



City of  
Greater Geraldton  
a vibrant future



## **MONTHLY FINANCIAL REPORT**

**For the Period Ended 31 October 2013**

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**CITY OF GREATER GERALDTON**  
**Statement of Financial Activity for the Period Ended 31 October 2013**

	Budget	YTD Budget Estimated	YTD Actual	Variances		
				\$	%	
<b>Operating Income</b>						
Rates	37,847,428	37,594,519	37,504,706	89,813	0.2%	×
Grants & Subsidies, Contributions	10,026,917	2,972,306	2,975,412	(3,106)	-0.1%	✓
Fees & Charges	17,417,497	8,321,817	8,715,760	(393,943)	-4.7%	✓
Interest Earnings	1,758,513	462,519	459,407	3,112	0.7%	×
Other	2,029,625	387,548	408,743	(21,195)	-5.5%	✓
Profit On Disposal Of Assets	578,807	184,900	174,989	9,911	5.4%	×
	<b>69,658,787</b>	<b>49,923,609</b>	<b>50,239,017</b>	<b>(315,408)</b>	<b>-0.6%</b>	✓
<b>Operating Expenditure</b>						
Employee Costs	(28,395,045)	(9,852,098)	(9,273,218)	(578,880)	5.9%	✓
Materials & Contractors	(35,704,720)	(7,438,483)	(7,242,959)	(195,525)	2.6%	✓
Utility & Govt Charges	(3,185,325)	(731,418)	(706,260)	(25,158)	3.4%	✓
Insurance	(971,360)	(566,627)	(605,809)	39,182	-6.9%	×
Interest/Borrowing Costs	(842,202)	(203,117)	(181,019)	(22,098)	10.9%	✓
Others	(714,385)	(288,929)	(270,994)	(17,935)	6.2%	✓
Depreciation On Assets	(18,042,064)	(6,013,768)	(6,000,000)	(13,768)	0.2%	✓
Contributions, Donations & Grants	(1,230,420)	(188,627)	(188,986)	359	-0.2%	×
Loss On Disposal Of Assets	(209,720)	(13,072)	(12,000)	(1,072)	8.2%	✓
	<b>(89,295,241)</b>	<b>(25,296,139)</b>	<b>(24,481,244)</b>	<b>(814,895)</b>	<b>3.2%</b>	✓
<b>NET OPERATING</b>	<b>(19,636,454)</b>	<b>24,627,470</b>	<b>25,757,773</b>	<b>(1,130,304)</b>	<b>-4.6%</b>	✓
<b>Non-Cash Expenditure and Revenue</b>						
(Profit) / Loss on Asset Disposals	(369,087)	(161,328)	(162,989)	1,661	-1.0%	×
Depreciation on Assets	18,042,064	6,013,768	6,000,000	13,768	0.2%	×
	<b>17,672,977</b>	<b>5,852,440</b>	<b>5,837,011</b>	<b>15,429</b>	<b>0.3%</b>	×
<b>Capital Expenditure</b>						
Purchase Buildings	(11,049,500)	(2,875,251)	(2,069,998)	(805,253)	28.0%	✓
Purchase Plant and Equipment	(2,597,000)	(432,833)	(116,259)	(316,574)	73.1%	✓
Purchase Furniture and Equipment	(832,500)	(176,410)	(40,503)	(135,907)	77.0%	✓
Purchase Infrastructure Assets - Roads	(46,846,900)	(3,726,855)	(3,063,721)	(663,134)	17.8%	✓
Purchase Infrastructure Assets - Parks	(3,489,782)	(1,063,261)	(942,434)	(120,827)	11.4%	✓
Purchase Infrastructure Assets - Meru	0	0	0	0		×
Repayment of Debentures	(3,089,287)	(672,322)	(673,476)	1,155	-0.2%	×
Self Supporting / Council Loans paid out	0	0	0	0		×
	<b>(67,904,969)</b>	<b>(8,946,932)</b>	<b>(6,906,391)</b>	<b>(2,040,540)</b>	<b>22.8%</b>	✓
<b>Capital Revenue</b>						
Proceeds from Disposal of Assets	4,636,000	205,400	206,452	(1,052)	-0.5%	✓
Proceeds from New Debentures	21,030,000	0	0	0		×
Self-Supporting Loan Principal Income	92,124	24,489	39,382	(14,893)	-60.8%	✓
Council Loan Principal Income	0	0	0	0		×
	<b>25,758,124</b>	<b>229,889</b>	<b>245,834</b>	<b>(15,945)</b>	<b>-6.9%</b>	✓
<b>Reserves</b>						
Transfers to Reserves	(448,000)	(149,328)	(107,000)	(42,328)	28.3%	✓
Transfers from Reserves	17,522,469	4,335,617	4,298,221	37,396	0.9%	×
	<b>17,074,469</b>	<b>4,186,289</b>	<b>4,191,221</b>	<b>(4,932)</b>	<b>-0.1%</b>	✓
<b>Current Funding Surplus (Deficit)</b>	<b>(27,035,853)</b>	<b>25,949,156</b>	<b>29,125,448</b>	<b>(3,176,292)</b>	<b>-12.2%</b>	✓

