

# FINANCIAL REPORT

Nine months ended

31 March 2017



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# Financial Report

## 9 months ended 31 March 2017

### 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	152,860	154,624	1,764	<b>164,326</b>	168,066
Expenditure	(116,308)	(109,721)	6,587	<b>(153,902)</b>	(153,097)
<b>Surplus (deficit)</b>	36,552	44,903	8,351	<b>10,424</b>	14,969
<b>Capital &amp; other</b>					
Revenue / grants	(1,095)	(496)	599	<b>(1,115)</b>	(2,195)
Developer contributions	(2,625)	(3,920)	(1,295)	<b>(3,500)</b>	(4,754)
<b>Adjusted underlying surplus</b>	32,832	40,487	7,655	<b>5,809</b>	8,020

For the 9 months ended 31 March 2017 Council has recorded an operating surplus of \$44.90 million, which is \$8.35 million ahead of the year to date budget. After eliminating capital and other items, the adjusted underlying surplus is \$40.49 million, which is \$7.66 million ahead of budget.

The main items contributing to this favourable variance are employee costs, materials and services, statutory fees and fines and monetary contributions. The forecast operating result for the year ending 30 June 2017 is an operating surplus of \$14.97 million, which is \$4.55 million more than budget. The forecast adjusted underlying surplus is \$8.02 million, which is \$2.21 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	8,270	4,839	3,431	<b>10,525</b>	10,525	16,215
Plant & equipment	4,880	3,531	1,349	<b>6,017</b>	6,618	5,787
Infrastructure	18,916	10,014	8,902	<b>24,980</b>	25,989	23,148
<b>Total capital works</b>	32,066	18,384	13,682	<b>41,522</b>	43,132	45,150

For the 9 months ended 31 March 2017, Council has expended \$18.38 million on the capital works program, which is \$13.68 million behind the year to date budget. The variance is due mainly to delays in buildings works, roads, drainage and parks, open space and streetscapes.

As at 31 March 2017 a further \$14.90 million has been committed by way of issued purchase orders. Commitments are not reflected in the reported capital expenditure and may indicate that many projects are well advanced.

The forecast total to be expended on capital works for the year ending 30 June 2017 is \$45.15 million, which is \$3.63 million more than the adopted budget. At this point in time, it is likely that 21 projects will require carry over funding into next financial year. It is estimated that the carry forward works will total \$8.11 million.

# Financial Report

## 9 months ended 31 March 2017

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### 1.3 Financial position

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast \$'000
Cash and investments	35,513	77,772	42,259	<b>46,925</b>	60,350
Net current assets	45,902	89,768	43,866	<b>21,967</b>	41,517
Net assets and total equity	1,319,406	1,312,602	(6,804)	<b>1,296,100</b>	1,282,669

The Financial Position as at 31 March 2017 shows a cash and investment balance of \$77.77 million which is \$42.26 million ahead of budget. The variance is due mainly to timing differences in receipt of rates, government grants, contributions, payments to employees and suppliers, delay in payments for capital works and a higher opening cash and investment position compared with budget.

The cash and investment balance of \$77.77 million was sufficient to meet restricted cash and intended allocation obligations of \$43.38 million at the end of March. 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 \$89.77 million which is \$43.86 million more than budget. The net asset position of \$1.31 billion is \$6.80 million less than budget. The forecast Financial Position as at 30 June 2017 shows a cash position of \$60.35 million and net current assets of \$41.52 million.



# Financial Report

## 9 months ended 31 March 2017

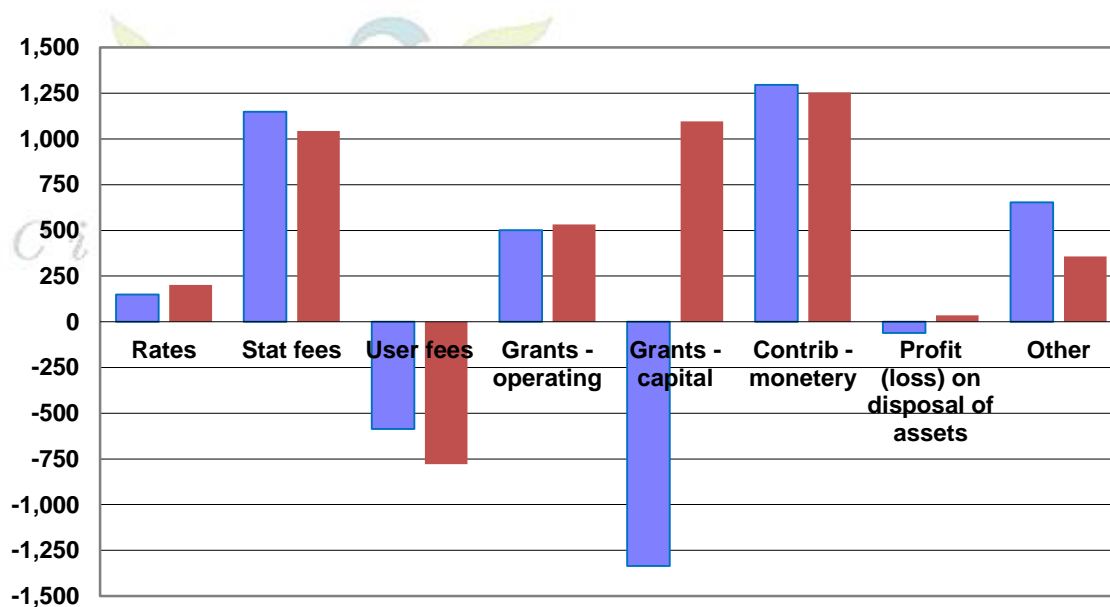
## 2. FINANCIAL ANALYSIS

### 2.1 Operating performance

#### 2.1.1 Operating income

	YTD Budget \$'000	YTD Actual \$'000	YTD Bud Var \$'000	Adopted Budget \$'000	Q3 Forecast \$'000	Forecast Variance \$'000
<b>Income</b>						
Rates and charges	118,189	118,338	149	<b>118,788</b>	118,989	201
Statutory fees and fines	5,588	6,737	1,149	<b>7,308</b>	8,351	1,043
User fees	9,349	8,763	(586)	<b>12,400</b>	11,621	(779)
Grants - operating	11,709	12,210	501	<b>15,292</b>	15,824	532
Grants - capital	1,976	640	(1,336)	<b>2,123</b>	3,220	1,097
Contributions - monetary	2,625	3,920	1,295	<b>3,500</b>	4,754	1,254
Net gain (loss) on disposal of assets	95	34	(61)	<b>(20)</b>	15	35
Other income	3,329	3,982	653	<b>4,935</b>	5,292	357
<b>Total income</b>	<b>152,860</b>	<b>154,624</b>	<b>1,764</b>	<b>164,326</b>	<b>168,066</b>	<b>3,740</b>

