



City of
Greater Geraldton
a vibrant future



MONTHLY FINANCIAL REPORT

For the Period Ended 28 February 2015

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CITY OF GREATER GERALDTON
Statement of Financial Activity for the Period Ended 28 February 2015

	Budget	YTD Budget Estimated	YTD Actual	YTD Major Commitments	Variances (commtments incl)		
					\$	%	
Operating Income							
Rates	39,464,848	39,304,622	39,448,336		-143,714	-0.4%	✓
Grants & Subsidies, Contributions	9,187,804	6,855,358	6,898,497		-43,139	-0.6%	✓
Fees & Charges	18,406,785	14,847,246	14,892,835		-45,589	-0.3%	✓
Interest Earnings	1,458,533	992,230	1,276,412		-284,182	-28.6%	✓
Other Revenue	1,688,650	512,683	478,293		34,390	6.7%	✗
FV Adjustments to Financial Assets at FV thru P&L	90,000	0	0		0		✓
Profit On Disposal Of Assets	59,786	64,856	62,549		2,307	3.6%	✗
	70,356,406	62,576,995	63,056,922		-479,927	-0.8%	✓
Operating Expenditure							
Employee Costs	-29,510,761	-19,334,143	-19,014,581		-319,562	1.7%	✓
Materials & Contractors	-23,041,146	-15,275,255	-11,369,290	-2,122,935	-1,783,030	11.7%	✓
Utility & Govt Charges	-3,300,700	-1,906,713	-1,864,384		-42,329	2.2%	✓
Insurance	-945,410	-816,724	-836,582		19,858	-2.4%	✗
Interest/Borrowing Costs	-871,709	-384,175	-397,823		13,648	-3.6%	✗
Other Expenditure	-2,596,237	-1,377,664	-1,337,048		-40,616	2.9%	✓
Depreciation On Assets	-17,939,427	-12,164,072	-12,141,952		-22,120	0.2%	✓
Loss On Disposal Of Assets	-1,221,291	-257,080	-235,659		-21,421	8.3%	✓
Land held for resale (Acquisition/Development cost)							
	-79,426,681	-51,515,826	-47,197,319	-2,122,935	-2,195,572	4.3%	✓
NET OPERATING	-9,070,275	11,061,169	15,859,603	-2,122,935	-2,675,499	-24.2%	✓
Non-Cash Expenditure and Revenue							
(Profit) / Loss on Asset Disposals	1,161,505	192,224	173,110		19,114	9.9%	✗
Depreciation on Assets	17,939,427	12,164,072	12,141,952		22,120	0.2%	✗
Movement in Employee Benefit Provision	260,210						
FV Adjustment to Financial Assets at FV thru P&L	-90,000						
	19,271,142	12,356,296	12,315,062		41,234	0.3%	✗
Capital Expenditure							
Purchase Buildings	-9,863,595	-5,565,948	-4,212,379	-83,065	-1,270,504	22.8%	✓
Land held for resale (Acquisition/Development cost)	-4,000,000	-76,618	-76,618		0	0.0%	✓
Purchase Plant and Equipment	-2,514,000	-1,237,616	-1,036,115	-2,908	-198,593	16.0%	✓
Purchase Furniture and Equipment	-835,190	-94,340	-51,583	-47,182	4,425	-4.7%	✗
Purchase Infrastructure Airport	-3,546,000	-2,578,318	-1,091,944	-1,385,740	-100,634	3.9%	✓
Purchase Infrastructure Regional Waste	-685,000	-278,324	-22,563	-33,017	-222,744	80.0%	✓
Purchase Infrastructure Assets - Roads	-33,796,015	-8,825,917	-8,688,904	-1,317,180	1,180,167	-13.4%	✗
Purchase Infrastructure Assets - Parks	-11,041,670	-5,422,737	-1,697,820	-196,230	-3,528,687	65.1%	✓
Purchase Infrastructure Assets - Other	-1,447,985	-1,281,687	-961,633	-213,685	-106,369	8.3%	✓
Repayment of Debentures	-2,116,985	-1,325,175	-1,325,176		1	0.0%	✗
	-69,846,440	-26,686,680	-19,164,735	-3,279,008	-4,242,937	15.9%	✓
Capital Revenue							
Non Operating Grants & Subsidies	17,936,177	7,269,392	5,394,064		1,875,328	25.8%	✗
Proceeds from Disposal of Assets	2,377,000	217,326	218,604		-1,278	-0.6%	✓
Proceeds from New Debentures	24,860,000				0		✓
Self-Supporting Loan Principal Income	77,149	49,894	49,894		0	0.0%	✓
	45,250,326	7,536,612	5,662,562	-	1,874,050	24.9%	✗
Reserves							
Transfers to Reserves	-146,979	-146,979	-154,487		7,508	-5.1%	✗
Transfers from Reserves	12,962,737				0		✓
	12,815,758	-146,979	-154,487		7,508	-5.1%	✗
Current Funding Surplus (Deficit)	-1,579,489	4,120,418	14,518,005	-5,401,943			

