



City of
Greater Geraldton
a vibrant future



MONTHLY FINANCIAL REPORT

For the Period Ended 31 March 2014

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CITY OF GREATER GERALDTON
Statement of Financial Activity for the Period Ended 31 March 2014

	Budget	YTD Budget	YTD Actual	Variances		
	Mid Year Review	Estimated		\$	%	
Operating Income						
Rates	37,737,560	37,639,631	37,660,680	(21,049)	-0.1%	✓
Grants & Subsidies, Contributions	31,226,878	12,305,094	12,352,321	(47,227)	-0.4%	✓
Fees & Charges	17,267,845	13,829,813	13,800,972	28,841	0.2%	✗
Interest Earnings	1,908,513	1,298,866	1,341,458	(42,592)	-3.3%	✓
Other Revenue	1,241,808	1,095,442	1,144,471	(49,029)	-4.5%	✓
Profit On Disposal Of Assets	578,807	107,725	108,095	(370)	-0.3%	✓
Land Held for Resale - Proceeds of Sale	255,000			0		✗
	90,216,411	66,276,571	66,407,997	(131,426)	-0.2%	✓
Operating Expenditure						
Employee Costs	(28,750,680)	(22,191,875)	(21,983,165)	(208,710)	0.9%	✓
Materials & Contractors	(21,979,716)	(13,510,582)	(12,865,092)	(645,490)	4.8%	✓
Utility & Govt Charges	(3,170,469)	(1,835,102)	(1,880,233)	45,131	-2.5%	✗
Insurance	(963,098)	(858,649)	(922,827)	64,178	-7.5%	✗
Interest/Borrowing Costs	(799,975)	(479,418)	(368,864)	(110,554)	23.1%	✓
Other Expenditure	(2,126,932)	(689,565)	(579,672)	(109,893)	15.9%	✓
Land Held for Resale	(7,900,000)	(7,580,664)	(4,591,705)	(2,988,959)	39.4%	✓
Depreciation On Assets	(18,018,822)	(13,013,984)	(12,991,380)	(22,604)	0.2%	✓
Loss On Disposal Of Assets	(222,215)	(119,779)	(119,069)	(710)	0.6%	✓
	(83,931,907)	(60,279,618)	(56,302,007)	(3,977,611)	6.6%	✓
NET OPERATING	6,284,504	5,996,953	10,105,990	(4,109,037)	-68.5%	✓
Non-Cash Expenditure and Revenue						
(Profit) / Loss on Asset Disposals	(356,592)	12,054	10,974	1,080	9.0%	✗
Depreciation on Assets	18,018,822	13,013,984	12,991,380	22,604	0.2%	✗
	17,662,230	13,026,038	13,002,354	23,684	0.2%	✗
Capital Expenditure						
Purchase Buildings	(11,669,184)	(6,085,627)	(4,192,585)	(1,893,042)	31.1%	✓
Purchase Plant and Equipment	(2,609,455)	(2,036,303)	(286,110)	(1,750,193)	85.9%	✓
Purchase Furniture and Equipment	(754,669)	(245,951)	(97,807)	(148,144)	60.2%	✓
Purchase Infrastructure Assets - Roads	(44,804,945)	(20,301,818)	(13,618,263)	(6,683,555)	32.9%	✓
Purchase Infrastructure Assets - Parks	(6,368,218)	(3,965,844)	(3,387,036)	(578,808)	14.6%	✓
Repayment of Debentures	(2,919,051)	(2,235,327)	(2,206,724)	(28,603)	1.3%	✓
Self Supporting / Council Loans paid out	0	0	0	0		✗
	(69,125,522)	(34,870,870)	(23,788,525)	(11,082,345)	31.8%	✓
Capital Revenue						
Proceeds from Disposal of Assets	1,885,000	375,729	333,704	42,025	11.2%	✗
Proceeds from New Debentures	16,630,000	0	0	0		✗
Self-Supporting Loan Principal Income	92,124	69,102	64,626	4,476	6.5%	✗
Council Loan Principal Income	12,239	7,005	17,609	(10,604)		✓
	18,619,363	451,836	415,939	35,897	7.9%	✗
Reserves						
Transfers to Reserves	(448,000)	(110,997)	0	(110,997)	100.0%	✓
Transfers from Reserves	27,835,790	12,811,384	12,013,180	798,204	6.2%	✗
	27,387,790	12,700,387	12,013,180	687,207	5.4%	✗
Current Funding Surplus (Deficit)	828,365	(2,695,656)	11,748,938			