#### Income YTD & Forecast variances



# Financial Report

## 9 months ended 31 March 2017

### 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>149</b>		<b>201</b>	
Supplementary rates	P	454		520	
Rebates & other adjustments	P	71		50	
Special charge – Solar \$aver	P		362		362
<b>Statutory fees &amp; fines</b>		<b>1,149</b>		<b>1,043</b>	
Building services	P	89		30	
Civic compliance	P	355		254	
Health protection	P	87		78	
Statutory planning	P	617		681	
<b>User fees</b>			<b>586</b>		<b>779</b>
Arts precincts	P		203		355
Leisure contracts	P		204		258
Reservoir Leisure Centre	P		187		165
Service delivery	P		73		98
Transport engineering	P		81		61
Health protection	P			153	
Property Management	P	183		97	
Valuation services	P	63		47	
<b>Grants - operating</b>		<b>501</b>		<b>532</b>	
A&DS service delivery	P	227		302	
Community wellbeing	P	61		70	
Family services	P	194		209	
Transport strategy	P	49		61	
Transition & assessment	P		54		73
Aged & disability	P		113		150
<b>Grants - capital</b>			<b>1,336</b>	<b>1,097</b>	
Creek corridor shared path	P		60		60
DISC stormwater harvesting	P/CF		650		650
John Cain reserve	P/CF		95		90
Merri Creek pedestrian bridge	T		75		
Roads to recovery	T		236		
Slope remediation	T		500		
WH Robinson reserve	P/CF		100		90
Inner city netball program	P	67		1,692	
Active transport infrastructure	P	50		50	
SRV facility funding	P	197		197	
Warm season turf	P	60		60	
<b>Contributions - monetary</b>		<b>1,295</b>		<b>1,254</b>	
Public open space	P	1,295		1,254	
<b>Net gain / (loss) on sale of pip&amp;e</b>			<b>61</b>	<b>35</b>	
Proceeds on sale	P			94	
WDV of assets sold	P		37		63
<b>Other</b>		<b>653</b>		<b>357</b>	
Interest on investments, loans & rates	P	384		321	
Parental leave recoup	P	122		152	
WorkCover salary recoup	P	401		354	
Infrastructure maintenance & support	P		327		499

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

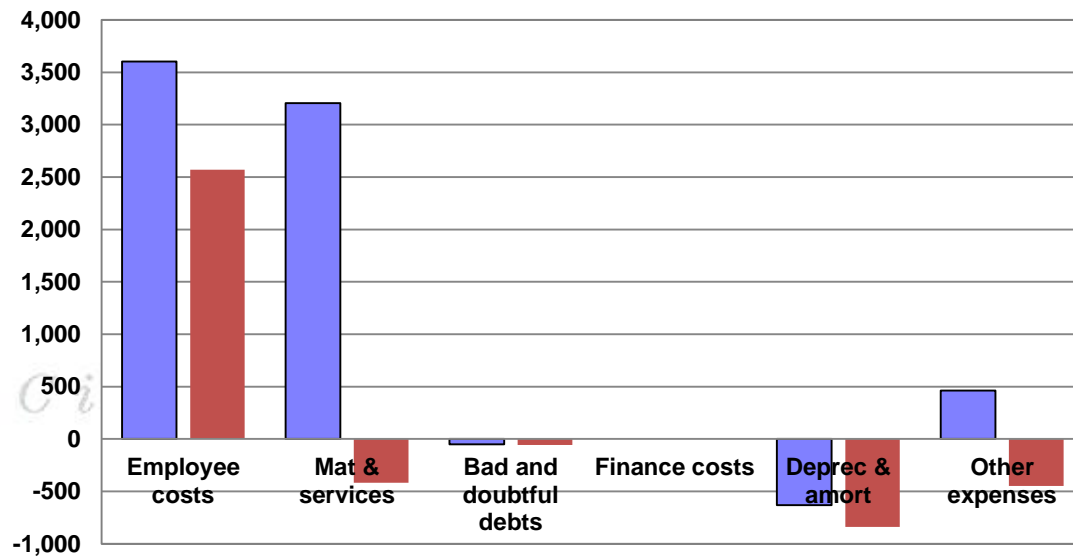
# Financial Report

## 9 months ended 31 March 2017

### 2.1.2 Operating expenses

Expense type	YTD Budget \$'000	YTD Actual \$'000	YTD Bud Var \$'000	Adopted Budget \$'000	Q2 Forecast \$'000	Forecast Variance \$'000
<b>Expenses</b>						
Employee costs	62,690	59,088	3,602	<b>82,482</b>	79,913	2,569
Materials and services	30,546	27,340	3,206	<b>41,544</b>	41,963	(419)
Bad and doubtful debts	709	759	(50)	<b>951</b>	1,009	(58)
Depreciation and amortisation	15,624	16,257	(633)	<b>20,832</b>	21,670	(838)
Finance costs	0	0	0	<b>0</b>	0	0
Other expenses	6,739	6,277	462	<b>8,093</b>	8,542	(449)
<b>Total expenses</b>	<b>116,308</b>	<b>109,721</b>	<b>6,587</b>	<b>153,902</b>	<b>153,097</b>	<b>805</b>

### Expenses YTD & Forecast variances



# Financial Report

## 9 months ended 31 March 2017

### 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>3,602</b>		<b>2,569</b>	
A&DS transition & assessment	P	148		110	
A&DS service delivery	P	733		726	
Advocacy & communications	P	60		60	
Business systems	P	93		101	
Bundoora Park farm	P	66		36	
Bundoora Park operations	P	80		60	
Bushland	P	97		64	
Children & community	P	126		89	
City works & contracts	P	88		145	
Civic compliance	P	154		65	
Community engagement & demograph.	P	111		161	
Community participation & engagement	P	252		266	
Customer service	P	77		66	
Environment & community outcomes	P	124		86	
Environmental operations	P	328		181	
Equity & diversity	P	88		59	
Family services	T	143			
Human resources	P	251		153	
Libraries	P	183		62	
IS Infrastructure	P	138		180	
Operations & environment	P	116		139	
Park infrastructure	P	178		159	
Reservoir Leisure Centre	P	84		54	
Statutory planning	P	221		237	
Transport engineering	P	153		434	
Arts programming	P		43		74
Business transformation	P		68		97
Capital delivery/Engineering services	P			383	
Corporate initiatives	P		359		320
Council plan & performance	P		56		97
City design & strategic planning	P				133
Creative culture & events	P				98
Governance & corporate information	P				83
Employee leave provisions	P		65		754
Parental leave salary	P		237		292
WorkCover salary recoup	P		97		27
<b>Materials and services</b>		<b>3,206</b>			<b>419</b>
Arboriculture planning	T	79			
Arts participation & events	P			50	
Arts precincts	P	330		433	
Asset strategy & service planning	T	87			
Business systems	T	89			
City design & strategic planning	P	312		109	
Community facilities	P	106		60	
Corporate initiatives	P	463		350	
Corporate risk & audit	P	60		43	
Creative culture & events	P	78		41	
Economic & business development	T	58			
Energy & resilience	P	181		189	
Facility management	P				184
Infrastructure maintenance & support	P	223		447	
Operation projects from capital works	P,CF	1,444		282	
Public places	T	57			



