



City of
Greater Geraldton
a vibrant future



MONTHLY FINANCIAL REPORT

For the Period Ended 30 April 2014

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CITY OF GREATER GERALDTON
Statement of Financial Activity for the Period Ended 30 April 2014

	Budget	YTD Budget	YTD Actual	Variances		
	Mid Year Review	Estimated		\$	%	
Operating Income						
Rates	37,737,560	37,672,267	37,666,891	5,376	0.0%	×
Grants & Subsidies, Contributions	31,226,878	12,762,746	12,833,542	(70,796)	-0.6%	✓
Fees & Charges	17,267,845	15,131,506	15,121,909	9,597	0.1%	×
Interest Earnings	1,908,513	1,468,740	1,506,993	(38,253)	-2.6%	✓
Other Revenue	1,241,808	1,145,585	1,181,352	(35,767)	-3.1%	✓
Profit On Disposal Of Assets	578,807	348,083	358,800	(10,717)	-3.1%	✓
Land Held for Resale - Proceeds of Sale	255,000			0		×
	90,216,411	68,528,927	68,669,487	(140,560)	-0.2%	✓
Operating Expenditure						
Employee Costs	(28,750,680)	(23,853,393)	(23,569,832)	(283,561)	1.2%	✓
Materials & Contractors	(21,979,716)	(15,342,796)	(15,344,952)	2,156	0.0%	×
Utility & Govt Charges	(3,170,469)	(2,114,019)	(2,196,774)	82,755	-3.9%	×
Insurance	(963,098)	(893,454)	(922,827)	29,373	-3.3%	×
Interest/Borrowing Costs	(799,975)	(547,686)	(430,006)	(117,680)	21.5%	✓
Other Expenditure	(2,126,932)	(627,983)	(617,262)	(10,721)	1.7%	✓
Land Held for Resale	(7,900,000)	(7,900,000)	(5,277,678)	(2,622,322)	33.2%	✓
Depreciation On Assets	(18,018,822)	(15,015,323)	(14,991,544)	(23,779)	0.2%	✓
Loss On Disposal Of Assets	(222,215)	(127,255)	(119,069)	(8,186)	6.4%	✓
	(83,931,907)	(66,421,909)	(63,469,944)	(2,951,965)	4.4%	✓
NET OPERATING	6,284,504	2,107,018	5,199,543	(3,092,525)	-146.8%	✓
Non-Cash Expenditure and Revenue						
(Profit) / Loss on Asset Disposals	(356,592)	(220,828)	(239,730)	18,902	-8.6%	×
Depreciation on Assets	18,018,822	15,015,323	14,991,544	23,779	0.2%	×
	17,662,230	14,794,495	14,751,814	42,681	0.3%	×
Capital Expenditure						
Purchase Buildings	(11,669,184)	(7,793,467)	(4,981,803)	(2,811,664)	36.1%	✓
Purchase Plant and Equipment	(2,609,455)	(2,355,712)	(1,225,053)	(1,130,659)	48.0%	✓
Purchase Furniture and Equipment	(754,669)	(404,690)	(138,719)	(265,971)	65.7%	✓
Purchase Infrastructure Assets - Roads	(44,804,945)	(22,730,909)	(17,904,165)	(4,826,744)	21.2%	✓
Purchase Infrastructure Assets - Parks	(6,368,218)	(4,936,432)	(3,570,734)	(1,365,698)	27.7%	✓
Repayment of Debentures	(2,919,051)	(2,493,324)	(2,405,051)	(88,273)	3.5%	✓
Self Supporting / Council Loans paid out	0	0	0	0		×
	(69,125,522)	(40,714,534)	(30,225,525)	(10,489,009)	25.8%	✓
Capital Revenue						
Proceeds from Disposal of Assets	1,885,000	383,810	342,159	41,651	10.9%	×
Proceeds from New Debentures	16,630,000	7,980,000	7,980,000	0	0.0%	×
Self-Supporting Loan Principal Income	92,124	76,780	80,190	(3,410)	-4.4%	✓
Council Loan Principal Income	12,239	8,750	17,609	(8,859)		✓
	18,619,363	8,449,340	8,419,958	29,382	0.3%	×
Reserves						
Transfers to Reserves	(448,000)	(123,330)	0	(123,330)	100.0%	✓
Transfers from Reserves	27,835,790	11,847,563	12,013,180	(165,617)	-1.4%	✓
	27,387,790	11,724,233	12,013,180	(288,947)	-2.5%	✓
Current Funding Surplus (Deficit)	828,365	(3,639,448)	10,158,970			

