



## **MONTHLY FINANCIAL REPORT**

**For the Period Ended 28 February 2014**

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**CITY OF GREATER GERALDTON**  
**Statement of Financial Activity for the Period Ended 28 February 2014**

	Budget	YTD Budget Estimated	YTD Actual	Variances		
				\$	%	
<b>Operating Income</b>						
Rates	37,847,428	37,606,995	37,636,983	(29,988)	-0.1%	✓
Grants & Subsidies, Contributions	35,670,270	11,890,090	11,251,047	639,043	5.4%	✗
Fees & Charges	17,417,497	12,644,998	12,642,137	2,861	0.0%	✗
Interest Earnings	1,758,513	1,172,342	1,163,162	9,180	0.8%	✗
Other Revenue	2,029,625	709,024	681,850	27,174	3.8%	✗
Profit On Disposal Of Assets	578,807	143,696	106,758	36,938	25.7%	✗
	<b>95,302,140</b>	<b>64,167,145</b>	<b>63,481,937</b>	<b>685,208</b>	<b>1.1%</b>	<b>✗</b>
<b>Operating Expenditure</b>						
Employee Costs	(28,595,045)	(19,063,363)	(18,612,736)	(450,627)	2.4%	✓
Materials & Contractors	(20,813,074)	(14,222,267)	(14,075,779)	(146,488)	1.0%	✓
Utility & Govt Charges	(3,185,325)	(1,746,717)	(1,701,947)	(44,770)	2.6%	✓
Insurance	(971,360)	(947,573)	(922,135)	(25,438)	2.7%	✓
Interest/Borrowing Costs	(842,202)	(470,460)	(365,948)	(104,512)	22.2%	✓
Other Expenditure	(1,244,805)	(519,600)	(612,488)	92,888	-17.9%	✗
Land Held for Resale	(14,891,646)	(4,645,823)	(4,563,650)	(82,173)	1.8%	✓
Depreciation On Assets	(18,042,064)	(12,012,645)	(12,040,380)	27,735	-0.2%	✗
Loss On Disposal Of Assets	(209,720)	(152,303)	(115,654)	(36,649)	24.1%	✓
	<b>(88,795,241)</b>	<b>(53,780,752)</b>	<b>(53,010,717)</b>	<b>(770,035)</b>	<b>1.4%</b>	<b>✓</b>
<b>NET OPERATING</b>	<b>6,506,899</b>	<b>10,386,393</b>	<b>10,471,220</b>	<b>(84,827)</b>	<b>-0.8%</b>	<b>✓</b>
<b>Non-Cash Expenditure and Revenue</b>						
(Profit) / Loss on Asset Disposals	(369,087)	12,103	8,896	3,207	26.5%	✗
Depreciation on Assets	18,042,064	12,012,645	12,040,380	(27,735)	-0.2%	✓
	<b>17,672,977</b>	<b>12,024,748</b>	<b>12,049,276</b>	<b>(24,528)</b>	<b>-0.2%</b>	<b>✓</b>
<b>Capital Expenditure</b>						
Purchase Buildings	(9,074,322)	(3,780,968)	(3,519,795)	(261,173)	6.9%	✓
Purchase Plant and Equipment	(2,557,000)	(662,930)	(581,047)	(81,883)	12.4%	✓
Purchase Furniture and Equipment	(703,500)	(174,285)	(80,944)	(93,341)	53.6%	✓
Purchase Infrastructure Assets - Roads	(48,454,860)	(11,530,378)	(11,613,852)	83,474	-0.7%	✗
Purchase Infrastructure Assets - Parks	(4,026,000)	(3,019,500)	(3,236,677)	217,177	-7.2%	✗
Repayment of Debentures	(3,089,287)	(2,322,230)	(2,183,730)	(138,500)	6.0%	✓
Self Supporting / Council Loans paid out	0	0	0	0		✗
	<b>(67,904,969)</b>	<b>(21,490,291)</b>	<b>(21,216,045)</b>	<b>(274,246)</b>	<b>1.3%</b>	<b>✓</b>
<b>Capital Revenue</b>						
Proceeds from Disposal of Assets	3,885,000	260,450	299,769	(39,319)	-15.1%	✓
Proceeds from New Debentures	21,030,000	0	0	0		✗
Self-Supporting Loan Principal Income	92,124	61,424	62,296	(872)	-1.4%	✓
Council Loan Principal Income	0	5,260	17,609	(12,349)		✓
	<b>25,007,124</b>	<b>327,134</b>	<b>379,674</b>	<b>(52,540)</b>	<b>-16.1%</b>	<b>✓</b>
<b>Reserves</b>						
Transfers to Reserves	(448,000)	(98,664)	(70,000)	(28,664)	29.1%	✓
Transfers from Reserves	21,974,639	7,762,521	7,796,958	(34,437)	-0.4%	✓
	<b>21,526,639</b>	<b>7,663,857</b>	<b>7,726,958</b>	<b>(63,101)</b>	<b>-0.8%</b>	<b>✓</b>
<b>Current Funding Surplus (Deficit)</b>	<b>2,808,670</b>	<b>8,911,842</b>	<b>9,411,083</b>	<b>(499,242)</b>		

