



City of
Greater Geraldton
a vibrant future



MONTHLY FINANCIAL REPORT

For the Period Ended 31 May 2015

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CITY OF GREATER GERALDTON
Statement of Financial Activity for the Period Ended 31 May 2015

	Budget Current	YTD Budget Estimated	YTD Actual	YTD Major Commitments	Variances (commtments incl)		
					\$	%	
Operating Income							
Rates	39,474,203	39,490,873	39,459,391		31,482	0.1%	✗
Grants & Subsidies, Contributions	9,552,946	8,235,664	8,217,847		17,817	0.2%	✗
Fees & Charges	19,527,338	18,406,198	18,437,205		-31,007	-0.2%	✓
Interest Earnings	1,408,533	1,352,946	1,587,423		-234,477	-17.3%	✓
Other Revenue	819,959	661,445	666,083		-4,638	-0.7%	✓
FV Adjustments to Financial Assets at FV thru P&L	90,000	0	0		0		✓
Profit On Disposal Of Assets	69,286	419,286	411,750		7,536	1.8%	✗
	70,942,265	68,566,412	68,779,699		-213,287	-0.3%	✓
Operating Expenditure							
Employee Costs	-29,510,760	-26,193,308	-25,562,825		-630,483	2.4%	✓
Materials & Contractors	-22,613,469	-20,729,013	-16,294,618	-2,006,376	-2,428,019	11.7%	✓
Utility & Govt Charges	-3,251,400	-2,727,564	-2,686,555		-41,009	1.5%	✓
Insurance	-989,264	-883,356	-836,582		-46,774	5.3%	✓
Interest/Borrowing Costs	-871,709	-653,016	-603,303		-49,713	7.6%	✓
Other Expenditure	-2,456,352	-1,836,721	-1,794,550		-42,171	2.3%	✓
Depreciation On Assets	-17,939,427	-16,723,130	-16,767,387		44,257	-0.3%	✗
Loss On Disposal Of Assets	-1,221,291	-253,000	-250,878		-2,122	0.8%	✓
Land held for resale (Acquisition/Development cost)	-4,000,000				0		
	-82,853,672	-69,999,108	-64,796,698	-2,006,376	-3,196,034	4.6%	✓
NET OPERATING	-11,911,407	-1,432,696	3,983,001	-2,006,376	-3,409,321	238.0%	✓
Non-Cash Expenditure and Revenue							
(Profit) / Loss on Asset Disposals	1,152,005	-166,286	-160,872		-5,414	3.3%	✓
Depreciation on Assets	17,939,427	16,723,130	16,767,387		-44,257	-0.3%	✓
Movement in Employee Benefit Provision	260,210						
FV Adjustment to Financial Assets at FV thru P&L	-90,000						
	19,261,642	16,556,844	16,606,515		-49,671	-0.3%	✓
Capital Expenditure							
Purchase Buildings	-9,964,766	-8,003,698	-4,475,047	-141,469	-3,387,182	42.3%	✓
Purchase Plant and Equipment	-2,000,000	-1,967,448	-1,229,421	-433,922	-304,105	15.5%	✓
Purchase Furniture and Equipment	-817,147	-686,144	-445,774	-202,341	-38,029	5.5%	✓
Purchase Infrastructure Airport	-3,676,000	-3,509,968	-2,581,082	-334,838	-594,048	16.9%	✓
Purchase Infrastructure Regional Waste	-685,000	-588,962	-26,967	-65,260	-496,735	84.3%	✓
Purchase Infrastructure Assets - Roads	-33,540,187	-21,416,019	-10,880,521	-660,044	-9,875,454	46.1%	✓
Purchase Infrastructure Assets - Parks	-11,480,430	-7,551,291	-2,713,333	-935,982	-3,901,976	51.7%	✓
Purchase Infrastructure Assets - Other	-2,119,749	-1,822,559	-1,180,300	-458,238	-184,021	10.1%	✓
Repayment of Debentures	-4,816,985	-4,492,436	-4,481,042		-11,394	0.3%	✓
	-69,100,264	-50,038,525	-28,013,487	-3,232,094	-18,792,944	37.6%	✓
Capital Revenue							
Non Operating Grants & Subsidies	18,522,543	8,063,179	8,034,124		29,055	0.4%	✗
Proceeds from Disposal of Assets	2,384,000	867,228	829,157		38,071	4.4%	✗
Proceeds from New Debentures	27,310,000	4,220,000	4,220,000		0	0.0%	✓
Self-Supporting Loan Principal Income	77,149	70,756	69,977		779	1.1%	✗
	48,293,692	13,221,163	13,153,258		67,905	0.5%	✗
Reserves							
Transfers to Reserves	-154,487	-154,487	-2,604,487		2,450,000	-1585.9%	✗
Transfers from Reserves	13,112,737	13,112,737	7,525,952		5,586,785	42.6%	✗
	12,958,250	12,958,250	4,921,465		8,036,785	62.0%	✗
Current Funding Surplus (Deficit)	-498,087	-8,734,964	10,650,752	-5,238,470			

