

ADMINISTRATION AND FINANCE COMMITTEE MEETING

BUSINESS PAPER

TUESDAY 2 DECEMBER 2014

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ADMINISTRATION AND FINANCE COMMITTEE MEETING

Notice is hereby given that a Administration and Finance Committee Meeting of the Council of the City of Randwick will be held in the Council Chamber, First Floor, 90 Avoca Street, Randwick on Tuesday, 2 December 2014 at 6:00pm.

Committee Members: The Mayor (Seng), Andrews, Belleli, Bowen, D'Souza, Garcia (Deputy Chairperson), Matson, Moore, Nash, Neilson, Roberts, Shurey, Smith, Stavrinou (Chairperson) and Stevenson

Quorum: Eight (8) members

NOTE: At the Extraordinary Meeting held on 28 September 2004, the Council resolved that the Administration and Finance Committee be constituted as a committee with full delegation to determine matters on the agenda.

Apologies/Granting of Leave of Absences

Confirmation of the Minutes

Administration and Finance Committee Meeting - 11 November 2014

Declarations of Pecuniary and Non-Pecuniary Interests

Address of Committee by Members of the Public

Privacy warning;

In respect to Privacy & Personal Information Protection Act, members of the public are advised that the proceedings of this meeting will be recorded for the purposes of clause 69 of Council's Code of Meeting Practice.

Urgent Business

Administration Reports

Nil

Finance Report

F12/14 Monthly Financial Report as at 31 October 2014..... 1

Notice of Rescission Motions

Nil

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Ray Brownlee
GENERAL MANAGER

Finance Report No. F12/14



Subject: Monthly Financial Report as at 31 October 2014

Folder No: F2014/00522

Author: Oliver Guo, Management Accountant

Introduction

Section 202 of *Local Government (General) Regulation 2005* requires that the responsible accounting officer of a council must:

- a) establish and maintain a system of budgetary control that will enable the council's actual income and expenditure to be monitored each month and to be compared with the estimate of the council's income and expenditure, and
- b) if any instance arises where the actual income or expenditure of the council is materially different from its estimated income or expenditure, report the instance to the next meeting of the council.

Issues

This report provides the financial results of the Council as at 31 October 2014. Attachment 1 summarises the Council's financial performance and its source and application of funds. It also summarises the operating result for each of the Council's principal activities. Attachment 2 details the financial position of the Council as at 31 October 2014. Attachment 3 details the cash flow of the Council as at 31 October 2014.

This report is as at 31 October 2014 and does not include the September Quarter Budget Variations. Council has subsequently adopted the September Variations and as a result they will be included in the November Report.

Relationship to City Plan

The relationship with the City Plan is as follows:

- Outcome 1: Leadership in Sustainability.
Direction 1b: Council is a leader in the delivery of social, financial and operational activities.

Financial impact statement

There is no direct financial impact for this matter.

Conclusion

The Council's Manager Corporate and Financial Planning, as the Responsible Accounting Officer, advises that the projected financial position is satisfactory. The Current Ratio as at 31 October 2014 is 2.85 compared to 2.21 as at 30 June 2014. The Current Ratio is a financial indicator specific to local government and represents its ability to meet its debts and obligations as they fall due.

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Recommendation

That the Administration and Finance Committee acknowledges that the Responsible Accounting Officer has advised that the projected financial position of Council is satisfactory.

Attachment/s:

1. Monthly Financial Statements - Income Statements October 2014
2. Monthly Financial Statements - Balance Sheet October 2014
3. Monthly Financial Statements - Cash Flow Statement October 2014

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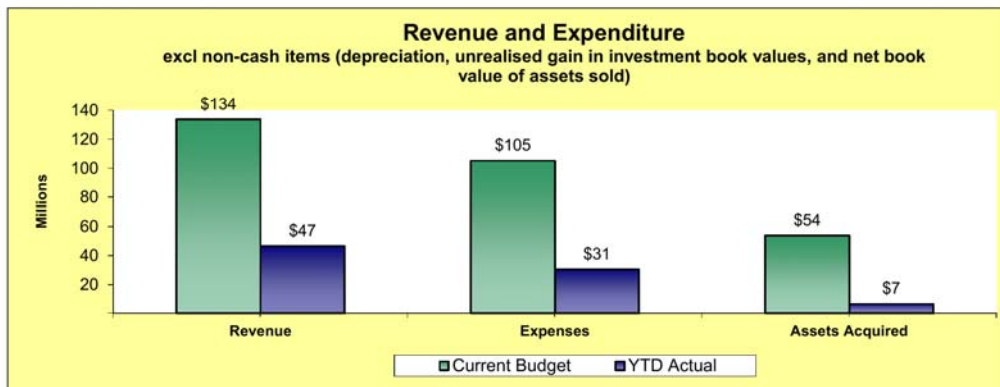


