebin Arts & Entertainment Centre	P		70		139
Economic development & employment	P				69
Facility maintenance	T		50		
Family & community programs	P		70		136
Infrastructure maint. & support	P		61		149
Major projects & activity centres	P		97		56
<b>Materials and services</b>		<b>1,317</b>			<b>1,733</b>
Arboriculture	T	162			
Arts & culture	P	121		49	
Communications & marketing	T	64			
Community facilities	T	133			
Community wellbeing	T	75			
Creative culture	P	95		96	
Economic development & employment	P	125		56	
Environmental operations	P	449		179	
Equity & diversity	T	58			
Family & community programs	P	54			108
Utilities	P	251		340	
Darebin Libraries	P	101			66
Human resources	T	174			
Major maintenance	CF,P	366			584
Special charge – Solar \$aver	P			275	
Strategic planning	T	110			
Access & support	T		80		
Accounting support	P		62		57
Application systems	T		108		
Civic compliance	P		58		147
Darebin Arts & Entertainment Centre	P		196		268
Facilities maintenance	P				216
IT infrastructure	P		135		79
Leisure contracts	P				113
Parks & vegetation	P		54		312
People & resources	P				110
Recycling waste education program	P				174

# Financial Report

## 6 months ended 31 December 2015

	Var	YTD Fav Budget \$'000	YTD Unfav Budget \$'000	F'cast Fav Budget \$'000	F'cast Unfav Budget \$'000
Service review	P				96
Transport	P		242		296
Youth services	T		91		
<b>Bad &amp; doubtful debts</b>			<b>59</b>		<b>74</b>
Civic compliance	P		57		73
<b>Depreciation and amortisation</b>		<b>970</b>		<b>1,427</b>	
Property	P	40		59	
Infrastructure	P	557		830	
Intangible assets	P	461		923	
Plant and equipment	P		88		385
<b>Other</b>		<b>109</b>			<b>346</b>
Bushlands	T	86			
Insurance	P	158		165	
Community participation & development	T	63			
Children & community development	P				70
Environmental operations	P		52		51
Operations, projects and fleet	T		89		
Creative culture	P		63		55
Special rates and charges	P		162		120

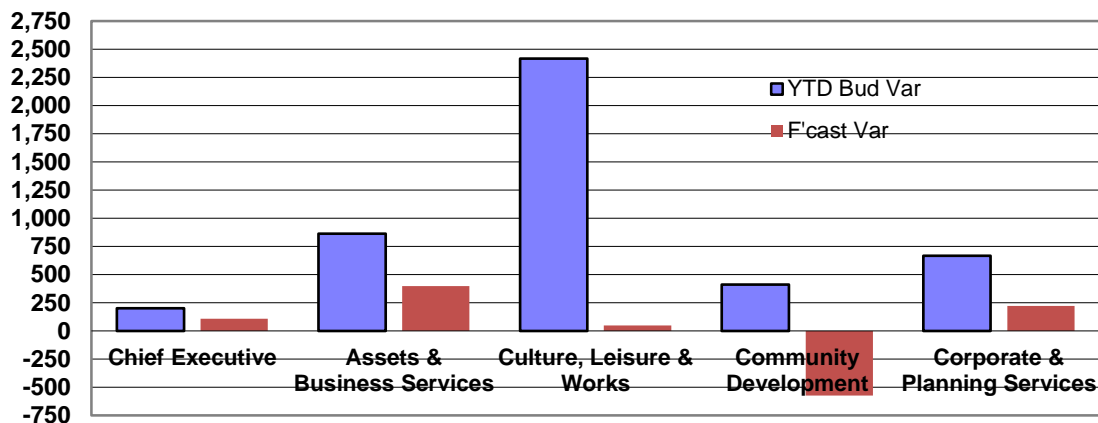
Note: Var T = Timing P = Permanent CF = Carried forward prior year,  
Fav – Favourable against budget, Unfav – Unfavourable against budget

### 2.1.3 Department analysis

Department	YTD Budget Net cost \$'000	YTD Actual Net cost \$'000	YTD Bud Var Net cost \$'000	Adopted Budget Net cost \$'000	Forecast Net cost \$'000
Chief Executive	2,231	2,028	203	4,328	4,220
Assets & Business Services	7,810	6,946	864	15,758	15,359
Culture, Leisure & Works	17,168	14,751	2,417	33,218	33,168
Community Development	11,182	10,769	413	23,134	23,707
Corporate Services	7,248	6,581	667	14,361	14,138
	45,639	41,075	4,564	90,799	90,592
Other non-attributable <sup>1</sup>	(103,900)	(104,229)	331	(97,677)	(97,100)
<b>Net (surplus) deficit</b>	<b>(58,259)</b>	<b>(63,154)</b>	<b>4,895</b>	<b>(6,878)</b>	<b>(6,508)</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