NOTE 1. MAJOR VARIANCES

Operating Income

Operating Income is showing a positive variance of \$131,426 or 0.2%. There are no major variances to report.

Operating Expenditure

Operating expenditure is showing a positive variance (under-spend) of \$ 3,977,611 or 6.6% due to the following:

Employee Costs - The positive variance of \$208,710 or 0.9% is in line with budgeted expenditure.

Materials and Contractors - The positive variance of \$645,490 or 4.8% is in line with anticipated expenditure and outstanding commitments at a value of \$ 2,653,737.

Interest/Borrowing Costs – The positive variances of \$110,154 or 23.1% is due to a lower interest cost than budgeted because new loans were scheduled to be taken up earlier in the financial year. New borrowing to start from mid-April 2014.

Land Held for Resale - The positive variance of \$ 2,988,959 or 39.4% is associated with environmental issues affecting the development of Olive Street and the budgeted for but not yet developed site at Kempton Street.

Capital Expenditure

Capital expenditure is showing a positive variance (under-spend) of \$11,082,349 or 31.8% due to the following:

Purchase of Buildings – The positive variance of \$1,893,042 or 31.1% is associated with the timing and profiling of the buildings projects. Outstanding commitment Art Gallery (refurbishment) \$ 1,195,874.

Purchase of Plant and Equipment – The positive variance of \$1,750,193 or 85.9% is associated with a later than usual replacement of plant and equipment. Outstanding commitments YTD are valued at \$ 1,035,406.

Purchase of Furniture and Equipment – The positive variance of \$148,144 or 60.2% is associated with a less than usual replacement of furniture and equipment.

Purchase Infrastructure Assets (Roads and Parks) – The positive variance of \$7,262,362 is in line with anticipated expenditure. Total infrastructural commitment at the end of March is \$ 7,775,773.