NOTE 1. MAJOR VARIANCES

Operating Income

Operating Income is showing a positive variance of \$140,560 or 0.2%. There are no major variances to report.

Operating Expenditure

Operating expenditure is showing a positive variance (under-spend) of \$ 2,951,965 or 4.4% due to the following:

Employee Costs - The positive variance is \$283,551 or 1.2% with the expected EOY outcome aligning closely with the budget estimate.

Interest/Borrowing Costs – The positive variances of \$117,680 or 21.5% is due to a lower interest cost than budgeted because new loans were scheduled to be taken up earlier in the financial year. (Please refer to Capital Revenue below).

Land Held for Resale - The positive variance of \$ 2,622,322 or 33.2% is associated with environmental issues affecting the development of Olive Street and the budgeted for but not yet developed site at Kempton Street.

Capital Expenditure

Capital expenditure is showing a positive variance (under-spend) of \$10,489,009 or 25.8% due to the following:

Purchase of Buildings – The positive variance of \$ 2,811,664 or 36.1% is associated with the timing and profiling of the buildings projects.

Major outstanding commitments:

- Art Gallery (refurbishment) \$ 1,131,219
- Grandstand \$ 525,847
- Railway Station \$ 1,765,075

Purchase of Plant and Equipment – The positive variance of \$1,130,669 or 48.0% is associated with a later than budgeted replacement of plant and equipment. Outstanding commitments YTD are valued at \$ 677,036.

Purchase of Furniture and Equipment – The positive variance of \$265,971 or 65.7% is associated with a less than usual replacement of furniture and equipment.

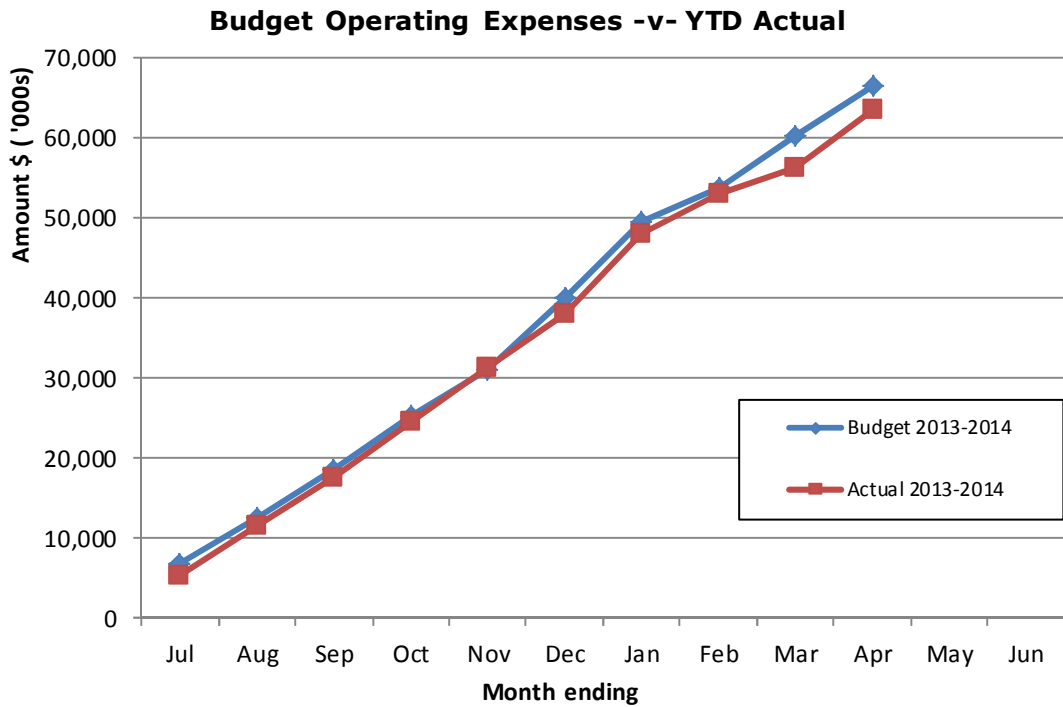
Purchase Infrastructure Assets (Roads and Parks) – The positive variance of \$6,192,442 is in line with anticipated expenditure. Total infrastructure commitment at the end of April is \$ 4,275,359 (mainly related to Verita Road project).

