

City of Albany
MONTHLY FINANCIAL REPORT
For the Period Ended 30th November 2017

TABLE OF CONTENTS

Compliance Report

Statement of Financial Activity

Note 1 Major Variances

Note 2 Net Current Funding Position

Note 3 Cash and Investments

Note 3A Cash and Investments- Graphical Representation

Note 4 Receivables

Note 5 Capital Acquisitions

City of Albany
Compilation Report
For the Period Ended 30th November 2017

Report Purpose

This report is prepared to meet the requirements of Local Government (Financial Management) Regulations 1996, Regulation 34 .

Overview

No matters of significance are noted.

Statement of Financial Activity by reporting nature or type

Is presented on page 3 and shows a surplus For the Period Ended 30th November 2017 of \$27,008,780.

Note: The Statements and accompanying notes are prepared based on all transactions recorded at the time of preparation and may vary.

Preparation

Prepared by: P Martin
Reviewed by: D Olde
Date prepared: 12/12/2017

REPORT ITEM CCS 023 REFERS

City of Albany
STATEMENT OF FINANCIAL ACTIVITY
(Nature or Type)
For the Period Ended 30th November 2017

	Note	Original Annual Budget	Revised Annual Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(b)	
Operating Revenues								
Rate Revenue		35,461,300	35,461,300	34,913,648	34,878,314	(35,334)	(0.1%)	
Grants & Subsidies		3,184,285	3,247,439	1,243,015	1,275,265	32,250	2.5%	
Contributions, Donations & Reimbursements		648,959	648,959	309,123	306,441	(2,682)	(0.9%)	
Profit on Asset Disposal		15,872	15,872	6,610	3,364	(3,246)	(96.5%)	
Fees and Charges		17,105,686	17,105,686	10,730,800	11,110,358	379,558	3.4%	▲
Service Charges		0	0	0	0	0		
Interest Earnings		1,134,492	1,134,492	560,081	616,546	56,465	9.2%	
Other Revenue		364,522	364,522	116,685	86,363	(30,322)	(35.1%)	
Total		57,915,116	57,978,270	47,879,962	48,276,652	396,690		
Operating Expense								
Employee Costs		(26,369,593)	(26,425,104)	(10,550,754)	(10,211,851)	338,903	3.3%	▼
Materials and Contracts		(17,285,414)	(17,434,024)	(6,474,346)	(6,348,074)	126,272	2.0%	▼
Utilities Charges		(1,850,099)	(1,850,099)	(717,036)	(670,500)	46,536	6.9%	
Depreciation (Non-Current Assets)		(16,910,453)	(16,910,453)	(7,046,030)	(7,479,769)	(433,739)	(5.8%)	▲
Interest Expenses		(871,085)	(871,085)	(69,395)	(88,404)	(19,009)	(21.5%)	
Insurance Expenses		(708,302)	(708,302)	(628,567)	(655,499)	(26,932)	(4.1%)	
Loss on Asset Disposal		(608,999)	(608,999)	(253,645)	(310,973)	(57,328)	(18.4%)	
Other Expenditure		(2,911,281)	(2,936,494)	(1,810,370)	(1,616,092)	194,278	12.0%	▼
Less Allocated to Infrastructure		858,143	858,143	357,295	378,044	20,749	5.5%	
Total		(66,657,083)	(66,886,417)	(27,192,848)	(27,003,118)	189,730		
Contributions for the Development of Assets								
Grants & Subsidies		8,164,879	8,083,915	843,228	856,403	13,175	1.5%	
Contributions, Donations & Reimbursements		550,000	550,000	50,000	402,270	352,270	87.6%	▲
Net Operating Result		(27,088)	(274,232)	21,580,342	22,532,207	951,865		
Funding Balance Adjustment								
Add Back Depreciation		16,910,453	16,910,453	7,046,030	7,479,769	433,739	5.8%	▲
Adjust (Profit)/Loss on Asset Disposal		593,127	593,127	247,035	307,610	60,575	19.7%	
Movement From Current to Non-Current		0	0	0	0	0		
Add back Carrying Value of Investment Land		0	0	0	0	0		
Funds Demanded From Operations		17,476,492	17,229,348	28,873,407	30,319,586	1,080,734		
Capital Revenues								
Proceeds from Disposal of Assets		694,888	694,888	127,195	189,064	61,869	32.7%	
Total		694,888	694,888	127,195	189,064	61,869		
Acquisition of Fixed Assets								
Land and Buildings	5	(7,985,196)	(8,404,201)	(1,955,499)	(1,598,777)	356,722	22.3%	▼
Plant and Equipment	5	(3,468,782)	(3,468,782)	(1,034,765)	(914,808)	119,957	13.1%	▼
Furniture and Equipment	5	(636,900)	(711,900)	(263,190)	(311,729)	(48,539)	(15.6%)	▼
Infrastructure Assets - Roads	5	(5,681,199)	(5,700,249)	(777,104)	(448,938)	328,166	73.1%	▼
Infrastructure Assets - Other	5	(7,119,149)	(8,755,952)	(2,879,854)	(2,665,201)	214,653	8.1%	▼
Total		(24,891,226)	(27,041,084)	(6,910,412)	(5,939,453)	970,959		
Financing/Borrowing								
Debt Redemption		(2,216,361)	(2,216,361)	(229,798)	(240,821)	(11,023)	(4.6%)	
Loan Drawn Down		2,120,000	2,120,000	0	0	0		
Profit on Sale of Investments		0	0	0	0	0		
Self-Supporting Loan Principal		12,120	12,120	5,050	0	(5,050)	(100.0%)	
Self Supporting Loan Issued		0	0	0	0	0		
Total		(84,241)	(84,241)	(224,748)	(240,821)	(16,073)		
Demand for Resources		(6,804,087)	(9,201,089)	21,865,442	24,328,376	2,097,489		
Restricted Funding Movements								
Opening Funding Surplus(Deficit)		2,230,734	2,664,722	2,664,722	2,680,404	15,682	0.6%	
Restricted Cash Utilised - Loan		547,125	939,259	0	0	0		
Transfer to Reserves		(11,901,803)	(11,901,803)	0	0	0		
Transfer from Reserves		15,928,031	17,607,973	0	0	0		
Closing Funding Surplus(Deficit)	2	0	109,062	24,530,164	27,008,780	2,113,171		