NOTE 1. MAJOR VARIANCES

Operating Income

Operating Income is showing a positive variance of \$213,287 or 0.3% and this is the result of interest earnings showing a positive variance of \$234,477 due to additional interest from Royalties for Regions funds held at WA Treasury for the Karloo-Wandina and Beresford Foreshore Development projects.

Operating Expenditure

Operating expenditure is showing a positive variance (under-spend) of \$3,196,034 or 4.6%.

Employment Costs shows savings realised via a recruitment freeze. Part of the savings has now been moved to a "redundancy bank" to cover redundancy payouts in this financial year.

Materials and Contractors: Expenditure is showing a positive variance (under-spend) of \$ 2,428,019 or 11.7%. It is forecasted that savings will be achieved in this expenditure type at year end.

Major commitments end of May - \$2,006,376

Capital Expenditure

Capital expenditure is showing a positive variance (under-spend) of \$ 18,792,944 or 37.6%.

Capital expenditure variances are associated with the timing and profiling of cash outflows associated with the following projects:

- Karloo-Wandina Project
- West End Revitalisation Project
- Wonthella Oval Lights
- Beresford Foreshore.

The above projects will now be "rolled over" into 2015-16. Major Capital commitments end of May - \$3,232,094.

Capital Revenue

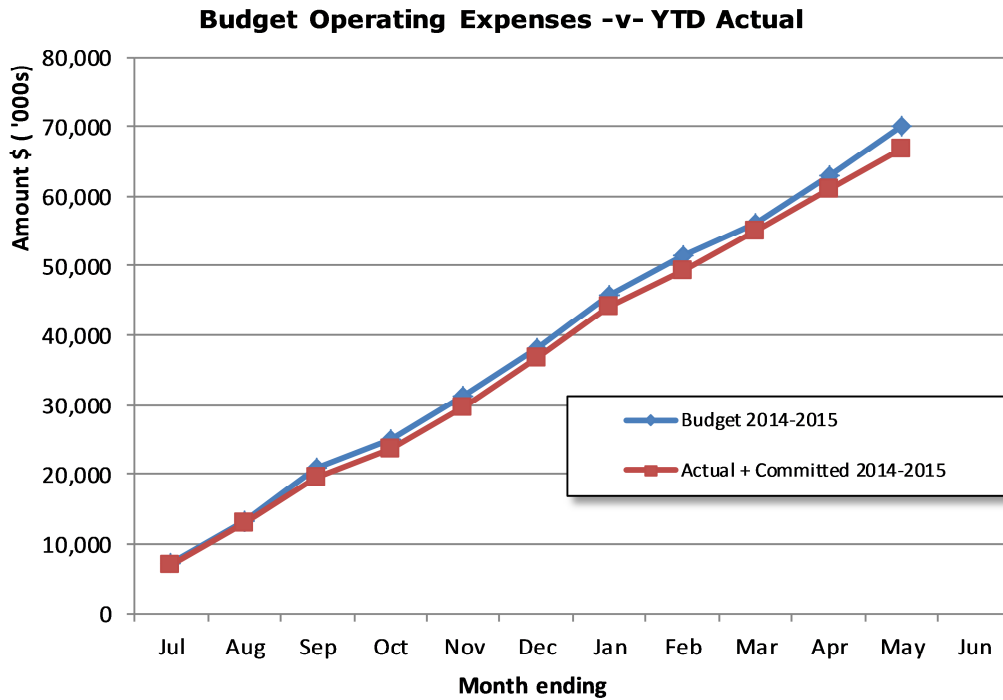
Capital revenue is showing a negative variance of \$ 67,905 or 0.5%. Due to either delays in the commencement of the capital projects previously noted in this report and deferment of Olive St Development, the required borrowings in this financial year are estimated to be \$6.67m against a proposed budget amount of \$27.3m