## 6 months ended 31 December 2015

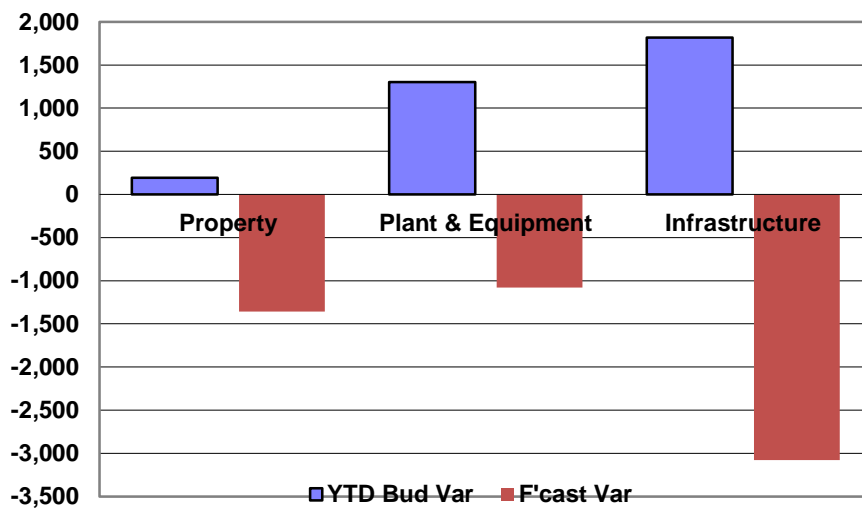
### 2.2 Capital performance

	YTD Budget \$'000	YTD Actual \$'000	YTD Bud Var \$'000	Adopted Budget \$'000	Adjusted Budget \$'000	Forecast \$'000
<b>Property</b>						
Land Improvements	35	22	13	135	135	135
Buildings	2,778	2,598	180	6,700	8,056	8,056
<b>Total Property</b>	<b>2,813</b>	<b>2,620</b>	<b>193</b>	<b>6,835</b>	<b>8,191</b>	<b>8,191</b>
<b>Plant &amp; Equip.</b>						
Plant, machinery & eq.	2,217	1,242	975	2,708	3,070	3,070
Fixtures, fit & furn.	46	223	(177)	130	332	332
Computers & telecom.	1,017	528	489	1,720	2,235	2,235
Library books	467	451	16	732	732	732
<b>Total Plant &amp; Equip.</b>	<b>3,747</b>	<b>2,444</b>	<b>1,303</b>	<b>5,290</b>	<b>6,369</b>	<b>6,369</b>
<b>Infrastructure</b>						
Roads	2,283	1,810	473	5,009	6,420	6,795
Transport / road safety	2,115	1,373	742	4,277	3,811	3,840
Bridges	92	61	31	454	454	454
Footpaths & cycleways	1,029	1,158	(129)	2,252	2,396	2,396
Drains	392	184	208	1,144	1,381	1,381
Recreation, leis facil.	280	323	(43)	569	623	623
Parks, open space & str.	2,651	2,207	444	8,743	10,040	10,040
Off street car parks	22	16	6	42	42	42
Other infrastructure	85	0	85	85	85	85
<b>Total Infrastructure</b>	<b>8,949</b>	<b>7,132</b>	<b>1,817</b>	<b>22,575</b>	<b>25,252</b>	<b>25,656</b>
<b>Total capital works</b>	<b>15,509</b>	<b>12,196</b>	<b>3,313</b>	<b>34,700</b>	<b>39,812</b>	<b>40,216</b>
<b>Represented by:</b>						
Asset renewal	6,014	4,530	1,484	13,855	16,148	16,149
New assets	1,917	1,445	472	4,417	5,149	5,149
Asset expansion / upgrade	4,022	3,031	991	9,267	10,801	10,800
<b>Capital expenditure</b>	<b>11,953</b>	<b>9,006</b>	<b>2,947</b>	<b>27,539</b>	<b>32,097</b>	<b>32,582</b>
Major maintenance	3,556	3,190	366	7,161	7,715	7,634
<b>Total capital works</b>	<b>15,509</b>	<b>12,196</b>	<b>3,313</b>	<b>34,700</b>	<b>39,812</b>	<b>40,216</b>

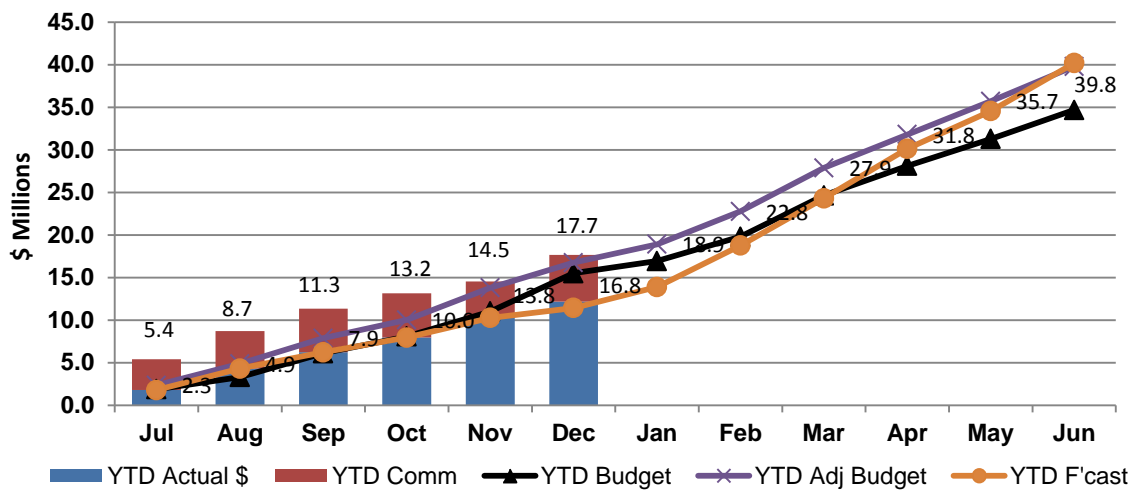
**Capital works YTD & Forecast variances by asset class**