## **NOTE 1. MAJOR VARIANCES**

### Operating Income

Operating Income is showing a positive variance of \$315,408 or 0.6% due to the following:

Rates – The negative variance of \$89,813 or 0.2% is due to interim rates which are coming in throughout the year.

Fees and Charges – The positive variance of \$ 393,943 or 4.7% is due to higher takings in several activities in fees and charges including Meru landfill.

### Operating Expenditure

Operating expenditure is showing a positive variance (under-spend) of \$814,895 or 3.2% due to the following:

Employee Costs - The positive variance of \$578,880 or 5.9% is due to a small number of vacancies and the allocation of salary oncosts including training.

Materials and Contractors - The positive variance of \$195,525 or 2.6% is due to projects being in the early stage of planning.

### Capital Expenditure

Capital expenditure is showing a positive variance (under-spend) of \$2,040,540 or 22.8% due to the following:

Purchase of Buildings – The positive variance of \$805,253 or 28.0% is associated with the timing of the projects.

Purchase of Plant and Equipment – The positive variance of \$316,574 or 73.1% is associated with a later than usual replacement of plant and equipment.

Purchase of Furniture and Equipment – The positive variance of \$135,907 or 77.0% is associated with a less than expected order of new furniture and equipment.

Purchase of Infrastructure Assets – Roads - The positive variance of \$663,134 or 17.8% is associated with the timing of certain projects being just past the stage of development. More projects are now underway.

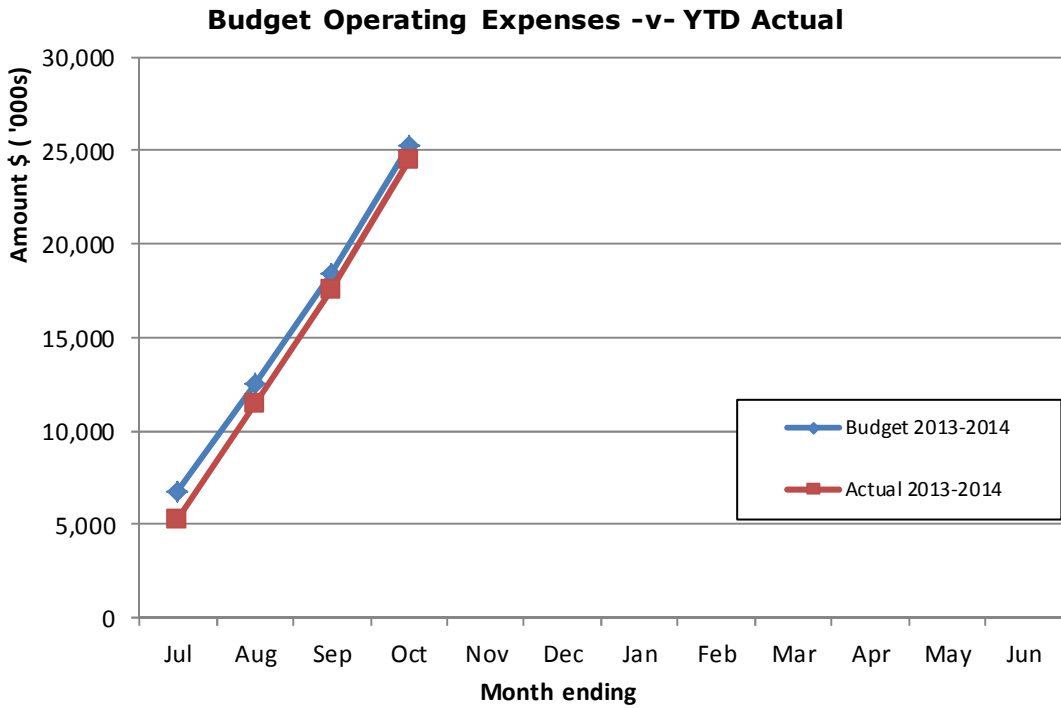
Purchase of Infrastructure Assets – Parks - The positive variance of \$120,827 or 11.4% is associated with the timing of certain projects being just past the stage of development.

