



City of  
**Greater Geraldton**  
a vibrant future



## **MONTHLY FINANCIAL REPORT**

**For the Period Ended 31 July 2014**

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

|   | Budget              | YTD Budget<br>Estimated | YTD Actual         | YTD Major<br>Commitments | Variances (commtments<br>incl) |              |          |
|---|---------------------|-------------------------|--------------------|--------------------------|--------------------------------|--------------|----------|
|   |                     |                         |                    |                          | \$                             | %            |          |
| <b>Operating Income</b>                             |                     |                         |                    |                          |                                |              |          |
| Rates   | 39,553,622          | 39,123,622              | 39,121,007         |                          | 2,615                          | 0.0%         | ✗        |
| Grants & Subsidies, Contributions                   | 24,904,137          | 567,042                 | 586,630            |                          | (19,588)                       | -3.5%        | ✓        |
| Fees & Charges                                      | 18,415,235          | 5,595,408               | 6,218,590          |                          | (623,182)                      | -11.1%       | ✓        |
| Interest Earnings                                   | 1,458,533           | 23,981                  | 20,983             |                          | 2,998                          | 12.5%        | ✗        |
| Other Revenue                                       | 1,680,200           | 124,179                 | 115,272            |                          | 8,907                          | 7.2%         | ✗        |
| FV Adjustments to Financial Assets at FV thru P&L   | 90,000              | 0                       |                    |                          |                                |              |          |
| Profit On Disposal Of Assets                        | 59,786              | 92,982                  | 91,727             |                          | 1,255                          | 1.3%         | ✗        |
|   | <b>86,161,513</b>   | <b>45,527,214</b>       | <b>46,154,209</b>  |                          | <b>(626,995)</b>               | <b>-1.4%</b> | <b>✓</b> |
| <b>Operating Expenditure</b>                        |                     |                         |                    |                          |                                |              |          |
| Employee Costs                                      | (29,510,760)        | (1,991,380)             | (1,950,482)        |                          | (40,898)                       | 2.1%         | ✓        |
| Materials & Contractors                             | (22,598,421)        | (3,010,941)             | (703,546)          | (2,287,637)              | (19,758)                       | 0.7%         | ✓        |
| Utility & Govt Charges                              | (3,300,700)         | (198,540)               | (187,211)          |                          | (11,329)                       | 5.7%         | ✓        |
| Insurance   | (945,410)           | (76,086)                | (68,398)           |                          | (7,688)                        | 10.1%        | ✓        |
| Interest/Borrowing Costs                            | (871,709)           | (68,738)                | (68,738)           |                          |                                | 0.0%         | ✗        |
| Other Expenditure                                   | (2,355,612)         | (257,236)               | (268,464)          |                          | 11,228                         | -4.4%        | ✗        |
| Depreciation On Assets                              | (17,939,427)        | (1,494,885)             | (1,494,952)        |                          | 67                             | 0.0%         | ✗        |
| Loss On Disposal Of Assets                          | (1,221,291)         | (41,770)                |                    |                          | (41,770)                       | 100.0%       | ✓        |
| Land held for resale (Acquisition/Development cost) |                     |                         |                    |                          |                                |              |          |
|   | <b>(78,743,330)</b> | <b>(7,139,576)</b>      | <b>(4,741,791)</b> | <b>(2,287,637)</b>       | <b>(110,147)</b>               | <b>1.5%</b>  | <b>✓</b> |
| <b>NET OPERATING</b>                                | <b>7,418,183</b>    | <b>38,387,638</b>       | <b>41,412,418</b>  | <b>(2,287,637)</b>       | <b>(737,142)</b>               | <b>-1.9%</b> | <b>✓</b> |
| <b>Non-Cash Expenditure and Revenue</b>             |                     |                         |                    |                          |                                |              |          |
| (Profit) / Loss on Asset Disposals                  | 1,161,505           | (51,212)                | (91,727)           |                          | 40,515                         | -79.1%       | ✗        |
