

# FINANCIAL REPORT

Nine months ended

31 March 2011



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Statement of Capital Works



# Financial Report

## Nine months ended 31 March 2011

### 1 EXECUTIVE SUMMARY

#### 1.1 Operating performance

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast \$'000
<b>Operating</b>					
Revenue	108,637	111,843	3,206	117,594	120,369
Expenditure	(89,357)	(87,820)	1,537	(120,078)	(118,611)
	19,280	24,023	4,743	(2,484)	1,758
<b>Capital</b>					
Revenue	1,700	1,684	(16)	2,631	3,044
Gain (loss) on disposal of assets	97	165	68	148	490
<b>Net surplus (deficit)</b>	<b>21,077</b>	<b>25,872</b>	<b>4,795</b>	<b>295</b>	<b>5,292</b>

The Operating Performance for the nine months ended 31 March 2011 is an operating surplus before capital revenue and other items of \$24.0 million, which is \$4.7 million ahead of budget. The main items contributing to this favorable variance are contributions, operating and capital grants, interest income, material and services, depreciation and other expenses partly offset by unfavorable variances in employee benefits, user fees and parking fines. After capital and other items, the operating surplus is \$25.9 million, which is \$4.8 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	25,656	15,514	10,142	37,317	38,632	36,177

The Capital Performance for the nine months ended 31 March 2011 shows that a total of \$15.5 million has been expended on the capital works program, which is \$10.1 million behind the budget. The variance is due mainly to timing differences on the road, buildings, 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	26,586	40,615	14,029	20,227	30,187
Net current assets	31,353	46,952	15,599	5,232	13,411
Net assets and total equity	939,532	946,609	7,077	918,749	926,029

The Financial Position as at 31 March 2011 shows a cash balance of \$40.6 million which is \$14.0 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, purchase of property, infrastructure, plant and equipment, interest and government receipts. The net current asset position is \$47.0 million which is \$15.6 million more than budget. The variance is due mainly to the higher cash position, and lower trade and other payables compared with budget. The net asset position is \$946.6 million, which is \$7.1 million ahead of budget.

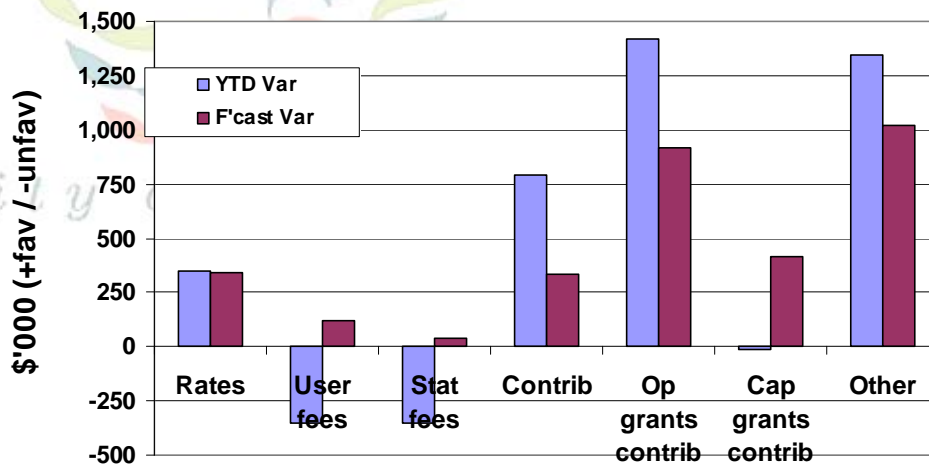
## 2. FINANCIAL ANALYSIS

### 2.1 Operating performance

#### 2.1.1 Operating revenue

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast \$'000	Forecast Var \$'000
<b>Revenues</b>						
Rates	83,392	83,744	352	<b>83,918</b>	84,260	342
User fees	7,831	7,478	(353)	<b>10,270</b>	10,393	123
Statutory fees and fines	3,318	2,968	(350)	<b>4,747</b>	4,783	36
Contributions	1,500	2,292	792	<b>2,000</b>	2,336	336
Operating grants & contrib's	10,497	11,917	1,420	<b>13,731</b>	14,650	919
Capital grants & contrib's	1,700	1,684	(16)	<b>2,631</b>	3,044	413
Other revenue	2,099	3,444	1,345	<b>2,928</b>	3,947	1,019
<b>Total operating revenue</b>	<b>110,337</b>	<b>113,527</b>	<b>3,190</b>	<b>120,225</b>	<b>123,413</b>	<b>3,188</b>