Reserves

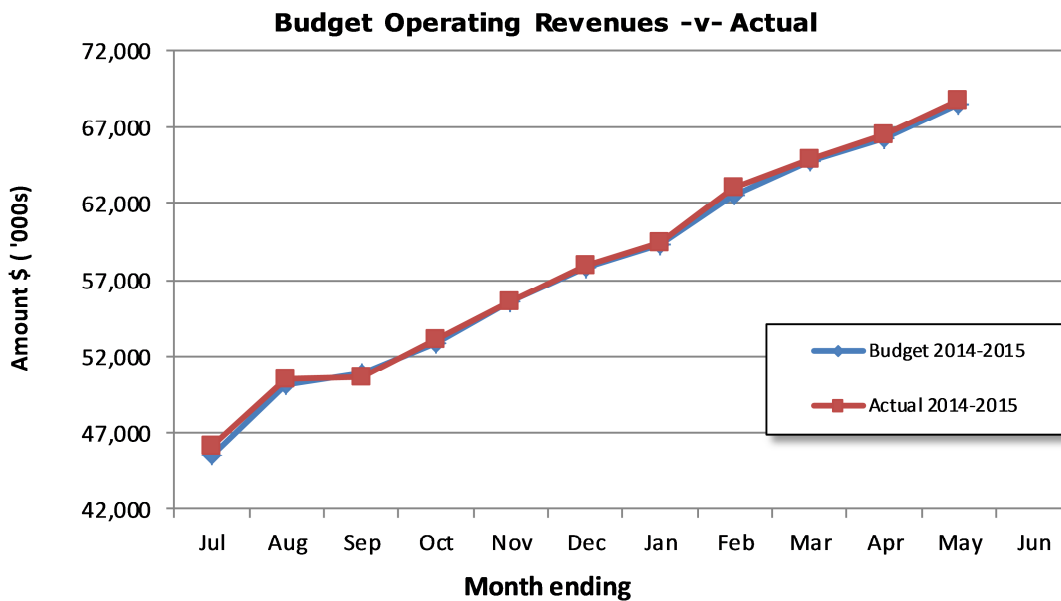
The insurance claim payout for the Mullewa Birdwood St Fire Damage (\$ 450,000) has been quarantined under Reserves. RDAF funds for the West end Revitalisation project were also transferred to reserves in May.

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 May 2015**

Note 2 - Graphical Representation - Source Statement of Financial Activity



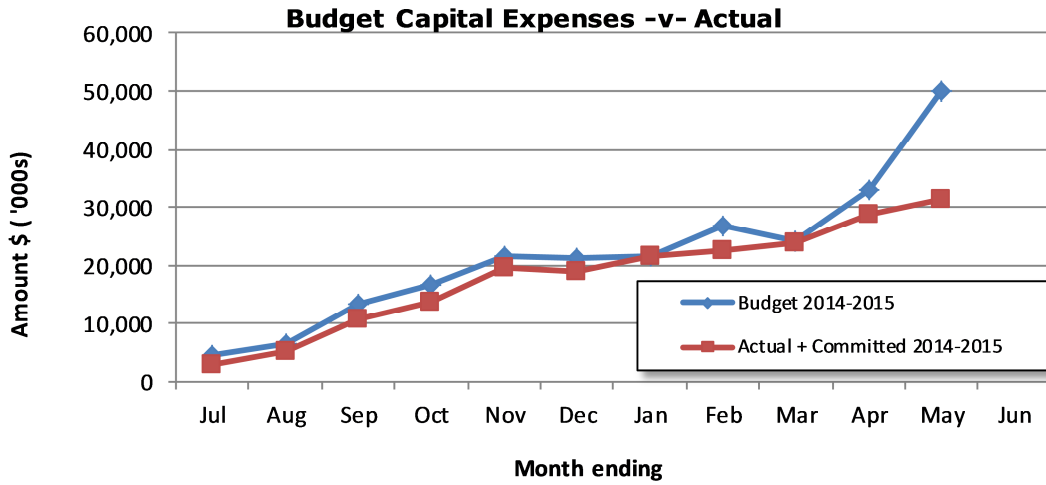
Comments/Notes - Operating Expenses
 Operating expenditure recorded as at 31 May is \$64,796,698 (\$66,803,074 Incl \$2,006,376 Committed). Major positive variance in Materials & Contractors is due to timing and profiling. Major variance in Employee Costs is a result of savings due to the recruitment freeze.



Comments/Notes - Operating Revenues
 Operating income recorded as at 31 May is \$68,779,699. Major positive variance in interest received is as a result of additional interest received from funds held by WA Treasury.

