



City of
Greater Geraldton
a vibrant future



MONTHLY FINANCIAL REPORT

For the Period Ended 30 April 2012

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CITY OF GREATER GERALDTON

	Current Budget	Budget to April 12	Actual to 30 April 12	Variances		
				\$	%	
Operating Income						
Rates	28,939,544	28,834,704	28,804,900	29,804	0.1%	✗
Grants & Subsidies, Contributions	24,386,139	17,106,187	10,439,562	6,666,625	39.0%	✗
Fees & Charges	14,565,387	12,645,847	13,643,236	(997,389)	-7.9%	✓
Interest Earnings	1,908,749	1,547,700	1,637,552	(89,852)	-5.8%	✓
Other	1,507,649	1,247,155	1,099,016	148,139	11.9%	✗
Profit On Disposal Of Assets	460,809	343,195	190,261	152,934	44.6%	✗
	71,768,277	61,724,788	55,814,527	5,910,261	9.6%	✗
Operating Expenditure						
Employee Costs	(24,219,255)	(20,182,341)	(19,803,796)	(378,545)	1.9%	✓
Materials & Contractors	(24,249,371)	(18,433,593)	(12,875,643)	(5,557,950)	30.2%	✓
Utility & Govt Charges	(2,556,802)	(2,130,752)	(2,010,155)	(120,597)	5.7%	✓
Insurance	(1,056,122)	(917,490)	(875,043)	(42,447)	4.6%	✓
Interest/Borrowing Costs	(882,933)	(793,670)	(262,483)	(531,187)	66.9%	✓
Miscellaneous	(2,634,609)	(2,029,040)	(1,408,073)	(620,967)	30.6%	✓
Depreciation On Assets	(13,997,086)	(11,664,100)	(10,892,373)	(771,727)	6.6%	✓
Loss On Disposal Of Assets	(181,598)	(121,064)	(81,344)	(39,720)	32.8%	✓
	(69,777,776)	(56,272,050)	(48,208,910)	(8,063,140)	14.3%	✓
NET OPERATING	1,990,501	5,452,738	7,605,618	(2,152,880)	-39.5%	✓
Non-Cash Expenditure and Revenue						
(Profit) / Loss on Asset Disposals	(279,211)	(222,131)	(108,917)	(113,214)	51.0%	✓
Depreciation on Assets	13,997,086	11,664,100	10,892,373	771,727	6.6%	✗
	13,717,875	11,441,969	10,783,456	658,513	5.8%	✗
Capital Expenditure						
Purchase Land	(6,300,000)	(5,833,332)	(5,834,174)	842	0.0%	✗
Purchase Buildings	(6,783,741)	(4,047,977)	(1,747,612)	(2,300,365)	56.8%	✓
Purchase Plant and Equipment	(4,539,595)	(3,762,275)	(1,992,988)	(1,769,287)	47.0%	✓
Purchase Furniture and Equipment	(660,831)	(552,441)	(374,855)	(177,586)	32.1%	✓
Purchase Infrastructure Assets - Roads	(13,451,656)	(8,645,824)	(3,345,875)	(5,299,949)	61.3%	✓
Purchase Infrastructure Assets - Parks	(9,951,838)	(4,237,092)	(3,032,570)	(1,204,522)	28.4%	✓
Repayment of Debentures	(2,516,751)	(2,129,882)	(1,603,291)	(526,591)	24.7%	✓
Self Supporting / Council Loans paid out	(275,000)	(208,330)	(250,000)	41,670	-20.0%	✗
	(44,479,412)	(29,417,153)	(18,181,365)	(11,235,788)	38.2%	✓
Capital Revenue						
Proceeds from Disposal of Assets	3,151,818	1,382,005	806,181	575,824	41.7%	✗
Proceeds from New Debentures	9,575,000	6,050,000	6,050,000	0	0.0%	✗
Self-Supporting Loan Principal Income	65,817	60,488	51,859	8,629	14.3%	✗
Council Loan Principal Income	112,041	35,505	95,533	(60,028)	-169.1%	✓
	12,904,676	7,527,998	7,003,573	524,425	7.0%	✗
Reserves						
Transfers to Reserves	(3,460,261)	(1,102,806)	(1,102,806)	0	0.0%	✗
Transfers from Reserves	19,160,537	0	0	0	#DIV/0!	✗
	15,700,276	(1,102,806)	(1,102,806)	0	0.0%	✗
Opening Funding Surplus (Deficit)	(370,200)					
Closing Funding Surplus (Deficit)	(536,284)	(6,097,254)	6,108,475	(12,205,729)	200.2%	✓