### Capital Revenue

Capital revenue is showing a slight positive net variance of \$15,945 or 6.9% with no significant variance.

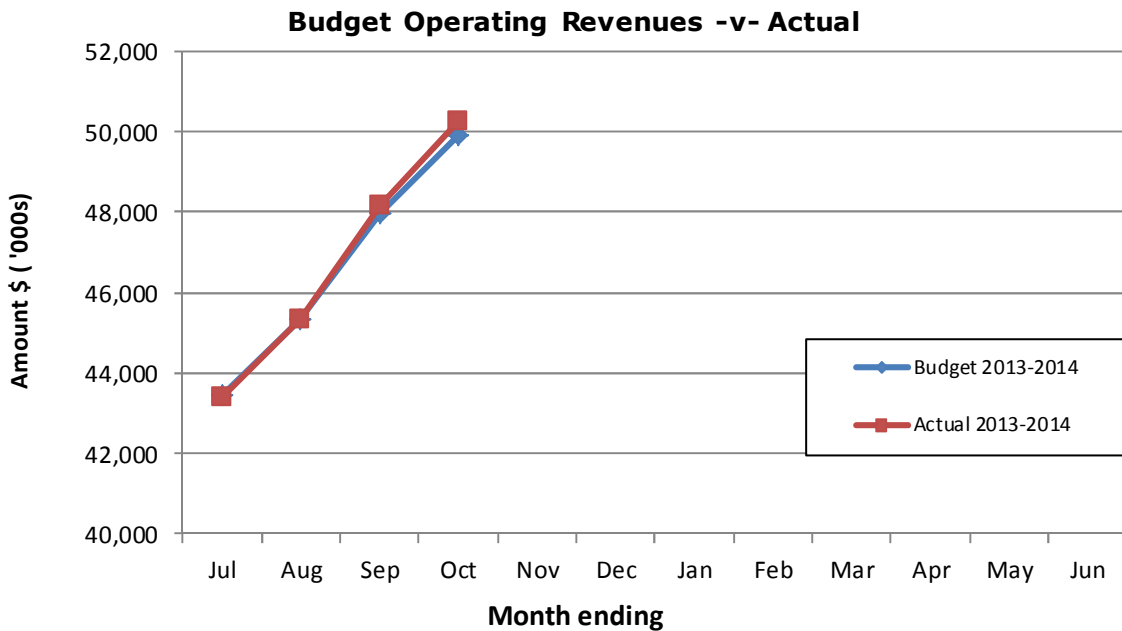
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
For the Period Ended 31st October 2013**

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



**Comments/Notes - Operating Expenses**

Operating expenditure recorded as at 31 October is \$24,481,244. Major positive variances in employee costs and materials and contractors.