## **NOTE 1. MAJOR VARIANCES**

### Operating Income

Operating Income is showing a negative variance of \$625,208 or 1.1% due to the following:

Grants & Subsidies – The negative variance of \$639,043 or 5.4% is due to both the timing and the correct amount of grants received.

### Operating Expenditure

Operating expenditure is showing a positive variance (under-spend) of \$ 84,827 or 0.8% due to the following:

Employee Costs - The positive variance of \$450,627 or 2.4% is in line with budgeted expenditure with employee provisions to be added at year end.

Materials and Contractors - The small positive variance of \$146,488 or 1.0% is in line with anticipated expenditure.

Interest/Borrowing Costs – The positive variances of \$104,512 or 22.2% is due to a lower interest cost than budgeted because new loans have yet to be taken up.

Land Held for Resale - The positive variance of \$ 82,173 or 1.8% is associated with environmental issues affecting the development of Olive Street. This will be considered in the mid-year budget review.

### Capital Expenditure

Capital expenditure is showing a positive variance (under-spend) of \$274,246 or 1.3% due to the following:

Purchase of Buildings – The positive variance of \$261,173 or 6.9% is associated with the timing and profiling of the buildings projects.

Purchase of Plant and Equipment – The positive variance of \$81,833 or 12.4% is associated with a later than usual replacement of plant and equipment.

Purchase of Furniture and Equipment – The positive variance of \$93,341 or 53.6% is associated with a less than usual replacement of furniture and equipment.

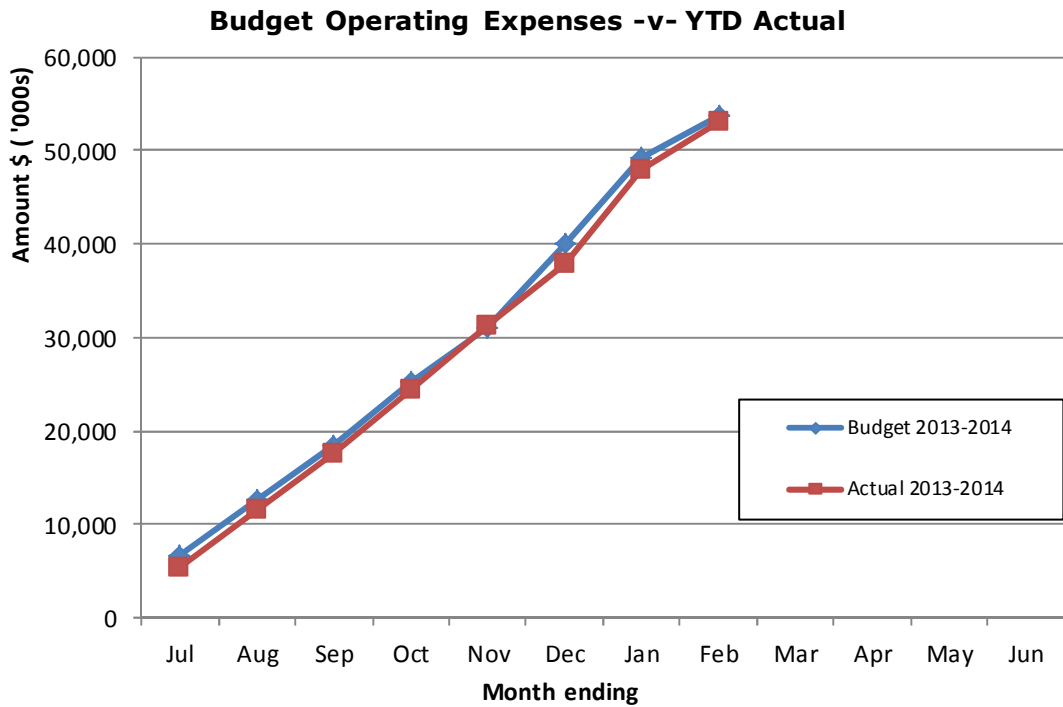
Repayment of Debentures – The positive variance of \$138,500 or 6.0% is associated with a lower level of debentures as new debentures are yet to be taken up for the year.