# Financial Report

## 9 months ended 31 March 2017

	Var	YTD Fav Budget \$'000	YTD Unfav Budget \$'000	F'cast Fav Budget \$'000	F'cast Unfav Budget \$'000
Special charge – Solar Saver	P	198		198	
Youth services	T	108			
A&DS service delivery	T		131		
Art & collection management	P				62
Arts programming	T		44		
Capital delivery/Engineering services	P		133		399
Children & community	P				112
Civic compliance	P		198		276
Community wellbeing	P				84
Council plan & performance	P				83
Environmental operations	P				89
Family services	P				163
Health protection	P		52		74
Human resources	P		51		99
IS Infrastructure	P				176
Leisure contracts	P		65		53
Parks & open space	P		93		67
Reservoir Leisure Centre	P		87		52
Statutory planning	P		105		151
Transport engineering	P		226		313
Waste & water strategy	P				249
<b>Depreciation and amortisation</b>			<b>633</b>		<b>838</b>
Infrastructure	P		355		462
Intangibles	P		72		100
Plant & equipment	P		57		76
Property	P		150		199
<b>Other</b>		<b>462</b>			<b>449</b>
Bushlands	T	83			
Community participation	T	197			
Public places	T	249			
Special rates	P/CF	79			119
Arts precincts	P		72		204
Civic compliance	P				95
Planning & building services	P		84		100

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

# Financial Report

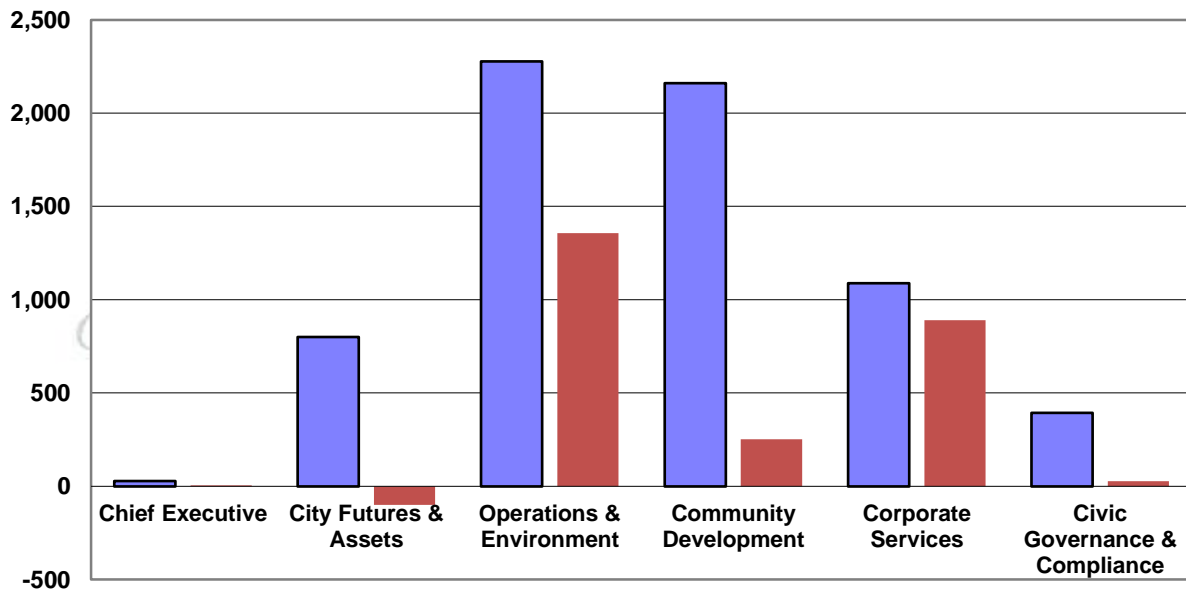
## 9 months ended 31 March 2017

### 2.1.3 Department analysis

	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
<b>Department</b>					
Chief Executive	647	619	28	860	856
City Futures & Assets	11,809	11,008	801	15,363	15,463
Operations & Environment	23,279	21,000	2,279	32,556	31,199
Community Development	21,184	19,023	2,161	27,273	27,002
Corporate Services	9,108	8,019	1,089	11,804	10,934
Civic Governance & Compl.	3,243	2,850	393	4,429	4,402
	69,270	62,519	6,751	92,285	89,856
Other non-attributable <sup>1</sup>	(105,822)	(107,422)	1,600	(102,709)	(104,825)
<b>Net (surplus) deficit</b>	<b>(36,552)</b>	<b>(44,903)</b>	<b>8,351</b>	<b>(10,424)</b>	<b>(14,969)</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

## 9 months ended 31 March 2017

### 2.2 Capital performance

	YTD Budget \$'000	YTD Actual \$'000	YTD Bud Var \$'000	Adopted Budget \$'000	Adjusted Budget \$'000	F'cast \$'000
<b>Capital Projects</b>						
<b>Property</b>						
Land	0	0	0	0	0	7,683
Land Improvements	41	20	21	95	95	99
Buildings	4,367	1,794	2,573	5,879	5,879	3,643
Building Improvements	245	62	183	517	517	680
Lease Improvements	2,050	1,866	184	2,050	2,050	1,978
<b>Total Property</b>	<b>6,703</b>	<b>3,742</b>	<b>2,961</b>	<b>8,541</b>	<b>8,541</b>	<b>14,083</b>
<b>Plant &amp; Equip.</b>						
Plant, machinery & eq.	2,443	1,828	615	2,958	3,298	2,688
Fixtures, fit & furn.	140	48	92	155	155	147
Computers & telecom.	1,361	852	509	1,692	1,929	1,711
Library books	653	613	40	751	751	769
<b>Total Plant &amp; Equip.</b>	<b>4,597</b>	<b>3,341</b>	<b>1,256</b>	<b>5,556</b>	<b>6,133</b>	<b>5,315</b>
<b>Infrastructure</b>						
Roads	3,510	1,743	1,767	6,520	6,503	5,418
Transport / road safety	1,723	857	866	2,060	2,060	2,060
Bridges	203	71	132	220	220	170
Footpaths & cycleways	2,433	1,890	543	3,226	3,226	2,606
Drains	1,756	394	1,362	1,978	2,054	1,445
Recreation, leis facil.	405	124	281	464	464	438
Parks, open space & str.	6,927	3,857	3,070	7,275	7,937	7,650
<b>Total Infrastructure</b>	<b>16,957</b>	<b>8,936</b>	<b>8,021</b>	<b>21,743</b>	<b>22,464</b>	<b>19,787</b>
<b>Total capital works</b>	<b>28,257</b>	<b>16,019</b>	<b>12,238</b>	<b>35,840</b>	<b>37,138</b>	<b>39,185</b>
<b>Operational Projects</b>						
<b>Property</b>						
Land Improvements	220	213	7	170	170	230
Buildings	966	512	454	1,418	1,418	1,471
Building Improvements	381	372	9	396	396	431
<b>Total Property</b>	<b>1,567</b>	<b>1,097</b>	<b>470</b>	<b>1,984</b>	<b>1,984</b>	<b>2,132</b>
<b>Plant &amp; Equip.</b>						
Plant, machinery & eq.	75	65	10	75	99	92
Fixtures, fit & furn.	35	29	6	35	35	29
Computers & telecom.	173	96	77	351	351	351
<b>Total Plant &amp; Equip.</b>	<b>283</b>	<b>190</b>	<b>93</b>	<b>461</b>	<b>485</b>	<b>472</b>
<b>Infrastructure</b>						
Roads	363	206	157	494	494	501
Transport / road safety	289	140	149	372	410	413
Bridges	70	3	67	75	75	75
Footpaths & cycleways	481	245	236	831	831	847
Drains	95	19	76	245	375	269
Recreation, leis facil.	30	9	21	60	60	60
Parks, open space & str.	631	456	175	1,160	1,280	1,196
<b>Total Infrastructure</b>	<b>1,959</b>	<b>1,078</b>	<b>881</b>	<b>3,237</b>	<b>3,525</b>	<b>3,361</b>
<b>Total operation projects</b>	<b>3,809</b>	<b>2,365</b>	<b>1,444</b>	<b>5,682</b>	<b>5,994</b>	<b>5,965</b>