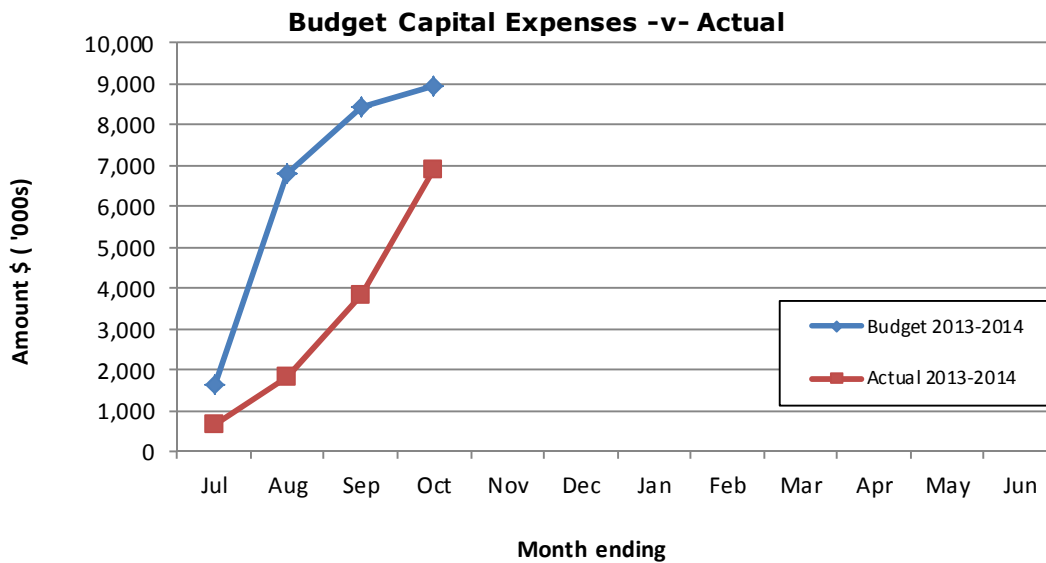


**Comments/Notes - Operating Revenues**

Operating income recorded as at 31 October is \$50,239,017. Major variance in fees and charges and rates.

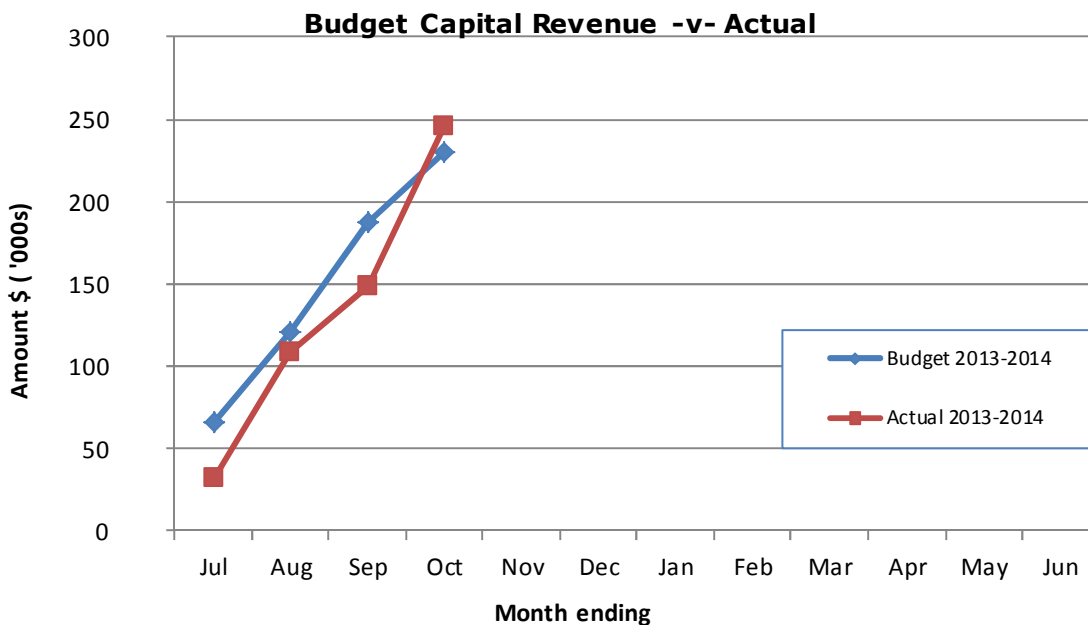
**City of Greater Geraldton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31st October 2013**

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



**Comments/Notes - Capital Expenses**

Capital expenditure recorded as at 31 October is \$6,906,391. Major positive variances include purchase buildings, plant & equipment, furniture, roads and parks.