NOTE 1. MAJOR VARIANCES

Operating Income

Operating Income is showing a positive variance of \$479,927 or 0.8%. The quashing and accounting adjustment of the Un-occupiable City Centre Zone differential rate for the years 2012-2013 and 2013-2014 has had a negative impact on income from rates however, for the 1st eight months of this financial year increase rates revenue from interim rating (above targeted estimates) has mitigated the impact.

Interest Earnings is showing a positive variance of \$284,182 this is 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 \$ 2,195,572 or 4.3%.

Materials and Contractors – Expenditure is showing a positive variance (under-spend) of \$1,783,030 or 11.7%. This is mainly due to the timing of payments and delays in projects.

Major commitments end of February - \$2,122,935

Capital Expenditure

Capital expenditure is showing a positive variance (under-spend) of \$4,242,937 or 15.9%.

Major variance in Plant & Equipment relates to the transfer of a new fire truck from the Department of Fire and Emergency Services, the cost of the truck is included in the YTD actual figures.

Other capital expenditure variances are associated with the timing and profiling of building projects (e.g the construction of the Karloo-Wandina Bridge).

Major Capital commitments end of February - \$3,279,008

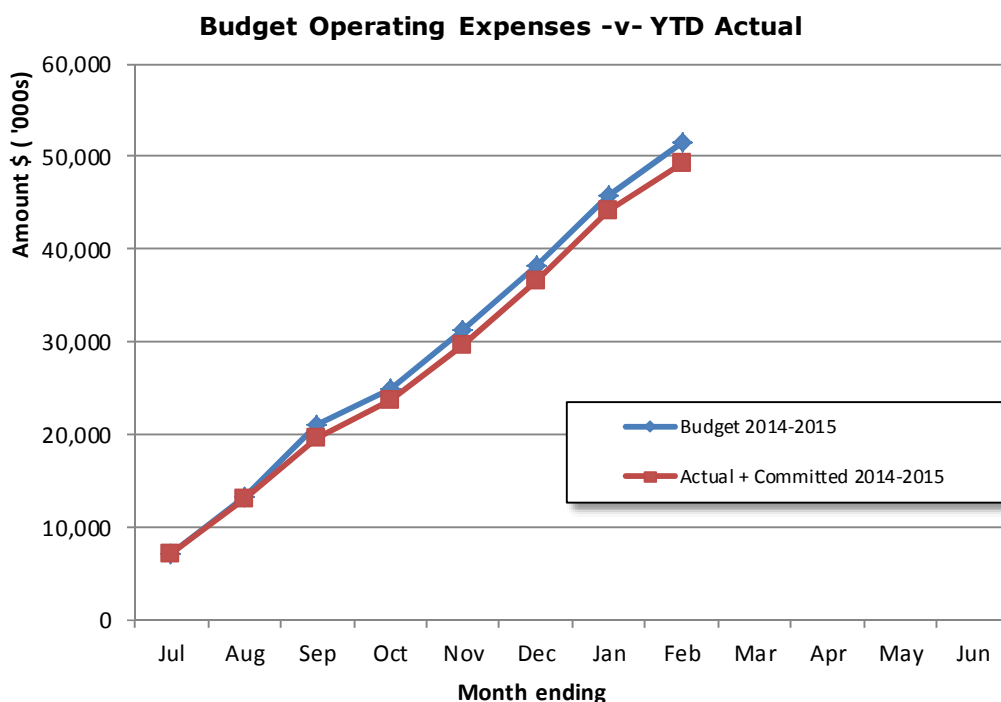
Capital Revenue

Capital revenue is showing a negative variance of \$1,874,050 or 24.9%.

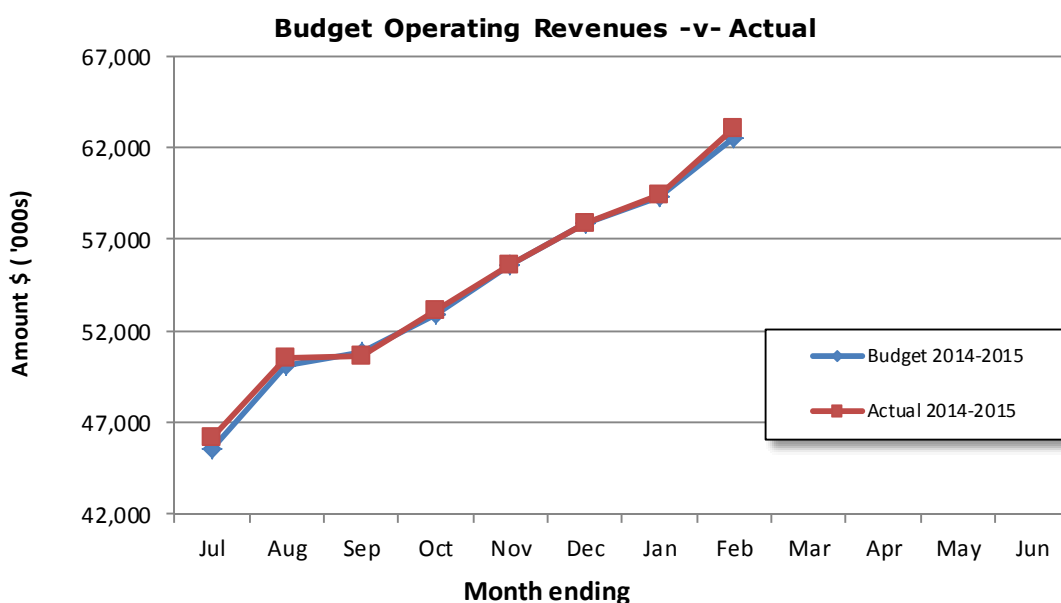
Non-Operating Grants & Subsidies – the variance is mainly due to timing of receipts.