NOTE 1. MAJOR VARIANCES

Operating Income

Operating Income is showing negative variance of \$5,910,261 or 9.6% largely due to the following:

Grants and subsidies are below budget by \$6,666,625 or 39.0% mainly due to the timing of receipts, a large amount of grants are expected to come in the months of May and June.

Fees and charges are better than budget by \$997,389 or 7.9% which include some internal charges which will be transferred out in the May report.

Interest income is better than budget by \$89,852 or 5.8% due to a larger amount of funds invested.

Other revenue and profit on disposal of assets are down \$148,139 or 11.9% and \$152,934 or 44.6% respectively due to a lower than expected level of income.

Operating Expenditure

Operating expenditure is showing a positive variance (under-spend) of \$8,063,140 or 14.3% due to the following:

Employee Costs – Expenditure is showing a positive variance of \$378,545 or 1.9% which is associated with the current level of vacant positions.

Materials and Contractors – Expenditure is showing a positive variance of \$5,557,950 or 30.2%. This variance is mainly associated with operational works and the Future City project which will incur costs as the year progresses. However costs associated with property development including Olive Street, Kempton Street & the Airport Technology Park experience some delay.

Utilities & Government Charges – Expenditure is showing a positive variance of \$120,597 or 5.7% which is associated with the timing of payment of power accounts including street lighting.

Interest/Borrowing Costs - Expenditure is showing a positive variation of \$531,187 or 66.9% which is associated with the timing of loan repayments and the acquisition of new loans.

Miscellaneous – Expenditure is showing a positive variance of \$620,967 or 30.6% mainly due to a lower expenditure in contributions and donations of \$602,458.

Depreciation on Assets – Expenditure is showing a positive variance of \$771,727 or 6.6% after revaluations adjustments.

Capital Expenditure

Capital expenditure is showing a positive variance (under-spend) of \$11,235,788 or 38.2% due to the following:

Purchase Buildings - The positive variance of \$2,300,385 or 56.8% is associated with the timing of capital projects including the Cathedral Office Renovations and the Meru Recycling Building.

Purchase Plant & Equipment - The positive variance of \$1,769,287 or 47.0% is related to timing of capital purchases of P & E.

Purchase Furniture & Equipment - The positive variance of \$177,586 or 32.1% is considered short term until the old Library area is ready for staff use in May and purchases are paid.

Purchase Infrastructure Assets – Roads - The positive variance of \$5,299,949 or 61.3% is due to delay in the commencement of road projects including Flores/Place Road intersection.

Purchase Infrastructure Assets – Parks - The positive variance of \$1,204,522 or 28.4% is associated with the delay in the commencement of Eastern Breakwater Development and Derna Parade.