# Financial Report

## 9 months ended 31 March 2017

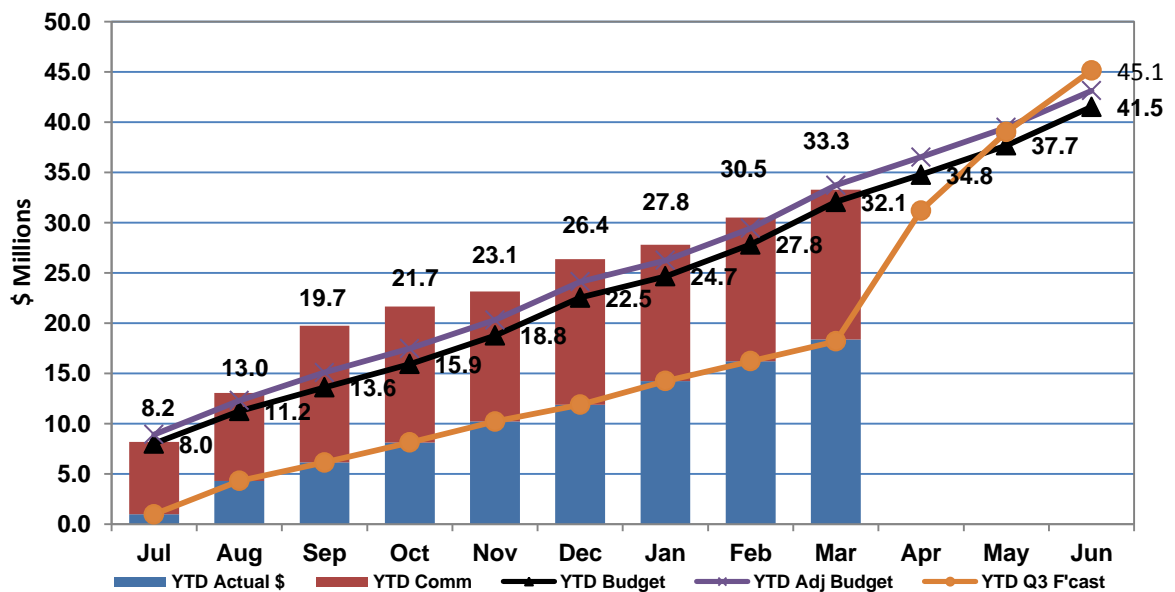
### Represented by:

Asset renewal	16,948	9,607	7,341	<b>21,494</b>	22,272	19,200
New assets	6,479	3,673	2,806	<b>8,218</b>	8,516	14,512
Asset expansion	461	261	200	<b>585</b>	606	523
Asset upgrade	4,370	2,477	1,893	<b>5,543</b>	5,744	4,951
<b>Capital expenditure</b>	<b>28,257</b>	<b>16,019</b>	<b>12,238</b>	<b>35,840</b>	<b>37,138</b>	<b>39,185</b>
Operational projects	3,809	2,365	1,444	<b>5,682</b>	5,994	5,965
<b>Total capital works</b>	<b>32,066</b>	<b>18,384</b>	<b>13,682</b>	<b>41,522</b>	<b>43,132</b>	<b>45,150</b>

### Capital works YTD variances by asset class



### Capital works YTD & Committed expenditure cumulative



# Financial Report

## 9 months ended 31 March 2017

### 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>			2,961	5,542	
<b>Land</b>				7,683	
Ruthven / Lakeside / Rona St	P			7,683	
<b>Buildings</b>			2,573		2,236
DAEC accommodation works	P,CF		133		138
Darebin libraries – public conv.	T		87		
Energy efficiency works	T		141		
GH Mott pavilion	T		161		
Multi-sports stadium	P,CF		427		545
NARC masterplan	P,CF		337		200
NARC redevelopment	P,CF		335		450
Neighbourhood houses	T		200		
PRACE portable buildings	P,CF		473		475
Public convenience works	P		107		69
Relocatable buildings	P,CF				237
Underground power supply	P,CF				105
DISC cycling infield barrier	P			143	
East Preston neighbourhood house	P,CF				72
<b>Building improvements</b>			183	163	
Disability access	T,CF		170		
<b>Leasehold improvements</b>			184		72
Regional animal welfare facility	P		184		72
<b>Plant &amp; Equipment</b>			1,256		241
<b>Plant, machinery &amp; equipment</b>			615		270
Arts venues minor asset repl.	T		66		
Plant replacement	P,CF E		453		376
Mobile garbage bin replacement	P	61		105	
<b>Furniture, fixture &amp; fittings</b>			92		
Darebin libraries facilities & furn	T		83		
<b>Computer equipment</b>			509		
Intranet CMS replacement	P		172		145
Health protection software	P		71	100	
IT infrastructure	T		167		
Library device lending	T		95		
Aged & disability system	P,CF	64		80	
GPS tracking equipment	P,CF	107		160	
<b>Infrastructure</b>			8,021		1,956
<b>Roads</b>			1,767		1,102
Kerb & channel renewal	T		147		
Right of way renewal program	T		106		
R2R – High St	P		168		168
Road rehab – Chifley Dr	P,CF		250		170
Road rehab – Cornwall St	P,CF				205
Road rehab – Holly St	P,CF				287
Road rehab – Ilma Gr	P,CF				213
Road rehab – Northernhay St	P,CF E		124	210	
Road rehab – Simpson St	P,CF				470
Roundabout & roadside planting	T		148		
Slope remediation	P,CF		391	450	
Road resurface program	P		221		200
<b>Transport &amp; road safety</b>			866		
Retrofit disability safety	T		95		