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2015**

Note 2 - Graphical Representation - Source Statement of Financial Activity



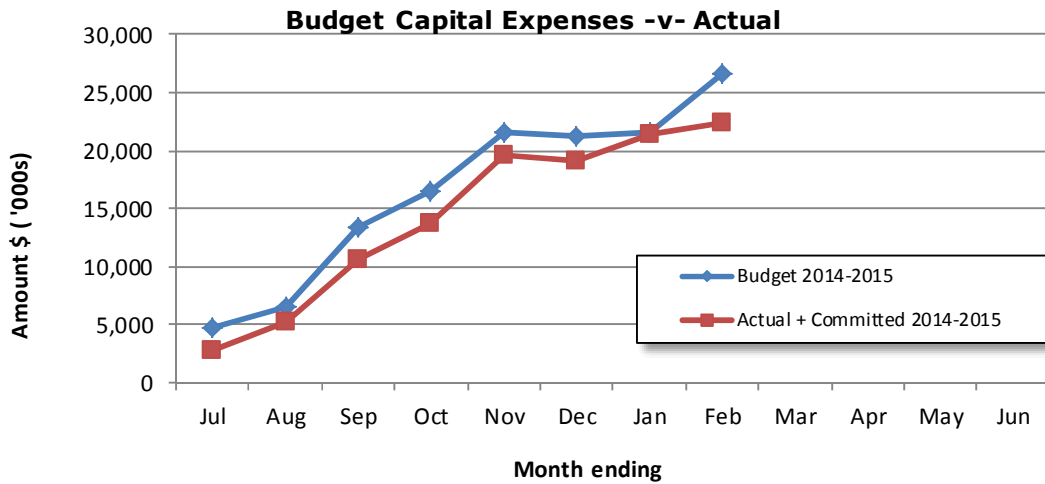
Comments/Notes - Operating Expenses
 Operating expenditure recorded as at 28 February is \$47,197,319 (\$49,320,254 Incl \$2,122,935 Committed). Major positive variance in Materials & Contractors is due to timing and profiling



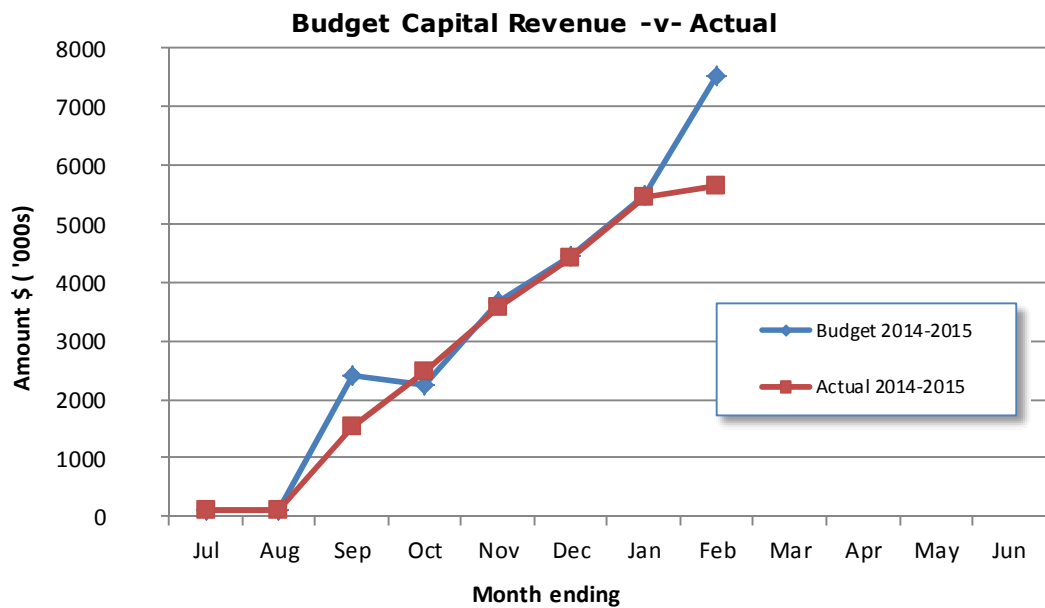
Comments/Notes - Operating Revenues
 Operating income recorded as at 28 February is \$63,056,922. Major positive variance in interest received is as a result of additional interest received from funds held by WA Treasury.

City of Greater Geraldton
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2015

Note 2 - Graphical Representation - Source Statement of Financial Activity



Comments/Notes - Capital Expenses
 Capital expenditure recorded as at 28 February is \$19,164,735 (\$22,443,743 Inc \$3,279,008 Committed). Major variances include purchase of roads, Parks, buildings, plant & equipment, and Meru infrastructure. The variances are as result of timing of acquisitions. Most Capital expenditure commitments have been made and the actual expenditure will occur in the coming months.