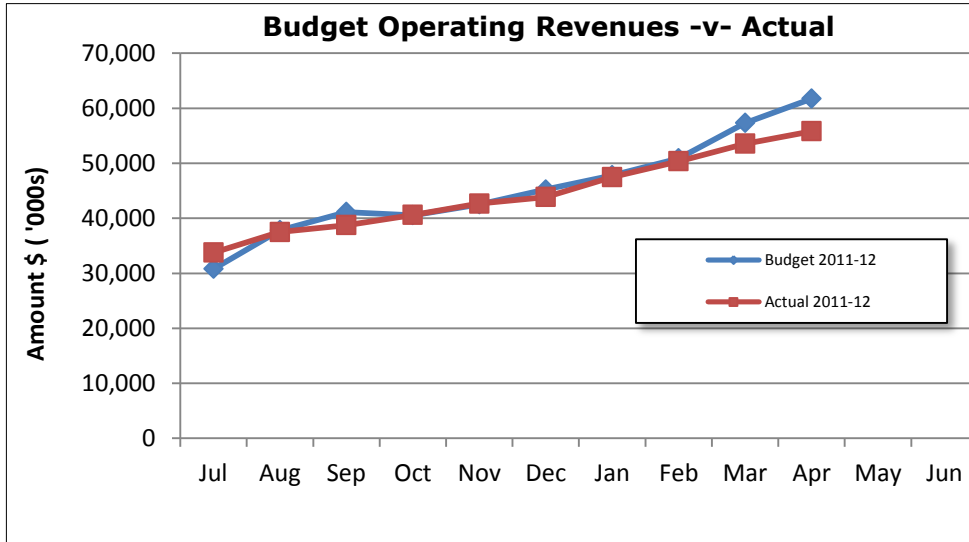
Repayment of Debentures - The difference in repayment of debentures of \$526,591 or 24.7% and reflects the level of borrowing currently undertaken.

Capital Revenue

Capital Revenue is showing a negative variance of \$524,425 or 7.0% which is due to the following:

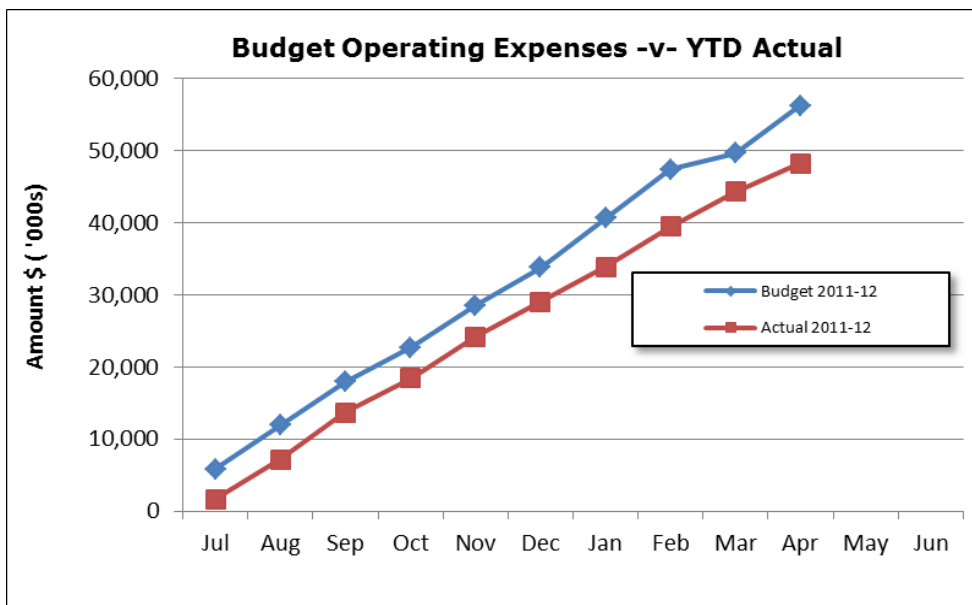
Proceeds from Disposal of Assets - Revenue is showing a negative variance of \$575,824 or 41.7% due to timing of Fleet Replacement.