#### Revenue YTD & Forecast variances



Financial Report  
 Nine months ended 31 March 2011

**Major Operating Revenue Variances**

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000
<b>Rates</b>		<b>352</b>	
Supplementary rates	P	403	
Rebates & discounts	T		91
<b>User fees</b>			<b>353</b>
Reservoir Leisure Centre	P		209
Bundoora Park golf course	T		59
Right of ways	T		123
Food services	P		83
Street tree replacement	P	46	
Supplementary valuation fees	P	52	
<b>Statutory fees and fines</b>			<b>350</b>
Traffic enforcement	T		484
Statutory planning	P	63	
<b>Contributions</b>		<b>792</b>	
Open space contributions	P	719	
DCP contributions	P	73	
<b>Operating grants and contributions</b>		<b>1,420</b>	
Victorian grants commission	T/P	1,174	
HACC support services	P	65	
Family services	T	157	
School crossing supervision	T/P	118	
Maternal & child health	T	45	
Darebin sport for all	T		44
Early years	T		50
Family day care	T		68
<b>Other revenue</b>		<b>1,345</b>	
Edwards Lake – circling the lake	P	100	
L2P – learner driver support	P	40	
Interest on investment	P	883	
Road infrastructure management	P	79	
Bushlands	P	45	

Note: Var T = Timing P = Permanent

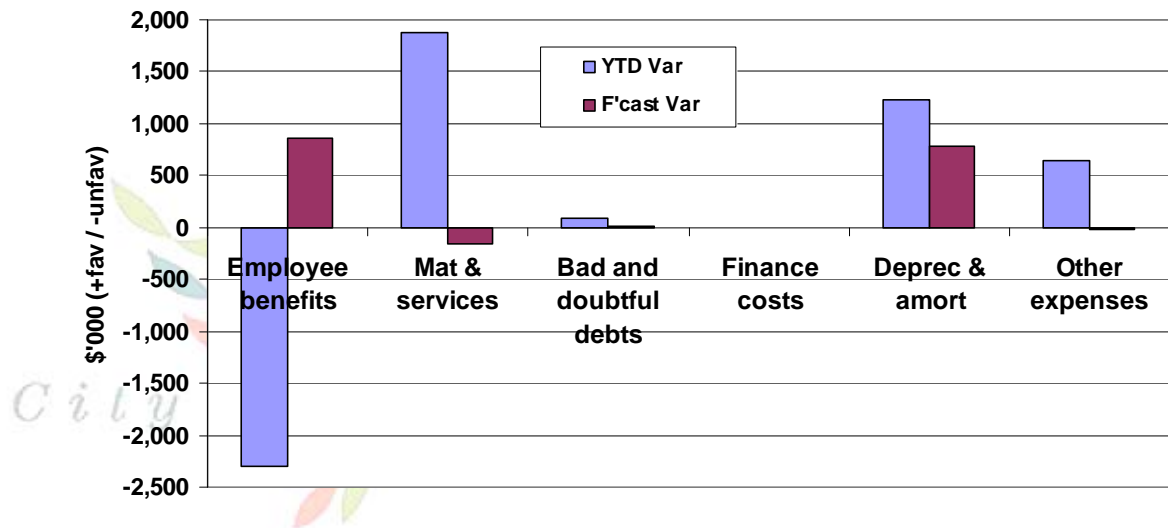
# Financial Report

## Nine months ended 31 March 2011

### 2.1.2 Operating expenses

Expense type	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast \$'000	Forecast Var \$'000
<b>Expenses</b>						
Employee benefits	44,726	47,024	(2,298)	<b>60,891</b>	60,034	857
Materials and services	23,503	21,633	1,870	<b>32,002</b>	32,162	(160)
Bad and doubtful debts	606	510	96	<b>807</b>	794	13
Finance costs	153	156	(3)	<b>203</b>	203	0
Depreciation and amortisation	13,046	11,818	1,228	<b>17,395</b>	16,616	779
Other expenses	7,323	6,679	644	<b>8,780</b>	8,802	(22)
<b>Total operating expenses</b>	<b>89,357</b>	<b>87,820</b>	<b>1,537</b>	<b>120,078</b>	<b>118,611</b>	<b>1,467</b>

