



MONTHLY FINANCIAL REPORT

For the Period Ended 30 September 2014

Contents

STATEMENT OF FINANCIAL ACTIVITY – NATURE OR TYPE	3
NOTE 1. MAJOR VARIANCES	4
NOTE 2. GRAPHICAL REPRESENTATION OF REVENUE AND EXPENSES	5
NOTE 3. NET CURRENT FUNDING POSITION	7
NOTE 4. MONTHLY INVESTMENT REPORT	8
NOTE 5. RECEIVABLES	9

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

	Budget	YTD Budget Estimated	YTD Actual	YTD Major Commitments	Variances (commtments incl)		
					\$	%	
Operating Income							
Rates	39,553,622	39,304,622	39,120,640		183,982	0.5%	✗
Grants & Subsidies, Contributions	9,187,804	2,432,680	2,405,188		27,492	1.1%	✗
Fees & Charges	18,406,785	8,374,595	8,391,100		(16,505)	-0.2%	✓
Interest Earnings	1,458,533	334,677	359,640		(24,963)	-7.5%	✓
Other Revenue	1,688,650	360,280	330,831		29,449	8.2%	✗
FV Adjustments to Financial Assets at FV thru P&L	90,000	0					✓
Profit On Disposal Of Assets	59,786	14,946	36,119		(21,173)	-141.7%	✓
	70,445,180	50,821,800	50,643,518		178,282	0.4%	✗
Operating Expenditure							
Employee Costs	(29,510,761)	(6,873,778)	(6,555,756)		(318,022)	4.6%	✓
Materials & Contractors	(23,041,146)	(7,716,170)	(3,910,680)	(3,238,974)	(566,516)	7.3%	✓
Utility & Govt Charges	(3,300,700)	(668,849)	(620,541)		(48,308)	7.2%	✓
Insurance	(945,410)	(331,881)	(349,841)		17,960	-5.4%	✗
Interest/Borrowing Costs	(871,709)	(165,000)	(151,820)		(13,180)	8.0%	✓
Other Expenditure	(2,596,237)	(679,163)	(285,027)		(394,136)	58.0%	✓
Depreciation On Assets	(17,939,427)	(4,449,027)	(4,449,027)		0	0.0%	✓
Loss On Disposal Of Assets	(1,221,291)	(28,898)	(28,898)		0	0.0%	✓
Land held for resale (Acquisition/Development cost)							
	(79,426,681)	(20,912,766)	(16,351,590)	(3,238,974)	(1,322,202)	6.3%	✓
NET OPERATING	(8,981,501)	29,909,034	34,291,928	(3,238,974)	(1,143,920)	-3.8%	✓
Non-Cash Expenditure and Revenue							
(Profit) / Loss on Asset Disposals	1,161,505	13,952	(7,221)		21,173	151.8%	✗
Depreciation on Assets	17,939,427	4,449,027	4,449,027		0	0.0%	✓
Movement in Employee Benefit Provision	260,210						
FV Adjustment to Financial Assets at FV thru P&L	(90,000)						
	19,271,142	4,462,979	4,441,806		21,173	0.5%	✗
Capital Expenditure							
Purchase Buildings	(9,863,595)	(3,155,374)	(1,179,075)	(3,151,051)	1,174,752	-37.2%	✗
Land held for resale (Acquisition/Development cost)	(4,000,000)				0		✓
Purchase Plant and Equipment	(2,514,000)	(628,483)	(266,626)	(59,339)	(302,518)	48.1%	✓
Purchase Furniture and Equipment	(835,190)	(8,668)	(3,765)	(2,502)	(2,401)	27.7%	✓
Purchase Other Property, Plant and Equipment	(630,000)				0		✓
Purchase Infrastructure Airport	(3,546,000)	(2,093,469)	(166,768)	(50,510)	(1,876,191)	89.6%	✓
Purchase Infrastructure Regional Waste	(685,000)	(171,240)	(2,029)	(36,196)	(133,015)	77.7%	✓
Purchase Infrastructure Assets - Roads	(33,796,015)	(5,413,247)	(2,381,851)	(1,966,394)	(1,065,002)	19.7%	✓
Purchase Infrastructure Assets - Parks	(11,041,670)	(1,164,878)	(430,328)	(357,416)	(377,134)	32.4%	✓
Purchase Infrastructure Assets - Other	(1,447,985)	(480,706)	(205,273)	(173,330)	(102,103)	21.2%	✓
Repayment of Debentures	(2,116,985)	(278,449)	(254,800)		(23,649)	8.5%	✓
	(70,476,440)	(13,394,514)	(4,890,515)	(5,796,737)	(2,707,262)	20.2%	✓
Capital Revenue							
Non Operating Grants & Subsidies	17,936,177	2,285,250	1,386,200		899,050	39.3%	✗
Proceeds from Disposal of Assets	2,377,000	99,330	120,632		(21,302)	-21.4%	✓
Proceeds from New Debentures	24,860,000				0		✓
Self-Supporting Loan Principal Income	77,149	17,618	17,618		0	0.0%	✓
	45,250,326	2,402,198	1,524,450	0	877,748	36.5%	✗
Reserves							
Transfers to Reserves	(146,979)				-		✓
Transfers from Reserves	12,962,737				-		✓
	12,815,758	0	0		-		✓
Current Funding Surplus (Deficit)	(2,120,715)	23,379,697	35,367,669	(9,035,711)			