Capital Revenue

Capital revenue is showing a negative net variance of \$29,382 or 0.3% with no significant variances. Proceeds from new debentures during the month of April: \$ 7,980,000.

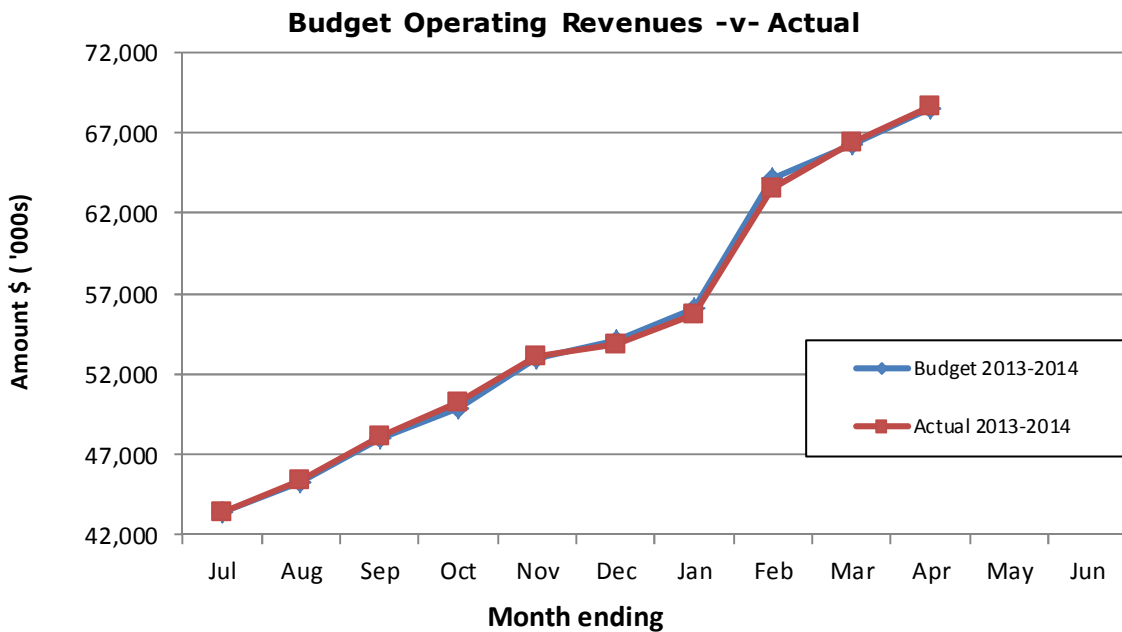
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30th April 2014

Note 2 - Graphical Representation - Source Statement of Financial Activity



Comments/Notes - Operating Expenses

Operating expenditure recorded as at 30 April is \$63,469,944. Major variances in employee costs, interest and land held for resale.