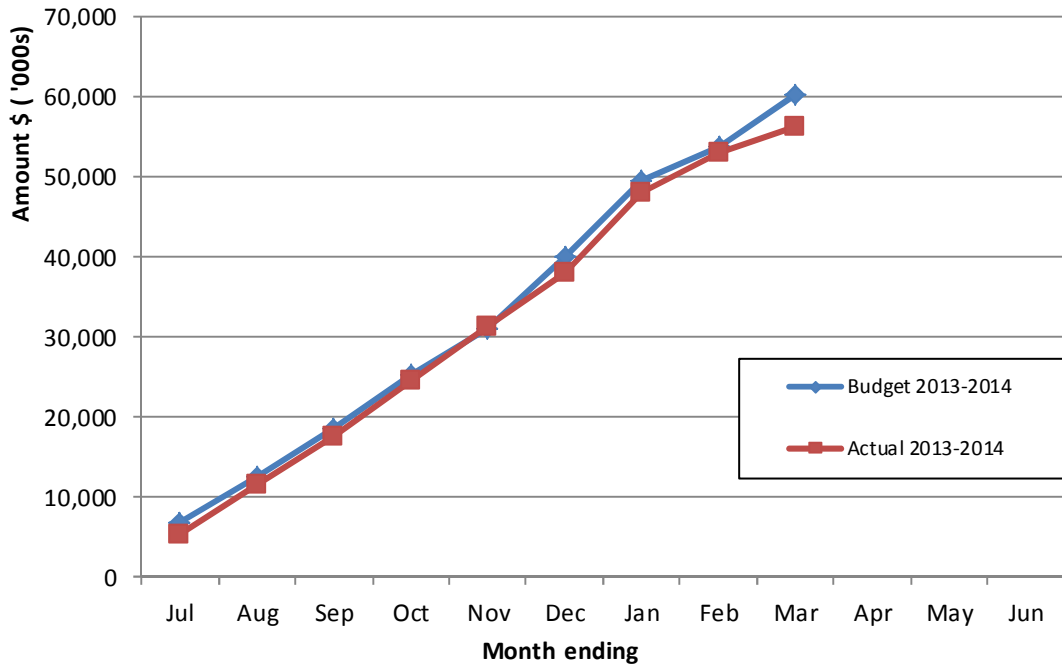
Capital Revenue

Capital revenue is showing a positive net variance of \$35,897 or 7.9% with no significant variances. Proceeds from new debentures scheduled in April and May.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31st March 2014

Note 2 - Graphical Representation - Source Statement of Financial Activity

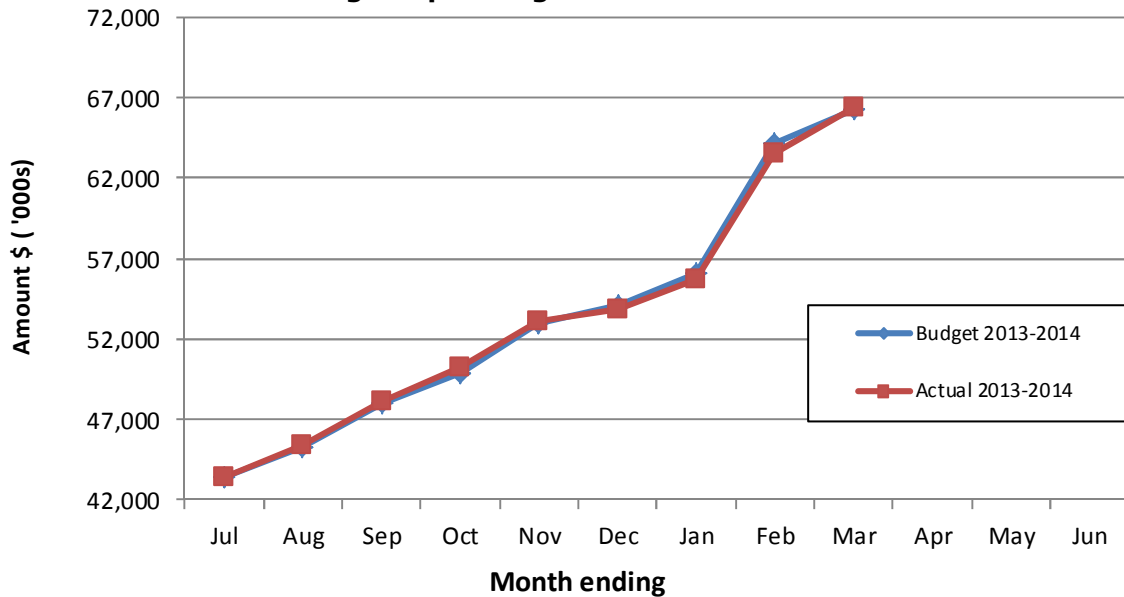
Budget Operating Expenses -v- YTD Actual



Comments/Notes - Operating Expenses

Operating expenditure recorded as at 31 March is \$56,302,007. Major variances in employee costs, materials & contractors, interest and land held for resale.