### Capital Revenue

Capital revenue is showing a slight positive net variance of \$52,540 or 16.1% with no significant variances.

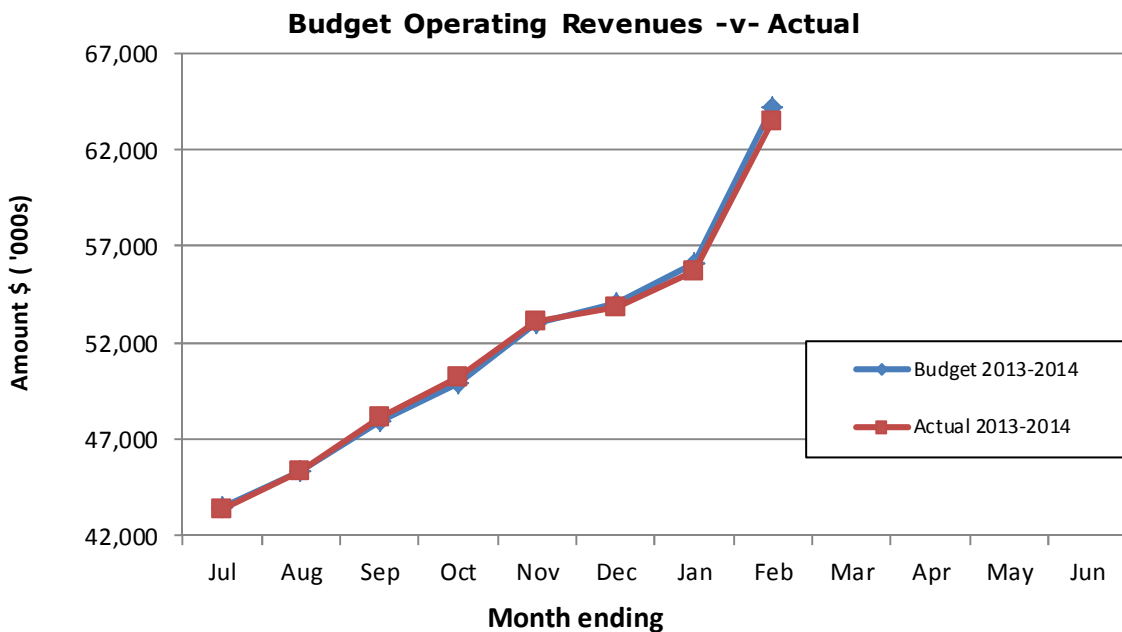
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
For the Period Ended 28th February 2014**

**Note 2 - Graphical Representation - Source Statement of Financial Activity**



**Comments/Notes - Operating Expenses**

Operating expenditure recorded as at 28 February is \$53,010,717. Major variances in employee costs, materials & contractors, interest and land held for resale.