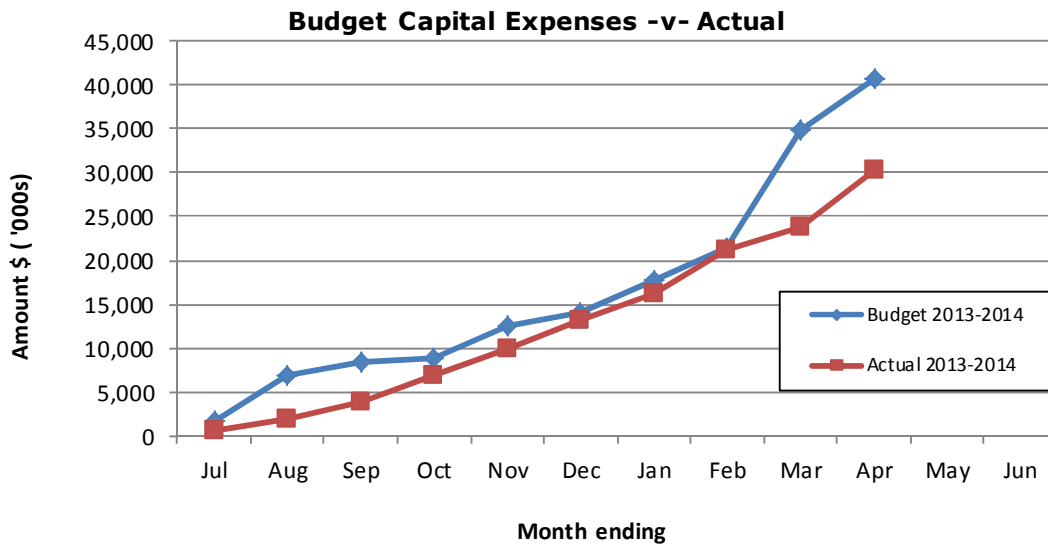


Comments/Notes - Operating Revenues

Operating income recorded as at 30 April is \$68,669,487. There are no major variances..

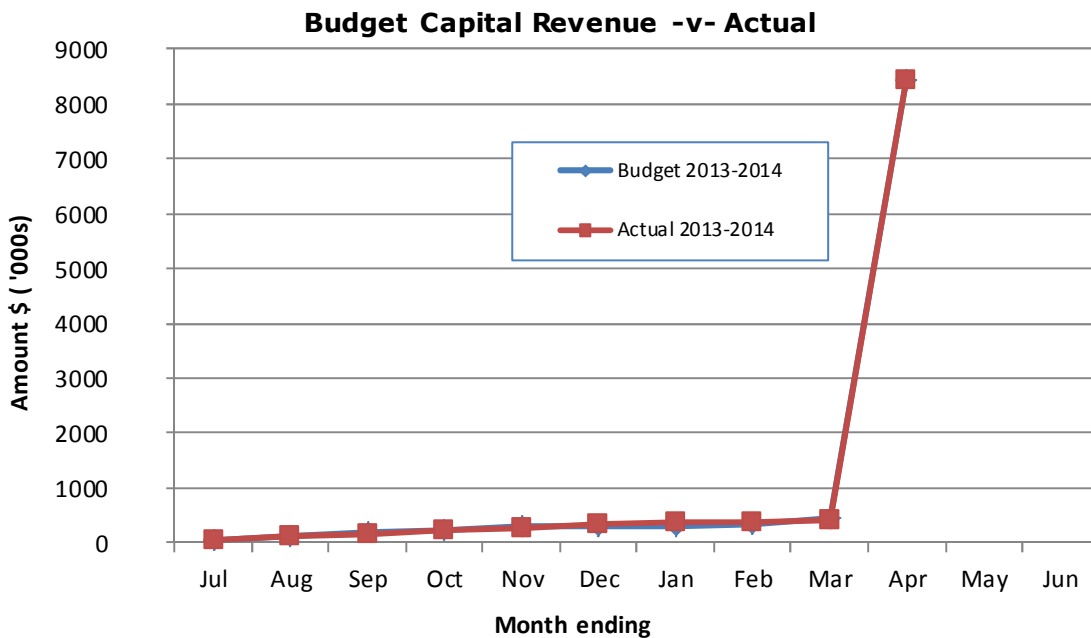
City of Greater Geraldton
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30th April 2014

Note 2 - Graphical Representation - Source Statement of Financial Activity



Comments/Notes - Capital Expenses

Capital expenditure recorded as at 30 April is \$30,225,525. Major variances include Purchase Buildings, Plant & Equipment, Furniture & Equipment, Roads and Parks.



