



City of  
**Greater Geraldton**  
a vibrant future



## **MONTHLY FINANCIAL REPORT**

**For the Period Ended 30 April 2015**

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**CITY OF GREATER GERALDTON**  
**Statement of Financial Activity for the Period Ended 30 April 2015**

	Budget Current	YTD Budget Estimated	YTD Actual	YTD Major Commitments	Variances (commtments incl)	
					\$	%
<b>Operating Income</b>						
Rates	39,474,203	39,507,539	39,465,026		42,513	0.1% X
Grants & Subsidies, Contributions	9,552,946	7,584,087	7,635,170		-51,083	-0.7% ✓
Fees & Charges	19,527,338	17,340,104	17,388,738		-48,634	-0.3% ✓
Interest Earnings	1,408,533	1,264,614	1,462,559		-197,945	-15.7% ✓
Other Revenue	819,959	538,279	490,761		47,518	8.8% X
FV Adjustments to Financial Assets at FV thru P&L	90,000	0	0		0	✓
Profit On Disposal Of Assets	69,286	69,286	87,622		-18,336	-26.5% ✓
	<b>70,942,265</b>	<b>66,303,909</b>	<b>66,529,876</b>		<b>-225,967</b>	<b>-0.3% ✓</b>
<b>Operating Expenditure</b>						
Employee Costs	-29,510,760	-23,762,733	-23,322,046		-440,687	1.9% ✓
Materials & Contractors	-22,613,469	-17,864,784	-14,385,433	-2,108,156	-1,371,195	7.7% ✓
Utility & Govt Charges	-3,251,400	-2,508,009	-2,460,406		-47,603	1.9% ✓
Insurance	-989,264	-898,901	-836,582		-62,319	6.9% ✓
Interest/Borrowing Costs	-871,709	-630,227	-585,448		-44,779	7.1% ✓
Other Expenditure	-2,456,352	-1,746,796	-1,692,963		-53,833	3.1% ✓
Depreciation On Assets	-17,939,427	-15,130,150	-15,185,240		55,090	-0.4% X
Loss On Disposal Of Assets	-1,221,291	-285,000	-242,660		-42,340	14.9% ✓
Land held for resale (Acquisition/Development cost)	-4,000,000	-250,000	-256,910		6,910	-2.8% ✓
	<b>-82,853,672</b>	<b>-63,076,600</b>	<b>-58,967,688</b>	<b>-2,108,156</b>	<b>-2,000,756</b>	<b>3.2% ✓</b>
<b>NET OPERATING</b>	<b>-11,911,407</b>	<b>3,227,309</b>	<b>7,562,188</b>	<b>-2,108,156</b>	<b>-2,226,723</b>	<b>-69.0% ✓</b>
<b>Non-Cash Expenditure and Revenue</b>						
(Profit) / Loss on Asset Disposals	1,152,005	215,714	155,038		60,676	28.1% X
Depreciation on Assets	17,939,427	15,130,150	15,185,240		-55,090	-0.4% ✓
Movement in Employee Benefit Provision	260,210					
FV Adjustment to Financial Assets at FV thru P&L	-90,000					
	<b>19,261,642</b>	<b>15,345,864</b>	<b>15,340,278</b>		<b>5,586</b>	<b>0.0% X</b>
<b>Capital Expenditure</b>						
Purchase Buildings	-9,964,766	-6,726,192	-4,299,576	-91,250	-2,335,366	34.7% ✓
Purchase Plant and Equipment	-2,000,000	-1,934,949	-1,101,895	-530,549	-302,505	15.6% ✓
Purchase Furniture and Equipment	-817,147	-631,812	-300,876	-222,055	-108,881	17.2% ✓
Purchase Infrastructure Airport	-3,676,000	-2,829,973	-2,337,615	-259,614	-232,744	8.2% ✓
Purchase Infrastructure Regional Waste	-685,000	-59,448	-22,563	-69,665	32,780	-55.1% X
Purchase Infrastructure Assets - Roads	-33,540,187	-11,101,947	-9,704,042	-1,085,745	-312,160	2.8% ✓
Purchase Infrastructure Assets - Parks	-11,480,430	-3,702,214	-2,374,787	-858,119	-469,308	12.7% ✓
Purchase Infrastructure Assets - Other	-2,119,749	-1,533,453	-1,147,190	-44,130	-342,133	22.3% ✓
Repayment of Debentures	-4,816,985	-4,398,421	-4,398,421		0	0.0% ✓
	<b>-69,100,264</b>	<b>-32,918,409</b>	<b>-25,686,965</b>	<b>-3,161,127</b>	<b>-4,070,317</b>	<b>12.4% ✓</b>
<b>Capital Revenue</b>						
Non Operating Grants & Subsidies	18,522,543	7,150,167	7,245,262		-95,095	-1.3% ✓
Proceeds from Disposal of Assets	2,384,000	990,482	793,839		196,643	19.9% X
Proceeds from New Debentures	27,310,000				0	✓
Self-Supporting Loan Principal Income	77,149	58,670	69,286		-10,616	-18.1% ✓
	<b>48,293,692</b>	<b>8,199,319</b>	<b>8,108,387</b>		<b>90,932</b>	<b>1.1% X</b>
<b>Reserves</b>						
Transfers to Reserves	-154,487	-154,487	-604,487		450,000	-291.3% X
Transfers from Reserves	13,112,737				0	✓
	<b>12,958,250</b>	<b>-154,487</b>	<b>-604,487</b>		<b>450,000</b>	<b>-291.3% X</b>
<b>Current Funding Surplus (Deficit)</b>	<b>-498,087</b>	<b>-6,300,404</b>	<b>4,719,401</b>	<b>-5,269,283</b>		