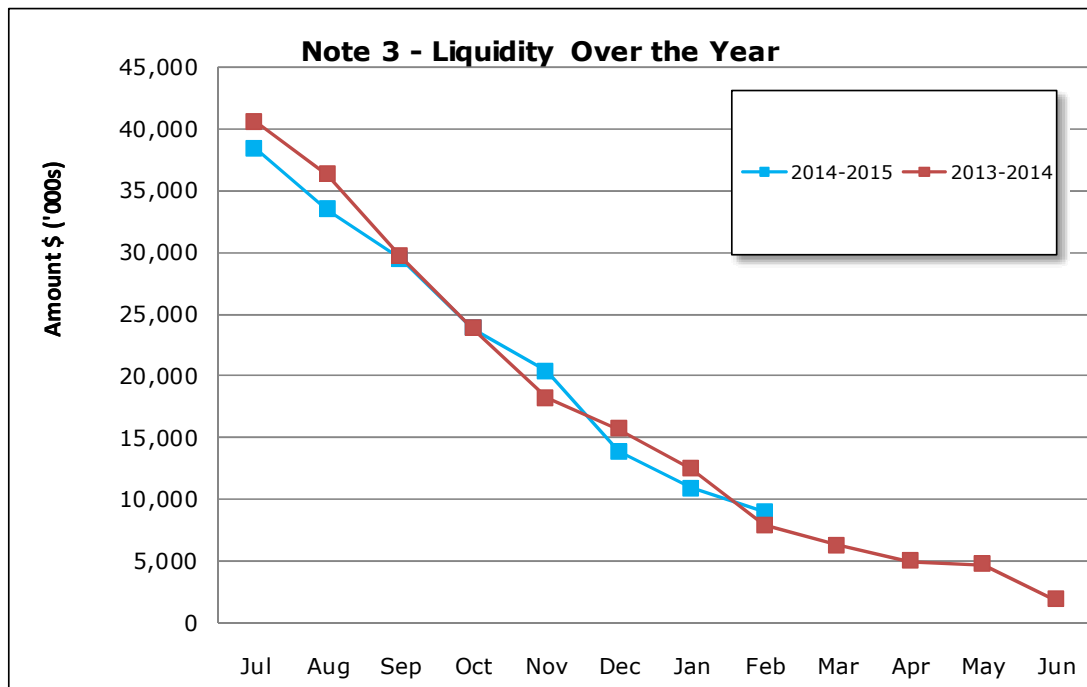


Comments/Notes - Capital Revenues
 Capital revenue recorded as at 28 February is \$5,662,562. Major variance in Non operating grants is mainly due to timing of receipts

City of Greater Geraldton
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2015