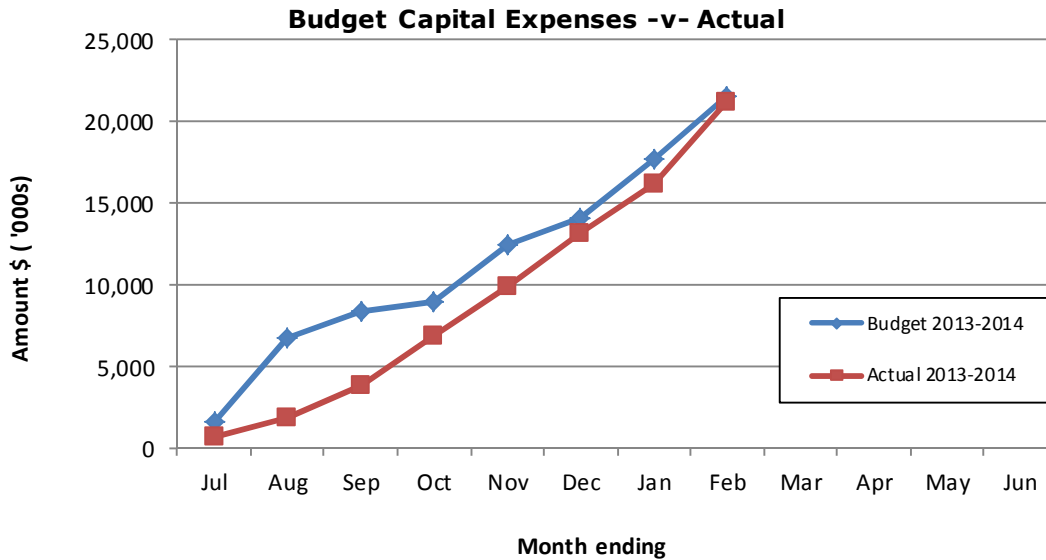


**Comments/Notes - Operating Revenues**

Operating income recorded as at 28 February is \$63,481,937. Major variances are in grants & subsidies.

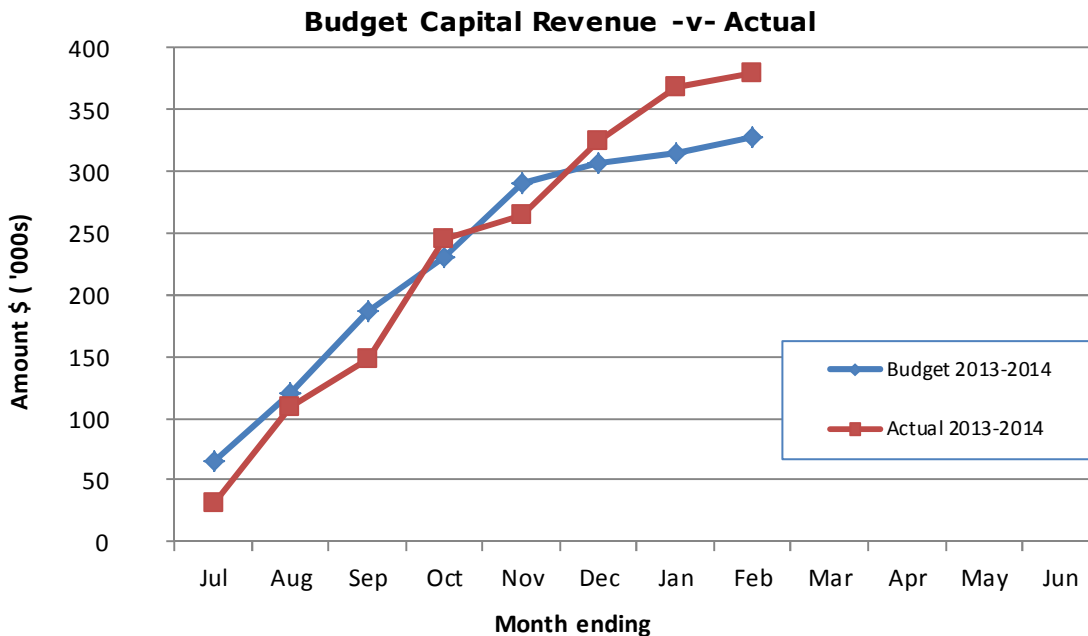
**City of Greater Geraldton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 28th February 2014**