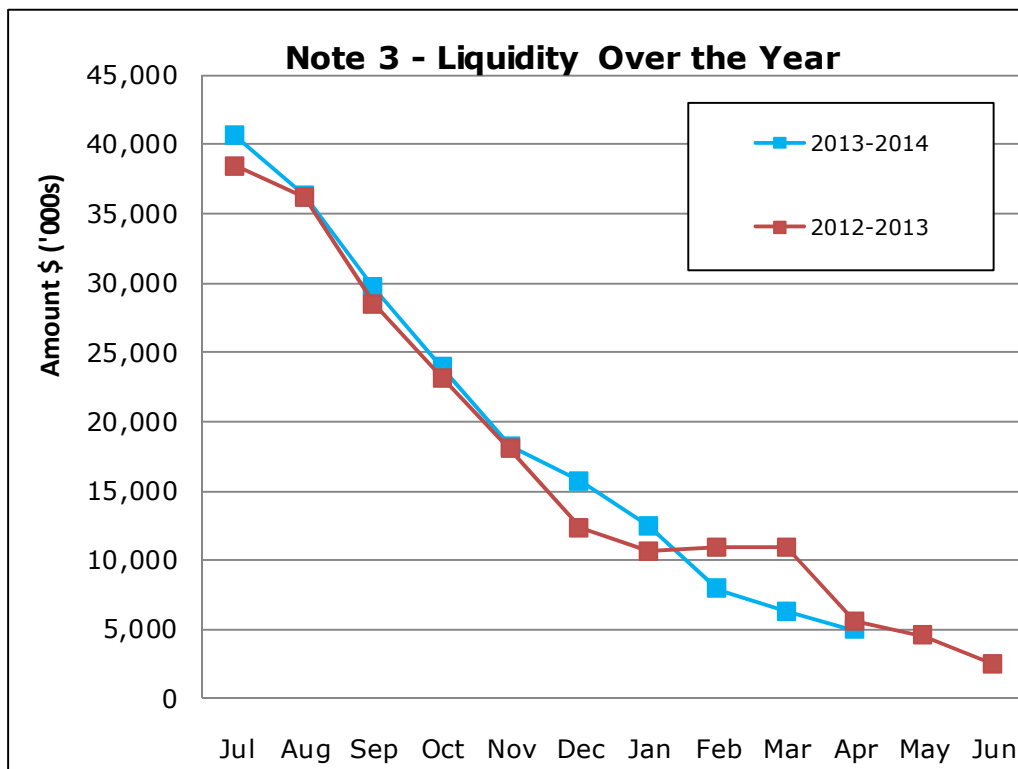
Comments/Notes - Capital Revenues

Capital revenue recorded as at 30 April is \$8,419,958. There are no major variances.

City of Greater Geraldton
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30th April 2014