| Depreciation on Assets                              | 17,939,427          | 1,494,885               | 1,494,952          |                          | (67)                           | 0.0%         | ✓        |
| Movement in Employee Benefit Provision              | 260,210             |                         |                    |                          |                                |              |          |
| FV Adjustment to Financial Assets at FV thru P&L    | (90,000)            |                         |                    |                          |                                |              |          |
|   | <b>19,271,142</b>   | <b>1,443,673</b>        | <b>1,403,225</b>   |                          | <b>40,448</b>                  | <b>2.8%</b>  | <b>✗</b> |
| <b>Capital Expenditure</b>                          |                     |                         |                    |                          |                                |              |          |
| Purchase Buildings                                  | (9,122,000)         | (785,728)               | (206,043)          | (552,067)                | (27,618)                       | 3.5%         | ✓        |
| Land held for resale (Acquisition/Development cost) | (4,000,000)         |                         |                    |                          | 0                              |              |          |
| Purchase Plant and Equipment                        | (2,514,000)         | (103,746)               | (108,140)          | (54,534)                 | 58,928                         | -56.8%       | ✗        |
| Purchase Furniture and Equipment                    | (275,190)           | (30,280)                | 0                  | (1,137)                  | (29,143)                       | 96.2%        | ✓        |
| Purchase Other Property, Plant and Equipment        | (630,000)           |                         |                    |                          | 0                              |              |          |
| Purchase Infrastructure Airport                     | (3,546,000)         | (122,097)               | (31,216)           | (68,954)                 | (21,927)                       | 18.0%        |          |
| Purchase Infrastructure Regional Waste              | (685,000)           | (57,080)                | 0                  | (33,373)                 | (23,707)                       | 41.5%        |          |
| Purchase Infrastructure Assets - Roads              | (31,523,865)        | (2,668,042)             | (293,897)          | (807,804)                | (1,566,341)                    | 58.7%        | ✓        |
| Purchase Infrastructure Assets - Parks              | (10,224,000)        | (524,723)               | (125,878)          | (59,045)                 | (339,800)                      | 64.8%        | ✓        |
| Purchase Infrastructure Assets - Other              | (2,636,475)         | (157,072)               | (33,475)           | (176,434)                | 52,837                         | -33.6%       |          |
| Repayment of Debentures                             | (2,116,985)         | (191,143)               | (191,144)          |                          | 1                              | 0.0%         | ✗        |
|   | <b>(67,273,515)</b> | <b>(4,639,911)</b>      | <b>(989,793)</b>   | <b>(1,753,347)</b>       | <b>(1,896,771)</b>             | <b>40.9%</b> | <b>✓</b> |
| <b>Capital Revenue</b>                              |                     |                         |                    |                          |                                |              |          |
| Proceeds from Disposal of Assets                    | 2,377,000           | 98,083                  | 91,727             |                          | 6,356                          | 6.5%         | ✗        |
| Proceeds from New Debentures                        | 24,860,000          |                         |                    |                          | 0                              |              | ✗        |
| Self-Supporting Loan Principal Income               | 77,149              | 10,856                  | 10,856             |                          | 0                              | 0.0%         | ✗        |
|   | <b>27,314,149</b>   | <b>108,939</b>          | <b>102,583</b>     |                          | <b>6,356</b>                   | <b>5.8%</b>  | <b>✗</b> |
| <b>Reserves</b>                                     |                     |                         |                    |                          |                                |              |          |
| Transfers to Reserves                               | (146,979)           |                         |                    |                          | 0                              |              | ✗        |
| Transfers from Reserves                             | 11,267,000          |                         |                    |                          | 0                              |              | ✗        |
|   | <b>11,120,021</b>   | <b>0</b>                | <b>0</b>           |                          | <b>0</b>                       |              | <b>✗</b> |
| <b>Current Funding Surplus (Deficit)</b>            | <b>(2,150,020)</b>  | <b>35,300,339</b>       | <b>41,928,433</b>  | <b>(4,040,984)</b>       |                                |              |          |