### Expenses YTD & Forecast variances



# Financial Report

## Nine months ended 31 March 2011

### Major Operating Expense Variances

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000
<b>Employee benefits</b>		<b>2,298</b>	
Defined benefit superannuation payment	P	2,735	
Risk management	P	113	
Staff vacancy & other	T	405	
Youth services	P	75	
Parks and gardens	P	47	
Maternal and child health	P	54	
Family support services	P	109	
Major projects & activity centres	T	85	
Open space management	P	53	
Capital works	P		51
City development	P		72
Building services	P		82
Assessment & complex care	P		468
Transport management & planning	P		221
Business support	P		50
Customer service	P		57
Environmental health	P		43
Human resources	P		83
<b>Materials and services</b>			<b>1,870</b>
Major maintenance	P		1,139
Parks and gardens	P		346
Roads infrastructure management	T		137
Asset strategy	P		159
IT - infrastructure	P		73
Aged & disability services	T		136
Children's services	T		78
Darebin libraries	T		50
Occupational health & safety	P		62
Diversity	T		47
City works operations	P		89
Environmental strategy	P		61
Strategic planning	P		64
Traffic enforcement	T		65
Transport management & planning	P	73	
Depot maintenance	P	61	
Environmental operations	P	237	
Fleet services	T	87	
Human resources	P	191	
Family support services	P	43	
<b>Depreciation and amortisation</b>			<b>1,228</b>
Other assets	P		421
Plant & equipment	P		485
Building	P		310
<b>Other</b>			<b>644</b>
Leisure services	T		92
Facility maintenance	T		56
Inclusion support program	P		160
Senior citizen club contributions	T		176
Environmental operations	P	52	
Statutory planning	P	53	

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

# Financial Report

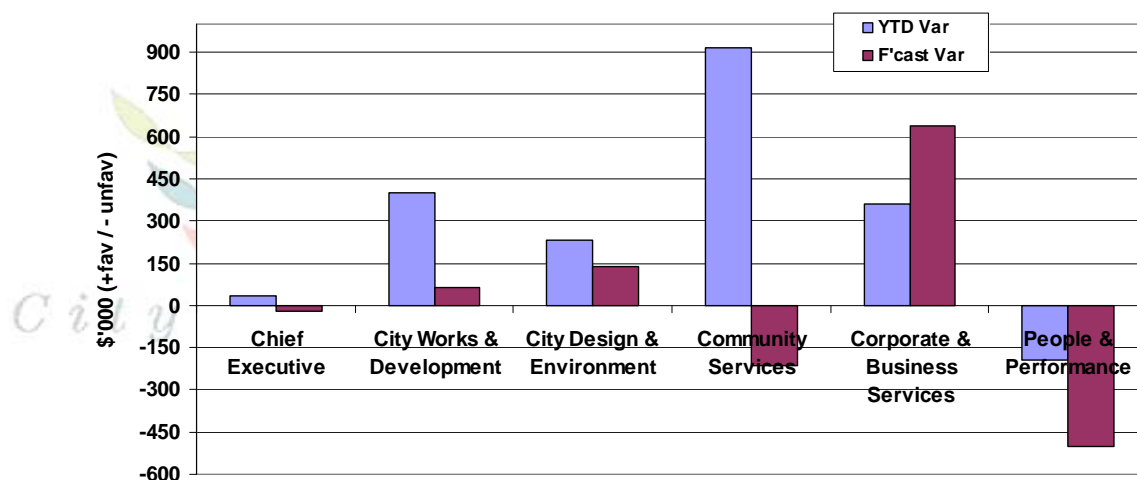
## Nine months ended 31 March 2011

### 2.1.3 Department analysis

	YTD Budget Net cost \$'000	YTD Actual Net cost \$'000	YTD Var Net cost \$'000	Adopted Budget Net cost \$'000	Forecast \$'000	Forecast Var Net cost \$'000
<b>Department</b>						
Chief Executive	553	521	32	722	740	(18)
City Works & Development	14,949	14,548	401	19,240	19,175	65
City Design & Environment	9,679	9,448	231	13,062	12,922	140
Community Services	10,062	9,147	915	13,534	13,747	(213)
Corporate & Business Services	7,381	7,022	359	10,381	9,743	638
People & Performance	4,837	5,031	(194)	6,246	6,749	(503)
	47,461	45,717	1,744	63,185	63,076	109
Other non-attributable <sup>1</sup>	(68,538)	(71,589)	3,051	(63,480)	(68,368)	4,888
<b>Net (surplus) deficit</b>	<b>(21,077)</b>	<b>(25,872)</b>	<b>4,795</b>	<b>(295)</b>	<b>(5,292)</b>	<b>4,997</b>

1. Other non-attributable includes rate revenue, grants commission, capital revenue, major maintenance, depreciation, insurance and other significant items.