## NOTE 1. MAJOR VARIANCES

### Operating Income

Operating Income is showing a positive variance of \$225,967 or 0.3%. 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 1<sup>st</sup> ten months of this financial year increased rates revenue from interim rating (above targeted estimates) has mitigated the impact.

Interest Earnings is showing a positive variance of \$197,945 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 \$ 2,000,758 or 3.2%.

Employment Costs shows savings realised via a recruitment freeze. Part of these savings have 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 \$ 1,371,195 or 7.7%. It is forecasted that savings will be achieved in this expenditure type at year end.

Major commitments end of March - \$2,108,156

### Capital Expenditure

Capital expenditure is showing a positive variance (under-spend) of \$ 4,070,317 or 12.4%.

Capital expenditure variances are associated with the timing and profiling of cash outflows associated with building and infrastructure projects (e.g the construction of the Karloo-Wandina Bridge & MUF).

Major Capital commitments end of March - \$3,161,127

### Capital Revenue

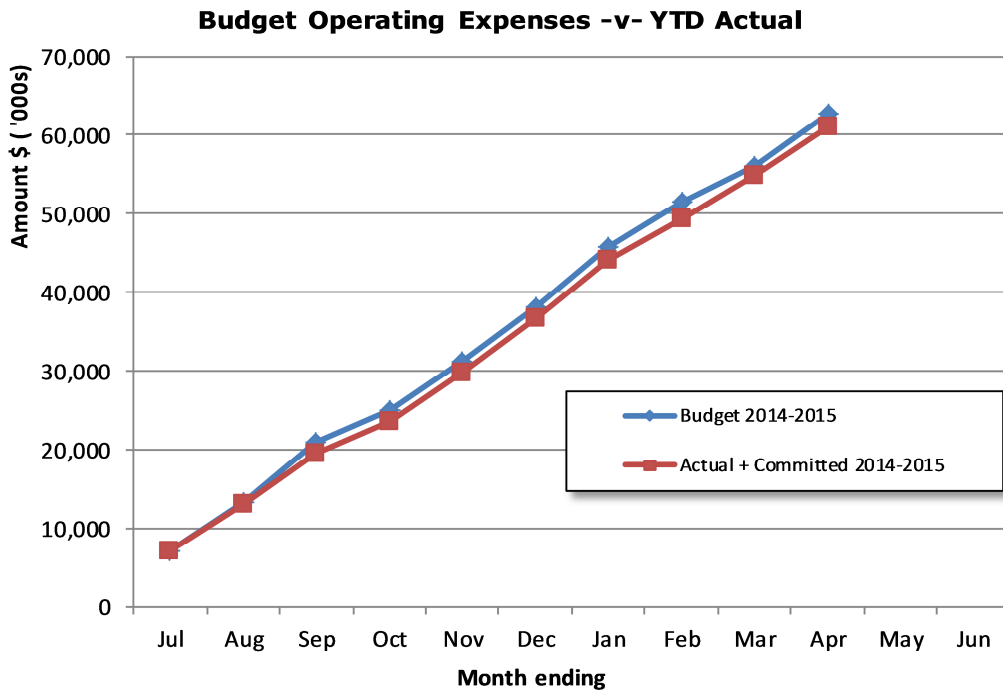
Capital revenue is showing a positive variance of \$ 90,932 or 1.1%. Due to either delays (Karloo-Wandina & MUF) or deferment (Olive St Development) of major projects the required borrowings in this financial year are estimated to be \$6.67m against a proposed budget amount of \$27.3m