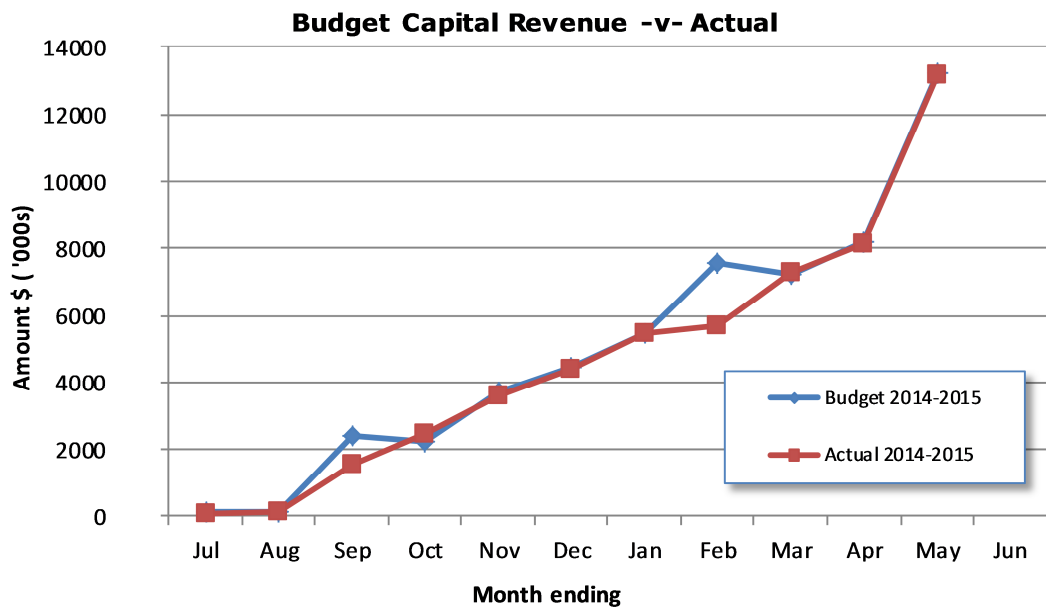
City of Greater Geraldton
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 May 2015

Note 2 - Graphical Representation - Source Statement of Financial Activity



Comments/Notes - Capital Expenses

Capital expenditure recorded as at 31 May is \$28,013,487 (\$31,245,581 Inc \$3,232,094 Committed). Major variances include purchase of Buildings, Plant and Equipment, Roads and Parks. The variances are as result of timing of acquisitions.



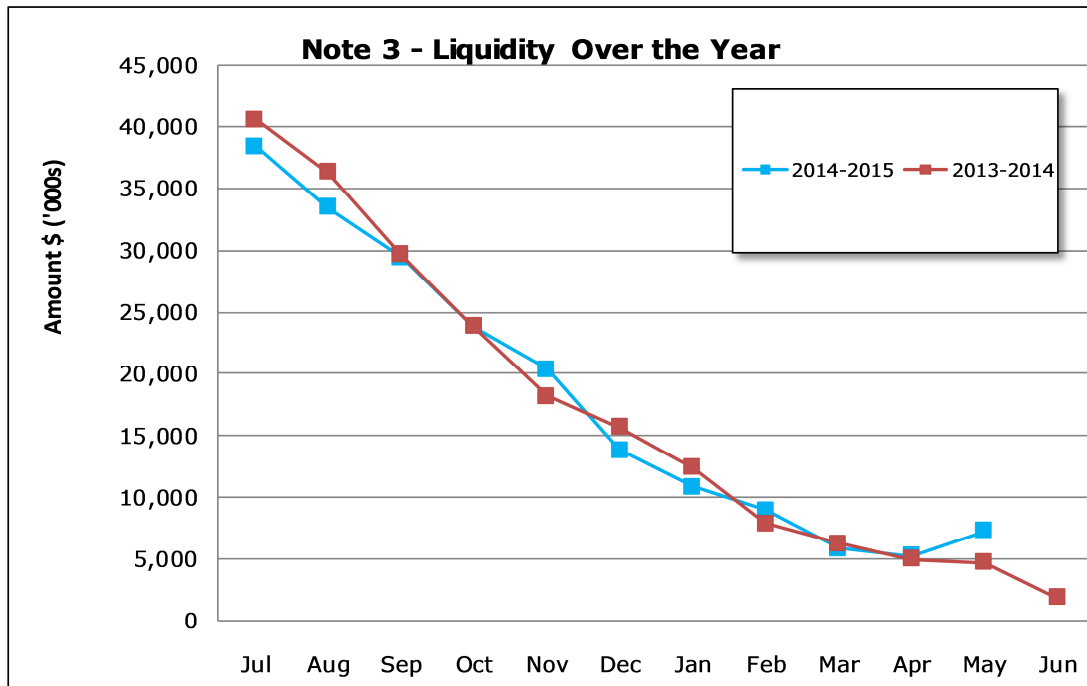
Comments/Notes - Capital Revenues

Capital revenue recorded as at 31 May is \$13,153,258. No major variances.