REPORT ITEM CCS 023 REFERS

City of Albany
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30th November 2017

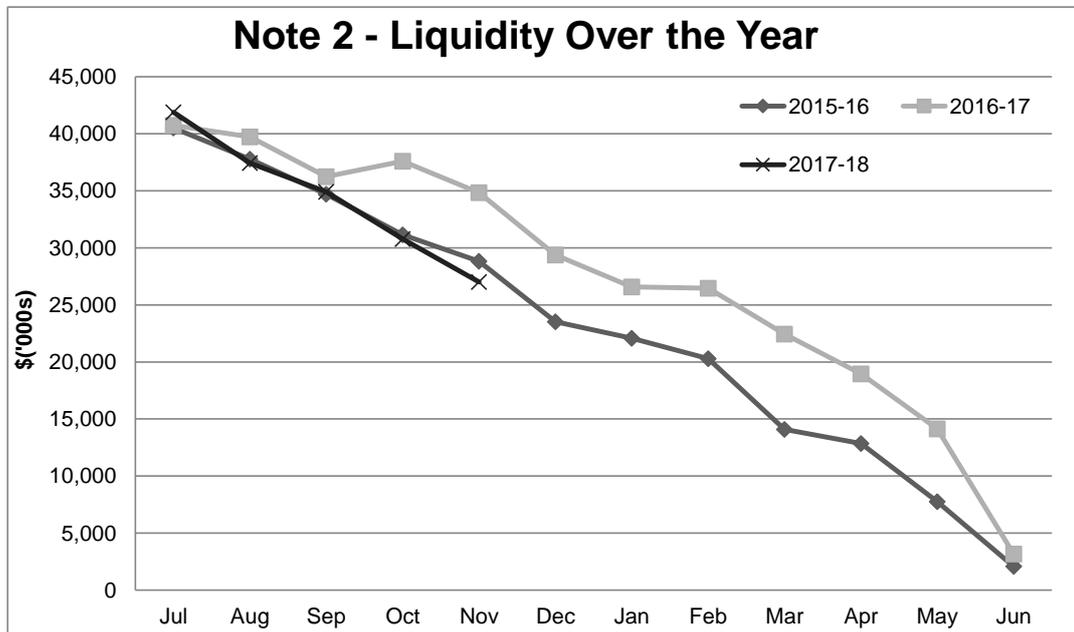
Note 1: EXPLANATION OF MATERIAL VARIANCES IN EXCESS OF \$100,000