### Reserves

The insurance claim payout for the Mullewa Birdwood St Fire Damage (\$ 450,000) has been quarantined under Reserves.

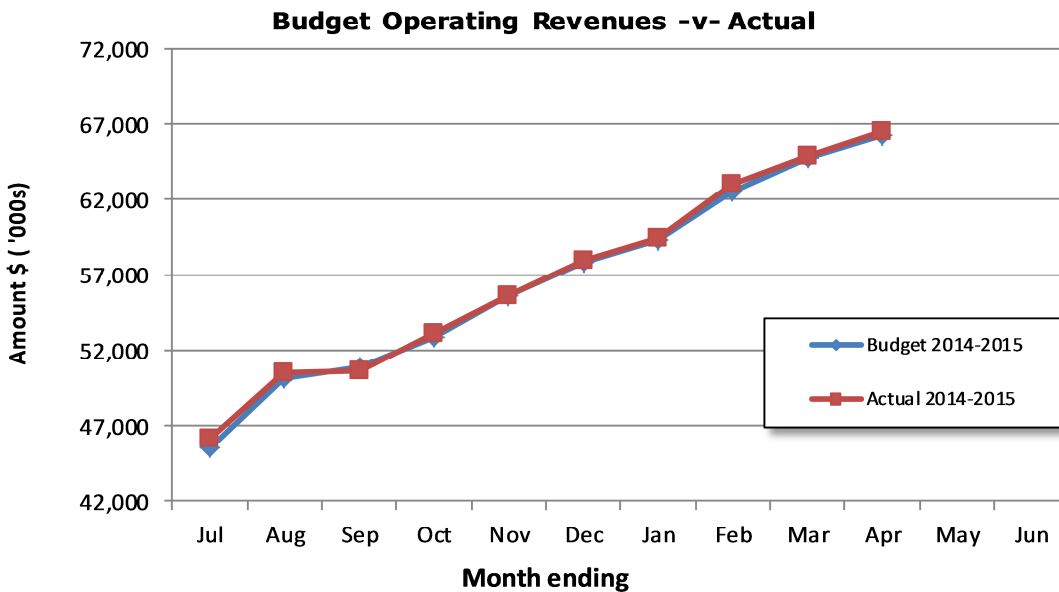
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
For the Period Ended 30 April 2015**

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



**Comments/Notes - Operating Expenses**

Operating expenditure recorded as at 30 April is \$58,967,688 (\$61,075,844 Incl \$2,108,156 Committed). Major positive variance in Materials & Contractors is due to timing and profiling. Major variance in Employee Costs is a result of savings via a recruitment freeze.