**Note 2 - Graphical Representation - Source Statement of Financial Activity**



**Comments/Notes - Capital Expenses**

Capital expenditure recorded as at 28 February is \$21,216,045. Major variances include purchase buildings, plant & equipment, furniture & equipment and repayment of debentures.



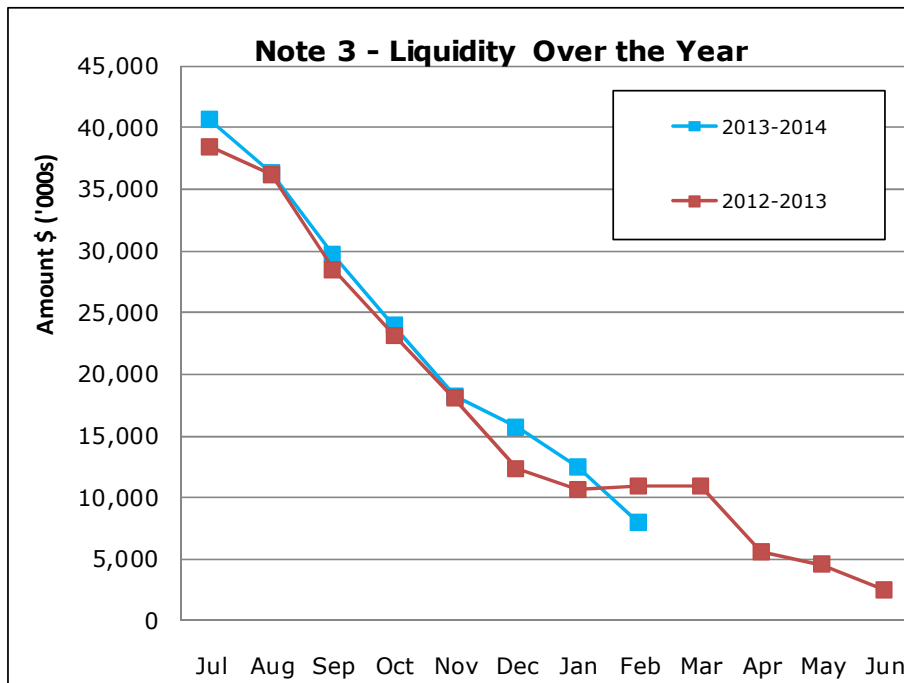
**Comments/Notes - Capital Revenues**

Capital revenue recorded as at 28 February is \$379,674. There are no major variances.