INCOME STATEMENT

for the financial year as at 31 October 2014

% OF YEAR EXPIRED AT 31 Oct 2014	33%
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	Original Budget (\$'000s)	Current Budget (\$'000s)	YTD Actuals (\$'000s)	% of Budget Spent/Earned
EXPENSES FROM CONTINUING OPERATIONS				
Employee Costs	55,787	55,787	19,163	34.3%
Materials & Contracts	32,860	35,506	6,930	19.5%
Depreciation & Amortisation	22,624	22,624	7,541	33.3%
Other Operating Expenses	13,888	13,936	4,565	32.8%
Total Expenses from Continuing Operations	125,160	127,853	38,199	29.9%
REVENUE FROM CONTINUING OPERATIONS				
Rates And Annual Charges	98,063	98,063	33,048	33.7%
User Charges And Fees	15,292	15,292	6,555	42.9%
Interest	2,583	2,583	983	38.0%
Other Revenues	8,033	8,033	2,740	34.1%
Operating Grants and Contributions	6,600	6,600	2,135	32.3%
Capital Grants and Contributions	3,322	3,322	1,380	41.5%
Gain/(Loss) on Disposal of Assets	1,199	1,199	(21)	-1.8%
Total Revenue from Continuing Operations	135,091	135,091	46,819	34.7%
Net Operating Result - Surplus/(Deficit)	9,931	7,238	8,620	
FUNDING STATEMENT				
SOURCE OF FUNDS				
Surplus/(Deficit) from Operations - Accrual	9,931	7,238	8,620	119.1%
Add Back Non-Funded Transactions included in Operations above				
- Depreciation	22,624	22,624	7,541	33.3%
- Sales of Assets (Book Value)	-	-	298	0.0%
- Transfer from Internal Reserves	8,007	18,624	3,654	19.6%
- Transfer from External Reserves	10,313	23,612	7,465	31.6%
- Unrealised Gain/(Loss) on Market Value of Investments	-	-	110	
Net Funds Available	50,875	72,098	27,687	38.4%
APPLICATION OF FUNDS				
Assets Acquired	32,884	54,106	6,816	12.6%
Transfer to Internal Reserves	8,065	8,065	3,493	43.3%
Transfer to External Reserves	9,908	9,908	11,582	116.9%
Total Funds Applied	50,856	72,078	21,891	30.4%
Total Funds Surplus/(Deficit)	19	19	5,795	



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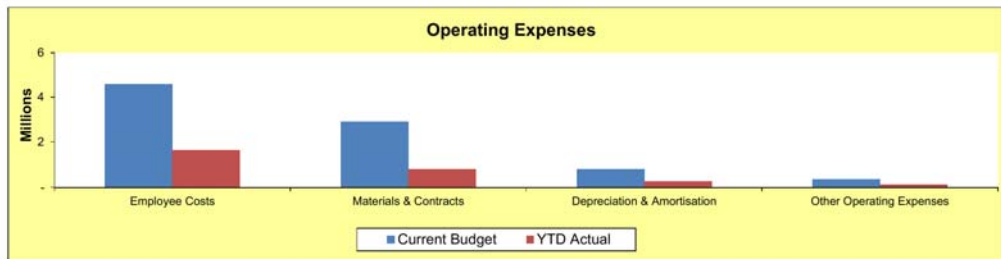


OFFICE OF THE GENERAL MANAGER INCOME STATEMENT

for the financial year as at 31 October 2014

% OF YEAR EXPIRED AT 31 Oct 2014	33%
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	Original Budget (\$'000s)	Current Budget (\$'000s)	YTD Actuals (\$'000s)	% of Budget Spent/Earned
EXPENSES FROM CONTINUING OPERATIONS				
Employee Costs	4,573	4,573	1,629	35.6%
Materials & Contracts	2,804	2,914	785	27.0%
Depreciation & Amortisation	777	777	259	33.3%
Other Operating Expenses	354	354	115	32.4%
Total Expenses from Continuing Operations	8,508	8,618	2,789	32.4%
Net Operating Result - Surplus/(Deficit)				
	(8,508)	(8,618)	(2,788)	
CAPITAL PURCHASES (NOT INCLUDED ABOVE)				
CAPITAL PURCHASES				
Total Purchases	2,287	3,114	447	14.3%
<i>Detail as following:</i>				
IT Equipment	2,287	3,114	447	14.3%