	Var.	Var.	Timing/ Permanent	Explanation of Variance
	\$			
1.1 Operating Revenues				
Rate Revenue	(35,334)			No material variance.
Grants & Subsidies	32,250			No material variance.
Contributions, Donations & Reimbursements	(2,682)			No material variance.
Profit on Asset Disposal	(3,246)			No material variance.
Fees and Charges	379,558	▲	Timing	A number of areas tracking well. Charter flight fees - airport - above budget YTD \$50 -60 000, refuse/waste fees /scrap metal - approx. \$100 000 above budget, planning, NAC store, dog registrations all above budget.
Interest Earnings	56,465			No material variance.
Other Revenue	(30,322)			No material variance.
1.2 Operating Expense				
Employee Costs	338,903	▼	Timing	Recruiting for 10 vacancies, or recruited but not yet incurring costs, in various teams across the City. Compared to previous months, variance is reducing, and expected to reduce over the course of the year.
Materials and Contracts	126,272	▼	Timing	Primarily election expenses budgeted, invoice not yet received (\$108 000)
Utilities Charges	46,536			No material variance.
Depreciation (Non-Current Assets)	(433,739)	▲	Permanent	Revised valuations for land and buildings. Actual depreciation exceeding budget. Budget variation to be made in mid-year budget review.
Interest Expenses	(19,009)			Timing issue relating to repayment of debentures.
Insurance Expenses	(26,932)			No material variance.
Loss on Asset Disposal	(57,328)			No material variance.
Other Expenditure	194,278	▼	Timing	Regional Event Sponsorship - budgeted not yet paid, Sundry council operating costs budgeted not incurred, other events costs budgeted, not yet incurred - total variance \$70 000, balance is no single significant item.
Less Allocated to Infrastructure	20,749			No material variance.
1.3 Contributions for the Development of Assets				
Grants & Subsidies	13,175			No material variance.
Contributions, Donations & Reimbursements	352,270	▲	Permanent	Un-budgeted capital contributions received for future works programs (\$125 000). Balance is timing of actual to budgeted grant receipt.
1.4 Funding Balance Adjustment				
Add Back Depreciation	433,739	▲	Permanent	Revised valuations for land and buildings. Actual depreciation exceeding budget. Budget variation to be made in mid-year budget review.
Adjust (Profit)/Loss on Asset Disposal	60,575			No material variance.
1.5 Capital Revenues				
Proceeds from Disposal of Assets	61,869			No material variance.
1.6 Acquisition of Fixed Assets				
Land and Buildings	356,722	▼	Timing	Timing variance for invoicing and completion of capital works projects. Primarily Changing Places and AVC construction.
Plant and Equipment	119,957	▼	Timing	Light fleet budgeted, not yet ordered or invoiced. Heavy fleet on track.
Furniture and Equipment	(48,539)			No material variance.
Infrastructure Assets - Roads	328,166	▼	Timing	Timing variance for invoicing and completion of capital works projects. Norwood and Millbrook Rd budgeted for with minimal costs incurred to date.
Infrastructure Assets - Other	214,653	▼	Timing	As Stage 1 CPSP winds up, variance is now due to many smaller projects budgeted for in parks, gardens, reserves, footpaths and cycle ways. No one project with major variance to-date.
1.7 Financing/Borrowing				
Debt Redemption	(11,023)			No material variance.
Loan Drawn Down	0			No material variance.
1.8 Restricted Funding Movements				
Opening Funding Surplus(Deficit)	15,682			No material variance.
Transfer to Reserves	0			No material variance.
Transfer from Reserves	0			No material variance.