NOTE 1. MAJOR VARIANCES

Operating Income

Operating Income is showing a negative variance of \$193,099 or 0.4%. The quashing and accounting adjustment of the Unoccupiable City Centre Zone differential rate for the years 2012-2013 and 2013-2014 has resulted in a rate reduction of \$65,157 and \$78,014 for those respective financial years (currently shown in 2014-15 as an adjustment to back rates). A further reduction of \$88,774 for 2014-15 has also been transacted into our rates ledger as an interim adjustment.

Operating Expenditure

Operating expenditure is showing a positive variance (under-spend) of \$ 1,627,512 or 7.7%. Major positive variance in Other Expenditure is due to the internal transacting of plant costs that has been delayed due to modifications undertaken under the new Chart of Accounts in respect to a new plant ledger. These modifications have now been completed and plant allocated costs will be updated in October.

Employment costs currently show an underspend which is due to both the timing of payments on workers compensation insurance and reduction in direct and indirect employment costs due to the current review of recruitment needs in line with cost savings initiatives.

Materials & Contractors underspend is reflective of phasing corrections required in respect to the following activities of cash outflows:

- Refuse collection - annual budget \$2.14m
- Landfill costs – annual budget \$2.37m
- Olive St Development (remediation works) - \$3m

Major commitments end of September are \$3,238,974.

Capital Expenditure

Capital expenditure is showing a positive variance (under-spend) of \$2,707,262 or 20.2%. The major variances are as a result of the timing of cash outflows (YTD Budget) not aligning with the current actual commitments for the following major projects (note: phasing has now been adjusted to reflect current actual and future expected commitments):