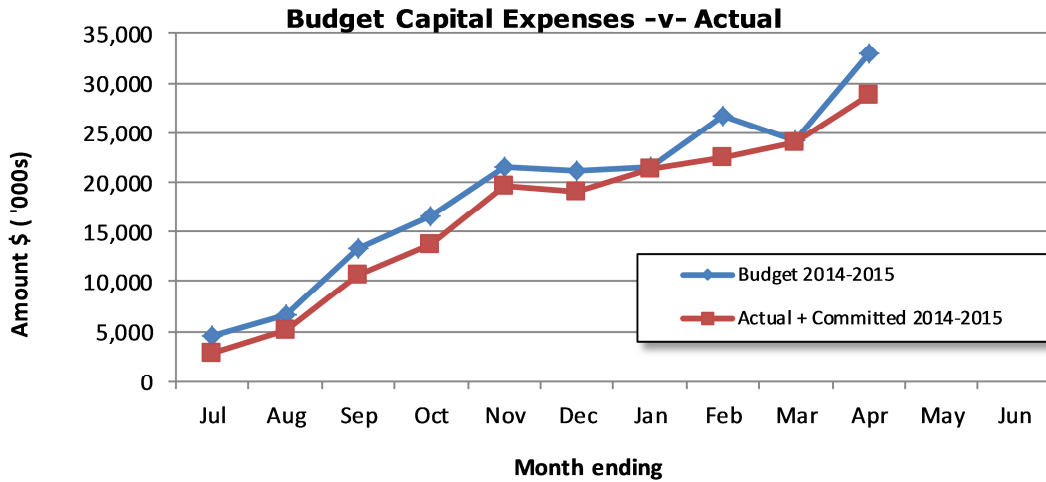


**Comments/Notes - Operating Revenues**

Operating income recorded as at 30 April is \$66,529,876. Major positive variance in interest received is as a result of additional interest received from funds held by WA Treasury.

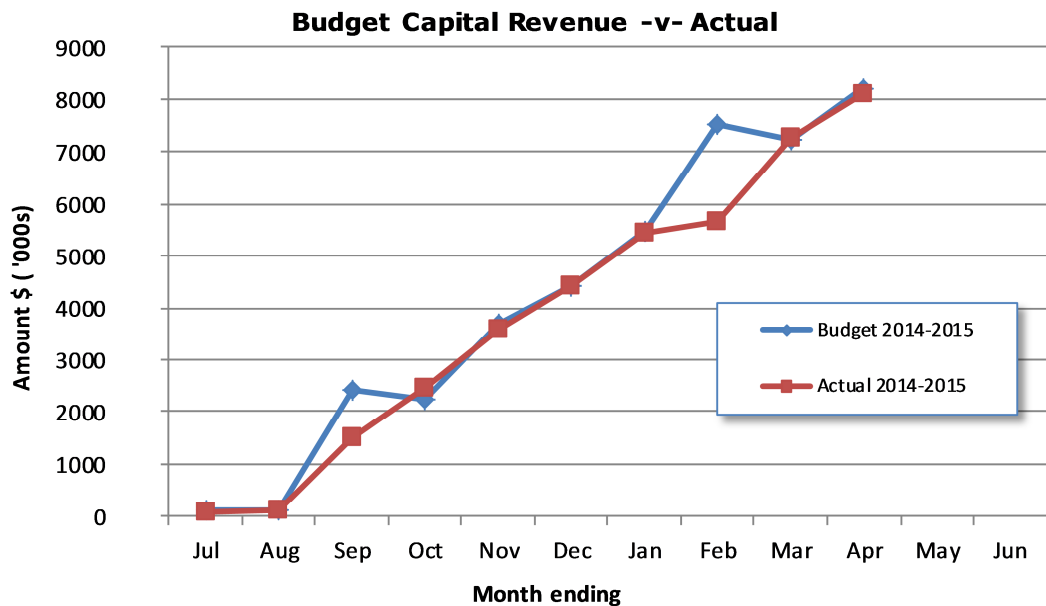
**City of Greater Geraldton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 30 April 2015**

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



**Comments/Notes - Capital Expenses**

Capital expenditure recorded as at 30 April is \$25,686,965 (\$28,848,092 Inc \$3,161,127 Committed). Major variances include purchase of Buildings, Plant and Equipment, Roads and Parks. 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.