Note 3: NET CURRENT FUNDING POSITION

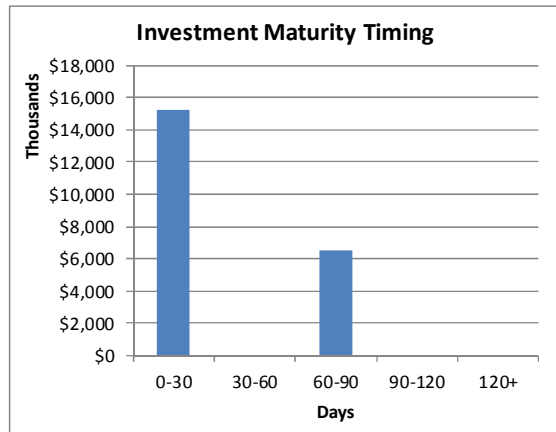
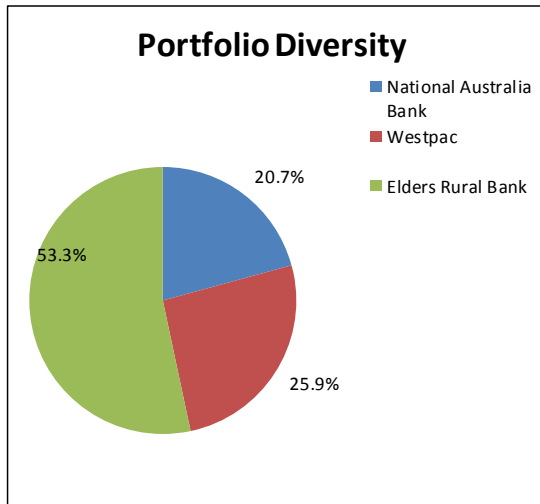
	Positive=Surplus (Negative=Deficit)		
	2014-2015		2013-2014
	This Period	Last Period	This Period
	\$	\$	\$
Current Assets			
Cash at Bank			
Municipal Account	12,400,245	11,738,338	5,786,508
Reserve Account	16,410,486	16,410,489	22,997,621
Restricted Assets	333,395	333,395	824,844
Total Cash at Bank	29,144,126	28,482,221	29,608,973
Receivables			
Prepayments	60,301	61,248	81,083
Tax Recoverable	357,680	234,530	490,751
Sundry Debtors	1,010,068	1,839,572	1,167,637
Rates Receivable	5,388,005	6,976,805	3,828,058
Inventories	368,510	379,725	322,161
Total Current Assets	36,328,691	37,974,101	35,498,663
Less: Current Liabilities			
Creditors and Provisions	1,010,823	721,753	809,594
Current Borrowings	4,869,449	4,870,017	629,057
Employee Entitlements	4,736,657	4,736,657	4,350,563
	10,616,929	10,328,427	5,789,214
Less: Cash Restricted	(16,743,881)	(16,743,884)	(21,822,465)
Net Current Funding Position	8,967,880	10,901,791	7,886,984



City of Greater Geraldton
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2015

Note 4 - Monthly Investment Report

Deposit Ref	Current Credit Rating	Maturity/ Conversion	Invested Interest rates	Amount Invested	Interest Earned YTD	Current Value @28/02/2015	Percentage of Portfolio
Grange Securities							
Kakadu	D		4.78%	700,000		-	
Parkes AAA	D	20/6/2015	5.01%	250,000		-	
Scarborough AA Ac 21	N/R			500,000	-	-	
					-	-	
Subtotal				1,450,000	-	-	0.0%
National Australia Bank							
Reserve180	A1+	13/3/2015	3.25%	4,454,847	63,151	4,517,998	
Subtotal				4,454,847	63,151	4,517,998	20.7%
Westpac							
Reserve 181	A1+	15/3/2015	3.43%	5,545,153	101,371	5,646,524	
Subtotal				5,545,153	101,371	5,646,524	25.9%
Elders Rural Bank							
Reserve182	A2	13/5/2015	3.15%	6,410,489	114,041	6,524,530	
Municipal 243	A2	19/3/2015	2.85%	5,000,000	94,521	5,094,521	
Subtotal				11,410,489	208,562	11,619,051	53.3%
Total Funds Invested				22,860,489	373,084	21,783,573	100%