Budget Operating Revenues -v- Actual

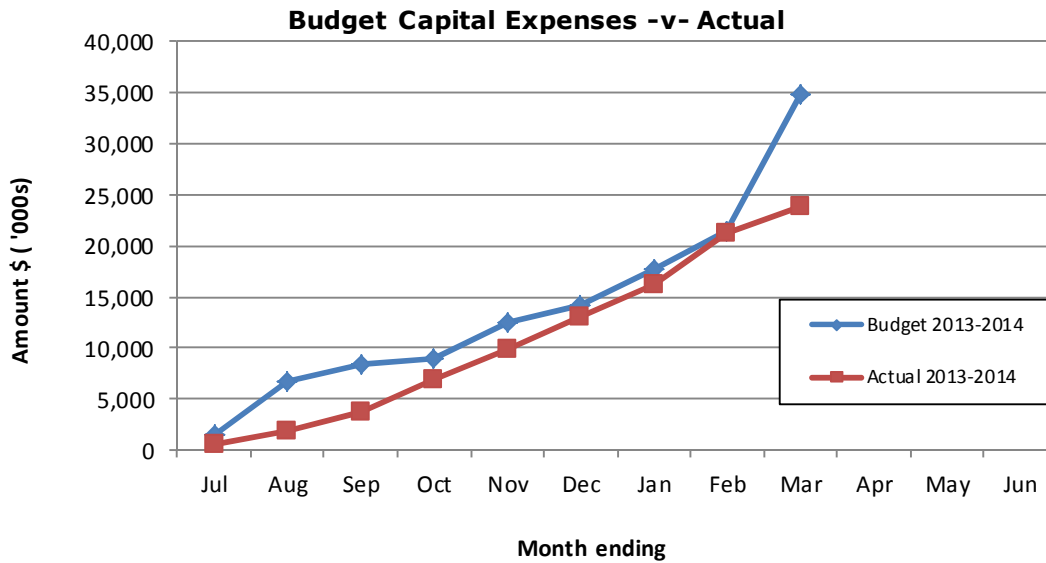


Comments/Notes - Operating Revenues

Operating income recorded as at 31 March is \$66,407,997. There are no major variances..

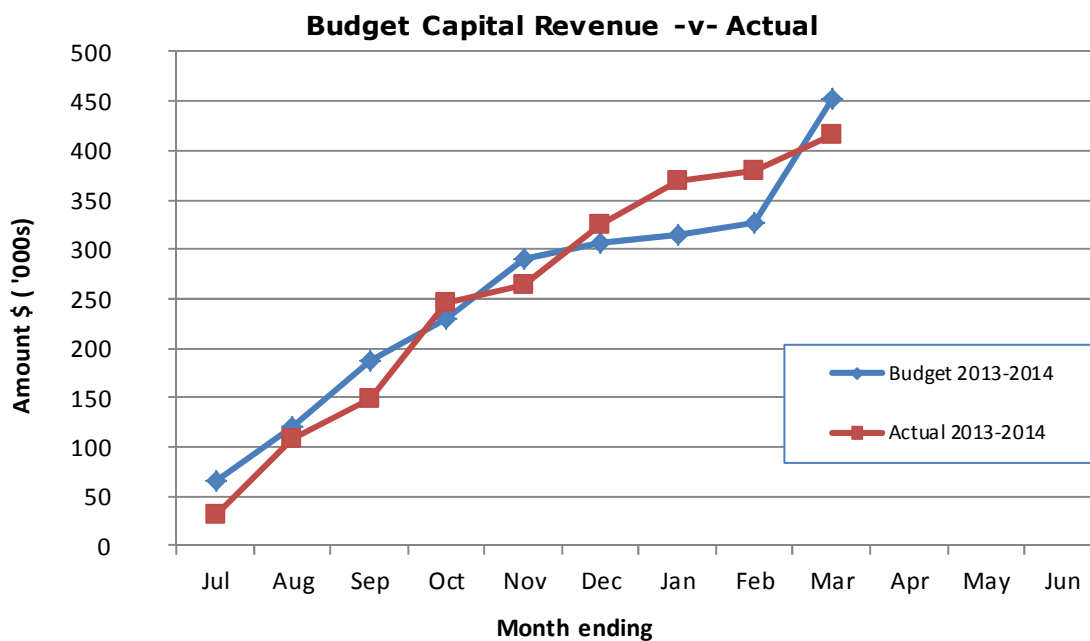
City of Greater Geraldton
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31st March 2014

Note 2 - Graphical Representation - Source Statement of Financial Activity



Comments/Notes - Capital Expenses

Capital expenditure recorded as at 31 March is \$23,788,525. Major variances include purchase buildings, plant & equipment, furniture & equipment and parks.