### Department net cost YTD & Forecast variances

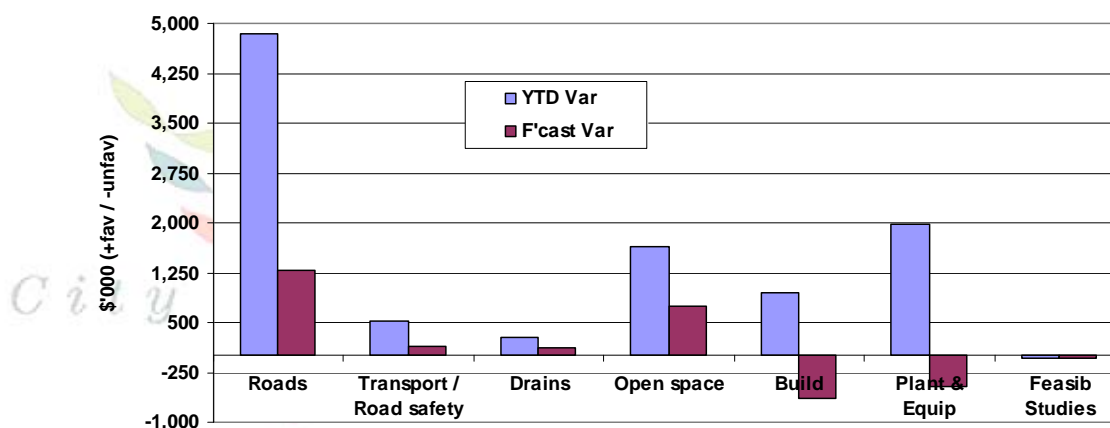




2.2 Capital performance

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Adjusted Budget \$'000	Forecast \$'000
<b>Capital works class</b>						
Roads	6,277	1,439	4,838	7,567	7,191	6,291
Transport / Road safety	865	338	527	1,789	1,591	1,655
Drains	554	284	270	873	867	756
Open space	4,177	2,544	1,633	7,459	7,810	6,705
Buildings	7,337	6,397	940	10,770	12,025	11,402
Plant & equipment	6,191	4,222	1,969	8,317	8,485	8,784
Feasibility studies	255	290	(35)	542	663	584
<b>Total capital works</b>	<b>25,656</b>	<b>15,514</b>	<b>10,142</b>	<b>37,317</b>	<b>38,632</b>	<b>36,177</b>
<b>Represented by:</b>						
Capital expenditure	22,435	13,432	9,003	32,188	33,304	31,563
Major maintenance	3,221	2,082	1,139	5,129	5,328	4,614
<b>Total capital works</b>	<b>25,656</b>	<b>15,514</b>	<b>10,142</b>	<b>37,317</b>	<b>38,632</b>	<b>36,177</b>