## **NOTE 1. MAJOR VARIANCES**

### Operating Income

Operating Income is showing a positive variance of \$626,995 or 1.4%. Major variances are as follows  
Fees and Charges \$623,182 – This is mainly as a result of all Point Moore leases invoiced in July.

### Operating Expenditure

Operating expenditure is showing a positive variance (under-spend) of \$ 110,147 or 1.5%. No Major variances to report on. Major commitments for July are \$2,287,637

### Capital Expenditure

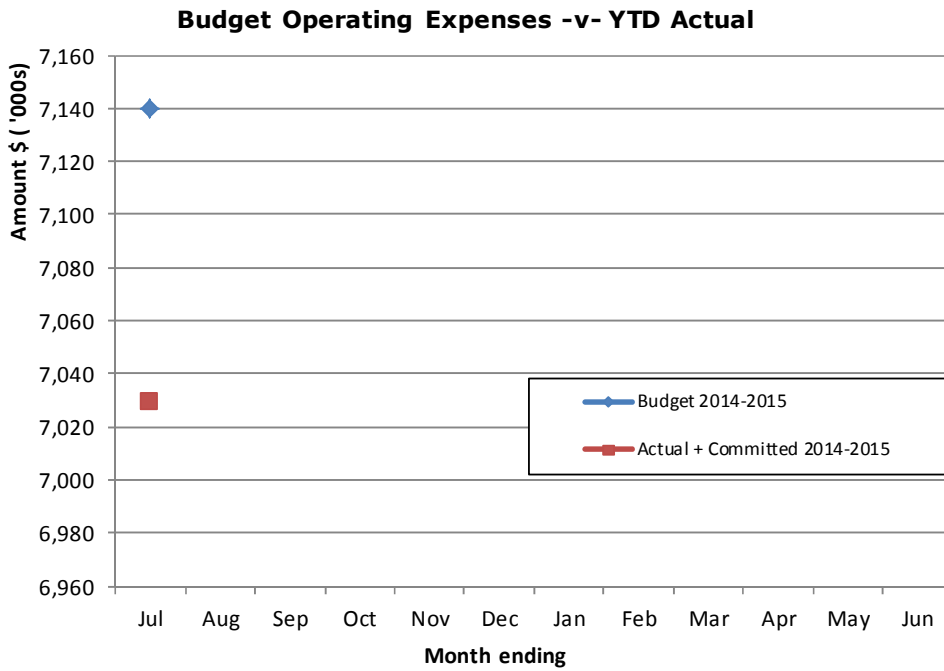
Capital expenditure is showing a positive variance (under-spend) of \$1,896,771 or 40.9%. The major variances are as a result of the timing of acquisitions. Most capital commitments have been made and the actual expenditure should start in the coming months. Major commitments for July are \$1,753,347.

### Capital Revenue

Capital revenue is showing a positive variance of \$6,356 with no significant variances.

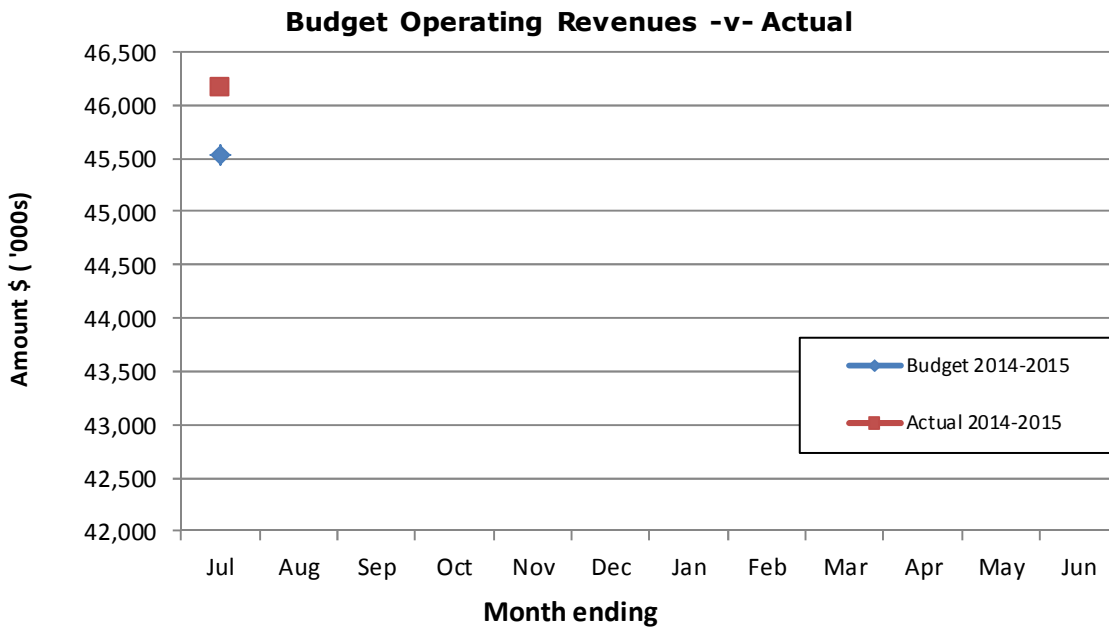
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
For the Period Ended 31st July 2014**