NOTE 2. GRAPHICAL REPRESENTATION OF REVENUE AND EXPENSES



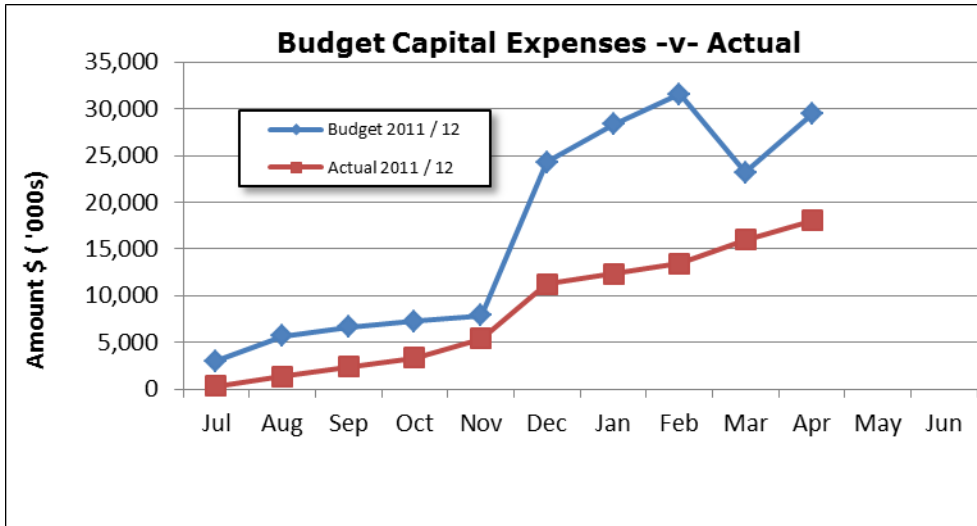
Comments/Notes - Operating Revenues

Operating revenue is under budget with a variance of \$5,910,261 re grants & subsidies and an over budget in fees and charges.

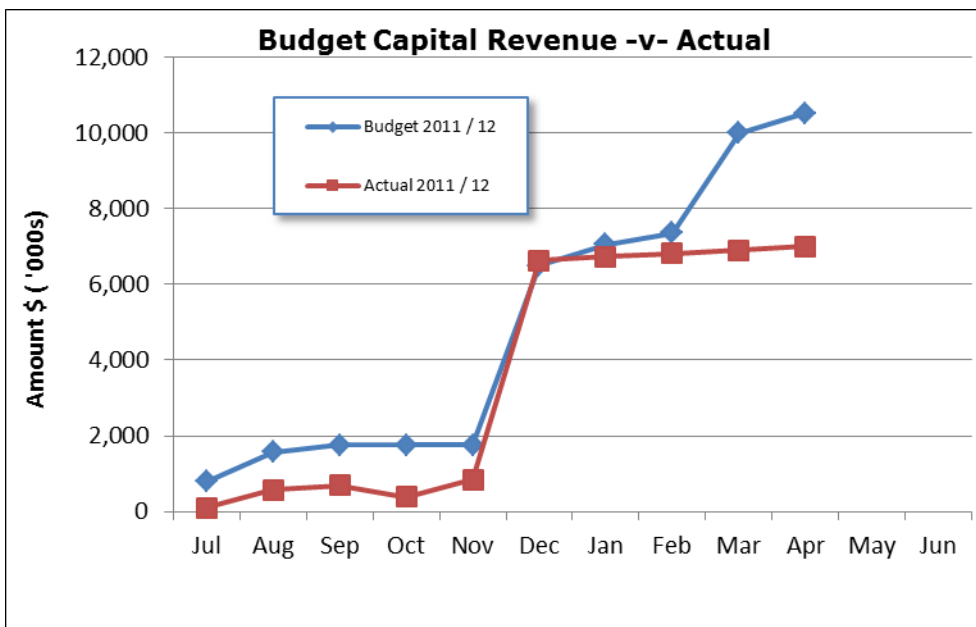


Comments/Notes - Operating Expenses

Operating expenditure is underspent by \$8,063,140 which is due mainly to materials and contractors, interest/borrowing costs, depreciation and employee costs.