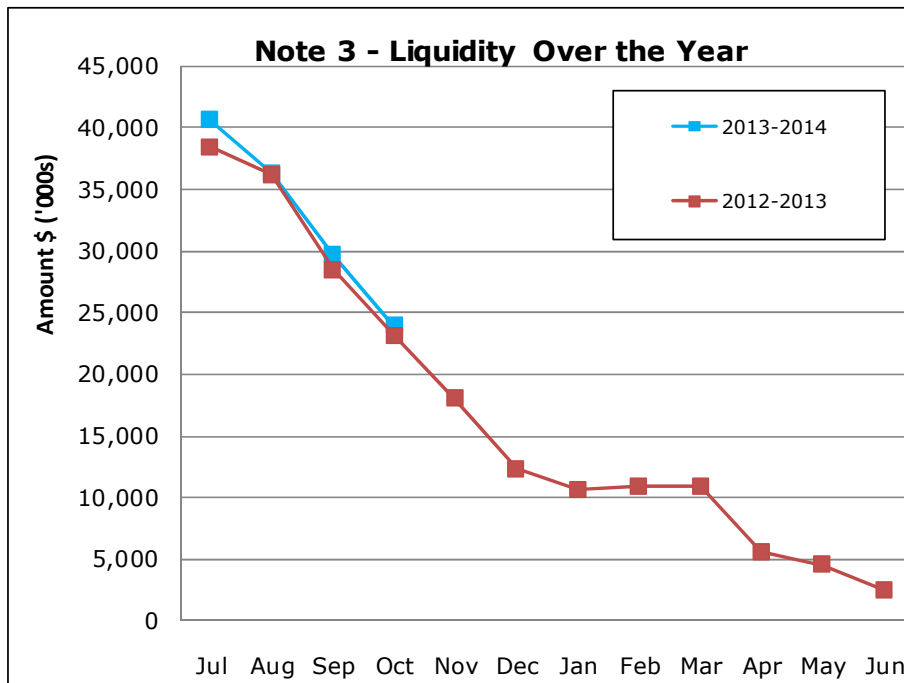
**Comments/Notes - Capital Revenues**

Capital revenue recorded as at 31 October is \$245,834. There are no major variances.

**City of Greater Geraldton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31st October 2013**

**Note 3: NET CURRENT FUNDING POSITION**

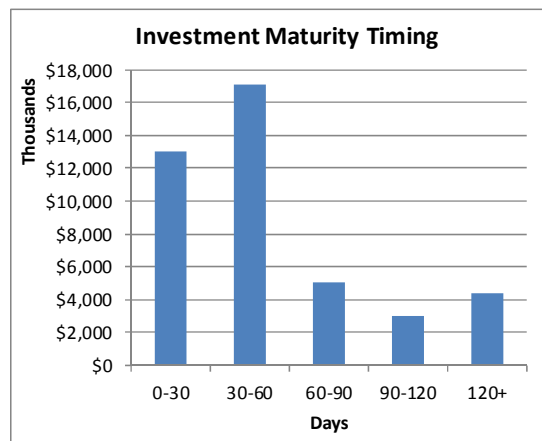
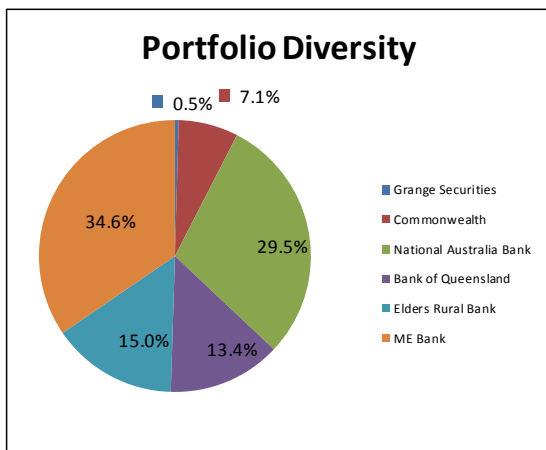
	Positive=Surplus (Negative=Deficit)		
	2013-2014		2012-2013
	This Period	Last Period	This Period
	\$	\$	\$
<b>Current Assets</b>			
Cash at Bank			
Municipal Account	16,301,303	19,876,267	17,257,329
Reserve Account	26,337,353	26,337,353	31,758,740
Restricted Assets	826,713	826,713	833,633
Total Cash at Bank	43,465,369	47,040,333	49,849,702
Receivables			
Prepayments	73,180	102,801	93,951
Tax Recoverable	63,445	347,382	1,173,121
Sundry Debtors	6,901,799	1,226,067	2,012,119
Rates Receivable	10,669,680	14,635,666	10,318,678
Inventories	319,486	334,003	335,569
<b>Total Current Assets</b>	61,492,959	63,686,253	63,783,140
<b>Less: Current Liabilities</b>			
Creditors and Provisions	501,665	913,418	2,334,741
Current Borrowings	2,239,311	2,433,223	1,812,051
Employee Entitlements	4,364,332	4,364,332	3,931,797
	7,105,308	7,710,973	8,078,589
Less: Cash Restricted	(30,528,574)	(26,337,353)	(32,592,373)
<b>Net Current Funding Position</b>	<b>23,859,077</b>	<b>29,637,927</b>	<b>23,112,178</b>