# Financial Report

## 6 months ended 31 December 2015



### Capital works YTD & Committed expenditure cumulative



Financial Report  
6 months ended 31 December 2015

**Major Capital Works Variances**

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000	F'cast Ahead of Budget \$'000	F'cast Behind Budget \$'000
<b>Property</b>			193	1,357	
<b>Buildings</b>			180	1,357	
Back-up power generator	P,CF	98		100	
DAEC accommodation works	P,CF			67	
DRRC noise wall	P,CF	87		80	
Preston office accommodation	P,CF			64	
Public convenience works	P,CF	107		327	
Reservoir Learning & Community Centre	P,CF,E	298		231	
WR Ruthven community pavilion	P,CF	339		356	
CH Sullivan memorial park pavilion	P,CF		304		59
Disability access	P,CF		125	58	
DRRC transfer deck	T,CF		80		
Northcote Library – carpet replace.	T		90		
Northcote Town Hall works	T		129		
Re-locatable kinder building	E,CF		238		
<b>Plant &amp; Equipment</b>			1,303	1,079	
<b>Plant, machinery &amp; equipment</b>			975	362	
Plant replacement	P,CF,E		1,036	263	
Darebin – pop-up piazza	P,CF,IF			99	
Mobile garbage bin replacement	T	99			
<b>Fixtures, fittings &amp; furniture</b>		177		202	
Reservoir Learning & Community Centre - furniture	P,CF	202		202	
<b>Computers &amp; telecomms</b>			489	515	
Agenda & minutes automation	P,CF		70		
IT server, disk storage	P,CF		60	121	
Venue management system	T		71		
Website enhancements	P,CF		85	93	
Wifi / broadband project	T		143		
Aged & disability system	P,CF	124		215	
<b>Infrastructure</b>			1,817	3,081	
<b>Roads</b>			473	1,786	
Roundabouts & roadside planting	T		60		
Road rehab – Chifley Dve	T		387		
Road rehab – Northernhay St	T		616		
Road rehab – Winter St	T		220		
Slope remediation	P,CF	336		456	
Road rehab – Flinders St	P,CF,E	372		596	
R2R – High St	P,E			174	
R2R – May St	P,E			110	
R2R – Darling St	P,E			90	
Road resurfacing program	T	166			
<b>Transport / road safety</b>			742		437
Energy efficient streetlights	P,CF,E		66		507
Traffic management	T		246		
Travel safe program	P,CF		112	41	
Safe crossing – Merri Pde	T		230		
<b>Footpath &amp; cycle ways</b>		129		144	
Footpath renewal	T	328			
Improving cycling facilities	P,CF	71		114	
Shared path – St Georges Rd	T		101		
Shared path – parks renewal	T		112		

Financial Report  
6 months ended 31 December 2015

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000	F'cast Ahead of Budget \$'000	F'cast Behind Budget \$'000
<b>Drains</b>			<b>208</b>	<b>236</b>	
Improvement works – Fulham Rd	T		150		
Strategic water outcomes	T		34		
Drainage strategy review	P,CF			80	
Water sensitive urban design	P,CF,E			157	
<b>Recreation, leisure &amp; comm fac.</b>		<b>43</b>		<b>54</b>	
Sport reserve safety nets	T	114			
Bundoora Park golf course infra.	T		50		
Bundoora Park master plan	P,CF			54	
<b>Parks, open space &amp; streetscape</b>			<b>444</b>	<b>1,297</b>	
Batman Park – master plan	T		97		
City wide beautification **	T		415		
Drainage – Hays Park	T		197		
Exercise equipment in parks	T		87		
Junction urban master plan **	P		55	750	
Outdoor multi-purpose sports	P,CF		73	133	
Pocket parks renewal	T		64		
Shopping strip infrastructure	P,CF		350	220	
Access & amenity improvements **	P			110	
All Nation Park	P,CF			132	
Cheddar Rd median	P,CF	60			
Consultancy & surveys **	P			120	
Darebin Parklands entry **	P			110	
Gateway beautification **	P			150	
Playground upgrades	P,CF	87		153	
Rail corridor land **	P			110	
Reservoir streetscape	P,CF	399		374	
Sports field lighting	T	197			
Street tree planting **	P			310	
Swain Reserve half court	P,CF			85	
<b>Other infrastructure</b>			<b>85</b>		
Depot lighting & sealing works	T		85		

Note: Var T = Timing P = Permanent CF = Carried forward prior/next year E = Externally funded