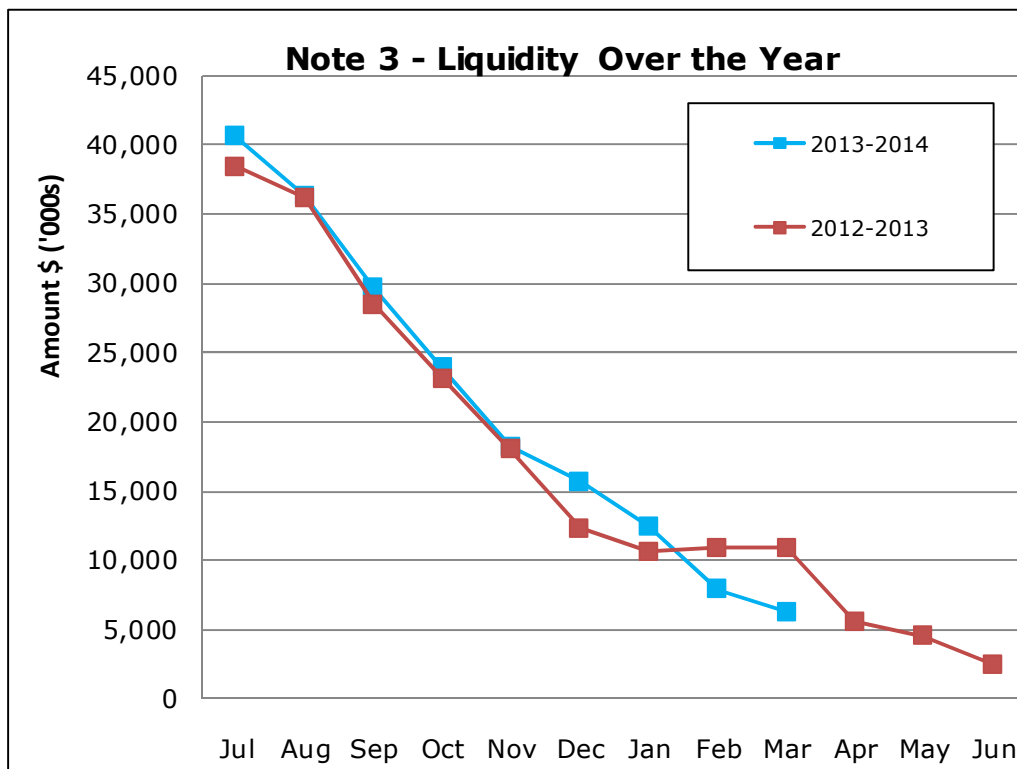
Comments/Notes - Capital Revenues

Capital revenue recorded as at 31 March is \$415,939. There are no major variances.

City of Greater Geraldton
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31st March 2014