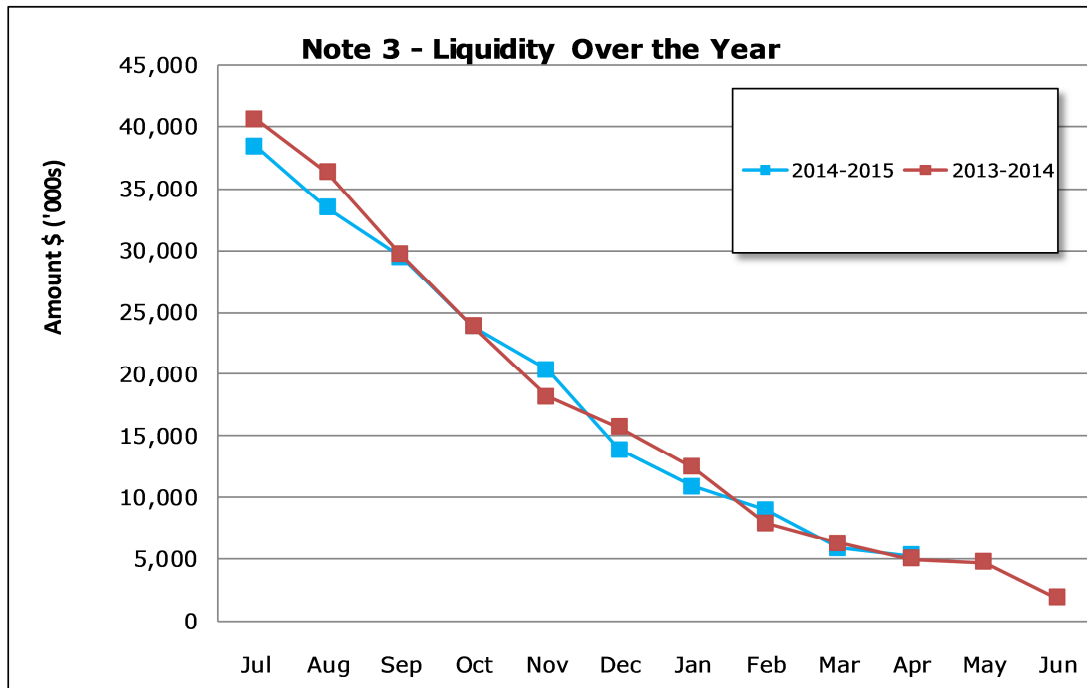
**Comments/Notes - Capital Revenues**

Capital revenue recorded as at 30 April is \$8,108,387. There is no major variance.