Capital works YTD & Forecast variances by asset class

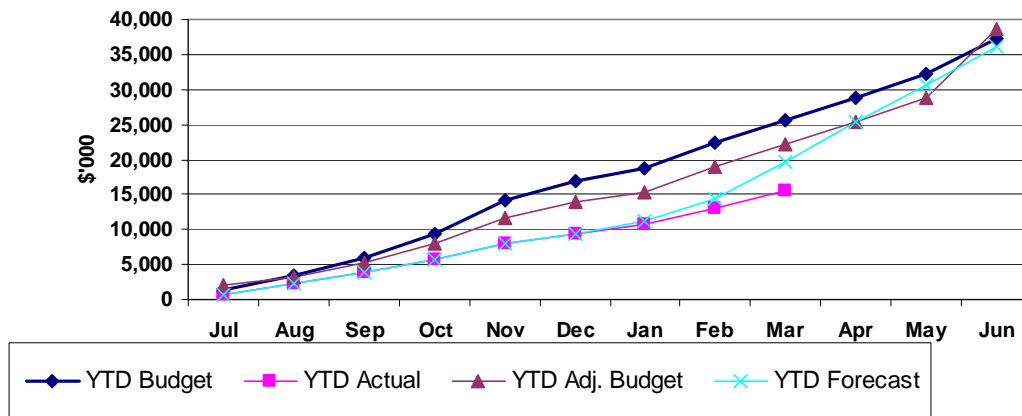


Capital works YTD & Forecast expenditure cumulative

# Financial Report

## Nine months ended 31 March 2011

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# Financial Report

## Nine months ended 31 March 2011

### Major Capital Works Variances

	Var	YTD Ahead of Budget \$'000	YTD Behind Budget \$'000
<b>Roads</b>			<b>4,838</b>
Local roads	P		4,362
Right of way - various	T		83
Carpark – Reservoir Leisure Centre	T		170
Road maintenance	T		87
Footpath replacement program	P		87
<b>Transport / Road safety</b>			<b>527</b>
Preston connect	P		226
Integrated transportation planning	T		162
Traffic management / road safety	P		84
<b>Drains</b>			<b>270</b>
Water quality works	T		164
Flood mapping	P		125
Renewal drainage – McComas St	T	90	
<b>Open space</b>			<b>1,633</b>
John Cain Memorial Park masterplan	P		87
DR Atkinson Reserve lighting	T		110
Busy parks improvement program	T		124
East Reservoir renewal – T W Andrews	T		109
Edwards Park Lake masterplan	T		80
Sportsfield lighting	T		143
J C Donath Reserve training lights	T		70
Northcote Golf Course droughtproofing	T		114
Neighbourhood parks renewal	T		78
Darebin Ck shared path	T		267
Cramer St powerline relocation	T		234
Arts in public places	P		105
Bundoora Park all abilities playground	P	101	
<b>Buildings</b>			<b>940</b>
Lancaster Gate Community Centre	T/P		494
Intercultural centre project	T/P		92
Batman Park community hall	T		120
Darebin International Sports Centre roof repair	T/P		112
Sweeper tipping deck & yard fencing	T		84
Building painting program	T		125
Upgrade renew sports pavilions	T		90
JE Moore windows & shutters	T		170
Clifton Street childcare redevelopment	P		68
Preston City Oval redevelopment	P	544	
Relocatable kindergarten building	P	359	
<b>Plant &amp; equipment</b>			<b>1,969</b>
IT server, pc & network upgrades	T		161
IT web strategy & e-services	T		110
IT core system upgrades	T		75
Plant replacement program	T/P		792
CAMS – customer & asset mgt system	T/P		250
Core system – aged & disability support	P		130
Library book purchases	T		87
Preston library RFDI	T		77
Mobile solutions data collection	T		90