IF = Infrastructure Funded project

Note – \* Energy efficient street lighting was approved by Council on 3 February 2014

\*\* City wide beautification works (\$2.0M) have been split into 11 individual projects

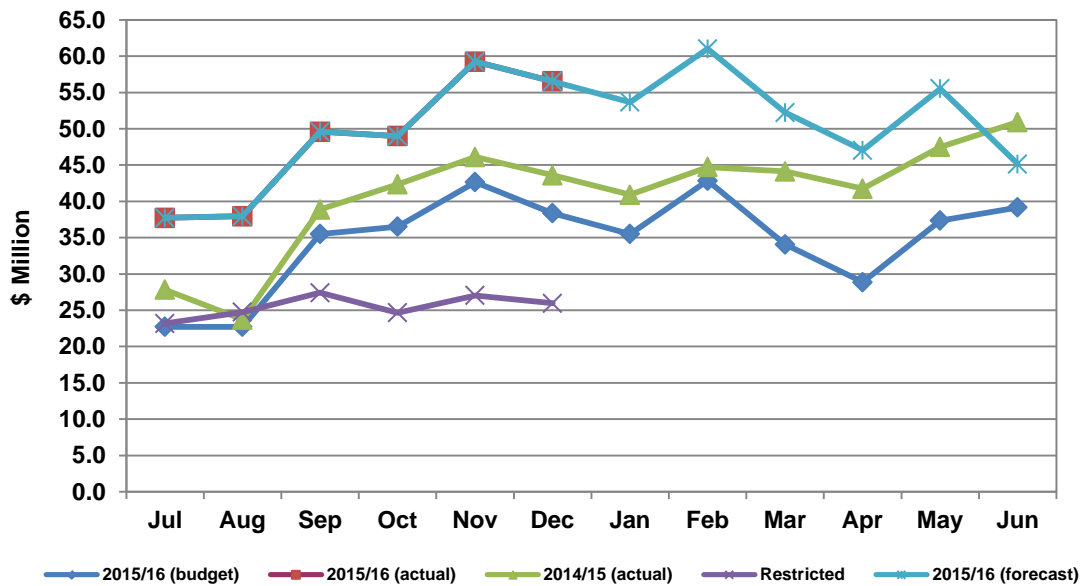
# Financial Report

## 6 months ended 31 December 2015

### 2.3 Financial position

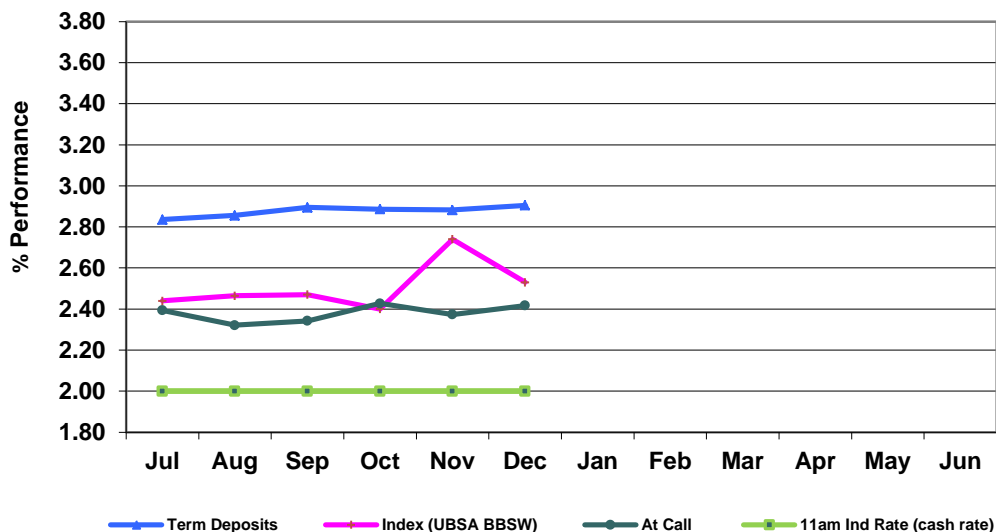
	YTD Budget \$'000	YTD Actual \$'000	YTD Bud Var \$'000	Adopted Budget \$'000	Forecast \$'000
Cash and investments	38,370	56,535	18,165	39,155	45,141
Net current assets	77,979	88,459	10,480	22,672	20,477
Net assets and total equity	1,243,498	1,242,033	(1,465)	1,287,880	1,281,151