Note 3: NET CURRENT FUNDING POSITION

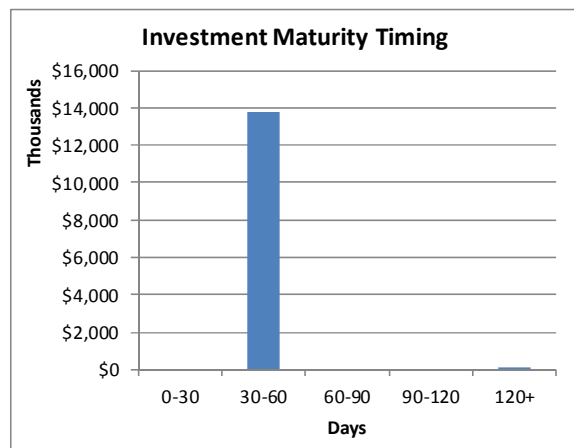
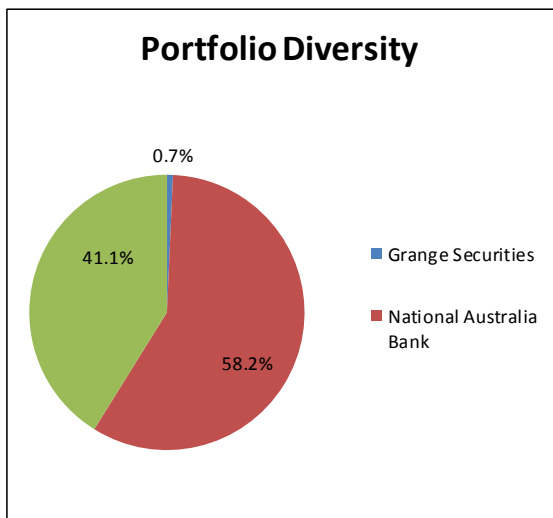
	Positive=Surplus (Negative=Deficit)		
	2013-2014		2012-2013
	This Period	Last Period	This Period
	\$	\$	\$
Current Assets			
Cash at Bank			
Municipal Account	3,920,540	6,346,060	7,303,592
Reserve Account	18,803,310	18,781,400	26,244,685
Restricted Assets	333,395	612,328	833,633
Total Cash at Bank	23,057,245	25,739,788	34,381,910
Receivables			
Prepayments	120,220	120,220	81,024
Tax Recoverable	862,940	420,150	461,898
Sundry Debtors	2,419,217	1,741,783	1,999,118
Rates Receivable	2,914,849	3,261,838	2,598,145
Inventories	313,874	329,195	361,543
Total Current Assets	29,688,345	31,612,974	39,883,638
Less: Current Liabilities			
Creditors and Provisions	832,206	982,529	2,894,059
Current Borrowings	407,736	606,063	1,213,497
Employee Entitlements	4,353,657	4,350,563	3,931,797
	5,593,600	5,939,156	8,039,353
Less: Cash Restricted	(19,136,705)	(19,393,728)	(26,244,685)
Net Current Funding Position	4,958,040	6,280,091	5,599,600



City of Greater Geraldton
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30th of April 2014

Note 4 - Monthly Investment Report

Deposit Ref	Current Credit Rating	Maturity/ Conversion	Invested Interest rates	Amount Invested	Interest Earned YTD	Current Value @30/04/2014	Percentage of Portfolio
Grange Securities							
Parkes AAA	D	20/6/2015	5.01%	250,000		97,500	
Scarborough AA Ac 21	N/R			500,000	-	-	
Subtotal				750,000	-	97,500	0.7%
** 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.							
National Australia Bank							
Reserve169	A1+	23/6/2014	3.70%	319,001	3,212	322,213	
Reserve176	A1+	23/6/2014	3.70%	3,000,000	62,419	3,062,419	
Reserve 179	A1+	23/6/2014	3.70%	4,700,000		4,700,000	
Subtotal				8,019,001	65,631	8,084,632	58.2%
Elders Rural Bank							
Reserve173	A2	23/6/2014	3.70%	603,393	6,029	609,422	
Reserve175	A2	23/6/2014	3.75%	5,031,252	78,004	5,109,256	
Subtotal				5,634,645	84,033	5,718,678	41.1%
Total Funds Invested				14,403,646	149,664	13,900,810	100%