# Financial Report

## 9 months ended 31 March 2017

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000	F'cast Ahead of Budget \$'000	F'cast Behind Budget \$'000
Traffic management program	T		771		
<b>Bridges</b>			<b>132</b>		<b>50</b>
Merri Ck pedestrian bridge	P,E		119		40
<b>Footpath &amp; cycle ways</b>			<b>543</b>		<b>620</b>
Active transport infrastructure	P,CF		64		110
Creek corridor shared path	P		70		60
Shared path – parks renewal	T		373		
St Georges Rd bicycle path	P		69		450
Footpath renewal	T	46			
<b>Drains</b>			<b>1,362</b>		<b>533</b>
DISC stormwater harvesting	P,CF ,E		1,064		550
Drainage improvement works	T,CF		214		
<b>Recreation, leisure &amp; comm fac.</b>			<b>281</b>		
Bundoora Park works	T		138		
Sportsfield lighting	T		51		
<b>Parks, open space &amp; streetscape</b>			<b>3,070</b>	<b>375</b>	
Active recreation in parks	T		68		
AH Capp / WH Robinson Reserves	P,CF ,E		122		
Batman Park – master plan	P,CF		320		200
Big parks master plan	T,CF		76		
Dog signage	T		208		
Fairfield Village streetscape	P		160		100
Former Preston Girls HS	P		163		190
John Cain Res sportsfield lighting	P,CF ,E		236	95	
Junction urban master plan **	P,CF		605	93	
Parks renewal	T		117		
Playspace upgrades	P,CF		396		217
Pocket parks renewal	T		226		
Retail activity centre	T		421		
Reservoir streetscape	P,CF		132	112	
Signage strategy	T		125		
All Nations Park activation	P,CF	146		310	
Inner city netball program	P	81		347	
Pavillion, sports lighting design	T	78			
Storm damage infrastructure	P	81			

Note: Var T = Timing P = Permanent CF = Carried forward prior/next year E = Externally funded  
 IF = Infrastructure Funded project  
 Note – \*\* City wide beautification works (\$2.0M) have been split into 11 individual projects

# Financial Report

## 9 months ended 31 March 2017

### Major Operational 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>			470	148	
<b>Land improvements</b>				60	
Warm season turf	P			60	
<b>Buildings</b>			454	53	
Active & healthy wellbeing	T		65		
Maintenance backlog	T		167		
Northcote customer service	T		80		
Ruthven Reserve building	T		60		
Preston RSL demolition	P			183	
NARC – asset management	T	60			
<b>Building improvements</b>				35	
No individual significant item					
<b>Plant &amp; Equipment</b>			93		
<b>Computers &amp; telecomm's</b>			77		
Business systems enhancements	T		98		
<b>Infrastructure</b>			881	124	
<b>Roads</b>			157		
Major road patching	T		56		
Traffic signal maintenance	T		71		
<b>Transport &amp; road safety</b>			149	41	
Travel safe program	P,CF		139	38	
<b>Bridges</b>			67		
Bridge maintenance	T		67		
<b>Footpath &amp; cycle ways</b>			236		
Cycling initiatives	T		188		
<b>Drains</b>			76		
TW Blake water sensitive	T		70		
Strategic water outcomes	P,CF				71
<b>Parks, open space &amp; streetscape</b>			175	36	
Adams Reserve upgrade works	T		49		
Former Ruthven PS	T		46		
Thornbury streetscape	T		80		
Green streets implementation	P,CF	88		92	

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

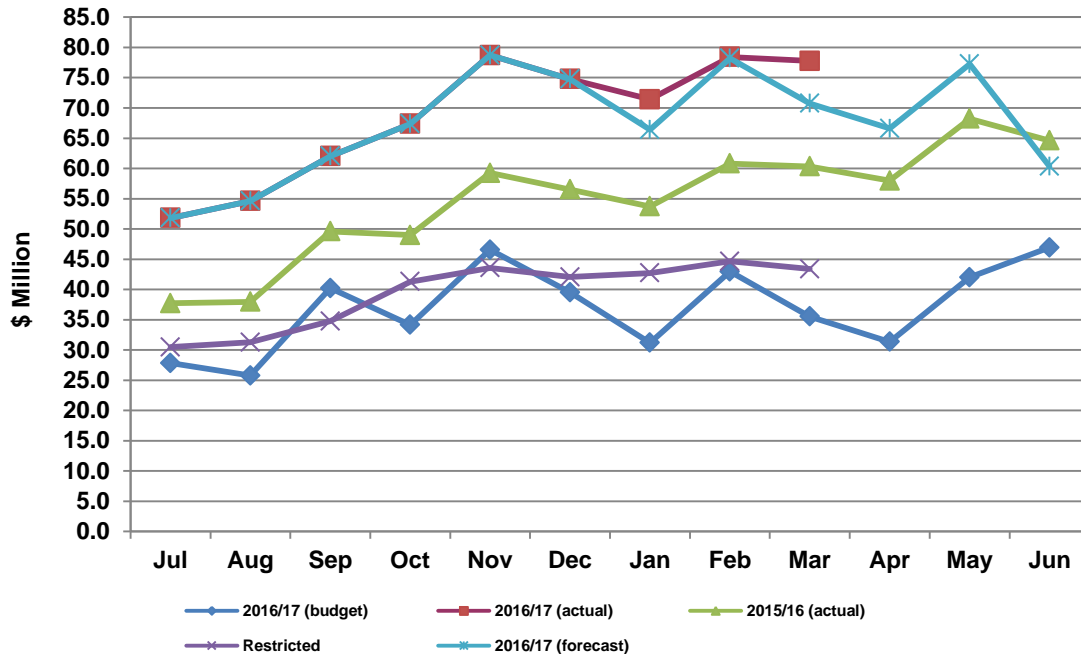
# Financial Report

## 9 months ended 31 March 2017

### 2.3 Financial position

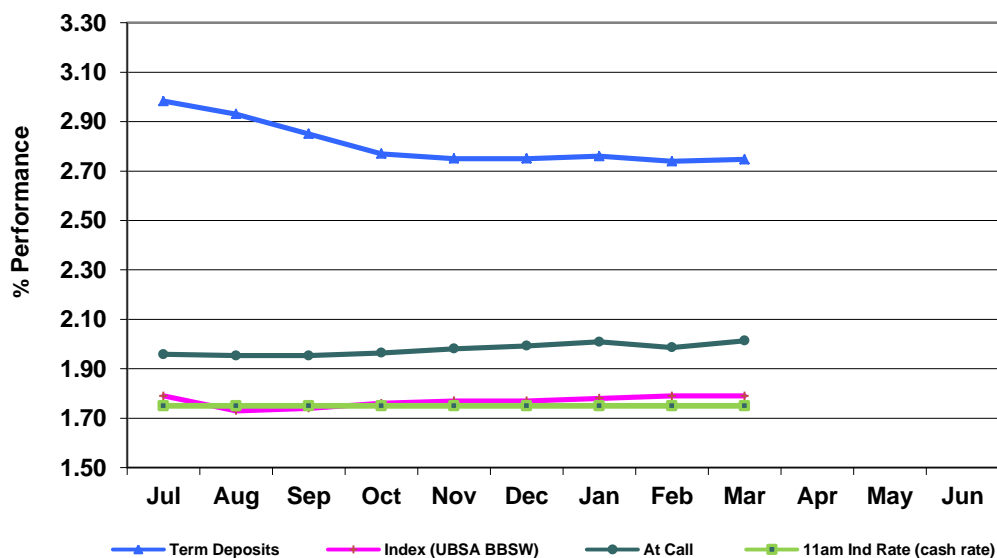
	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast \$'000
Cash and investments	35,513	77,772	42,259	46,925	60,350
Net current assets	45,902	89,768	43,866	21,967	41,517
Net assets and total equity	1,319,406	1,312,602	(6,804)	1,296,100	1,282,669