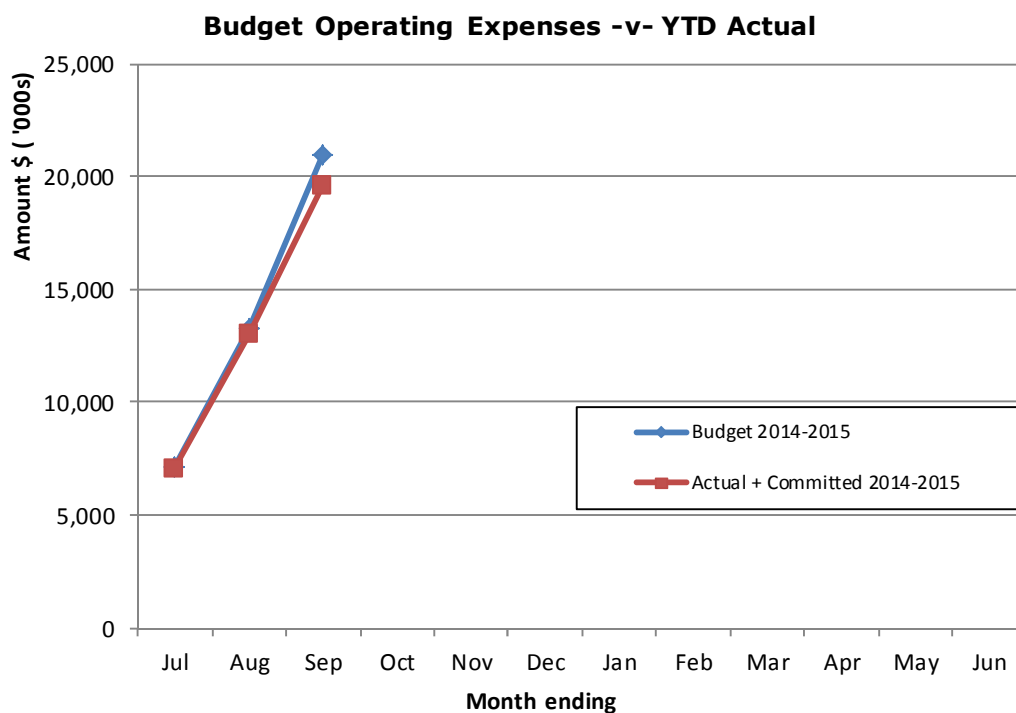
- Multi User Facility
- Wonthella Football Oval Lighting Project
- Old Railway Building
- Airport Terminal Upgrade

Capital Revenue

Capital revenue is showing a negative variance of \$877,748. Variance relates mainly to the phasing on cash inflow of grant funds relating to the Karloo-Wandina Project. Phasing has now been adjusted to reflect next claim period which is commencement of the bridge structure.

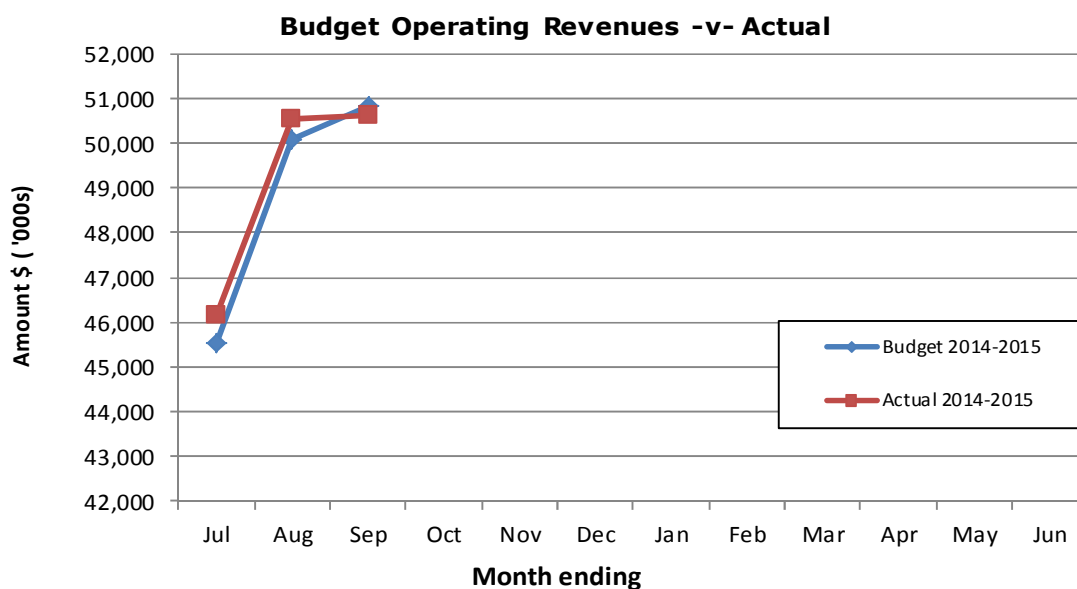
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2014