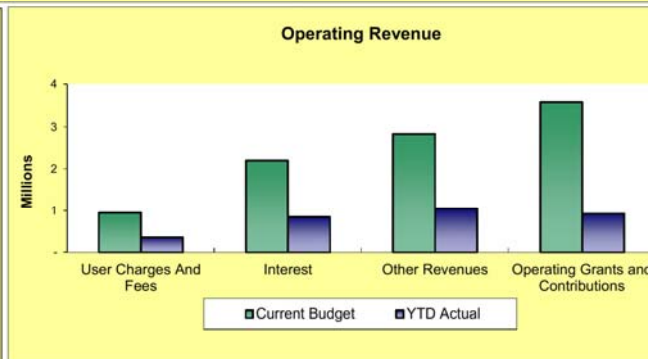
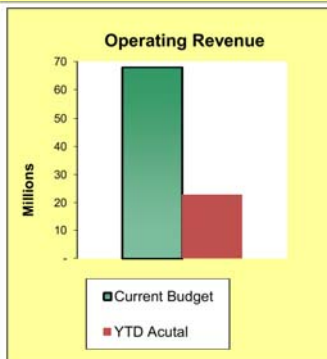
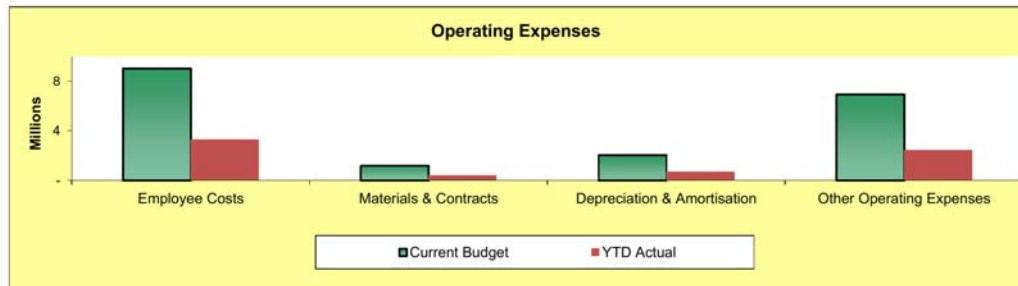


GOVERNANCE AND FINANCIAL SERVICES INCOME STATEMENT

for the financial year as at 31 October 2014

% OF YEAR EXPIRED AT 31 Oct 2014	33%
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	Original Budget (\$'000s)	Current Budget (\$'000s)	YTD Actuals (\$'000s)	% of Budget Spent/Earned
EXPENSES FROM CONTINUING OPERATIONS				
Employee Costs	9,094	9,094	3,278	36.0%
Materials & Contracts	1,194	1,194	375	31.4%
Depreciation & Amortisation	2,051	2,051	684	33.3%
Other Operating Expenses	6,963	6,963	2,431	34.9%
Total Expenses from Continuing Operations	19,301	19,301	6,767	35.1%
REVENUE FROM CONTINUING OPERATIONS				
Rates And Annual Charges	68,093	68,093	22,922	33.7%
User Charges And Fees	955	955	361	37.8%
Interest	2,202	2,202	851	38.6%
Other Revenues	2,837	2,837	1,055	37.2%
Operating Grants and Contributions	3,573	3,573	930	26.0%
Total Revenue from Continuing Operations	77,660	77,660	26,118	33.6%
Net Operating Result - Surplus/(Deficit)	58,358	58,358	19,352	



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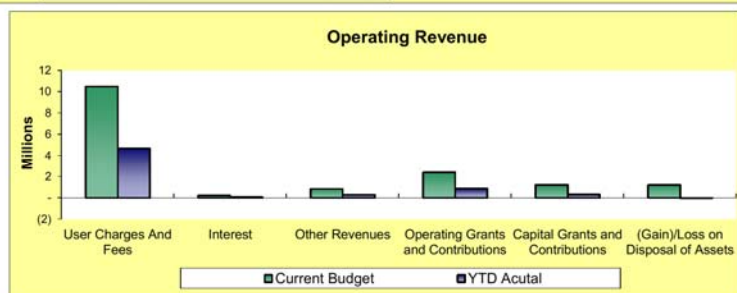
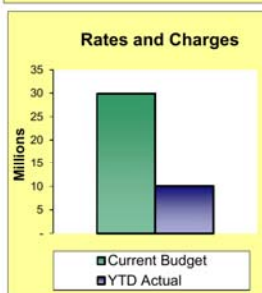
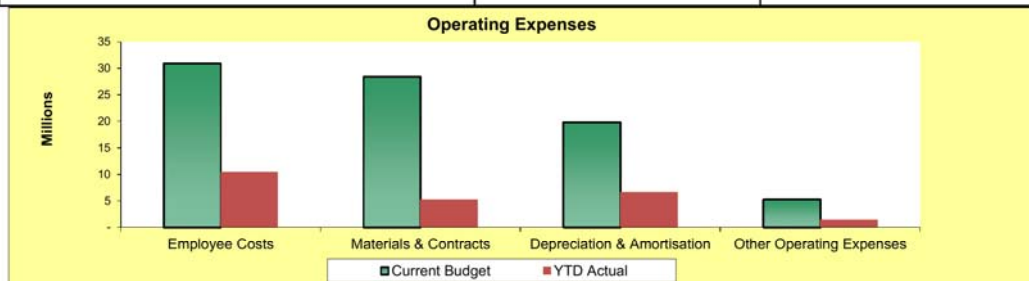
CITY SERVICES INCOME STATEMENT