#### 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 (\$33.80M).

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



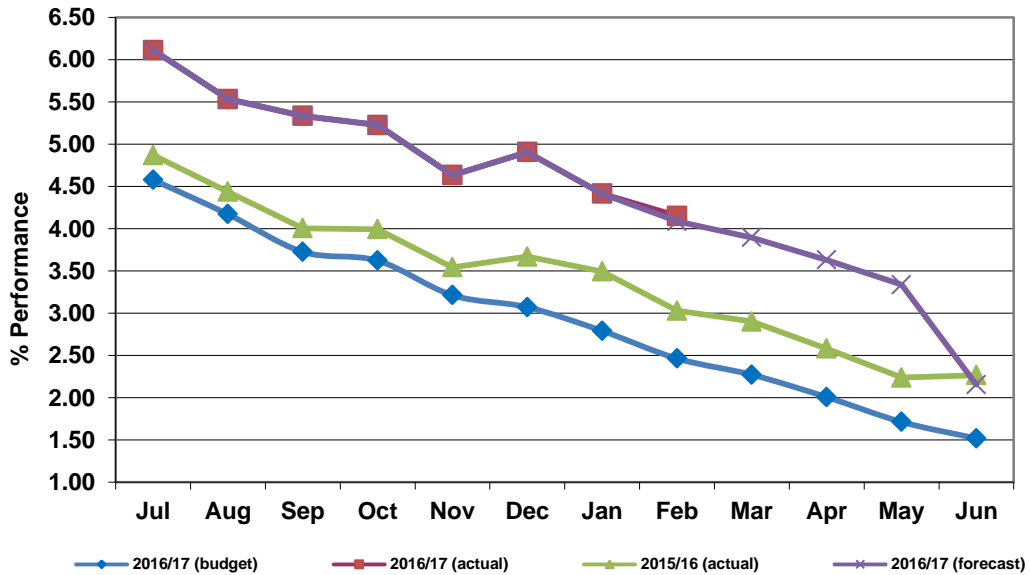
As at 31 March 2017, 61% of all invested funds were placed with fossil fuel free financial institutions and ADIs. (31 Dec 16 57%)



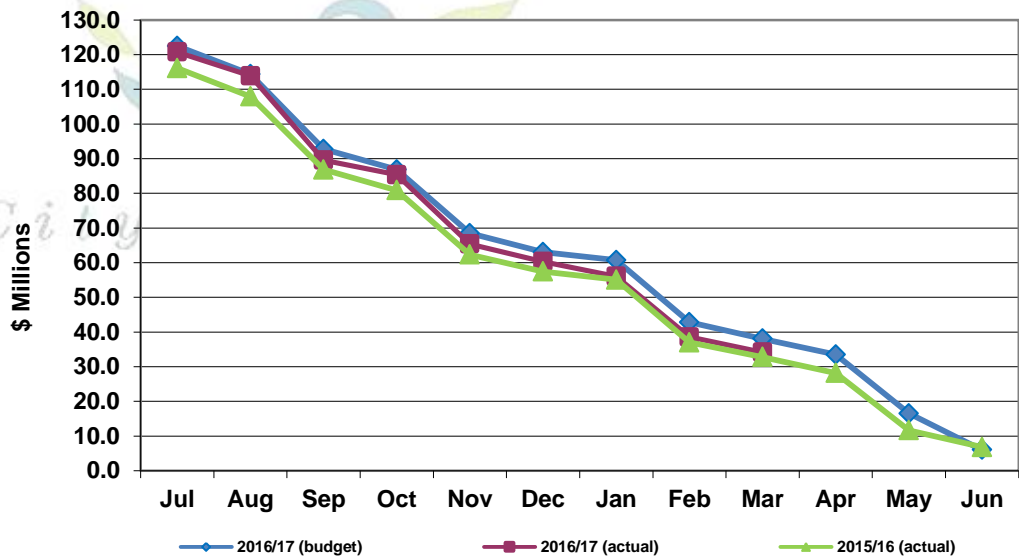
# Financial Report

## 9 months ended 31 March 2017

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



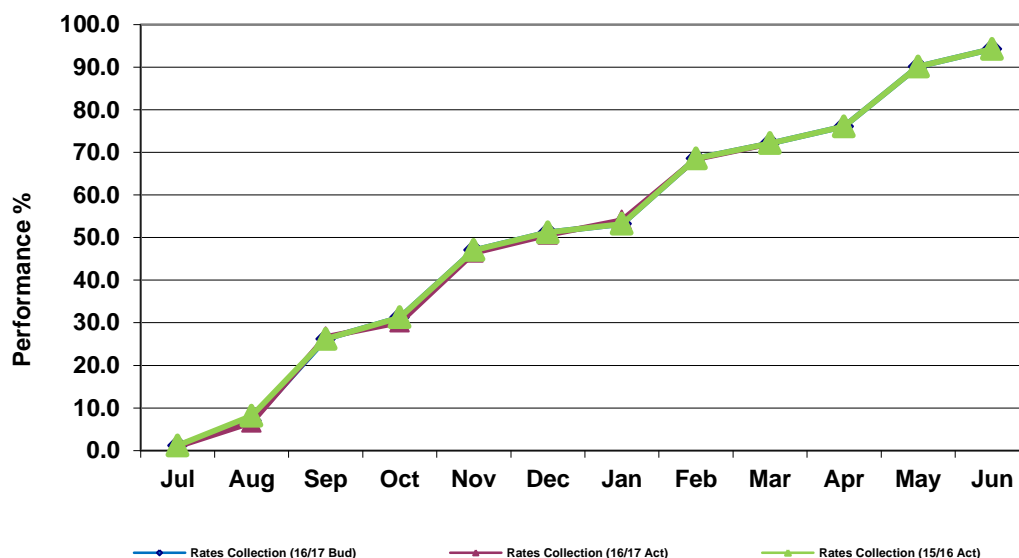
**Actual & Budget rates outstanding balances by month**



# Financial Report

## 9 months ended 31 March 2017

### 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>38,150</b>		<b>12,782</b>	
Cash and investments	CF,P *	42,259		13,425	
Rate receivables	P		7,639		773
Other receivables	T	3,481			12
Inventories	P		28		29
Other assets	P		77	171	
<b>Current liabilities</b>		<b>5,716</b>		<b>6,768</b>	
Trade creditors	P	1,329		2,790	
Other payables	P	7,361		5,710	
Trust funds and deposits	P		984		1,016
Employee provisions	P		1,990		716
<b>Non-current assets</b>			<b>50,371</b>		<b>32,682</b>
Property, Infra. plant & equipment	P		50,360		31,612
Intangible assets	P		73		1,131
Investment property	P	62		61	
<b>Non-current liabilities</b>			<b>299</b>		<b>299</b>
Employee provisions	P		299		299
<b>Equity</b>		<b>6,804</b>		<b>13,431</b>	
Accumulated surplus	P	13,435		18,093	
Asset revaluation reserve	P		27,002		32,108
Other reserves	P	6,763			584

\*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 (\$33.80M).