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



**Comments/Notes - Operating Expenses**

Operating expenditure recorded as at 31 July is \$4,741,791.(\$7,029,428 Inc. \$2,287,637 Committed) Positive variances in materials & contractors, utilities

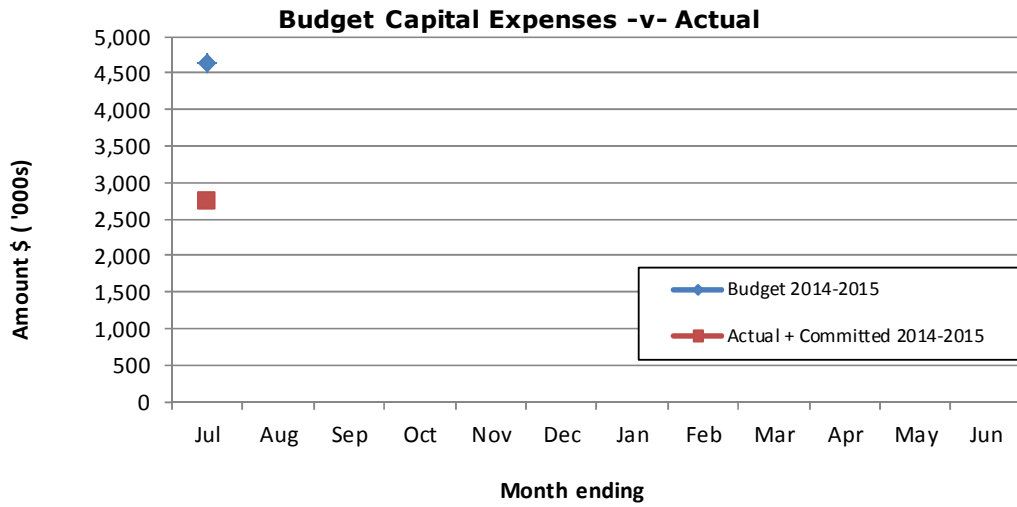


**Comments/Notes - Operating Revenues**

Operating income recorded as at 31 July is \$46,154,209. Major variances in fees and charges

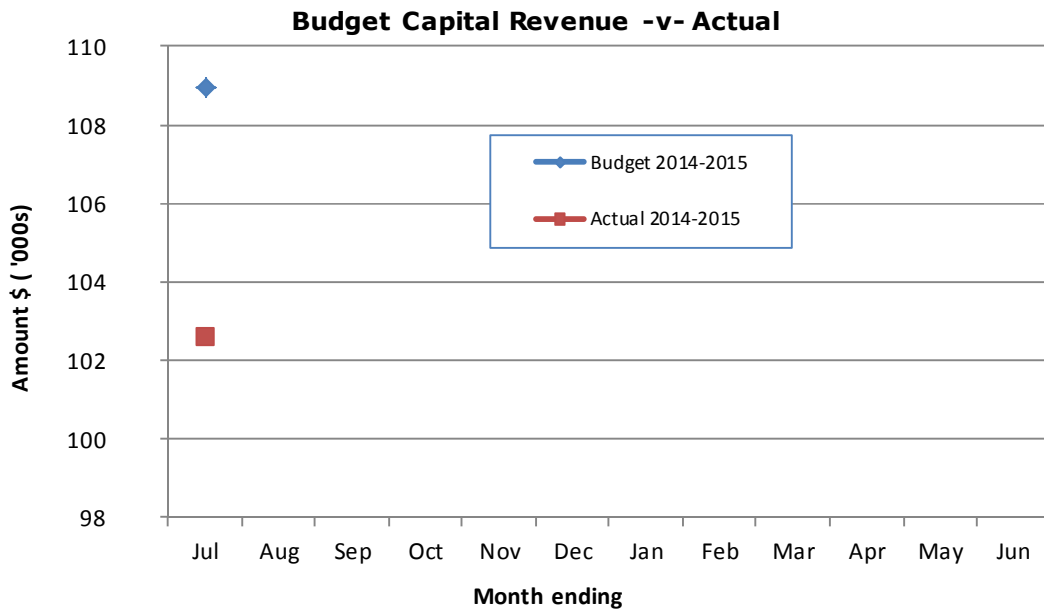
**City of Greater Geraldton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31st July 2014**