City of Albany
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30th November 2017

Note 2: NET CURRENT FUNDING POSITION

		Positive=Surplus (Negative=Deficit)		
		2017-18		
Note	This Period	Last Period	Same Period Last Year	
	\$	\$	\$	
Current Assets				
Cash Unrestricted	21,096,056	21,813,035	27,148,609	
Cash Restricted	26,193,192	26,183,722	18,798,857	
Receivable - Rates and Rubbish	11,691,467	14,809,080	10,762,833	
Receivables - Other	1,266,566	1,930,696	2,635,186	
Investments - LG Unit Trust Shares	205,605	205,605	205,605	
Accrued Income	303,976	270,722	312,026	
Prepaid Expenses	46,521	46,521	75,525	
Investment Land	240,000	240,000	229,609	
Investment Loan	12,120	12,120	0	
Stock on Hand	678,987	624,047	818,704	
	61,734,491	66,135,547	60,986,954	
Less: Current Liabilities				
Payables	(4,794,738)	(5,321,270)	(5,284,252)	
Accrued Expenses	(69,029)	(59,142)	(13,725)	
Income in advance	(23,142)	(54,506)	(36,461)	
Provisions	(4,291,621)	(4,237,831)	(3,800,744)	
Retentions	(163,003)	(163,003)	(181,578)	
	(9,341,532)	(9,835,751)	(9,316,761)	
Add Back: Loans	1,895,795	1,991,241	1,817,761	
Less: Cash Restricted	(25,992,610)	(25,992,610)	(18,213,089)	
Unutilised - Loan	(841,758)	(939,259)	0	
Investment land	(240,000)	(240,000)	(229,609)	
Investments - LG Unit Trust Shares	(205,605)	(205,605)	(205,605)	
Net Current Funding Position	27,008,780	30,913,563	34,839,651	



City of Albany
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30th November 2017