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

## 9 months ended 31 March 2017

### DAREBIN CITY COUNCIL

#### Comprehensive Income Statement

For the 9 months ended 31 March, 2017

	YTD Budget	YTD Actual	YTD Variance	Annual Budget	Q3 Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>					
Rates and charges	118,189	118,338	149	<b>118,788</b>	118,989
Statutory fees and fines	5,588	6,737	1,149	<b>7,308</b>	8,351
User fees	9,349	8,763	(586)	<b>12,400</b>	11,621
Grants - operating	11,709	12,210	501	<b>15,292</b>	15,824
Grants - capital	1,976	640	(1,336)	<b>2,123</b>	3,220
Contributions - monetary	2,625	3,920	1,295	<b>3,500</b>	4,754
Net gain (loss) on disposal of property, infrastructure, plant and equipment	95	34	(61)	<b>(20)</b>	15
Other income	3,329	3,982	653	<b>4,935</b>	5,292
<b>Total income</b>	<b>152,860</b>	<b>154,624</b>	<b>1,764</b>	<b>164,326</b>	<b>168,066</b>
<b>Expenses</b>					
Employee costs	62,690	59,088	3,602	<b>82,482</b>	79,913
Materials and services	30,546	27,340	3,206	<b>41,544</b>	41,963
Bad and doubtful debts	709	759	(50)	<b>951</b>	1,009
Depreciation and amortisation	15,624	16,257	(633)	<b>20,832</b>	21,670
Borrowing costs	0	0	0	<b>0</b>	0
Other expenses	6,739	6,277	462	<b>8,093</b>	8,542
<b>Total expenses</b>	<b>116,308</b>	<b>109,721</b>	<b>6,587</b>	<b>153,902</b>	<b>153,097</b>
<b>Surplus for the year</b>	<b>36,552</b>	<b>44,903</b>	<b>8,351</b>	<b>10,424</b>	<b>14,969</b>
<b>Less</b>					
Grants - capital (non-recurrent)	(1,095)	(496)	599	<b>(1,115)</b>	(2,195)
Contributions - monetary	(2,625)	(3,920)	(1,295)	<b>(3,500)</b>	(4,754)
<b>Adjusted underlying surplus/ (deficit)</b>	<b>32,832</b>	<b>40,487</b>	<b>7,655</b>	<b>5,809</b>	<b>8,020</b>

# Financial Report

## 9 months ended 31 March 2017

### DAREBIN CITY COUNCIL

#### Balance Sheet

As at 31 March 2017

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000	Q3 Forecast \$'000
<b>Current assets</b>					
Cash and cash equivalents	31,410	43,973	12,563	<b>42,822</b>	41,094
Trade and other receivables	45,153	40,995	(4,158)	<b>16,156</b>	15,371
Other financial assets	4,103	33,799	29,696	<b>4,103</b>	19,256
Inventories	94	66	(28)	<b>94</b>	65
Other assets	1,225	1,302	77	<b>1,469</b>	1,640
<b>Total current assets</b>	<b>81,985</b>	<b>120,135</b>	<b>38,150</b>	<b>64,644</b>	<b>77,426</b>
<b>Non-current assets</b>					
Trade and other receivables	114	114	0	<b>114</b>	114
Property, infrastructure, plant & equipment	1,271,143	1,220,783	(50,360)	<b>1,270,809</b>	1,239,197
Investment property	2,806	2,868	62	<b>2,806</b>	2,867
Intangible assets	611	538	(73)	<b>1,574</b>	443
Other financial assets	236	236	0	<b>236</b>	236
<b>Total non-current assets</b>	<b>1,274,910</b>	<b>1,224,539</b>	<b>(50,371)</b>	<b>1,275,539</b>	<b>1,242,857</b>
<b>Total assets</b>	<b>1,356,895</b>	<b>1,344,674</b>	<b>(12,221)</b>	<b>1,340,183</b>	<b>1,320,283</b>
<b>Current liabilities</b>					
Trade and other payables	14,889	6,199	8,690	<b>19,511</b>	11,011
Trust funds and deposits	4,373	5,357	(984)	<b>4,135</b>	5,151
Interest bearing loans and borrowings	0	0	0	<b>0</b>	0
Provisions	16,821	18,811	(1,990)	<b>19,031</b>	19,747
<b>Total current liabilities</b>	<b>36,083</b>	<b>30,367</b>	<b>5,716</b>	<b>42,677</b>	<b>35,909</b>
<b>Non-current liabilities</b>					
Interest bearing loans and borrowings	0	0	0	<b>0</b>	0
Provisions	1,406	1,705	(299)	<b>1,406</b>	1,705
<b>Total non-current liabilities</b>	<b>1,406</b>	<b>1,705</b>	<b>(299)</b>	<b>1,406</b>	<b>1,705</b>
<b>Total liabilities</b>	<b>37,489</b>	<b>32,072</b>	<b>5,417</b>	<b>44,083</b>	<b>37,614</b>
<b>Net assets</b>	<b>1,319,406</b>	<b>1,312,602</b>	<b>(6,804)</b>	<b>1,296,100</b>	<b>1,282,669</b>
<b>Equity</b>					
Accumulated surplus	537,991	551,426	13,435	<b>509,891</b>	527,984
Asset revaluation reserve	769,159	742,157	(27,002)	<b>774,265</b>	742,157
Other reserves	12,256	19,019	6,763	<b>11,944</b>	12,528
<b>Total equity</b>	<b>1,319,406</b>	<b>1,312,602</b>	<b>(6,804)</b>	<b>1,296,100</b>	<b>1,282,669</b>

# Financial Report

## 9 months ended 31 March 2017

### DAREBIN CITY COUNCIL

#### Statement of Cash Flow

For the 9 months ended 31 March, 2017

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000	Q3 Forecast \$'000
	Inflows (Outflows)	Inflows (Outflows)		Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>					
Rates	85,775	90,135	4,360	117,796	118,341
Statutory fees and fines	5,589	6,164	575	5,883	5,880
User fees & charges (inclusive of GST)	10,072	9,217	(855)	14,207	11,886
Government receipts	16,310	12,850	(3,460)	20,915	19,194
Contributions - Monetary	991	3,920	2,929	1,588	4,754
Other income	1,228	2,869	1,641	1,734	3,621
Employee costs	(62,255)	(60,097)	2,158	(81,315)	(78,895)
Materials and services (inclusive of GST)	(44,048)	(38,286)	5,762	(58,194)	(59,057)
Net FSPL refund / payment	0	(354)	(354)	0	(1)
	13,662	26,418	12,756	22,614	25,723
Interest	1,110	1,475	365	1,612	1,933
Trust funds and deposits	0	271	271	0	0
Net GST refund / payment	6,185	4,037	(2,148)	6,990	7,431
Net cash provided by operating activities	20,957	32,201	11,244	31,217	35,087
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant & equipment	451	423	(28)	455	553
Payment for property, infrastr, plant & equipment	(31,932)	(19,457)	12,475	(30,783)	(39,895)
Repayment of loans and advances	0	0	0	0	0
Proceeds from sale of other financial assets	0	0	0	0	0
Net cash used in investing activities	(31,481)	(19,034)	12,447	(30,328)	(39,342)
<b>Cash flows from financing activities</b>					
Net cash used in financing activities	0	0	0	0	0
<b>Net increase / (decrease) in cash &amp; cash equivalents</b>	(10,524)	13,167	23,691	889	(4,255)
Cash & cash equivalents at the beginning of the year	46,037	64,605	18,568	46,037	64,605
<b>Cash &amp; cash equivalents at the end of the year</b>	35,513	77,772	42,259	46,926	60,350

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 (\$19.16M).