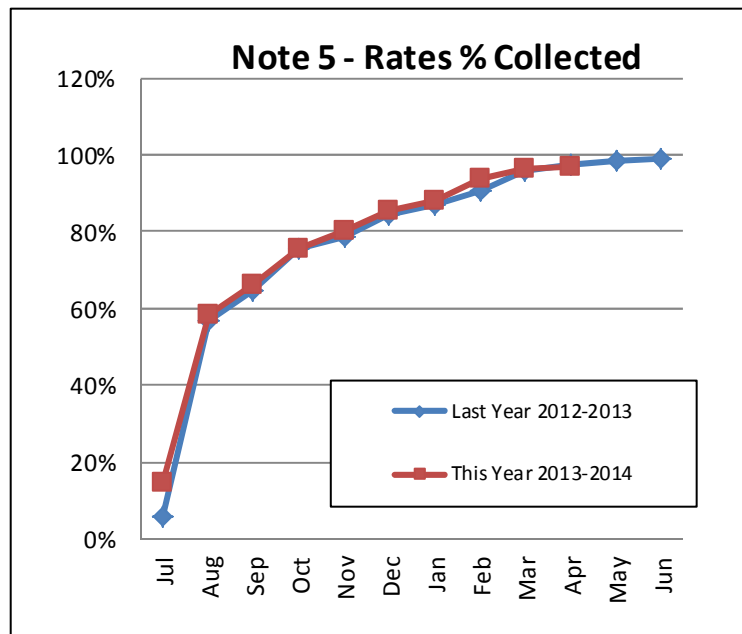


City of Greater Geraldton
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30th April 2014

Note 5 : RECEIVABLES

Receivables - Rates and Rubbish

	Current 2013-2014
	\$
Opening Arrears Previous Years	(1,742,000)
Rates Levied this year	(42,814,596)
Less Collections to date	(41,576,632)
Equals Current Outstanding	(2,979,965)
<i>Comprises of Current Amt:</i>	(2,709,723)
<i>Deferred Amt:</i>	(270,242)
Net Rates Collectable	
% Collected	97.11%

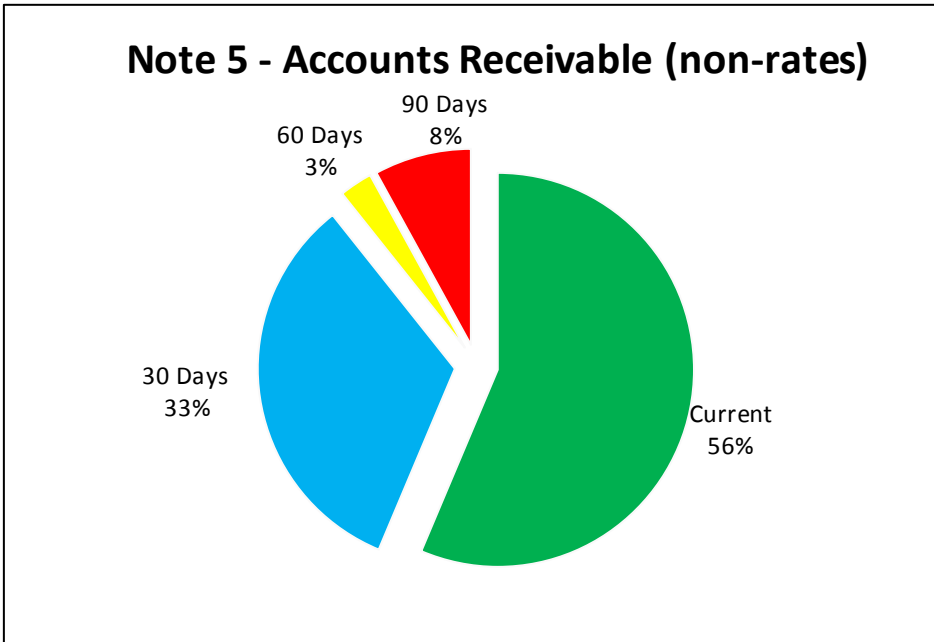


Comments/Notes - Receivables Rates and Rubbish

Rates collections are 97.11% of total rates billed in April post 4th instalment.

Receivables - General

	Current	30 Days	60 Days	90 Days
	\$	\$	\$	\$
	1,367,792	799,310	65,803	194,074
Total Outstanding				<u>2,426,980</u>
General	1,315,357	54%		
Airport	855,433	35%		
Meru	256,190	11%		
	<u>2,426,980</u>	<u>100%</u>		



Comments/Notes - Receivables General

" - Major debtors in April include: Virgin Australia \$401,430 , Qantaslink \$311,629, Dept of Regional Dev. \$275,000, Dept of Training \$242,250 and Mt Gibson \$ 220,000
 - 90 days and over: Point Moore Leases \$ 106,527.