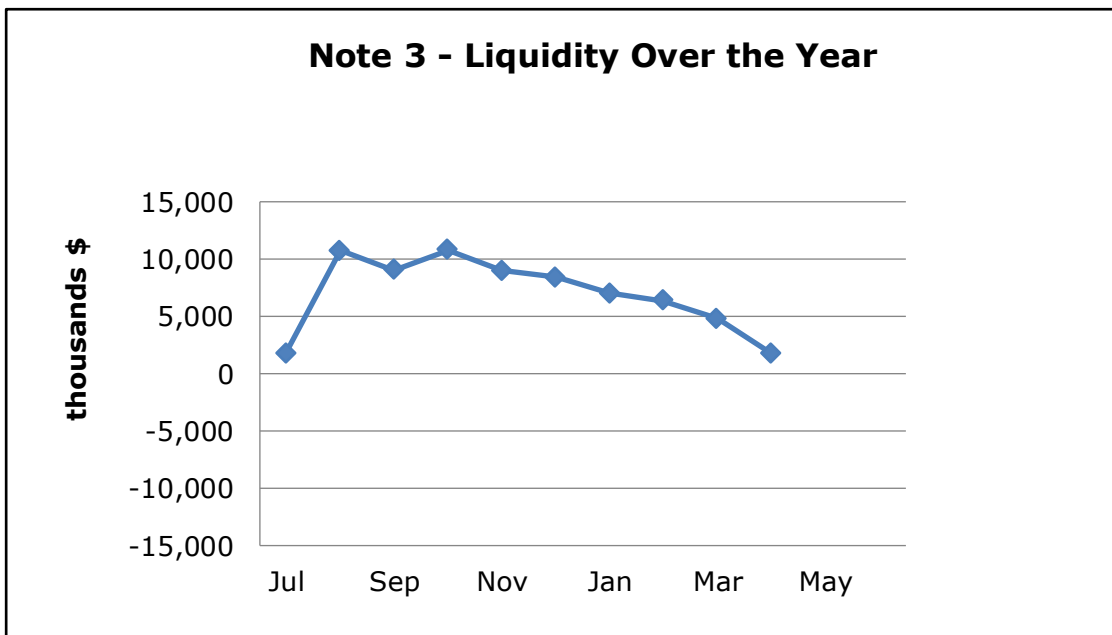
Comments/Notes - Capital Expenses
 Capital expenditure is underspent by \$11,235,788 which is mainly due to the lower than budgeted purchase of land & buildings, the purchase of parks and roads infrastructure assets and the repayment of debentures.



Comments/Notes - Capital Revenues
 Capital revenue is under budget by \$524,425 which is largely associated with the proceeds from new loans and disposal of assets.