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



**Comments/Notes - Capital Expenses**

Capital expenditure recorded as at 31 July is \$989,793 (\$2,743,140 Inc. \$1,753,347 Committed)  
 Major variances include Purchase Buildings, Plant & Equipment, Furniture & Equipment, Roads and Parks.



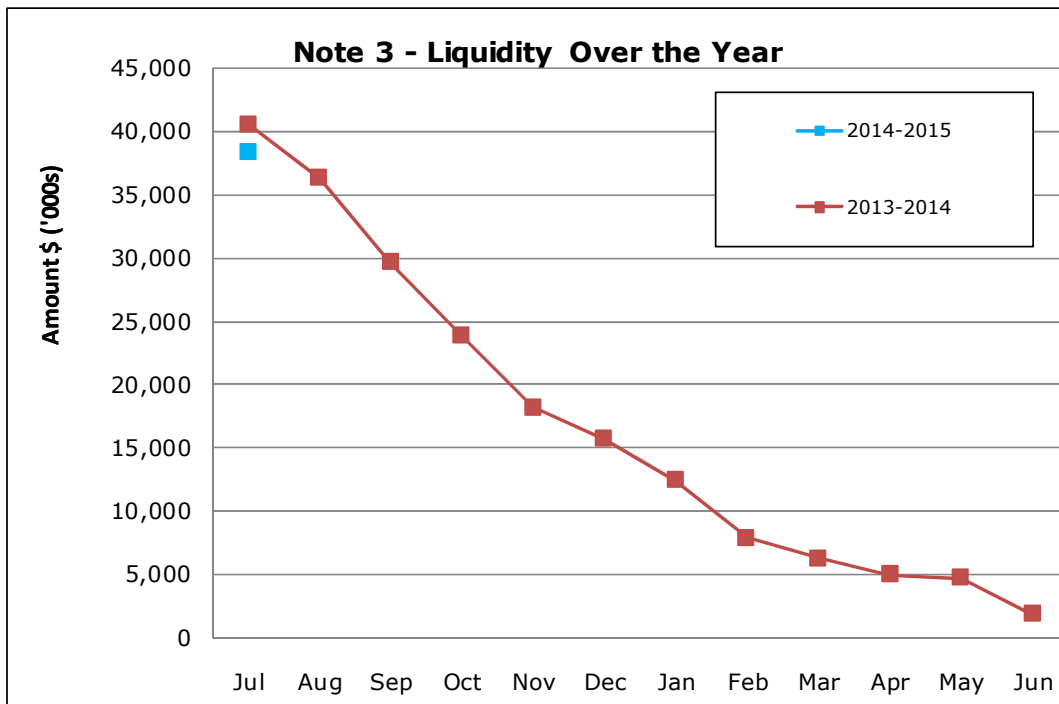
**Comments/Notes - Capital Revenues**

Capital revenue recorded as at 31 July is \$102,583. Main positive variance is proceeds of sale of assets.