Note 2 - Graphical Representation - Source Statement of Financial Activity



Comments/Notes - Operating Expenses

Operating expenditure recorded as at 30 September is \$16,351,590 (\$19,590,564 Inc \$3,238,974 Committed). Major positive variance in other expenditure is due to timing and profiling

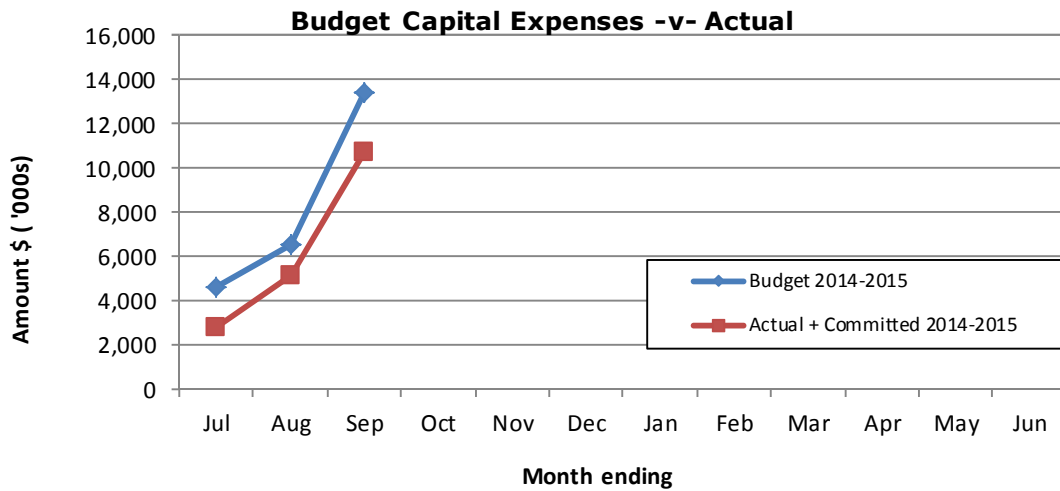


Comments/Notes - Operating Revenues

Operating income recorded as at 30 September is \$50,643,518. No significant variance

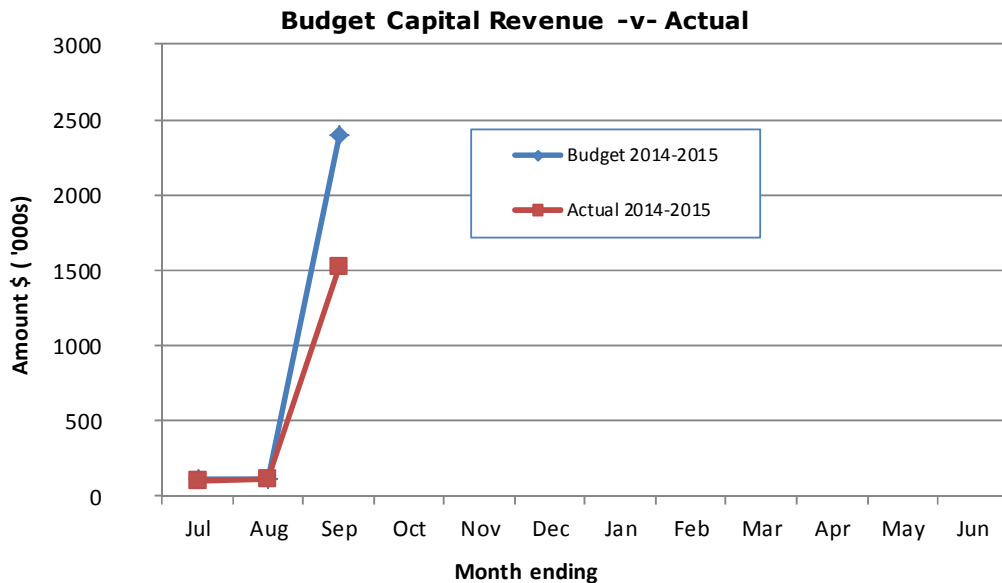
City of Greater Geraldton
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 September 2014