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

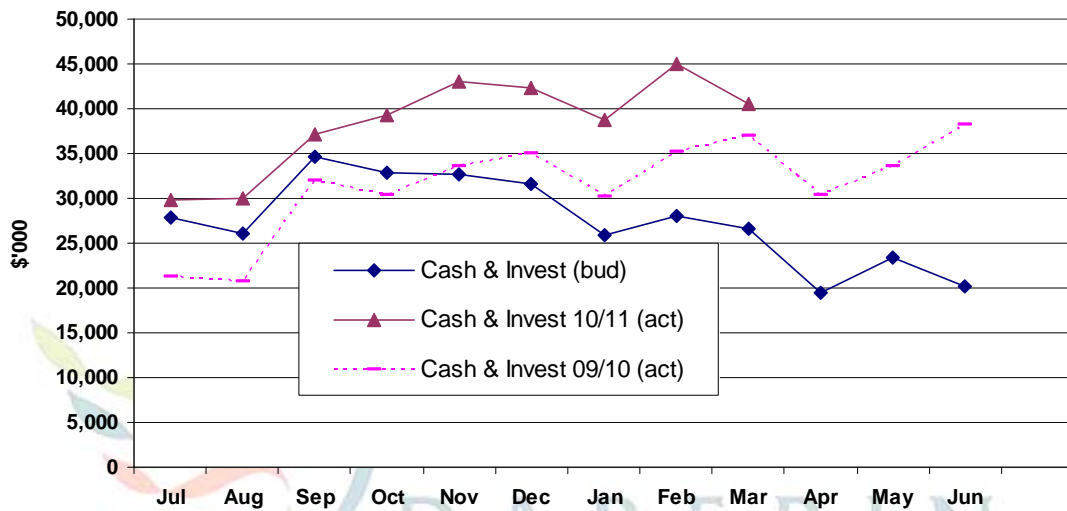
# Financial Report

## Nine months ended 31 March 2011

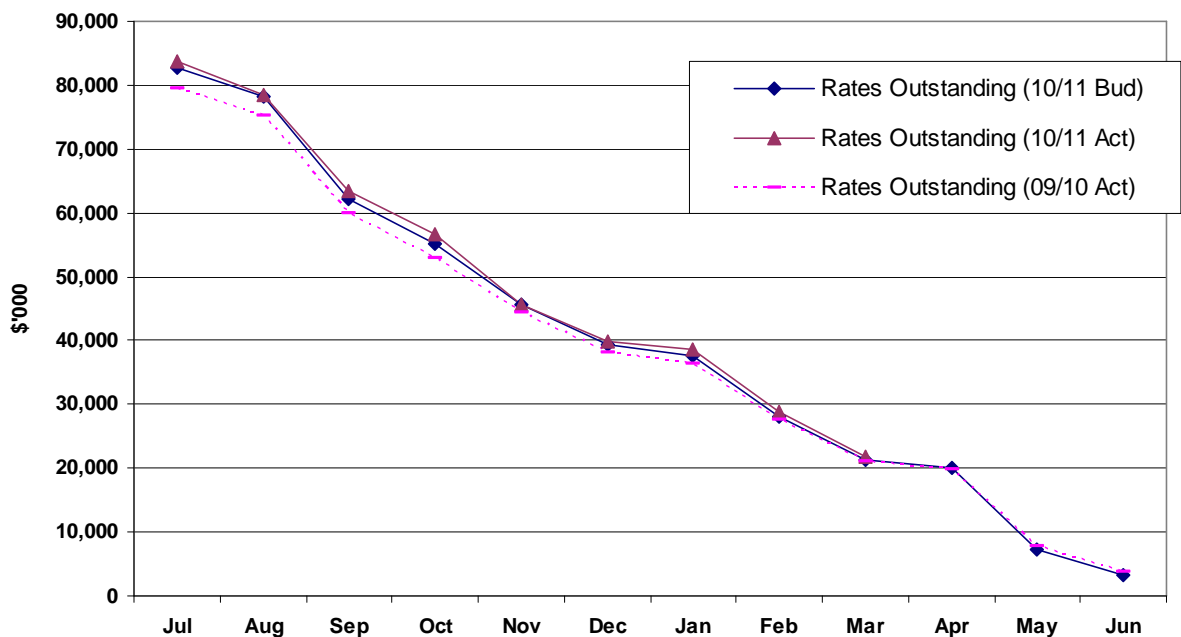
### 2.3 Financial position

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Forecast \$'000
Cash and investments	26,586	40,615	14,029	<b>20,227</b>	30,187
Net current assets	31,353	46,952	15,599	<b>5,232</b>	13,411
Net assets and total equity	939,532	946,609	7,077	<b>918,749</b>	926,029

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



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



Financial Report  
 Nine months ended 31 March 2011

**Major Balance Sheet YTD & Forecast variances**

	Var	YTD Budget Increase \$'000	YTD Budget Decrease \$'000
<b>Current assets</b>		<b>13,747</b>	
Cash and investments	P	14,029	
Receivables	P		47
Other financial assets	P		235
<b>Current liabilities</b>			<b>1,852</b>
Trade creditors & other payables	P		2,062
Employee provisions	P	199	
<b>Non current assets</b>			<b>8,597</b>
Property, Infra. plant & equipment	T		8,135
Investment property	P	67	
Intangible assets	P		539
<b>Non current liabilities</b>			<b>75</b>
Employee provisions	P		63
<b>Equity</b>		<b>7,077</b>	
Accumulated surplus	P	6,784	
Other reserves	P	293	

Note: Var T = Timing P = Permanent



## APPENDIX A

Income Statement  
Balance Sheet  
Cash Flow Statement  
Statement of Capital Works