for the financial year as at 31 October 2014

% OF YEAR EXPIRED AT 31 Oct 2014	33%
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	Original Budget (\$'000s)	Current Budget (\$'000s)	YTD Actuals (\$'000s)	% of Budget Spent/Earned
EXPENSES FROM CONTINUING OPERATIONS				
Employee Costs	30,953	30,953	10,441	33.7%
Materials & Contracts	26,329	28,436	5,197	18.3%
Depreciation & Amortisation	19,796	19,796	6,599	33.3%
Other Operating Expenses	5,286	5,286	1,453	27.5%
Total Expenses from Continuing Operations	82,364	84,471	23,690	28.0%
REVENUE FROM CONTINUING OPERATIONS				
Rates And Annual Charges	29,970	29,970	10,126	33.8%
User Charges And Fees	10,501	10,501	4,660	44.4%
Interest	211	211	75	35.6%
Other Revenues	840	840	293	34.9%
Operating Grants and Contributions	2,394	2,394	861	36.0%
Capital Grants and Contributions	1,222	1,222	316	25.9%
(Gain)/Loss on Disposal of Assets	1,199	1,199	(21)	-1.8%
Total Revenue from Continuing Operations	46,336	46,336	16,309	35.2%
Net Operating Result - Surplus/(Deficit)	(36,028)	(38,135)	(7,380)	
CAPITAL PURCHASES (NOT INCLUDED ABOVE)				
CAPITAL PURCHASES				
Total Purchases	30,208	50,230	6,135	12.2%
<i>Detail as following:</i>				
Parks Construction	5,900	11,625	1,472	12.7%
Roads Construction	10,223	13,747	1,786	13.0%
Drainage Construction	1,194	2,458	129	5.2%
Building Construction	8,484	17,993	1,542	8.6%
Library Resources	395	395	67	16.9%
Vehicular Access	500	500	152	30.4%
Plant and Equipment	3,512	3,512	988	28.1%



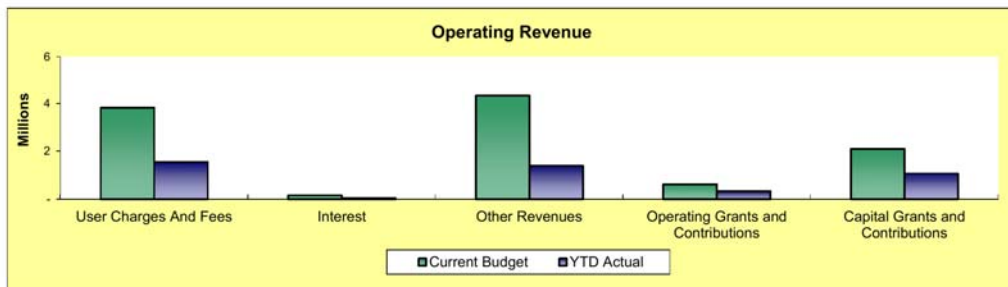
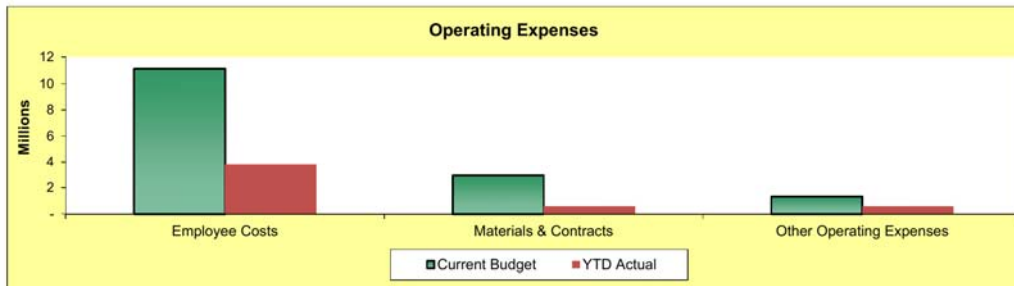