Note 2 - Graphical Representation - Source Statement of Financial Activity



Comments/Notes - Capital Expenses

Capital expenditure recorded as at 30 September is \$4,890,515 (\$10,687,252 Inc \$5,796,737 Committed). Major positive variances include purchase of roads, buildings, furniture & equipment, plant & equipment 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.



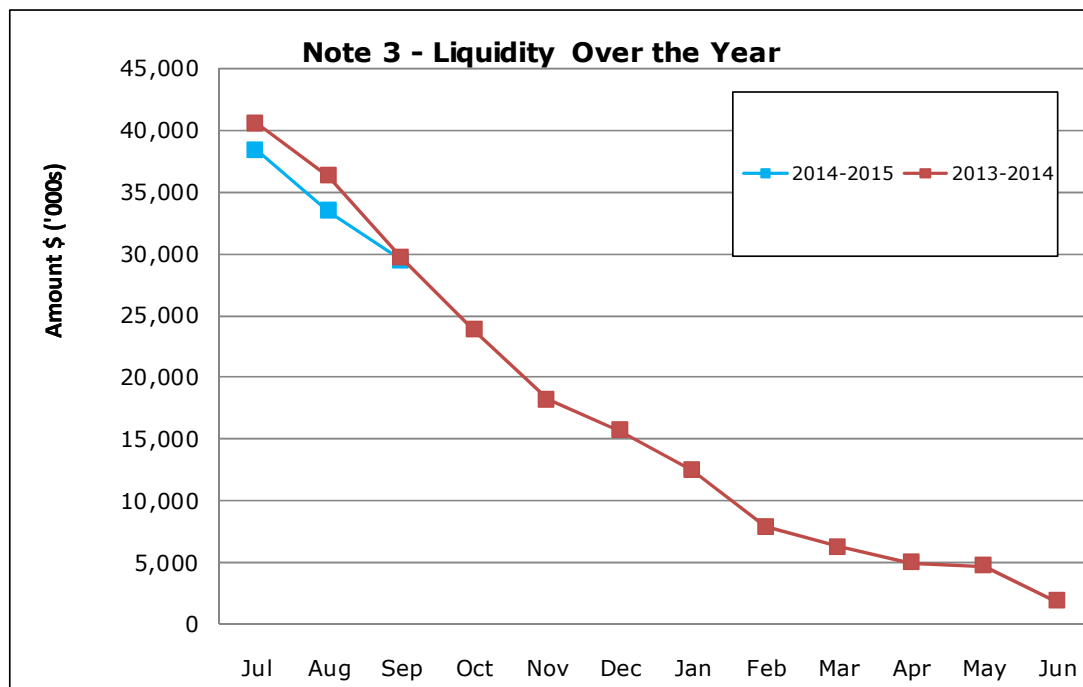
Comments/Notes - Capital Revenues

Capital revenue recorded as at 30 September is \$1,524,450. Major variance in Non operating Grants & Subsidies. The variance is mainly due to timing of projects that are funded by grants.