# Financial Report

## Nine months ended 31 March 2011

### DAREBIN CITY COUNCIL

#### Income Statement

For the 9 months ended 31 March, 2011

	YTD Budget	YTD Actual	YTD Variance	Annual Budget	Forecast Actual
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenues from ordinary activities</b>					
Rates	83,392	83,744	352	<b>83,918</b>	84,260
User fees	7,831	7,478	(353)	<b>10,270</b>	10,393
Statutory fees and fines	3,318	2,968	(350)	<b>4,747</b>	4,783
Contributions	1,500	2,292	792	<b>2,000</b>	2,336
Operating grants and contributions	10,497	11,917	1,420	<b>13,731</b>	14,650
Capital grants and contributions	1,700	1,684	(16)	<b>2,631</b>	3,044
Other	2,099	3,444	1,345	<b>2,928</b>	3,947
<b>Total revenues</b>	<b>110,337</b>	<b>113,527</b>	<b>3,190</b>	<b>120,225</b>	<b>123,413</b>
<b>Expenses from ordinary activities</b>					
Employee benefits	44,726	47,024	(2,298)	<b>60,891</b>	60,034
Materials and services	23,503	21,633	1,870	<b>32,002</b>	32,162
Bad and doubtful debts	606	510	96	<b>807</b>	794
Finance costs	153	156	(3)	<b>203</b>	203
Depreciation and amortisation	13,046	11,818	1,228	<b>17,395</b>	16,616
Other	7,323	6,679	644	<b>8,780</b>	8,802
<b>Total expenses</b>	<b>89,357</b>	<b>87,820</b>	<b>1,537</b>	<b>120,078</b>	<b>118,611</b>
Net gain (loss) on disposal of property infrastructure, plant and equipment	97	165	68	<b>148</b>	490
<b>Surplus for the year</b>	<b>21,077</b>	<b>25,872</b>	<b>4,795</b>	<b>295</b>	<b>5,292</b>



# Financial Report

## Nine months ended 31 March 2011

### DAREBIN CITY COUNCIL

#### Balance Sheet

As at 31 March, 2011

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000	Forecast Actual \$'000
<b>Current assets</b>					
Cash and cash equivalents	26,586	40,615	14,029	<b>20,227</b>	30,187
Trade and other receivables	25,219	25,172	(47)	<b>8,520</b>	6,817
Other financial assets	846	611	(235)	<b>846</b>	1,018
<b>Total current assets</b>	<b>52,651</b>	<b>66,398</b>	<b>13,747</b>	<b>29,593</b>	<b>38,022</b>
<b>Non-current assets</b>					
Trade and other receivables	335	345	10	<b>308</b>	219
Property, infrastructure, plant & equipment	907,873	899,738	(8,135)	<b>913,081</b>	912,773
Investment property	3,392	3,459	67	<b>3,392</b>	3,459
Intangible assets	972	433	(539)	<b>972</b>	340
Other financial assets	206	206	0	<b>206</b>	206
<b>Total non-current assets</b>	<b>912,778</b>	<b>904,181</b>	<b>(8,597)</b>	<b>917,959</b>	<b>916,997</b>
<b>Total assets</b>	<b>965,429</b>	<b>970,579</b>	<b>5,150</b>	<b>947,552</b>	<b>955,019</b>
<b>Current liabilities</b>					
Trade and other payables	8,550	6,488	2,062	<b>11,123</b>	11,279
Interest bearing loans and borrowings	622	633	(11)	<b>622</b>	622
Provisions	12,126	12,325	(199)	<b>12,616</b>	12,710
<b>Total current liabilities</b>	<b>21,298</b>	<b>19,446</b>	<b>1,852</b>	<b>24,361</b>	<b>24,611</b>
<b>Non-current liabilities</b>					
Interest bearing loans and borrowings	2,225	2,213	12	<b>2,068</b>	2,068
Provisions	2,374	2,311	63	<b>2,374</b>	2,311
<b>Total non-current liabilities</b>	<b>4,599</b>	<b>4,524</b>	<b>75</b>	<b>4,442</b>	<b>4,379</b>
<b>Total liabilities</b>	<b>25,897</b>	<b>23,970</b>	<b>1,927</b>	<b>28,803</b>	<b>28,990</b>
<b>Net assets</b>	<b>939,532</b>	<b>946,609</b>	<b>7,077</b>	<b>918,749</b>	<b>926,029</b>
<b>Equity</b>					
Accumulated surplus	482,807	489,591	6,784	<b>462,713</b>	469,405
Asset revaluation reserve	451,900	451,900	0	<b>451,900</b>	451,900
Other reserves	4,825	5,118	293	<b>4,136</b>	4,724
<b>Total equity</b>	<b>939,532</b>	<b>946,609</b>	<b>7,077</b>	<b>918,749</b>	<b>926,029</b>