# Financial Report

## 9 months ended 31 March 2017

### DAREBIN CITY COUNCIL

#### Statement of Cash Flow

For the 9 months ended 31 March, 2017

#### Reconciliation of cash flows from operating activities to surplus

	YTD Budget	YTD Actual	YTD Variance	Annual Budget	Q3 Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000
Surplus for the year	36,552	44,903	8,351	<b>10,424</b>	14,969
Items not involving cash or non operating in nature					
Depreciation and amortisation	15,624	16,257	633	<b>20,832</b>	21,670
Interest expense	0	0	0	<b>0</b>	0
Bad & doubtful debts	709	759	50	<b>951</b>	1,009
Net (gain) / loss on sale of assets	(95)	(34)	61	<b>20</b>	(15)
	<u>52,790</u>	<u>61,885</u>	<u>9,095</u>	<b><u>32,227</u></b>	<u>37,633</u>
Change in operating assets and liabilities					
Decrease / (Increase) in rate debtors	✓ (34,004)	(28,203)	5,801	<b>(741)</b>	(648)
Decrease / (Increase) in other operating assets	2,501	(209)	(2,710)	<b>(2,011)</b>	(2,916)
(Decrease) / Increase in Trade creditors	(3,262)	(678)	2,584	<b>2,136</b>	0
(Decrease) / Increase in other operating liabilities	2,932	(494)	(3,425)	<b>(1,219)</b>	0
(Decrease) / Increase in provisions	✓ 0	(101)	(101)	<b>825</b>	1,018
	<u>(31,833)</u>	<u>(29,684)</u>	<u>2,149</u>	<b><u>(1,010)</u></b>	<u>(2,546)</u>
Net cash provided by operating activities	<u>20,957</u>	<u>32,201</u>	<u>11,244</u>	<b><u>31,217</u></b>	<u>35,087</u>



# Financial Report

## 9 months ended 31 March 2017

### DAREBIN CITY COUNCIL

#### Statement of Capital Works

For the 9 months ended 31 March, 2017

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000	Adjusted Budget \$'000	YTD Adj Budget \$'000	Q3 Forecast \$'000
<b>Capital works</b>							
<b>Property</b>							
Land	0	0	0	0	0	0	7,683
Land Improvements	41	20	21	95	95	91	99
Buildings	4,367	1,794	2,573	5,879	5,879	4,381	3,643
Building improvements	245	62	183	517	517	301	680
Leasehold improvements	2,050	1,866	184	2,050	2,050	2,050	1,978
<b>Total property</b>	<b>6,703</b>	<b>3,742</b>	<b>2,961</b>	<b>8,541</b>	<b>8,541</b>	<b>6,823</b>	<b>14,083</b>
<b>Plant &amp; equipment</b>							
Plant, machinery & equipment	2,443	1,828	615	2,958	3,298	2,784	2,688
Fixtures, fittings & furniture	140	48	92	155	155	140	147
Computers & telecommunications	1,361	852	509	1,692	1,929	1,410	1,711
Library books	653	613	40	751	751	653	769
<b>Total plant &amp; equipment</b>	<b>4,597</b>	<b>3,341</b>	<b>1,256</b>	<b>5,556</b>	<b>6,133</b>	<b>4,987</b>	<b>5,315</b>
<b>Infrastructure</b>							
Roads	3,510	1,743	1,767	6,520	6,503	3,477	5,418
Transport & road safety	1,723	857	866	2,060	2,060	1,723	2,060
Bridges	203	71	132	220	220	203	170
Footpaths & cycleways	2,433	1,890	543	3,226	3,226	2,229	2,606
Drainage	1,756	394	1,362	1,978	2,054	1,832	1,445
Recreation, leisure & community facilities	405	124	281	464	464	384	438
Parks, open space & streetscapes	6,927	3,857	3,070	7,275	7,937	7,695	7,650
<b>Total infrastructure</b>	<b>16,957</b>	<b>8,936</b>	<b>8,021</b>	<b>21,743</b>	<b>22,464</b>	<b>17,543</b>	<b>19,787</b>
<b>Total capital works</b>	<b>28,257</b>	<b>16,019</b>	<b>12,238</b>	<b>35,840</b>	<b>37,138</b>	<b>29,353</b>	<b>39,185</b>



# Financial Report

## 9 months ended 31 March 2017

### DAREBIN CITY COUNCIL

#### Statement of Capital Works

For the 9 months ended 31 March, 2017

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000	Adjusted Budget \$'000	YTD Adj Budget \$'000	Q3 Forecast \$'000
<b>Operational works</b>							
<b>Property</b>							
Land Improvements	220	213	7	170	170	220	230
Buildings	966	512	454	1,418	1,418	966	1,471
Building improvements	381	372	9	396	396	381	431
<b>Total property</b>	<b>1,567</b>	<b>1,097</b>	<b>470</b>	<b>1,984</b>	<b>1,984</b>	<b>1,567</b>	<b>2,132</b>
<b>Plant &amp; equipment</b>							
Plant, machinery & equipment	75	65	10	75	99	99	92
Fixtures, fittings & furniture	35	29	6	35	35	35	29
Computers & telecommunications	173	96	77	351	351	324	351
<b>Total plant &amp; equipment</b>	<b>283</b>	<b>190</b>	<b>93</b>	<b>461</b>	<b>485</b>	<b>458</b>	<b>472</b>
<b>Infrastructure</b>							
Roads	363	206	157	494	494	378	501
Transport & road safety	289	140	149	372	410	327	413
Bridges	70	3	67	75	75	70	75
Footpaths & cycleways	481	245	236	831	831	685	847
Drainage	95	19	76	245	375	223	269
Recreation, leisure & community facilities	30	9	21	60	60	30	60
Parks, open space & streetscapes	631	456	175	1,160	1,280	989	1,196
<b>Total infrastructure</b>	<b>1,959</b>	<b>1,078</b>	<b>881</b>	<b>3,237</b>	<b>3,525</b>	<b>2,702</b>	<b>3,361</b>
<b>Total operational works</b>	<b>3,809</b>	<b>2,365</b>	<b>1,444</b>	<b>5,682</b>	<b>5,994</b>	<b>4,727</b>	<b>5,965</b>
<b>Represented by:</b>							
Asset renewal	16,948	9,607	7,341	21,494	22,272	17,604	19,200
New assets	6,479	3,673	2,806	8,218	8,516	6,731	14,512
Asset expansion	461	261	200	585	606	479	523
Asset upgrade	4,370	2,477	1,893	5,543	5,744	4,540	4,951
<b>Capital expenditure</b>	<b>28,257</b>	<b>16,019</b>	<b>12,238</b>	<b>35,840</b>	<b>37,138</b>	<b>29,353</b>	<b>39,185</b>
Operational works	3,809	2,365	1,444	5,682	5,994	4,727	5,965
<b>Total capital works</b>	<b>32,066</b>	<b>18,384</b>	<b>13,682</b>	<b>41,522</b>	<b>43,132</b>	<b>34,080</b>	<b>45,150</b>