Note 3: CASH INVESTMENTS

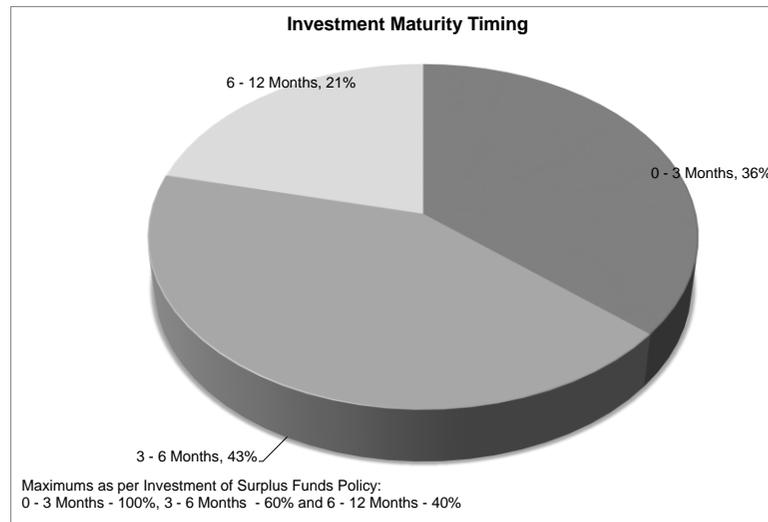
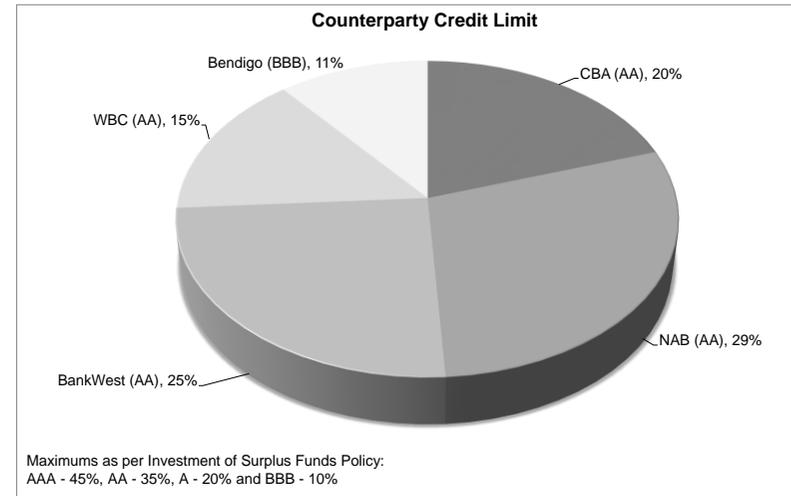
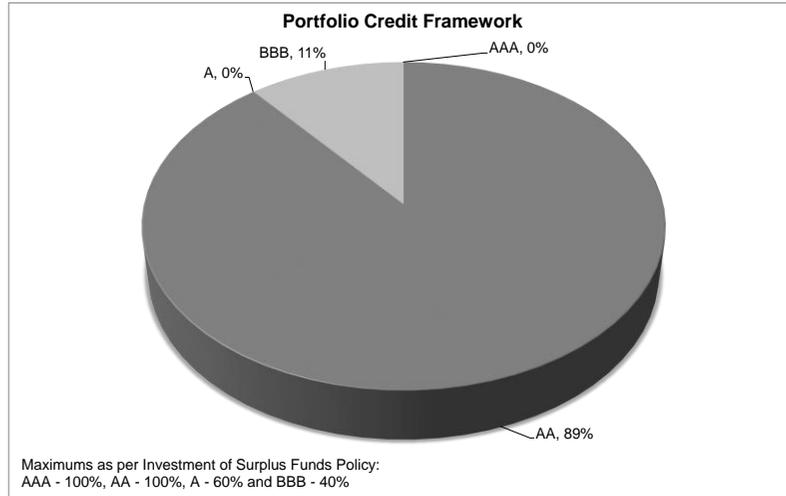
Deposit Ref	Institution	Rating	Deposit Date	Term (Days)	Invested Interest rates	Amount Invested	Expected Interest	Amount Invested (Days)			Comparative rate		Budget v Actual				
								0 - 3 Months	3 - 6 Months	6 - 12 Months	Prior Month Interest Rate	Interest Rate at time of Report	Year to Date Budget	Year to Date Actual	Var.\$		
General Municipal																	
4626078	Bankwest	AA	25/08/2017	150	2.48%	2,000,000	20,384				2.20%	2.48%					
2388358	Bendigo	BBB	14/09/2017	91	2.30%	2,000,000	11,468	2,000,000	2,000,000			2.30%					
33822504	CBA	AA	14/09/2017	120	2.36%	3,000,000	23,277		3,000,000			2.36%					
4633144	Bankwest	AA	14/09/2017	90	2.40%	3,000,000	17,753	3,000,000				2.40%					
10471052	NAB	AA	14/09/2017	90	2.52%	2,000,000	12,427	2,000,000				2.52%					
10485954	NAB	AA	13/11/2017	92	2.47%	2,500,000	15,564	2,500,000			2.43%	2.47%					
10487917	NAB	AA	20/11/2017	91	2.47%	2,000,000	12,316	2,000,000			2.45%	2.47%					
					Subtotal	16,500,000	113,190	11,500,000	5,000,000	0				178,909	166,017	- 12,891.75	
Restricted																	
33822504	CBA	AA	28/08/2017	121	2.42%	3,000,000	24,067		3,000,000		2.38%	2.42%					
4629580	Bankwest	AA	4/09/2017	120	2.45%	2,000,000	16,110	2,000,000			2.50%	2.45%					
10474124	NAB	AA	26/09/2017	120	2.53%	2,000,000	16,636	2,000,000			2.48%	2.53%					
33822504	CBA	AA	31/10/2017	120	2.31%	2,000,000	15,189		2,000,000		2.33%	2.31%					
4652013	Bankwest	AA	9/11/2017	120	2.45%	3,000,000	24,164		3,000,000			2.45%					
2247478	Bendigo	BBB	20/10/2017	182	2.45%	2,500,000	30,541		2,500,000		2.50%	2.45%					
29924418	Westpac	AA	16/10/2017	212	2.59%	3,000,000	45,130			3,000,000	2.45%	2.59%					
415677	Westpac	AA	9/11/2017	181	2.60%	3,000,000	38,679		3,000,000			2.60%					
10486976	NAB	AA	15/11/2017	120	2.45%	3,000,000	24,164		3,000,000			2.45%					
					Subtotal	23,500,000	234,681	4,000,000	16,500,000	3,000,000				152,252	200,321	48,068.72	
					Total Funds Invested	40,000,000	347,871	15,500,000	21,500,000	3,000,000				331,161	366,338	35,176.97	