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

Note 3: NET CURRENT FUNDING POSITION

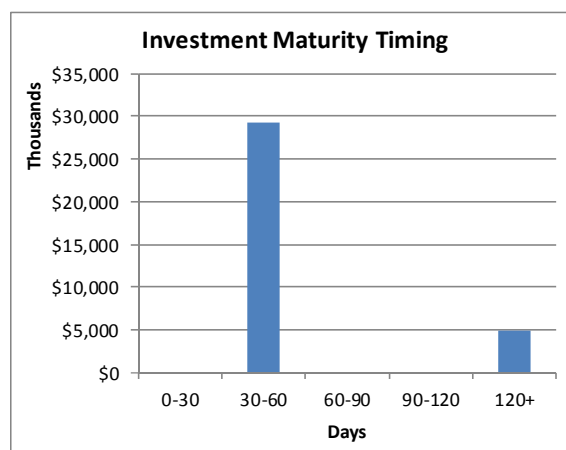
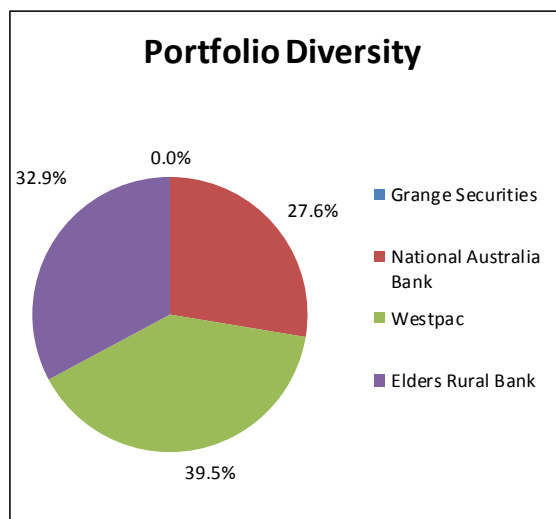
Positive=Surplus (Negative=Deficit)			
2014-2015		2013-2014	
This Period	Last Period	This Period	
\$	\$	\$	
Current Assets			
Cash at Bank			
Municipal Account	22,194,744	22,589,504	16,076,914
Reserve Account	16,256,002	16,256,002	32,441,858
Restricted Assets	333,395	333,395	898,536
Total Cash at Bank	38,784,141	39,178,901	49,417,308
Receivables			
Prepayments	47,016	48,327	96,673
Tax Recoverable	334,797	305,304	576,736
Sundry Debtors	1,514,041	2,546,882	2,557,464
Rates Receivable	15,800,911	18,685,266	14,725,324
Inventories	322,901	342,078	324,945
Total Current Assets	56,803,807	61,106,757	67,698,450
Less: Current Liabilities			
Creditors and Provisions	1,479,769	1,497,351	542,574
Current Borrowings	4,562,186	4,825,950	2,332,798
Employee Entitlements	4,728,470	4,724,405	3,931,797
	10,770,425	11,047,706	6,807,169
Less: Cash Restricted	(16,589,397)	(16,589,397)	(32,441,858)
Net Current Funding Position	29,443,984	33,469,654	28,449,423



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

Note 4 - Monthly Investment Report

Deposit Ref	Current Credit Rating	Maturity/ Conversion	Invested Interest rates	Amount Invested	Interest Earned YTD	Current Value @30/09/2014	Percentage of Portfolio
Grange Securities							
Kakadu	D		4.78%	700,000		-	
Parkes AAA	D	20/6/2015	5.01%	250,000		-	
Scarborough AA Ac 21	N/R			500,000	-	-	
					-	-	
Subtotal				1,450,000	-	-	0.0%
National Australia Bank							
Municipal 245	A1+	3/11/2014	3.25%	5,000,000		5,000,000	
Reserve180	A1+	11/11/2014	3.55%	4,454,847		4,454,847	
Subtotal				9,454,847	-	9,454,847	27.6%
Westpac							
Reserve 181	A1+	13/11/2014	3.79%	5,545,153		5,545,153	
Municipal 244	A1+	26/11/2014	3.63%	8,000,000		8,000,000	
Subtotal				13,545,153	-	13,545,153	39.5%
Elders Rural Bank							
Reserve182	A2	13/11/2014	3.70%	6,256,002		6,256,002	
Municipal 243	A2	15/2/2015	3.75%	5,000,000		5,000,000	
Subtotal				11,256,002	-	11,256,002	32.9%
Total Funds Invested				35,706,002	-	34,256,002	100%