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

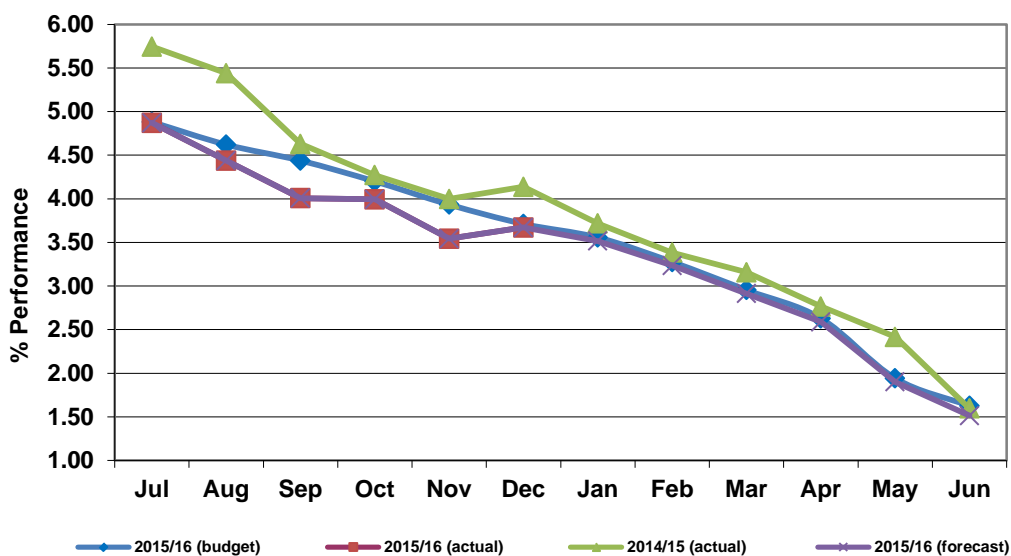


Note: Cash and investments include term deposits with a maturity date exceeding 90 days which are classified as other financial assets in the Balance Sheet (\$19.37M).

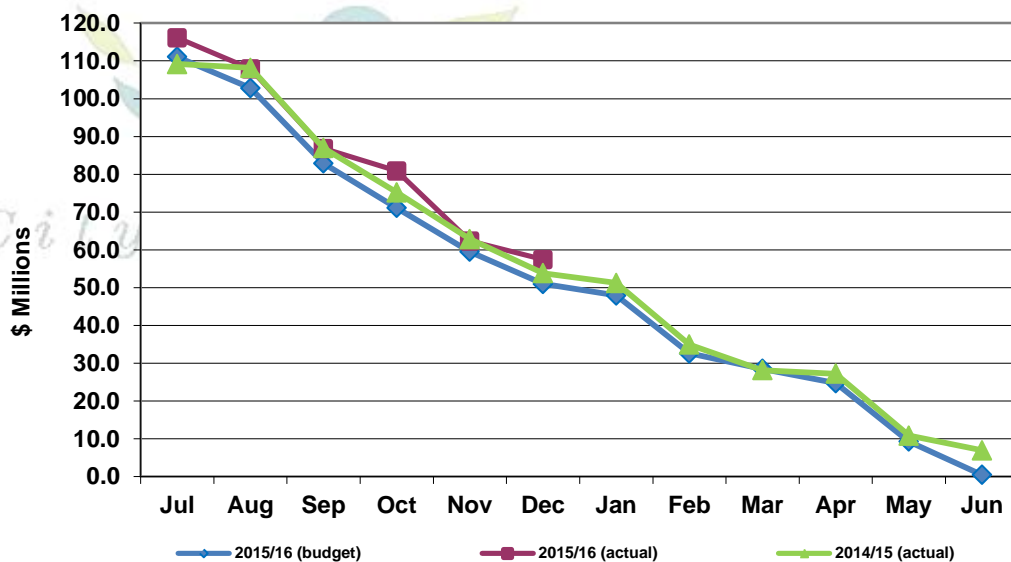
#### Cash & Investment Weighted Average Interest Rate v Benchmark



**Actual & Budget working capital ratio by month  
(Current assets / Current liabilities)**



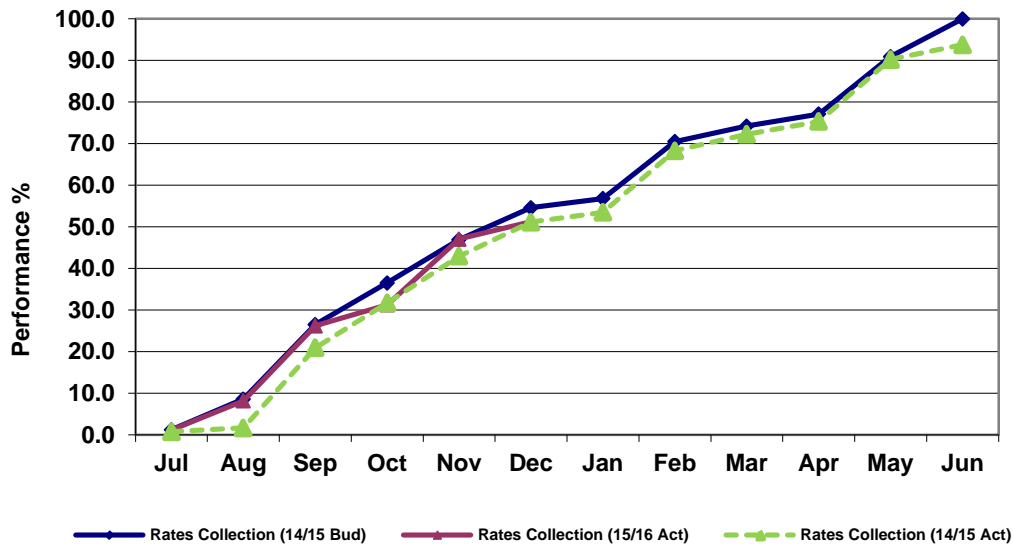
**Actual & Budget rates outstanding balances by month**