**City of Greater Geraldton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31/10/2013**

**Note 4 - Monthly Investment Report**

Deposit Ref	Current Credit Rating	Maturity/ Conversion	Invested Interest rates	Amount Invested	Interest Earned YTD	Current Value @31/10/2013	Percentage of Portfolio
<b>Grange Securities</b>							
Kakadu	D	20/3/2014	4.78%	700,000		133,000	
Parkes AAA	D	20/6/2015	5.01%	250,000		67,500	
Scarborough AA Ac 21	N/R			500,000	-	-	
<b>Subtotal</b>				<b>1,450,000</b>	<b>-</b>	<b>200,500</b>	<b>0.5%</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>Commonwealth</b>							
Municipal239	A1+	12/11/2013	3.42%	3,000,000	9,074	3,009,074	
<b>Subtotal</b>				<b>3,000,000</b>	<b>9,074</b>	<b>3,009,074</b>	<b>7.1%</b>
<b>National Australia Bank</b>							
Municipal238	A1+	21/11/2013	3.93%	5,000,000		5,000,000	
Municipal241	A1+	12/12/2013	3.89%	3,000,000		3,000,000	
Reserve169	A1+	19/12/2013	3.89%	1,547,000		1,547,000	
Reserve176	A1+	13/2/2014	3.89%	3,000,000		3,000,000	
<b>Subtotal</b>				<b>12,547,000</b>	<b>-</b>	<b>12,547,000</b>	<b>29.5%</b>
<b>Bank of Queensland</b>							
Reserve171	A2	19/12/2013	3.80%	665,000		665,000	
Reserve172	A2	19/12/2013	3.80%	831,531		831,531	
Reserve177	A2	13/3/2014	3.90%	4,216,222		4,216,222	
<b>Subtotal</b>				<b>5,712,753</b>	<b>-</b>	<b>5,712,753</b>	<b>13.4%</b>
<b>Elders Rural Bank</b>							
Reserve173	A2	20/12/2013	3.82%	1,377,600		1,377,600	
Reserve175	A2	13/11/2013	3.74%	5,000,000		5,000,000	
<b>Subtotal</b>				<b>6,377,600</b>	<b>-</b>	<b>6,377,600</b>	<b>15.0%</b>
<b>ME Bank</b>							
Municipal240	A2	27/12/2013	3.95%	5,000,000		5,000,000	
Reserve170	A2	19/12/2013	3.75%	4,700,000		4,700,000	
Reserve174	A2	14/1/2014	3.95%	5,000,000		5,000,000	
<b>Subtotal</b>				<b>14,700,000</b>	<b>-</b>	<b>14,700,000</b>	<b>34.6%</b>
<b>Total Funds Invested</b>				<b>43,787,353</b>	<b>9,074</b>	<b>42,546,927</b>	<b>100.0%</b>