**City of Greater Geraldton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 28th February 2014**

**Note 3: NET CURRENT FUNDING POSITION**

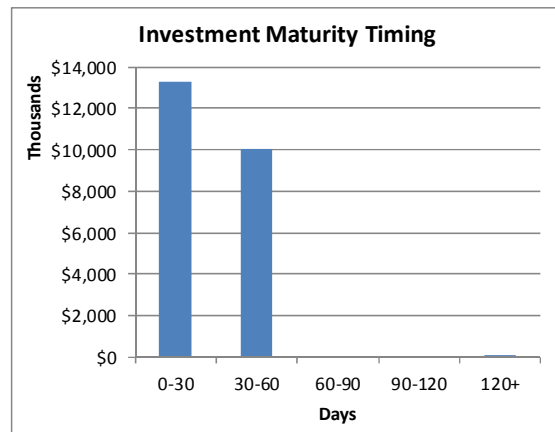
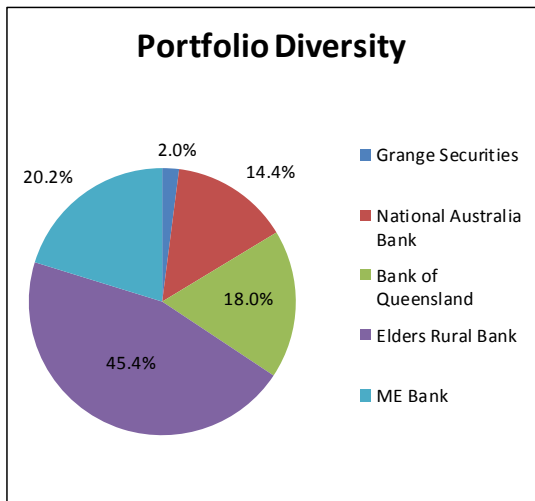
	Positive=Surplus (Negative=Deficit)		
	2013-2014		2012-2013
	This Period	Last Period	This Period
	\$	\$	\$
<b>Current Assets</b>			
Cash at Bank			
Municipal Account	5,786,508	11,216,332	10,155,823
Reserve Account	22,997,621	22,838,616	29,258,740
Restricted Assets	824,844	826,713	833,633
Total Cash at Bank	29,608,974	34,881,661	40,729,156
Receivables			
Prepayments	81,083	68,552	35,572
Tax Recoverable	490,751	439,686	586,778
Sundry Debtors	1,167,637	1,483,753	2,137,990
Rates Receivable	3,828,058	5,921,377	4,547,458
Inventories	322,161	285,442	301,896
<b>Total Current Assets</b>	35,498,664	43,080,471	48,338,851
<b>Less: Current Liabilities</b>			
Creditors and Provisions	809,594	1,098,549	1,961,789
Current Borrowings	629,057	1,554,372	1,454,254
Employee Entitlements	4,350,563	4,349,017	3,931,797
	5,789,214	7,001,938	7,347,840
Less: Cash Restricted	(21,822,466)	(23,665,329)	(30,092,373)
<b>Net Current Funding Position</b>	<b>7,886,984</b>	<b>12,413,204</b>	<b>10,898,638</b>



**City of Greater Geraldton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 28th February 2014**

**Note 4 - Monthly Investment Report**

Deposit Ref	Current Credit Rating	Maturity/ Conversion	Invested Interest rates	Amount Invested	Interest Earned YTD	Current Value @28/02/2014	Percentage of Portfolio
<b>Grange Securities</b>							
Kakadu	D	20/3/2014	4.78%	700,000		385,000	
Parkes AAA	D	20/6/2015	5.01%	250,000		85,000	
Scarborough AA Ac 21	N/R			500,000	-	-	
<b>Subtotal</b>				<b>1,450,000</b>	<b>-</b>	<b>470,000</b>	<b>2.0%</b>
** 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.							
<b>National Australia Bank</b>							
Reserve169	A1+	27/3/2014	3.70%	319,001		319,001	
Reserve176	A1+	31/3/2014	3.43%	3,000,000	49,238	3,049,238	
<b>Subtotal</b>				<b>3,319,001</b>	<b>49,238</b>	<b>3,368,239</b>	<b>14.4%</b>
<b>Bank of Queensland</b>							
Reserve177	A2	13/3/2014	3.90%	4,216,222		4,216,222	
<b>Subtotal</b>				<b>4,216,222</b>	<b>-</b>	<b>4,216,222</b>	<b>18.0%</b>
<b>Elders Rural Bank</b>							
Reserve173	A2	27/3/2014	3.75%	603,393		603,393	
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	
<b>Subtotal</b>				<b>10,634,645</b>	<b>31,194</b>	<b>10,665,839</b>	<b>45.4%</b>
<b>ME Bank</b>							
Reserve170	A2	27/3/2014	3.70%	4,700,000	47,322	4,747,322	
<b>Subtotal</b>				<b>4,700,000</b>	<b>47,322</b>	<b>4,747,322</b>	<b>20.2%</b>
<b>Total Funds Invested</b>				<b>24,319,868</b>	<b>127,754</b>	<b>23,467,622</b>	<b>100%</b>