# Financial Report

## 6 months ended 31 December 2015

### Actual & Budget % of rates received by month



### Major Balance Sheet YTD variances

	Var	YTD Fav Budget \$'000	YTD Unfav Budget \$'000	Forecast Fav Budget \$'000	Forecast Unfav Budget \$'000
<b>Current assets</b>		<b>15,754</b>		<b>1,930</b>	
Cash and investments	CF,P *	18,165		5,986	
Rate receivables	T		1,446		188
Other receivables	T		1,130		4,076
Other assets	T	158		201	
<b>Current liabilities</b>			<b>5,274</b>		<b>4,125</b>
Trade creditors	T		4,386		5,495
Other payables	P		213		207
Trust funds and deposits	P		879		279
Interest bearing loans	P			111	
Employee provisions	P	206		1,745	
<b>Non-current assets</b>			<b>11,901</b>		<b>4,359</b>
Property, Infra. plant & equipment	P		10,729		2,288
Intangible assets	P		197		1,095
Investment property	P		975		976
<b>Non-current liabilities</b>			<b>44</b>		<b>175</b>
Interest bearing loans	P				131
Employee provisions	P		44		44
<b>Equity</b>			<b>1,465</b>		<b>6,729</b>
Accumulated surplus	P	2,076			2,372
Asset revaluation reserve	P		2,396		2,396
Other reserves	P		1,145		1,961

\*Note: Cash and investments include term deposits with a maturity date exceeding 90 days which are classified as other financial assets in the Balance Sheet (\$2.0M).

Note: Var T = Timing P = Permanent CF = Carried forward prior year  
Fav – Favourable against budget, Unfav – Unfavourable against budget

## APPENDIX A

Comprehensive Income Statement  
Balance Sheet  
Statement of Cash Flows  
Statement of Capital Works





Financial Report  
6 months ended 31 December 2015

**DAREBIN CITY COUNCIL**  
**Comprehensive Income Statement**

For the 6 months ended 31 December, 2015

	YTD Budget	YTD Actual	YTD Variance	Annual Budget	Q2 Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>					
Rates and charges	110,432	112,704	2,272	<b>113,858</b>	113,929
Statutory fees and fines	3,591	3,487	(104)	<b>6,607</b>	6,790
User fees	5,961	6,306	345	<b>11,852</b>	12,234
Grants - operating	8,359	7,193	(1,166)	<b>15,632</b>	13,152
Grants - capital	1,444	475	(969)	<b>1,862</b>	2,451
Contributions - monetary	2,750	3,280	530	<b>5,500</b>	4,684
Net gain (loss) on disposal of property, infrastructure, plant and equipment	343	(27)	(370)	<b>(259)</b>	(196)
Other income	1,766	2,668	902	<b>4,442</b>	5,503
<b>Total income</b>	<b>134,646</b>	<b>136,086</b>	<b>1,440</b>	<b>159,494</b>	<b>158,547</b>
<b>Expenses</b>					
Employee costs	38,775	37,656	1,119	<b>78,530</b>	77,243
Materials and services	21,043	19,726	1,317	<b>42,692</b>	44,425
Bad and doubtful debts	401	460	(59)	<b>802</b>	876
Depreciation and amortisation	11,122	10,152	970	<b>22,243</b>	20,816
Borrowing costs	4	5	(1)	<b>23</b>	7
Other expenses	5,042	4,933	109	<b>8,326</b>	8,672
<b>Total expenses</b>	<b>76,387</b>	<b>72,932</b>	<b>3,455</b>	<b>152,616</b>	<b>152,039</b>
<b>Surplus for the year</b>	<b>58,259</b>	<b>63,154</b>	<b>4,895</b>	<b>6,878</b>	<b>6,508</b>
<b>Less</b>					
Grants - capital (non-recurrent)	(571)	(475)	96	<b>(989)</b>	(1,204)
Contributions - monetary	(2,750)	(3,280)	(530)	<b>(5,500)</b>	(4,684)
<b>Adjusted underlying surplus/ (deficit)</b>	<b>54,938</b>	<b>59,399</b>	<b>4,461</b>	<b>389</b>	<b>620</b>