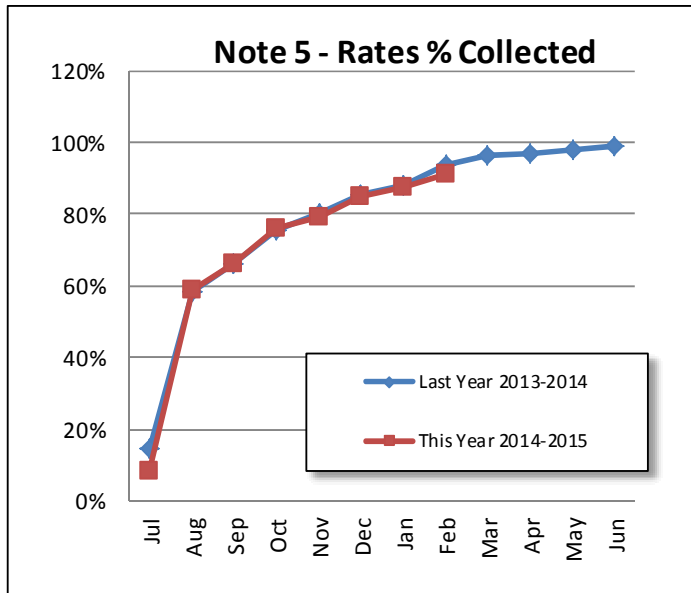
Graph Data - Portfolio Diversity		
National Australia Bank		20.7%
Westpac		25.9%
Elders Rural Bank		53.3%
		100.0%

City of Greater Geraldton
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2015

Note 5 : RECEIVABLES

Receivables - Rates and Rubbish

	Current 2014-2015
	\$
Opening Arrears Previous Years	(2,216,002)
Rates Levied this year	(45,681,175)
Less Collections to date	(41,675,138)
Equals Current Outstanding	(6,222,039)
<i>Comprises of Current Amt:</i>	<i>(2,951,798)</i>
<i>Deferred Amt:</i>	<i>(270,242)</i>
Net Rates Collectable	
% Collected	91.23%

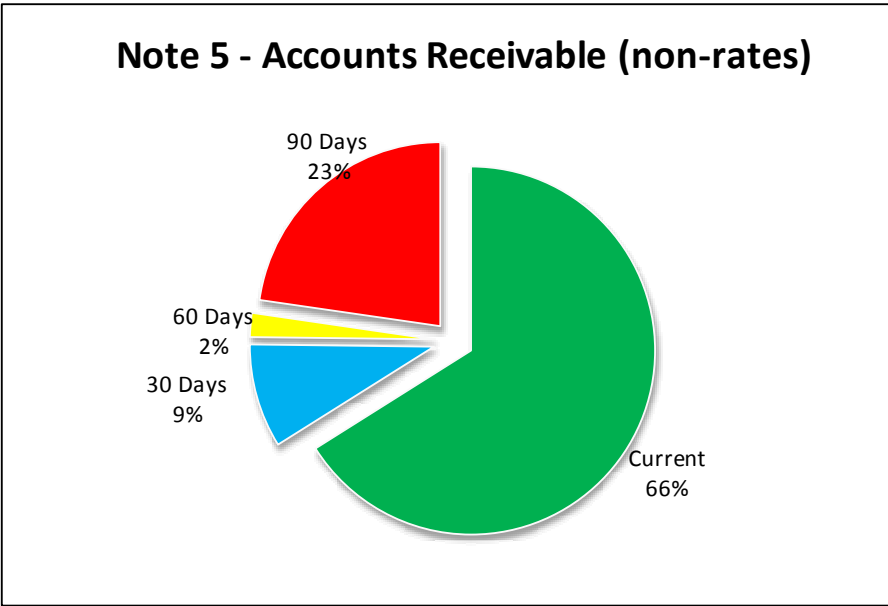


Comments/Notes - Receivables Rates and Rubbish

Rates collections are 91.23% (2013/2014: 94%) of total rates billed .
 Forth Instalment due 03/03/2015

Receivables - General

	Current	30 Days	60 Days	90 Days
	\$	\$	\$	\$
	670,652	92,602	21,331	230,452
Total Outstanding				<u>1,015,038</u>
General	467,454	46%		
Airport	368,812	36%		
Meru	178,772	18%		
	<u>1,015,038</u>	<u>100%</u>		



Comments/Notes - Receivables General

- Major debtors in February include Qantaslink \$174,250, Virgin Australia \$145,592, Main Roads \$101,695 & Veolia \$61,650.
 - 90 days and over include Point Moore Leases \$154,070