CITY PLANNING INCOME STATEMENT

for the financial year as at 31 October 2014

% OF YEAR EXPIRED AT 31 Oct 2014	33%
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	Original Budget (\$'000s)	Current Budget (\$'000s)	YTD Actuals (\$'000s)	% of Budget Spent/Earned
EXPENSES FROM CONTINUING OPERATIONS				
Employee Costs	11,168	11,168	3,815	34.16%
Materials & Contracts	2,533	2,962	572	19.32%
Other Operating Expenses	1,286	1,333	567	42.52%
Total Expenses from Continuing Operations	14,987	15,463	4,955	32.04%
REVENUE FROM CONTINUING OPERATIONS				
User Charges And Fees	3,836	3,836	1,535	40.01%
Interest	170	170	57	33.33%
Other Revenues	4,356	4,356	1,392	31.97%
Operating Grants and Contributions	633	633	344	54.33%
Capital Grants and Contributions	2,100	2,100	1,064	50.64%
Total Revenue from Continuing Operations	11,096	11,096	4,391	39.58%
Net Operating Result - Surplus/(Deficit)	(3,891)	(4,367)	(563)	
CAPITAL PURCHASES (NOT INCLUDED ABOVE)				
CAPITAL PURCHASES				
Total Purchases	389	762	235	30.81%
<i>Detail as following:</i>				
Sustaining Our City Capital Projects	389	762	235	30.81%



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BALANCE SHEET

at 31 October 2014

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	Actual as at 31 October 2014 (\$'000s)	Actual as at 30 June 2014 (\$'000s)
CURRENT ASSETS		
Cash, Cash Equivalents & Investments	66,371	57,874
Receivables	3,352	6,391
Inventories	522	573
Other	70	901
TOTAL CURRENT ASSETS	70,315	65,738
NON-CURRENT ASSETS		
Infrastructure, Property, Plant & Equipment	1,392,183	1,393,205
TOTAL NON-CURRENT ASSETS	1,392,183	1,393,205
TOTAL ASSETS	1,462,498	1,458,943
CURRENT LIABILITIES		
Payables	6,724	14,477
Provisions & Prepayments	17,950	15,262
TOTAL CURRENT LIABILITIES	24,674	29,739
NON-CURRENT LIABILITIES		
Payables	260	260
Provisions & Prepayments	209	209
TOTAL NON-CURRENT LIABILITIES	469	469
TOTAL LIABILITIES	25,143	30,208
NET ASSETS	1,437,355	1,428,735
EQUITY		
Retained Earnings	773,350	764,730
Revaluation Reserves	664,005	664,005
TOTAL EQUITY	1,437,355	1,428,735



STATEMENT OF CASH FLOW

at 31 October 2014

	Actual as at 31 October 2014	Actual as at 30 June 2014
Cash Flows from Operating Activities		
<u>Receipts:</u>		
Rates & Annual Charges	38,031	95,261
User Charges & Fees	6,787	16,375
Investment & Interest Revenue Received	973	2,784
Grants & Contributions	3,160	13,461
Bonds, Deposits & Retention amounts received	416	951
Other	3,462	14,790
<u>Payments:</u>		
Employee Benefits & On-Costs	(19,479)	(54,160)
Materials & Contracts	(11,106)	(37,282)
Bonds, Deposits & Retention amounts refunded	(399)	(517)
Other	(6,842)	(19,492)
Net Cash provided (or used in) Operating Activities	15,003	32,171
Cash Flows from Investing Activities		
<u>Receipts:</u>		
Sale of Investment Securities	10,573	65,092
Sale of Infrastructure, Property, Plant & Equipment	310	1,533
<u>Payments:</u>		
Purchase of Investment Securities	(16,110)	(83,078)
Purchase of Infrastructure, Property, Plant & Equipment	(6,816)	(38,328)
Net Cash provided (or used in) Investing Activities	(12,043)	(54,781)
Cash Flows from Financing Activities		
Nil		
Net Cash Flow provided (used in) Financing Activities	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents	2,960	(22,610)
plus: Cash & Cash Equivalents - beginning of year	4,090	26,700
Cash & Cash Equivalents - end of the period/year	7,050	4,090
Additional Information:		
plus: Investments on hand - end of period/year	59,321	53,784
Total Cash, Cash Equivalents & Investments	66,371	57,874

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