Note 3: NET CURRENT FUNDING POSITION

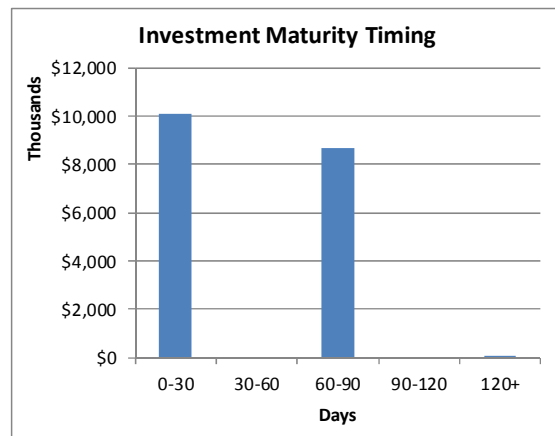
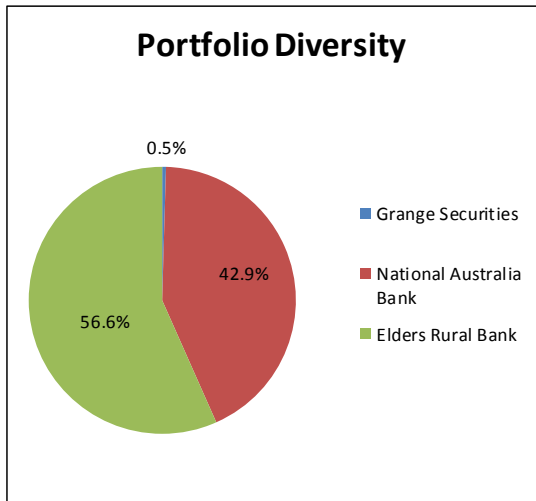
	Positive=Surplus (Negative=Deficit)		
	2013-2014		2012-2013
	This Period	Last Period	This Period
	\$	\$	\$
Current Assets			
Cash at Bank			
Municipal Account	6,346,060	5,786,508	11,321,834
Reserve Account	18,781,400	22,997,621	26,758,740
Restricted Assets	612,328	824,844	833,633
Total Cash at Bank	25,739,788	29,608,974	38,914,207
Receivables			
Prepayments	120,220	81,083	73,134
Tax Recoverable	420,150	490,751	271,045
Sundry Debtors	1,741,783	1,167,637	2,714,660
Rates Receivable	3,261,838	3,828,058	3,126,893
Inventories	329,195	322,161	316,684
Total Current Assets	31,612,974	35,498,664	45,416,623
Less: Current Liabilities			
Creditors and Provisions	982,529	809,594	1,568,935
Current Borrowings	606,063	629,057	1,454,254
Employee Entitlements	4,350,563	4,350,563	3,931,797
	5,939,156	5,789,214	6,954,986
Less: Cash Restricted	(19,393,728)	(21,822,466)	(27,592,373)
Net Current Funding Position	6,280,091	7,886,984	10,869,264



City of Greater Geraldton
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31st March 2014

Note 4 - Monthly Investment Report

Deposit Ref	Current Credit Rating	Maturity/ Conversion	Invested Interest rates	Amount Invested	Interest Earned YTD	Current Value @31/03/2014	Percentage of Portfolio
Grange Securities							
Parkes AAA	D	20/6/2015	5.01%	250,000		87,500	
Scarborough AA Ac 21	N/R			500,000	-	-	
Subtotal				750,000	-	87,500	0.5%
** 26th February 2013 received \$ 480,960 re Merimbula Dante notes FV \$ 500,000.							
** 21st March 2013 received \$348,658 re Helium Capital - Esperance notes FV \$500,000.							
** 20th March 2014 received \$639,811 re Corsair JP Morgan - Kakadu notes FV \$700,000.							
National Australia Bank							
Reserve169	A1+	23/6/2014	3.70%	319,001	3,212	322,213	
Reserve176	A1+	23/6/2014	3.70%	3,000,000	62,419	3,062,419	
Reserve 179	A1+	23/6/2014	3.70%	4,700,000		4,700,000	
Subtotal				8,019,001	65,631	8,084,632	42.9%
Elders Rural Bank							
Reserve173	A2	23/6/2014	3.70%	603,393	6,029	609,422	
Reserve175	A2	14/4/2014	3.75%	5,031,252	31,194	5,062,446	
Reserve178	A2	15/4/2014	3.75%	5,000,000		5,000,000	
Subtotal				10,634,645	37,223	10,671,868	56.6%
Total Funds Invested				19,403,646	102,854	18,844,000	100%