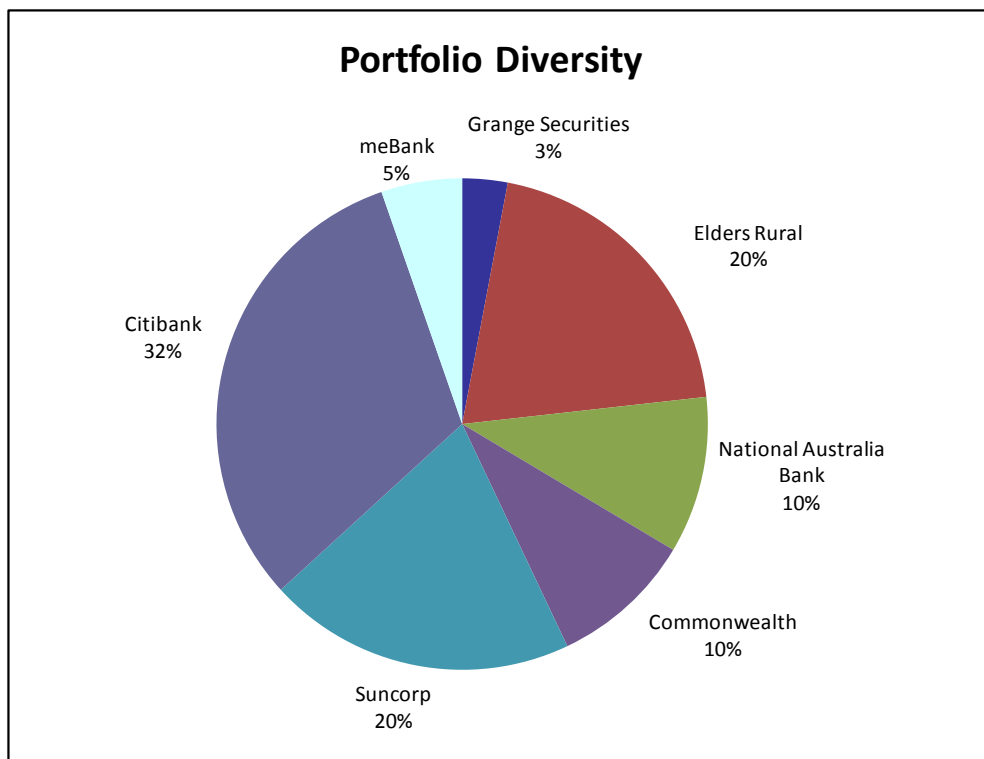
NOTE 3. NET CURRENT FUNDING POSITION

	2011-12	
	This Period	Last Period
	\$	\$
Current Assets		
Cash at Bank		
Municipal Account	6,232,532	8,013,685
Reserve Account	20,713,155	20,163,384
Restricted Assets	833,633	833,633
Total Cash at Bank	27,779,320	29,010,702
Receivables		
Prepayments	217,340	217,340
Sundry Debtors	2,023,675	2,857,560
Rates Receivable	1,608,921	1,854,290
Inventories	345,492	313,605
Total Current Assets	31,974,747	34,253,497
Less: Current Liabilities		
Creditors and Provisions	2,243,254	2,217,230
Current Borrowings	2,836,762	2,649,754
Employee Entitlements	3,585,958	3,585,958
	8,665,974	8,452,942
Less: Cash Restricted	(21,546,788)	(20,997,017)
Net Current Funding Position	1,761,985	4,803,538



NOTE 4 - Monthly Investment REPORT

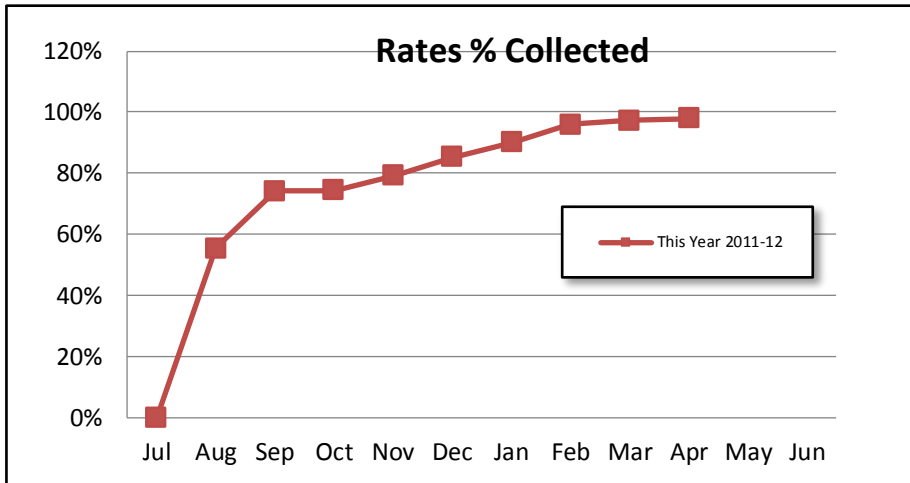
Deposit Ref	Current Credit Rating	Deposit Date	Term (Years)	Invested Interest rates	Amount Invested	Interest Earned YTD	Current Value @30/04/2012
Grange Securities							
Helium Capital-Esper	CCC-	22/3/2006	7	4.98%	500,000	14,007	167,400
Parkes AAA	CCC-	15/8/2006	8+	4.30%	250,000	8,119	26,700
Kakadu	B-	12/5/2006	7+	4.28%	700,000	21,943	60,585
Merimbula	BB-	6/5/2007	6		500,000		480,000
Scarborough AA Ac 21	CCC-	25/5/2006	8	5.96%	500,000	5,540	-
Subtotal					2,450,000	49,609	734,685
Commonwealth							
Reserve 150	A1+	31/3/2012	0.25	5.29%	2,247,000	74,670	2,321,670
Subtotal					2,247,000	74,670	2,321,670
National Australia Bank							
Reserve 151	A1+	29/2/2012	0.25	5.72%	2,546,755	73,352	2,546,755
Subtotal					2,546,755	73,352	2,546,755
Citibank							
Reserve 152	A1	16/4/2012	0.08	5.50%	2,500,000	86,183	2,586,183
Reserve 155	A1	16/4/2012	0.08	5.50%	5,000,000	176,924	5,176,924
Subtotal					7,500,000	263,107	7,763,107
Rural Bank							
Reserve 154	A2	5/3/2012	0.25	5.75%	5,000,000		5,000,000
Subtotal					5,000,000	-	5,000,000
Suncorp							
Reserve 153	A1	2/3/2012	0.25	5.96%	5,000,000		5,000,000
Subtotal					5,000,000	-	5,000,000
me Bank							
Reserve 156	A2	6/2/2012	0.25	5.90%	1,296,016	19,064	1,315,080
Subtotal					1,296,016	19,064	1,315,080
Total Funds Invested					26,039,771	479,802	24,681,297