City of Greater Geraldton
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 May 2015

Note 3: NET CURRENT FUNDING POSITION

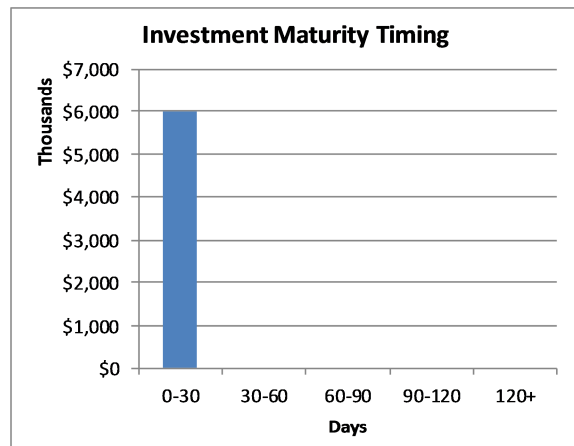
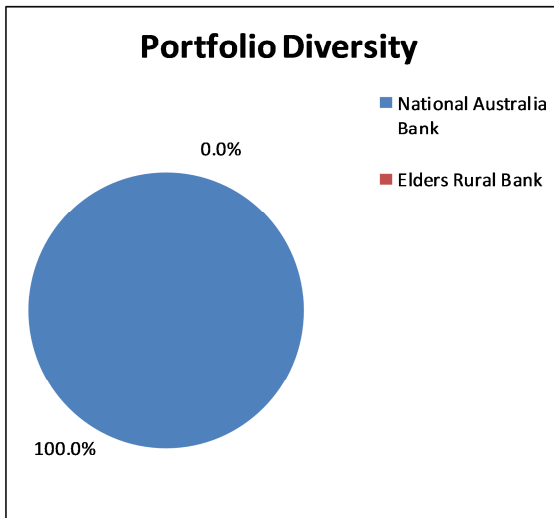
	Positive=Surplus (Negative=Deficit)		
	2014-2015		2013-2014
	This Period	Last Period	This Period
	\$	\$	\$
Current Assets			
Cash at Bank			
Municipal Account	10,128,385	2,727,725	1,447,434
Reserve Account	11,334,534	17,062,623	18,803,310
Restricted Assets	333,395	333,395	333,395
Total Cash at Bank	21,796,315	20,123,743	20,584,139
Receivables			
Prepayments	121,522	87,750	124,180
Tax Recoverable	315,971	240,806	0
Sundry Debtors	2,014,269	1,890,335	5,767,180
Rates Receivable	3,035,072	3,409,361	2,620,031
Inventories	409,386	314,480	328,442
Total Current Assets	27,692,535	26,066,476	29,423,972
Less: Current Liabilities			
Creditors and Provisions	1,477,737	1,014,901	2,317,758
Current Borrowings	2,566,181	2,092,154	1,309,329
Employee Entitlements	4,710,310	4,710,310	4,353,657
	8,754,229	7,817,366	7,980,744
Less: Cash Restricted	(11,667,929)	(12,896,018)	(16,736,705)
Net Current Funding Position	7,270,377	5,353,092	4,706,523



City of Greater Geraldton
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 May 2015

Note 4 - Monthly Investment Report

Deposit Ref	Current Credit Rating	Maturity/ Conversion	Invested Interest rates	Amount Invested	Interest Earned YTD	Current Value @31/05/2015	Percentage of Portfolio
Grange Securities							
Kakadu	D			700,000		-	
Parkes AAA	D	20/6/2015		250,000		-	
Scarborough AA Ac 21	N/R			500,000		-	
Subtotal				1,450,000	-	-	0.0%
National Australia Bank							
Reserve184	A1+	15/6/2015	3.13%	5,995,153	-	5,995,153	
Subtotal				5,995,153	-	5,995,153	100.0%
Elders Rural Bank							
Subtotal				-	-	-	0.0%
Total Funds Invested				7,445,153	-	5,995,153	100%