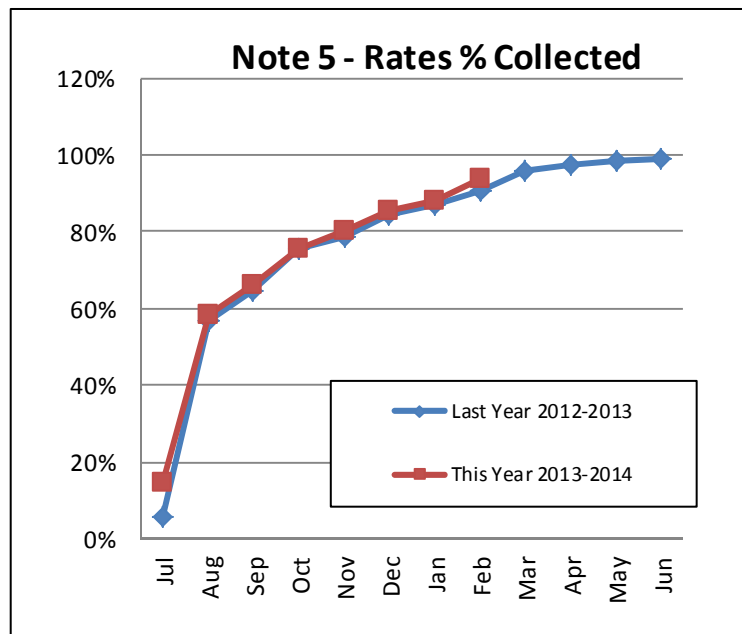


**City of Greater Geraldton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 28th February 2014**

**Note 5 : RECEIVABLES**

**Receivables - Rates and Rubbish**

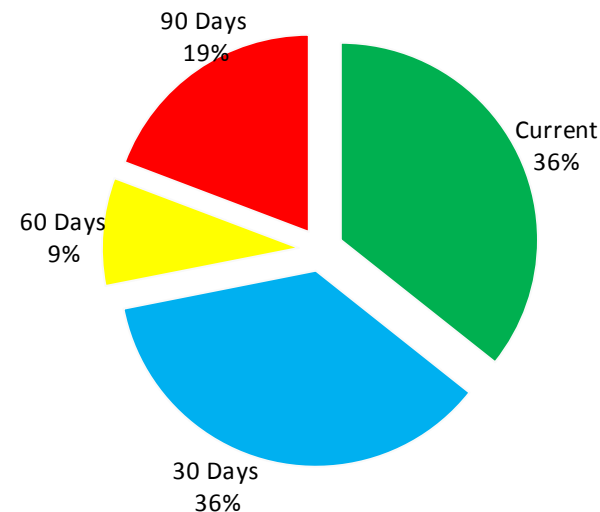
	<b>Current 2013-2014</b>
	\$
Opening Arrears Previous Years	(1,742,000)
Rates Levied this year	(43,537,845)
Less Collections to date	(40,816,862)
<b>Equals Current Outstanding</b>	<b>(4,462,982)</b>
<i>Comprises of Current Amt:</i>	(4,192,741)
<i>Deferred Amt:</i>	(270,242)
 <b>Net Rates Collectable</b>	
% Collected	93.75%



**Receivables - General**

	<b>Current</b>	<b>30 Days</b>	<b>60 Days</b>	<b>90 Days</b>
	\$	\$	\$	\$
	419,355	425,793	104,039	226,213
<b>Total Outstanding</b>				<b><u>1,175,400</u></b>
General	593,564	50%		
Airport	249,987	21%		
Meru	331,850	28%		
	<b><u>1,175,400</u></b>	<b><u>100%</u></b>		

**Note 5 - Accounts Receivable (non-rates)**



**Comments/Notes - Receivables Rates and Rubbish**

Rates collections are 93.75% of total rates billed in February post 4th and final instalment.

**Comments/Notes - Receivables General**

- Major debtors in February include: Virgin Australia \$179,705 and Veolia \$163,518.  
 - 90 days and over: Point Moore Leases \$ 162,732.