Financial Report  
6 months ended 31 December 2015

**DAREBIN CITY COUNCIL**

**Balance Sheet**

As at 31 December 2015

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000	Q2 Forecast \$'000
<b>Current assets</b>					
Cash and cash equivalents	34,267	37,165	2,898	<b>24,325</b>	41,038
Trade and other receivables	65,753	63,177	(2,576)	<b>17,541</b>	13,277
Other financial assets	4,103	19,370	15,267	<b>14,830</b>	4,103
Inventories	87	94	7	<b>87</b>	94
Other assets	1,616	1,774	158	<b>1,395</b>	1,596
<b>Total current assets</b>	<b>105,826</b>	<b>121,580</b>	<b>15,754</b>	<b>58,178</b>	<b>60,108</b>
<b>Non-current assets</b>					
Trade and other receivables	114	114	0	<b>114</b>	114
Property, infrastructure, plant & equipment	1,161,940	1,151,211	(10,729)	<b>1,261,652</b>	1,259,364
Investment property	3,782	2,807	(975)	<b>3,782</b>	2,806
Intangible assets	809	612	(197)	<b>1,574</b>	479
Other financial assets	236	236	0	<b>236</b>	236
<b>Total non-current assets</b>	<b>1,166,881</b>	<b>1,154,980</b>	<b>(11,901)</b>	<b>1,267,358</b>	<b>1,262,999</b>
<b>Total assets</b>	<b>1,272,707</b>	<b>1,276,560</b>	<b>3,853</b>	<b>1,325,536</b>	<b>1,323,107</b>
<b>Current liabilities</b>					
Trade and other payables	6,110	10,709	(4,599)	<b>12,449</b>	18,151
Trust funds and deposits	3,632	4,511	(879)	<b>4,299</b>	4,578
Interest bearing loans and borrowings	103	105	(2)	<b>192</b>	81
Provisions	18,002	17,796	206	<b>18,566</b>	16,821
<b>Total current liabilities</b>	<b>27,847</b>	<b>33,121</b>	<b>(5,274)</b>	<b>35,506</b>	<b>39,631</b>
<b>Non-current liabilities</b>					
Trade and other payables	0	0	0	<b>0</b>	0
Interest bearing loans and borrowings	0	0	0	<b>788</b>	919
Provisions	1,362	1,406	(44)	<b>1,362</b>	1,406
<b>Total non-current liabilities</b>	<b>1,362</b>	<b>1,406</b>	<b>(44)</b>	<b>2,150</b>	<b>2,325</b>
<b>Total liabilities</b>	<b>29,209</b>	<b>34,527</b>	<b>(5,318)</b>	<b>37,656</b>	<b>41,956</b>
<b>Net assets</b>	<b>1,243,498</b>	<b>1,242,033</b>	<b>(1,465)</b>	<b>1,287,880</b>	<b>1,281,151</b>
<b>Equity</b>					
Accumulated surplus	556,521	558,597	2,076	<b>502,416</b>	500,044
Asset revaluation reserve	675,793	673,397	(2,396)	<b>771,555</b>	769,159
Other reserves	11,184	10,039	(1,145)	<b>13,909</b>	11,948
<b>Total equity</b>	<b>1,243,498</b>	<b>1,242,033</b>	<b>(1,465)</b>	<b>1,287,880</b>	<b>1,281,151</b>

# Financial Report

## 6 months ended 31 December 2015

### DAREBIN CITY COUNCIL

#### Statement of Cash Flow

For the 6 months ended 31 December, 2015

	YTD Budget \$'000 Inflows (Outflows)	YTD Actual \$'000 Inflows (Outflows)	YTD Variance \$'000	Annual Budget \$'000 Inflows (Outflows)	Q2 Forecast \$'000 Inflows (Outflows)
<b>Cash flows from operating activities</b>					
Rates	61,399	62,243	844	111,900	112,863
Statutory fees and fines	3,591	3,487	(104)	6,607	6,790
User fees & charges (inclusive of GST)	6,442	6,774	332	12,282	12,490
Government receipts	9,803	8,081	(1,722)	17,493	16,016
Contributions - Monetary	3,060	1,820	(1,240)	6,849	4,684
Other income	736	1,899	1,163	1,460	3,565
Employee costs	(40,728)	(37,580)	3,148	(77,966)	(77,807)
Materials and services (inclusive of GST)	(30,168)	(30,327)	(159)	(59,401)	(61,872)
Net FSPL refund / payment	(1)	(658)	(657)	0	(1)
	14,134	15,739	1,605	19,224	16,728
Interest	720	701	(19)	1,631	1,799
Trust funds and deposits	0	278	278	0	0
Net GST refund / payment	3,932	2,884	(1,048)	6,865	6,866
Net cash provided by operating activities	18,786	19,602	816	27,720	25,393
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant & equipment	343	59	(284)	482	558
Payment for property, infrastr, plant & equipment	(18,385)	(13,996)	4,389	(27,541)	(32,540)
Repayment of loans and advances	33	33	(0)	41	0
Net cash used in investing activities	(18,009)	(13,904)	4,105	(27,018)	(31,982)
<b>Cash flows from financing activities</b>					
Finance costs	(7)	(5)	2	(21)	(7)
Proceeds of interest bearing loans and borrowings	0	0	0	1,000	1,000
Repayment of interest bearing loans and borrowings	(67)	(67)	0	(192)	(172)
Net cash used in financing activities	(74)	(72)	2	786	821
<b>Net increase / (decrease) in cash &amp; cash equivalents</b>	703	5,626	4,923	1,488	(5,768)
Cash & cash equivalents at the beginning of the year	37,667	50,909	13,242	37,667	50,909
<b>Cash &amp; cash equivalents at the end of the year</b>	38,370	56,535	18,165	39,155	45,141

Note: Cash and cash equivalents at the beginning of the year includes term deposits with a maturity date exceeding 90 days which are classified as other financial assets in the Balance Sheet (\$4.1M).