**City of Greater Geraldton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 30 April 2015**

**Note 3: NET CURRENT FUNDING POSITION**

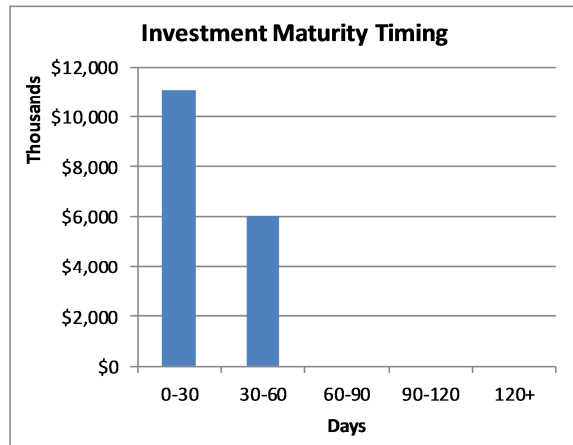
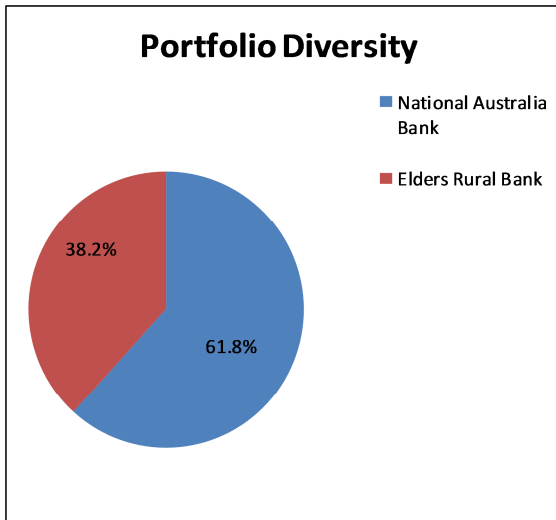
	Positive=Surplus (Negative=Deficit)		
	2014-2015		2013-2014
	This Period	Last Period	This Period
	\$	\$	\$
<b>Current Assets</b>			
Cash at Bank			
Municipal Account	2,727,725	10,468,056	3,920,540
Reserve Account	17,062,623	17,062,623	18,803,310
Restricted Assets	333,395	333,395	333,395
Total Cash at Bank	20,123,743	27,864,074	23,057,245
Receivables			
Prepayments	87,750	88,383	120,220
Tax Recoverable	240,806	409,021	862,940
Sundry Debtors	1,890,335	1,243,414	2,419,217
Rates Receivable	3,409,361	4,032,827	2,914,849
Inventories	314,480	432,738	313,874
<b>Total Current Assets</b>	26,066,476	34,070,457	29,688,345
<b>Less: Current Liabilities</b>			
Creditors and Provisions	1,014,901	1,227,396	832,206
Current Borrowings	2,092,154	4,869,845	407,736
Employee Entitlements	4,710,310	4,736,657	4,353,657
	7,817,366	10,833,898	5,593,599
Less: Cash Restricted	(12,896,018)	(17,396,018)	(19,136,705)
<b>Net Current Funding Position</b>	<b>5,353,092</b>	<b>5,840,540</b>	<b>4,958,041</b>



**City of Greater Geraldton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 30 April 2015**

**Note 4 - Monthly Investment Report**

Deposit Ref	Current Credit Rating	Maturity/ Conversion	Invested Interest rates	Amount Invested	Interest Earned YTD	Current Value @30/04/2015	Percentage of Portfolio
<b>Grange Securities</b>							
Kakadu	D		4.78%	700,000	-	-	
Parkes AAA	D	20/6/2015	5.01%	250,000	-	-	
Scarborough AA Ac 21	N/R			500,000	-	-	
<b>Subtotal</b>				<b>1,450,000</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>National Australia Bank</b>							
Reserve180	A1+	12/5/2015	2.84%	4,454,847	88,093	4,542,940	
Reserve 184	A1+	15/6/2015	3.13%	5,995,153		5,995,153	
<b>Subtotal</b>				<b>10,450,000</b>	<b>88,093</b>	<b>10,538,093</b>	<b>61.8%</b>
<b>Elders Rural Bank</b>							
Reserve182	A2	13/5/2015	3.15%	6,410,489	114,041	6,524,530	
<b>Subtotal</b>				<b>6,410,489</b>	<b>114,041</b>	<b>6,524,530</b>	<b>38.2%</b>
<b>Total Funds Invested</b>				<b>18,310,489</b>	<b>202,134</b>	<b>17,062,623</b>	<b>100%</b>



Graph Data - Portfolio Diversity		
National Australia Bank		61.8%
Elders Rural Bank		38.2%
		<b>100.0%</b>