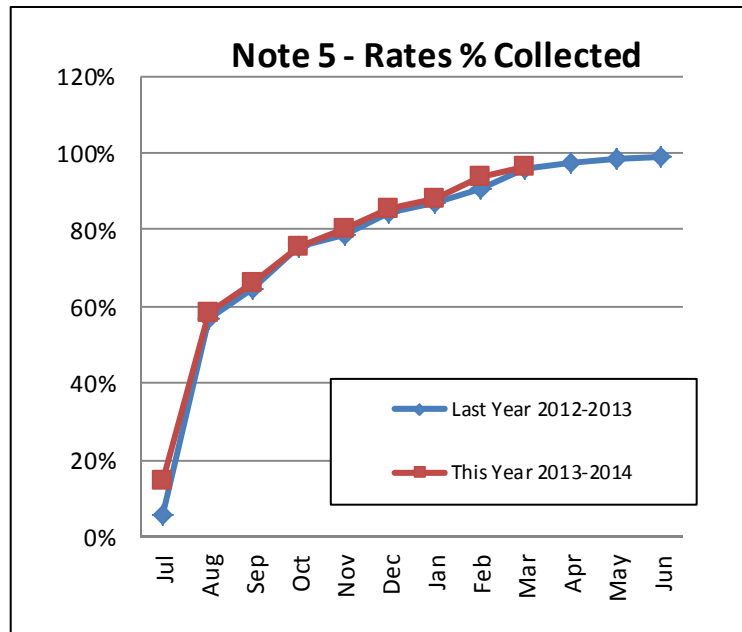


City of Greater Geraldton
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31st March 2014

Note 5 : RECEIVABLES

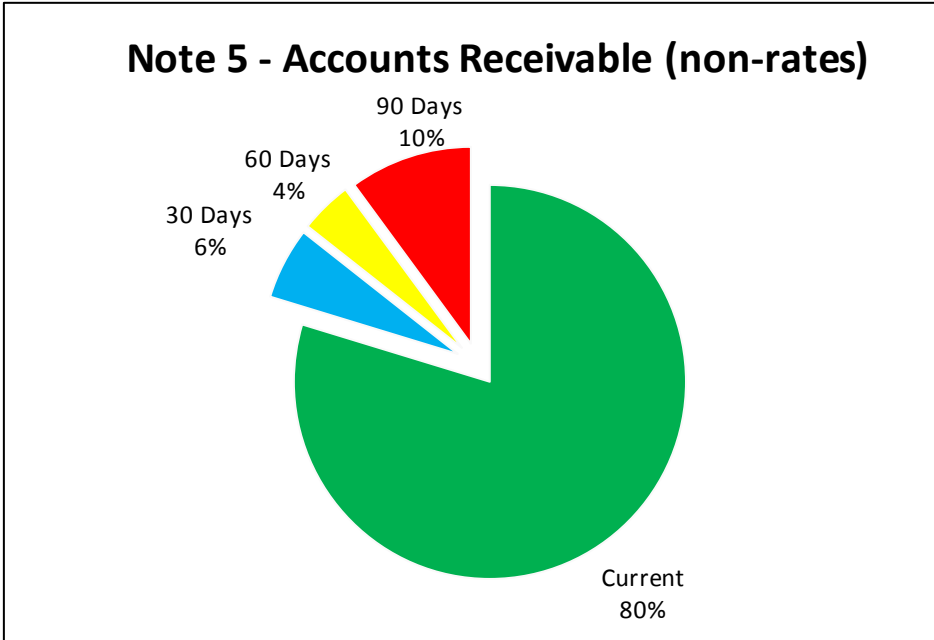
Receivables - Rates and Rubbish

	Current 2013-2014
	\$
Opening Arrears Previous Years	(1,742,000)
Rates Levied this year	(42,779,682)
Less Collections to date	(41,169,636)
Equals Current Outstanding	(3,352,047)
<i>Comprises of Current Amt:</i>	(3,081,805)
<i>Deferred Amt:</i>	(270,242)
Net Rates Collectable	
% Collected	96.24%



Receivables - General

	Current	30 Days	60 Days	90 Days
	\$	\$	\$	\$
	1,394,599	103,329	75,321	176,298
Total Outstanding				<u>1,749,547</u>
General	856,124	49%		
Airport	682,984	39%		
Meru	210,439	12%		
	<u>1,749,547</u>	<u>100%</u>		



Comments/Notes - Receivables Rates and Rubbish

Rates collections are 96.24% of total rates billed in March post 4th instalment.

Comments/Notes - Receivables General

- Major debtors in March include: Mount Gibson \$ 330,000, Virgin Australia \$324,605 and Quantaslink \$258,135.
 - 90 days and over: Point Moore Leases \$ 116,602.