Comments/Notes - Cash Investments

Current portfolio exposure to Bendigo & Adelaide Bank Ltd is over Investment Policy mandate in relation to the Standard & Poors Long Term Rating (BBB). Standards & Poors currently rates Bendigo & Adelaide Bank Ltd for Short Term Ratings as an A-2, which under Investment Policy guidelines allows for a maximum counterpart credit limit of 20% of the City's investment portfolio, which given the current term to maturity of investments held is in line with policy limitations. The graphical representation of investments as shown in Note 3A is derived from percentages based on the Standard & Poors Long Term Ratings, which for comparability has remained unchanged.

City of Albany
 Monthly Investment Report
 For the Period Ended 30th November 2017

Note 3A: GRAPHICAL REPRESENTATION - CASH INVESTMENTS



City of Albany
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30th November 2017

Note 4: RECEIVABLES

Receivables - Rates and Refuse

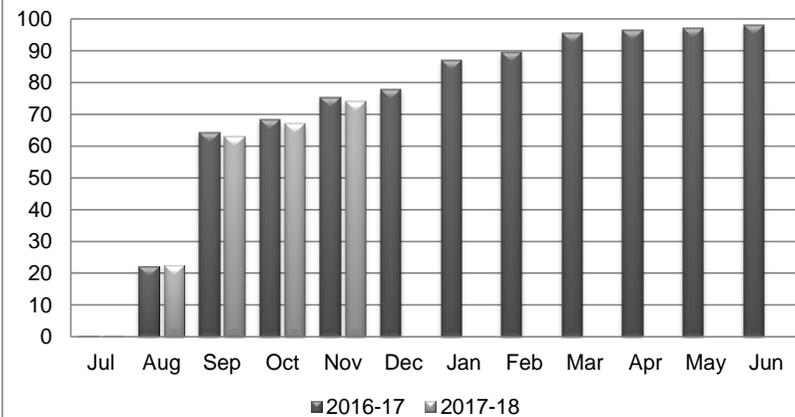
	Current 2017-18	Previous 2016-17	Total
	\$	\$	\$
Opening Arrears Previous Years		809,310	809,310
Rates Levied this year	34,878,314		34,878,314
Refuse Levied	6,023,848		6,023,848
ESL Levied	3,069,978		3,069,978
Other Charges Levied	332,154		332,154
<u>Less</u> Collections to date	(33,096,818)	(325,319)	(33,422,137)
Equals Current Outstanding	11,207,476	483,991	11,691,467
Total Rates & Charges Collectable			11,691,467
% Collected			74.08%