# Financial Report

## Nine months ended 31 March 2011

### DAREBIN CITY COUNCIL

#### Cash Flow Statement

For the 9 months ended 31 March, 2011

	YTD Budget \$'000 Inflows (Outflows)	YTD Actual \$'000 Inflows (Outflows)	YTD Variance \$'000	Annual Budget \$'000 Inflows (Outflows)	Forecast Actual \$'000 Inflows (Outflows)
<b>Cash flows from operating activities</b>					
Receipts from customers (incl GST)	81,388	81,026	(362)	<b>105,064</b>	107,127
Payments to suppliers and employees (incl GST)	(80,769)	(81,164)	(395)	<b>(109,036)</b>	(108,515)
	619	(138)	(757)	<b>(3,972)</b>	(1,388)
Interest	957	1,833	876	<b>1,275</b>	1,436
Government receipts	12,118	13,940	1,822	<b>16,361</b>	18,226
Net GST refund / payment	3,580	3,130	(450)	<b>4,723</b>	4,723
Net cash provided by operating activities	<u>17,274</u>	<u>18,765</u>	<u>1,491</u>	<u><b>18,387</b></u>	<u>22,997</u>
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant & equipment	685	233	(452)	<b>932</b>	1,502
loans and advances	60	(79)	(139)	<b>81</b>	(67)
Payment for property, infrastr, plant & equipment	(24,648)	(16,233)	8,415	<b>(32,188)</b>	(31,562)
Net cash used in investing activities	<u>(23,903)</u>	<u>(16,079)</u>	<u>7,824</u>	<u><b>(31,175)</b></u>	<u>(30,127)</u>
<b>Cash flows from financing activities</b>					
Finance costs	(160)	(159)	1	<b>(202)</b>	(203)
Trust funds and deposits	0	412	412	<b>0</b>	0
Repayment of interest bearing loans and borrowings	(464)	(465)	(1)	<b>(622)</b>	(621)
Net cash used in financing activities	<u>(624)</u>	<u>(212)</u>	<u>412</u>	<u><b>(824)</b></u>	<u>(824)</u>
<b>Net increase / (decrease) in cash &amp; cash equivalents</b>					
	(7,253)	2,474	9,727	<b>(13,612)</b>	(7,954)
Cash & cash equivalents at the beginning of the year	<u>33,839</u>	<u>38,141</u>	<u>4,302</u>	<u><b>33,839</b></u>	<u>38,141</u>
<b>Cash &amp; cash equivalents at the end of the year</b>	<u>26,586</u>	<u>40,615</u>	<u>14,029</u>	<u><b>20,227</b></u>	<u>30,187</u>



Financial Report  
 Nine months ended 31 March 2011

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

For the 9 months ended 31 March, 2011

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000	Adjusted Budget \$'000	Forecast Actual \$'000
Roads	6,277	1,439	4,838	<b>7,567</b>	7,191	6,292
Transport / Road safety	865	338	527	<b>1,789</b>	1,591	1,655
Drains	554	284	270	<b>873</b>	867	756
Open space	4,177	2,544	1,633	<b>7,459</b>	7,810	6,704
Buildings	7,337	6,397	940	<b>10,770</b>	12,025	11,402
Plant & equipment	6,191	4,222	1,969	<b>8,317</b>	8,485	8,784
Feasibility studies	255	290	(35)	<b>542</b>	663	584
<b>Total capital works</b>	<b>25,656</b>	<b>15,514</b>	<b>10,142</b>	<b>37,317</b>	<b>38,632</b>	<b>36,177</b>

**Represented by:**

Capital expenditure	22,435	13,432	9,003	<b>32,134</b>	33,304	31,563
Major maintenance	3,221	2,082	1,139	<b>5,183</b>	5,328	4,614
<b>Total capital works</b>	<b>25,656</b>	<b>15,514</b>	<b>10,142</b>	<b>37,317</b>	<b>38,632</b>	<b>36,177</b>