**City of Greater Geraldton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 30 April 2015**

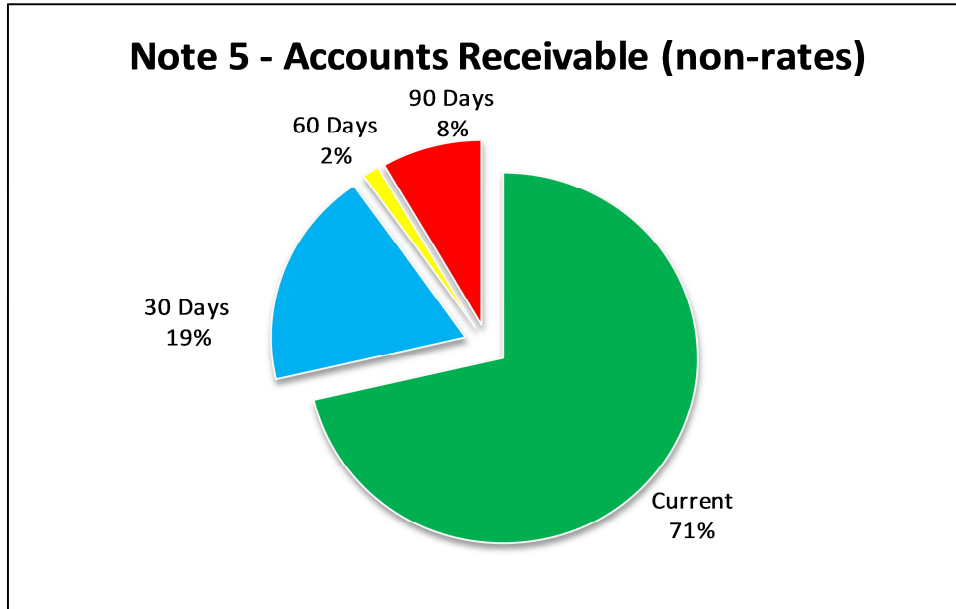
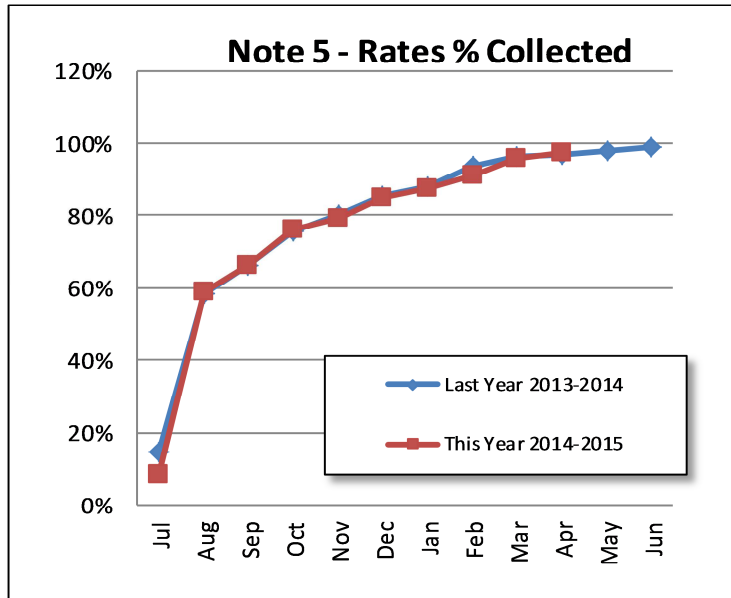
**Note 5 : RECEIVABLES**

**Receivables - Rates and Rubbish**

	<b>Current 2014-2015</b>
	\$
Opening Arrears Previous Years	(2,216,002)
Rates Levied this year	(44,974,456)
Less Collections to date	(43,799,888)
<b>Equals Current Outstanding</b>	<b>(3,390,569)</b>
<i>Comprises of Current Amt:</i>	<i>(3,108,840)</i>
<i>Deferred Amt:</i>	<i>(281,729)</i>
<b>Net Rates Collectable</b>	
% Collected	97.39%

**Receivables - General**

	<b>Current</b>	<b>30 Days</b>	<b>60 Days</b>	<b>90 Days</b>
	\$	\$	\$	\$
	1,348,692	357,259	26,153	158,232
<b>Total Outstanding</b>				<b>1,890,335</b>
General	965,633	51%		
Airport	644,723	34%		
Meru	279,980	15%		
	<b>1,890,335</b>	<b>100%</b>		



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

Rates collections are 97.39% (2013/2014: 97.11%) of total rates billed.

**Comments/Notes - Receivables General**

- Major debtors in April include Quantaslink \$367,616, Virgin Australia \$218,096, Criminal Justice Division (Safer Streets CCTV) \$ 150,000, SEMC Secretariat \$ 100,000 Midwest Gascoyne Recovery Project)  
 - 90 days and over include Point Moore Leases \$98,547