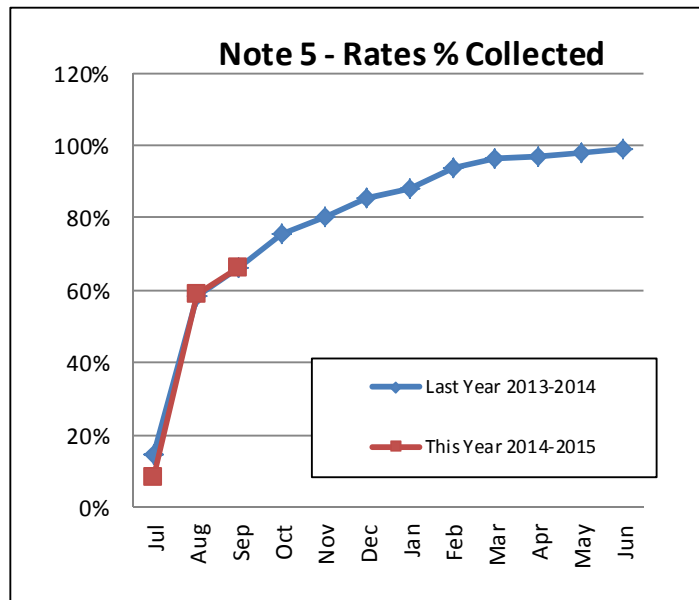
Graph Data - Portfolio Diversity		
Grange Securities		0.0%
National Australia Bank		27.6%
Westpac		39.5%
Elders Rural Bank		32.9%
		100.0%

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

Note 5 : RECEIVABLES

Receivables - Rates and Rubbish

	Current 2014-2015
	\$
Opening Arrears Previous Years	(2,216,002)
Rates Levied this year	(45,905,415)
Less Collections to date	(30,381,842)
Equals Current Outstanding	(17,739,575)
Comprises of Current Amt:	(17,469,333)
Deferred Amt:	(270,242)
Net Rates Collectable	
% Collected	66.18%



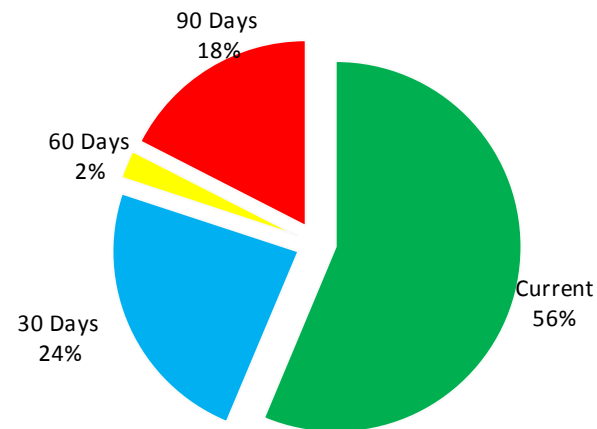
Comments/Notes - Receivables Rates and Rubbish

Rates collections are 66.18% of total rates billed in July. Second Instalment due 27/10/2014

Receivables - General

	Current	30 Days	60 Days	90 Days
	\$	\$	\$	\$
	856,132	360,372	37,389	265,785
Total Outstanding				1,519,678
General	540,230	36%		
Airport	549,724	36%		
Meru	429,724	28%		
	1,519,678	100%		

Note 5 - Accounts Receivable (non-rates)



Comments/Notes - Receivables General

- Major debtors in September include Virgin Australia \$231,021.72, Qantaslink \$184,578.39, Veolia \$99,815.10, Water Corporation \$72,093.17
 - 90 days and over include Point Moore Leases \$ 62,989.07, Midwest Ports \$41,688.59