NOTE 5 - RECEIVABLES

Receivables - Rates and Rubbish

	Current YTD
	\$
Opening Arrears Previous Years	1,045,807
Rates Levied this year	33,012,538
<u>Less</u> Collections to date	(32,302,379)
Equals Current Outstanding	1,755,966
<i>Comprises of Current Amt:</i>	1,529,168
<i>Deferred Amt:</i>	226,798
Net Rates Collectable	
% Collected	97.85%



Comments/Notes - Receivables Rates and Rubbish

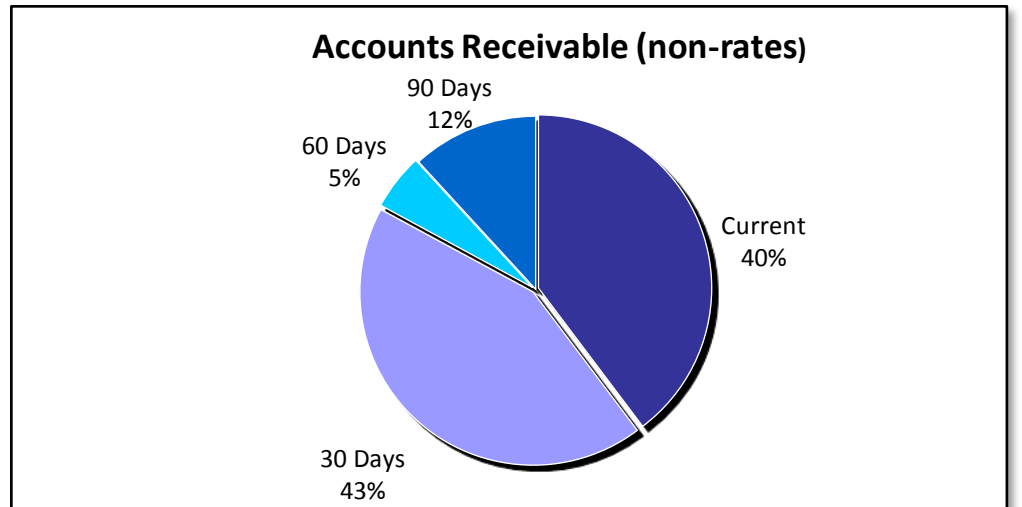
Rates collections are progressing well with nearly 97.85% of total rates collected by April. Any outstanding payments will be subject to the normal recovery process.

Receivables

	Current	30 Days	60 Days	90 Days
	\$	\$	\$	\$
General	798,215	867,290	106,116	237,487
Total Outstanding				2,009,108

Sundry Debtors by Type

Airport	766,674	38.2%
Meru	276,441	13.8%
General	965,992	48.2%



Comments/Notes - Receivables / Payables General

Major debtors in April include \$100k from Department of Health and Ageing, \$342k Mt Gibson, \$106k Veolia Environment Service, \$308k Qantas and \$400k, Skywest.