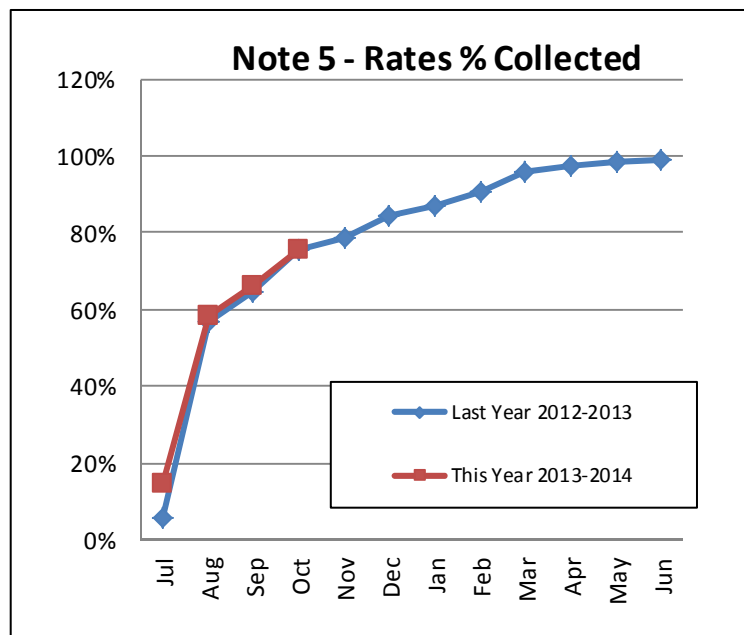


**City of Greater Geraldton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31st October 2013**

**Note 5 : RECEIVABLES**

**Receivables - Rates and Rubbish**

	<b>Current 2013-2014</b>
	\$
Opening Arrears Previous Years	(1,742,000)
Rates Levied this year	(44,024,983)
Less Collections to date	(33,189,307)
<b>Equals Current Outstanding</b>	<b>(12,577,675)</b>
<i>Comprises of Current Amt:</i>	<i>(12,346,288)</i>
<i>Deferred Amt:</i>	<i>(231,387)</i>
 <b>Net Rates Collectable</b>	
% Collected	75.39%

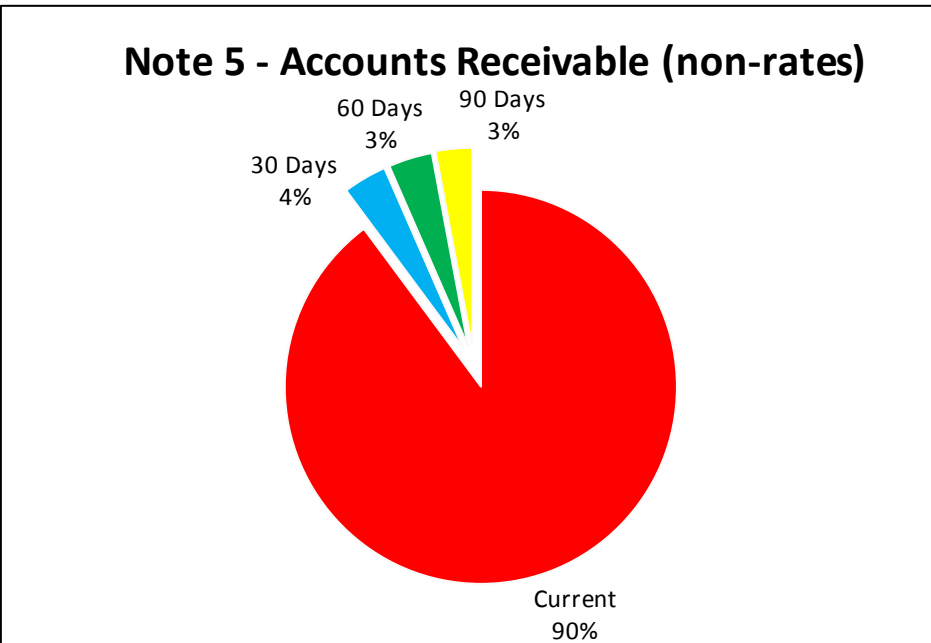


**Comments/Notes - Receivables Rates and Rubbish**

Rates collections are 75.39% of total rates billed in October post 2nd rate instalment on 23/10/2013. 3rd instalment due 24/02/2014.

**Receivables - General**

	<b>Current</b>	<b>30 Days</b>	<b>60 Days</b>	<b>90 Days</b>
	\$	\$	\$	\$
	6,207,928	248,375	248,049	205,210
<b>Total Outstanding</b>				<b>6,909,562</b>
 General	6,068,212	88%		
Airport	553,468	8%		
Meru	287,882	4%		
	<b>6,909,562</b>	<b>100%</b>		



**Comments/Notes - Receivables General**

Major debtors in October include, \$5.5M Department of Regional Development, \$139k Qantaslink and \$115k Department of Health