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

**Note 3: NET CURRENT FUNDING POSITION**

|                                     | Positive=Surplus (Negative=Deficit) |                   |
|-------------------------------------|-------------------------------------|-------------------|
|                                     | 2014-2015                           | 2013-2014         |
|                                     | This Period                         | This Period       |
|                                     | \$                                  | \$                |
| <b>Current Assets</b>               |                                     |                   |
| Cash at Bank                        |                                     |                   |
| Municipal Account                   | 3,337,117                           | 5,303,496         |
| Reserve Account                     | 13,296,039                          | 23,922,686        |
| Restricted Assets                   | 333,395                             | 825,463           |
| Total Cash at Bank                  | 16,966,551                          | 30,051,644        |
| Receivables                         |                                     |                   |
| Prepayments                         | 339,452                             | 140,363           |
| Tax Recoverable                     | 473,935                             | 149,835           |
| Sundry Debtors                      | 1,721,513                           | 2,733,652         |
| Rates Receivable                    | 42,254,661                          | 39,604,145        |
| Inventories                         | 357,168                             | 246,918           |
| <b>Total Current Assets</b>         | 62,113,280                          | 72,926,557        |
| <b>Less: Current Liabilities</b>    |                                     |                   |
| Creditors and Provisions            | 748,533                             | 1,493,040         |
| Current Borrowings                  | 4,625,842                           | 2,566,696         |
| Employee Entitlements               | 4,724,405                           | 4,364,332         |
|                                     | 10,098,780                          | 8,424,068         |
| Less: Cash Restricted               | (13,629,434)                        | (23,922,686)      |
| <b>Net Current Funding Position</b> | <b>38,385,066</b>                   | <b>40,579,803</b> |



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

**Note 4 - Monthly Investment Report**

| Deposit Ref   | Current Credit Rating | Maturity/ Conversion | Invested Interest rates | Amount Invested             | Interest Earned YTD | Current Value @31/07/2014 | Percentage of Portfolio |
|---|-----------------------|----------------------|-------------------------|-----------------------------|---------------------|---------------------------|-------------------------|
| <b>Grange Securities</b>  |                       |                      |                         |                             |                     |                           |                         |
| Parkes AAA  | D                     | 20/6/2015            | 5.01%                   | 250,000                     |                     | 97,500                    |                         |
| Scarborough AA Ac 21  | N/R                   |                      |                         | 500,000                     | -                   | -                         |                         |
|   |                       |                      |                         |                             | -                   | -                         |                         |
|   |                       |                      |                         | <b>Subtotal</b>             | <b>750,000</b>      | <b>-</b>                  | <b>97,500</b>           |
|   |                       |                      |                         |                             |                     |                           | <b>0.7%</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. |                       |                      |                         |                             |                     |                           |                         |
| ** 20th March 2014 received \$639,811 re Corsair JP Morgan - Kakadu notes FV \$700,000. |                       |                      |                         |                             |                     |                           |                         |
| <b>Commonwealth Bank</b>  |                       |                      |                         |                             |                     |                           |                         |
| Business Online Saver   | A1+                   | on call              | var                     | 13,629,434                  |                     | 13,629,434                |                         |
|   |                       |                      |                         | <b>Subtotal</b>             | <b>13,629,434</b>   | <b>-</b>                  | <b>13,629,434</b>       |
|   |                       |                      |                         |                             |                     |                           | <b>99.3%</b>            |
|   |                       |                      |                         | <b>Total Funds Invested</b> | <b>14,379,434</b>   | <b>-</b>                  | <b>13,726,934</b>       |
|   |                       |                      |                         |                             |                     |                           | <b>100%</b>             |