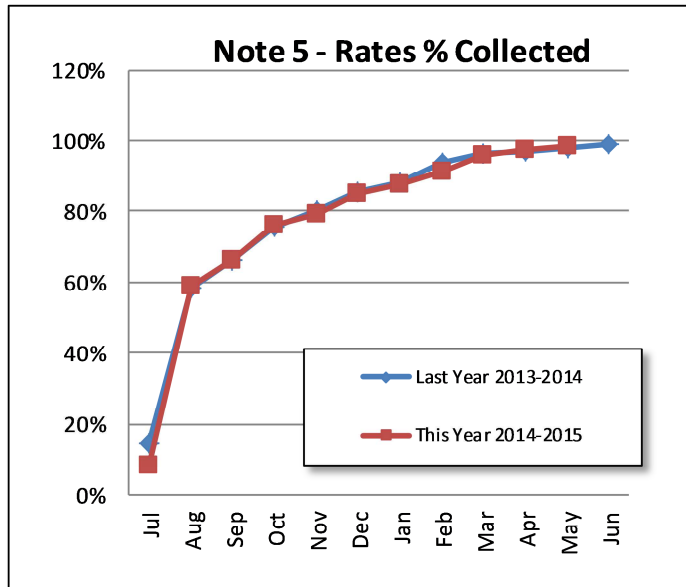
Graph Data - Portfolio Diversity		
National Australia Bank		100.0%
Elders Rural Bank		0.0%
		100.0%

City of Greater Geraldton
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 May 2015

Note 5 : RECEIVABLES

Receivables - Rates and Rubbish

	Current 2014-2015
	\$
Opening Arrears Previous Years	(2,216,002)
Rates Levied this year	(44,996,571)
Less Collections to date	(44,234,300)
Equals Current Outstanding	(2,978,272)
<i>Comprises of Current Amt:</i>	(2,696)
<i>Deferred Amt:</i>	(281,729)
Net Rates Collectable	
% Collected	98.31%

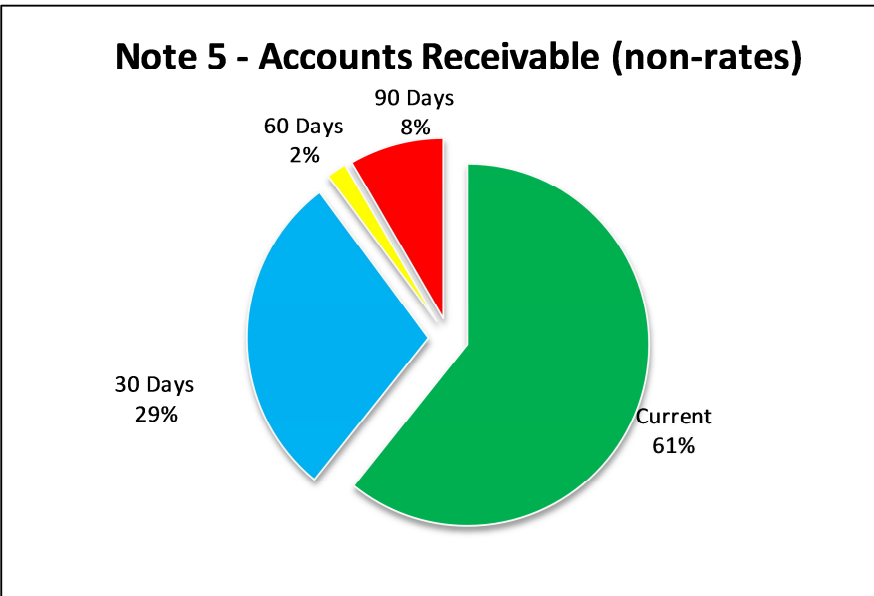


Comments/Notes - Receivables Rates and Rubbish

Rates collections are 98.31% (2013/2014: 97.95%) of total rates billed.

Receivables - General

	Current	30 Days	60 Days	90 Days
	\$	\$	\$	\$
	1,224,979	582,929	35,812	170,549
Total Outstanding				<u>2,014,269</u>
General	1,134,646	56%		
Airport	653,984	32%		
Meru	225,639	11%		
	<u>2,014,269</u>	<u>100%</u>		



Comments/Notes - Receivables General

- Major debtors in May include Virgin Australia \$430,278, Qantaslink \$189,395, Criminal Justice Division (Safer Streets CCTV) \$ 150,000, Water Corp. \$104,120
 - 90 days and over include Point Moore Leases \$87,859