Receivables - General

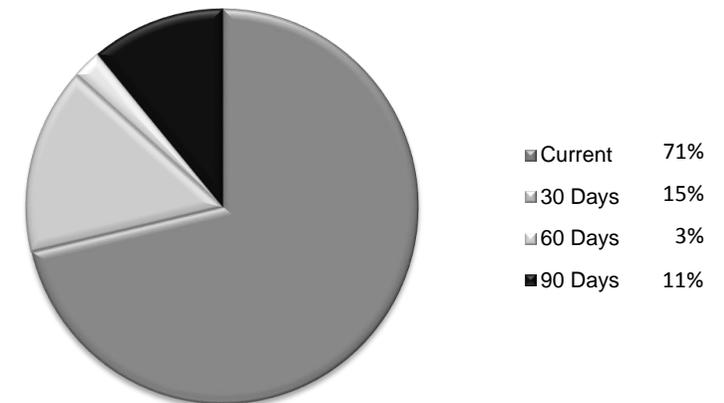
	Current	30 Days	60 Days	90 Days
	\$	\$	\$	\$
	669,541	143,631	22,790	102,940
Total Outstanding				938,901

Amounts shown above include GST (where applicable)

Note 4 - Rates & Refuse % Collected



Note 4 - Accounts Receivable (non-rates)



Comments/Notes - Receivables Rates and Refuse

Comments/Notes - Receivables General

City of Albany
 NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
 For the Period Ended 30th November 2017

Note 5: CAPITAL ACQUISITIONS

Contributions Information					Summary Acquisitions	Original Budget	Current Budget	YTD Budget	Actual	Variance
Grants	Reserves	Borrowing	Restricted	Total						
\$	\$	\$		\$		\$			\$	\$
0	0	0	0	0	Property, Plant & Equipment					
1,327,500	770,000	1,000,000	0	3,097,500	Land	0	0	0	0	0
50,000	0	0	0	50,000	Buildings	7,985,196	8,404,201	1,955,499	1,598,777	(356,722) ▼
0	0	0	0	0	Plant & Equipment	3,468,782	3,468,782	1,034,765	914,808	(119,957) ▼
					Furniture & Equipment	636,900	711,900	263,190	311,729	48,539 ▲
					Infrastructure					
1,500,000	200,000	0	0	1,700,000	Roadworks	5,681,199	5,700,249	777,104	448,938	(328,166) ▼
0	0	0	0	0	Drainage	781,000	781,000	172,250	101,088	(71,162) ▼
825,000	0	0	0	825,000	Bridges	824,734	824,734	0	0	0
20,000	0	0	0	20,000	Footpath & Cycleways	1,065,482	1,065,482	269,422	120,389	(149,033) ▼
605,700	483,300	0	0	1,089,000	Parks, Gardens & Reserves	2,414,314	2,677,385	644,513	493,918	(150,595) ▼
13,035,092	467,820	500,000	0	14,002,912	Public Facilities	1,362,092	2,759,843	1,506,093	1,714,578	208,485 ▲
0	0	0	0	0	Airport	50,000	50,000	0	97,092	97,092 ▲
0	273,286	0	0	273,286	Waste	273,286	257,877	130,926	26,091	(104,835) ▼
0	0	0	0	0	Other Infrastructure	348,241	339,631	156,650	112,045	(44,605) ▼
17,363,292	2,194,406	1,500,000	0	21,057,698	Totals	24,891,226	27,041,084	6,910,412	5,939,452.99	(970,959)

Comments - Capital Acquisitions