Financial Report  
6 months ended 31 December 2015

DAREBIN CITY COUNCIL

Statement of Cash Flow

For the 6 months ended 31 December, 2015

Reconciliation of cash flows from operating activities to surplus

	YTD Budget	YTD Actual	YTD Variance	Annual Budget	Q2 Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000
Surplus for the year	58,259	63,154	4,895	<b>6,878</b>	6,508
Items not involving cash or non operating in nature					
Depreciation and amortisation	11,122	10,152	(970)	<b>22,243</b>	20,816
Interest expense	4	5	1	<b>23</b>	7
Bad & doubtful debts	401	460	59	<b>802</b>	876
Net (gain) / loss on sale of assets	(343)	27	370	<b>259</b>	196
	<u>69,443</u>	<u>73,798</u>	<u>4,355</u>	<u><b>30,205</b></u>	<u>28,403</u>
Change in operating assets and liabilities					
Decrease / (Increase) in rate debtors	(52,459)	(50,461)	1,997	<b>(1,076)</b>	<b>(1,066)</b>
Decrease / (Increase) in other operating assets	1,574	(1,378)	(2,952)	<b>(2,136)</b>	<b>(1,137)</b>
(Decrease) / Increase in Trade creditors	204	(2,939)	(3,143)	<b>244</b>	<b>(244)</b>
(Decrease) / Increase in other operating liabilities	24	172	148	<b>(81)</b>	0
(Decrease) / Increase in provisions	0	410	410	<b>564</b>	<b>(564)</b>
	<u>(50,657)</u>	<u>(54,196)</u>	<u>(3,540)</u>	<u><b>(2,485)</b></u>	<u>(3,010)</u>
Net cash provided by operating activities	<u>18,786</u>	<u>19,602</u>	<u>816</u>	<u><b>27,720</b></u>	<u>25,393</u>



Financial Report  
6 months ended 31 December 2015

**DAREBIN CITY COUNCIL**

**Statement of Capital Works**

For the 6 months ended 31 December, 2015

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000	Adjusted Budget \$'000	YTD Adj Budget \$'000	Q2 Forecast \$'000
<b>Property</b>							
Land Improvements	35	22	13	<b>135</b>	135	35	135
Buildings	2,778	2,598	180	<b>6,700</b>	8,056	3,203	8,056
<b>Total property</b>	<b>2,813</b>	<b>2,620</b>	<b>193</b>	<b>6,835</b>	<b>8,191</b>	<b>3,238</b>	<b>8,191</b>
<b>Plant &amp; equipment</b>							
Plant, machinery & equipment	2,217	1,242	975	<b>2,708</b>	3,070	1,795	3,070
Fixtures, fittings & furniture	46	223	(177)	<b>130</b>	332	210	332
Computers & telecommunications	1,017	528	489	<b>1,720</b>	2,235	1,125	2,235
Library books	467	451	16	<b>732</b>	732	467	732
<b>Total plant &amp; equipment</b>	<b>3,747</b>	<b>2,444</b>	<b>1,303</b>	<b>5,290</b>	<b>6,369</b>	<b>3,597</b>	<b>6,369</b>
<b>Infrastructure</b>							
Roads	2,283	1,810	473	<b>5,009</b>	6,420	2,348	6,795
Transport & road safety	2,115	1,373	742	<b>4,277</b>	3,811	1,988	3,840
Bridges	92	61	31	<b>454</b>	454	92	454
Footpaths & cycleways	1,029	1,158	(129)	<b>2,252</b>	2,396	1,173	2,396
Drains	392	184	208	<b>1,144</b>	1,381	327	1,381
Recreation, leisure & community facilities	280	323	(43)	<b>569</b>	623	328	623
Parks, open space & streetscapes	2,651	2,207	444	<b>8,743</b>	10,040	4,738	10,040
Off street car parks	22	16	6	<b>42</b>	42	12	42
Other infrastructure	85	0	85	<b>85</b>	85	85	85
<b>Total infrastructure</b>	<b>8,949</b>	<b>7,132</b>	<b>1,817</b>	<b>22,575</b>	<b>25,252</b>	<b>11,091</b>	<b>25,656</b>
<b>Total capital works</b>	<b>15,509</b>	<b>12,196</b>	<b>3,313</b>	<b>34,700</b>	<b>39,812</b>	<b>17,926</b>	<b>40,216</b>
<b>Represented by:</b>							
Asset renewal	6,014	4,530	1,484	<b>13,855</b>	16,149	6,864	16,149
New assets	1,917	1,445	472	<b>4,417</b>	5,148	2,189	5,149
Asset expansion / upgrade	4,022	3,031	991	<b>9,267</b>	10,800	4,591	10,800
<b>Capital expenditure</b>	<b>11,953</b>	<b>9,006</b>	<b>2,947</b>	<b>27,539</b>	<b>32,097</b>	<b>13,643</b>	<b>32,582</b>
Major maintenance	3,556	3,190	366	<b>7,161</b>	7,715	4,282	7,634
<b>Total capital works</b>	<b>15,509</b>	<b>12,196</b>	<b>3,313</b>	<b>34,700</b>	<b>39,812</b>	<b>17,925</b>	<b>40,216</b>