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

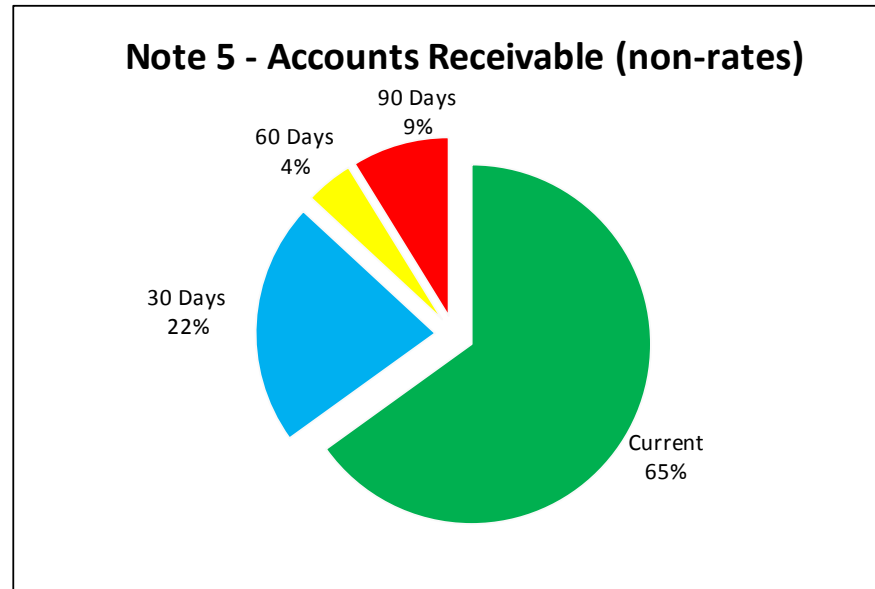
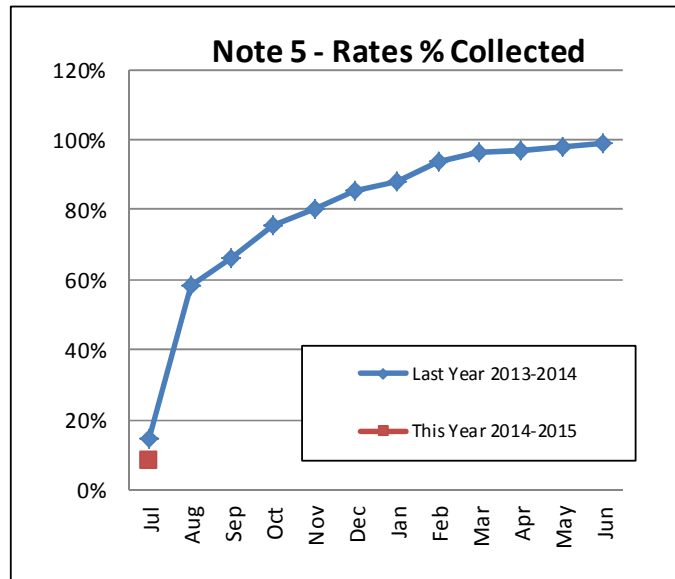
**Note 5 : RECEIVABLES**

**Receivables - Rates and Rubbish**

|                                   | Current<br>2013-2014 |
|-----------------------------------|----------------------|
|                                   | \$                   |
| Opening Arrears Previous Years    | (2,216,002)          |
| Rates Levied this year            | (46,498,019)         |
| Less Collections to date          | (3,899,144)          |
| <b>Equals Current Outstanding</b> | <b>(44,814,877)</b>  |
| <i>Comprises of Current Amt:</i>  | <i>(44,544,635)</i>  |
| <i>Deferred Amt:</i>              | <i>(270,242)</i>     |
| <br><b>Net Rates Collectable</b>  |                      |
| % Collected                       | 8.39%                |

**Receivables - General**

|                          | Current                 | 30 Days            | 60 Days | 90 Days                 |
|--------------------------|-------------------------|--------------------|---------|-------------------------|
|                          | \$                      | \$                 | \$      | \$                      |
|                          | 1,122,036               | 376,417            | 74,002  | 151,970                 |
| <b>Total Outstanding</b> |                         |                    |         | <b><u>1,724,425</u></b> |
| <br>General              | 1,136,993               | 66%                |         |                         |
| Airport                  | 511,111                 | 30%                |         |                         |
| Meru                     | 76,321                  | 4%                 |         |                         |
|                          | <b><u>1,724,424</u></b> | <b><u>100%</u></b> |         |                         |



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

Rates collections are 8.39% of total rates billed in July. First Instalment due 25/08/2014

**Comments/Notes - Receivables General**

- Major debtors in July include: Virgin Australia \$237,444.80 , Quantaslink \$168,366, Water Corp. \$94,770.23, Veolia \$57,926.77  
 - 90 days and over: Point Moore Leases \$ 72,578.72.