

# SHIRE OF TAMMIN

## MONTHLY FINANCIAL REPORT (Containing the Statement of Financial Activity) For the Period Ended 31 July 2018

LOCAL GOVERNMENT ACT 1995  
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

### TABLE OF CONTENTS

Statement of Financial Activity by Program	2
Statement of Financial Activity By Nature or Type	3
Statement of Capital Acquisitions and Capital Funding	4
Note 1 Significant Accounting Policies	5 - 7
Note 2 Explanation of Material Variances	8
Note 3 Net Current Funding Position	9
Note 4 Cash and Investments	10
Note 5 Budget Amendments	11
Note 6 Receivables	12
Note 7 Cash Backed Reserves	13
Note 8 Rating Information	14
Note 9 Information on Borrowings	15
Note 10 Disposal of Assets	16
Note 11 Details of Capital Acquisitions	17 -18
Note 12 Grant Register	19

Note: The Statements and accompanying notes are prepared based on all transactions recorded at the time of preparation and may change with finalisation of the 2019 Annual Financial Report.

**SHIRE OF TAMMIN**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**(Statutory Reporting Program)**  
**For the Period Ended 31 July 2018**

	Note	Original Annual Budget	Amended Annual Budget	YTD Budget (a)	YTD Actual (b)	(b)-(a)	(b)-	Var.
			\$	\$	\$	\$	%	
<b>Opening Funding Surplus(Deficit)</b>	3	657,584	686,760	686,760	<b>686,760</b>	0	0%	
<b>Revenue from operating activities</b>								
Governance		0	0	0	<b>0</b>	0	0%	
General Purpose Funding - Rates	8	1,064,163	1,064,163	0	<b>0</b>	0	0%	
General Purpose Funding - Other		516,162	516,162	2,417	<b>4,119</b>	1,702	70%	
Law, Order and Public Safety		3,700	3,700	584	<b>250</b>	(334)	(57%)	
Health		948	948	25	<b>298</b>	273	1092%	
Education and Welfare		79,624	79,624	4,969	<b>5,344</b>	375	8%	
Housing		38,400	38,400	3,198	<b>3,000</b>	(198)	(6%)	
Community Amenities		30,176	30,176	793	<b>884</b>	91	12%	
Recreation and Culture		34,385	34,385	876	<b>111</b>	(765)	(87%)	
Transport		47,400	47,400	558	<b>502</b>	(56)	(10%)	
Economic Services		42,150	42,150	20,150	<b>42,000</b>	21,850	108%	😊
Other Property and Services		139,580	139,580	10,931	<b>13,991</b>	3,060	28%	
		<b>1,996,688</b>	<b>1,996,688</b>	<b>44,501</b>	<b>70,499</b>			
<b>Expenditure from operating activities</b>								
Governance		(271,757)	(271,757)	(19,812)	<b>(18,793)</b>	1,019	5%	
General Purpose Funding		(95,269)	(95,269)	(7,822)	<b>(1,342)</b>	6,480	83%	
Law, Order and Public Safety		(32,597)	(32,597)	(1,383)	<b>(652)</b>	731	53%	
Health		(9,405)	(9,405)	(742)	<b>(300)</b>	442	60%	
Education and Welfare		(130,099)	(130,099)	(10,802)	<b>(3,522)</b>	7,280	67%	
Housing		(66,697)	(66,697)	(7,375)	<b>(2,238)</b>	5,136	70%	
Community Amenities		(254,309)	(254,309)	(17,438)	<b>(7,561)</b>	9,877	57%	
Recreation and Culture		(529,529)	(529,529)	(44,966)	<b>(10,989)</b>	33,978	76%	😊
Transport		(1,675,555)	(1,675,555)	(139,547)	<b>(47,919)</b>	91,628	66%	😊
Economic Services		(78,203)	(78,203)	(7,251)	<b>(1,807)</b>	5,444	75%	
Other Property and Services		(151,160)	(151,161)	(84)	<b>6,182</b>	6,266	7459%	
		<b>(3,294,580)</b>	<b>(3,294,581)</b>	<b>(257,222)</b>	<b>(88,942)</b>			
<b>Operating activities excluded from budget</b>								
Add back Depreciation		1,240,370	1,240,370	103,353	<b>0</b>	(103,353)	(100%)	😞
Adjust (Profit)/Loss on Asset Disposal	10	3,000	3,000	0	<b>0</b>	0		
Adjust Provisions and Accruals		0	0	0	<b>0</b>	0		
<b>Amount attributable to operating activities</b>		<b>(54,522)</b>	<b>(54,523)</b>	<b>(109,368)</b>	<b>(18,443)</b>			
<b>Investing Activities</b>								
Non-operating Grants, Subsidies and Contributions		351,617	351,617	0	<b>0</b>	0	0%	
Proceeds from Disposal of Assets	10	15,000	15,000	0	<b>0</b>	0	0%	
Land Held for Resale	0	0	0	0	<b>0</b>	0	0%	
Land and Buildings	11	(74,500)	(74,500)	(7,583)	<b>(4,034)</b>	3,549	47%	
Infrastructure Assets - Roads	11	(706,111)	(706,111)	(57,991)	<b>0</b>	57,991	100%	😊
Infrastructure Assets - Other	11	(153,740)	(153,740)	0	<b>0</b>	0	0%	
Plant and Equipment	11	(58,000)	(58,000)	(33,000)	<b>0</b>	33,000	100%	😊
Furniture and Equipment	11	(6,500)	(6,500)	0	<b>0</b>	0	0%	
<b>Amount attributable to investing activities</b>		<b>(632,234)</b>	<b>(632,234)</b>	<b>(98,574)</b>	<b>(4,034)</b>			
<b>Financing Activities</b>								
Proceeds from New Debentures		0	0	0	<b>0</b>	0	0%	
Proceeds from Advances		0	0	0	<b>0</b>	0	0%	
Self-Supporting Loan Principal		0	0	0	<b>0</b>	0	0%	
Transfer from Reserves	7	118,000	118,000	0	<b>0</b>	0	0%	
Advances to Community Groups		0	0	0	<b>0</b>	0	0%	
Repayment of Debentures	9	(50,828)	(50,828)	(18,508)	<b>(18,508)</b>	0	0%	
Transfer to Reserves	7	(38,000)	(38,000)	(3,413)	<b>(3,413)</b>	0	0%	
<b>Amount attributable to financing activities</b>		<b>29,172</b>	<b>29,172</b>	<b>(21,921)</b>	<b>(21,921)</b>			
<b>Closing Funding Surplus(Deficit)</b>	3	<b>0</b>	<b>29,176</b>	<b>456,897</b>	<b>642,362</b>			

😊 More Revenue OR Less Expenditure  
 😞 Less Revenue OR More Expenditure

Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold.  
 Refer to Note 2 for an explanation of the reasons for the variance.  
 This statement is to be read in conjunction with the accompanying Financial Statements and notes.

**SHIRE OF TAMMIN**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**(By Nature or Type)**  
**For the Period Ended 31 July 2018**

	Note	Original Annual Budget	Amended Annual Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
			\$	\$	\$	\$	%	
<b>Opening Funding Surplus (Deficit)</b>	3	657,584	686,760	686,760	<b>686,760</b>	0	0%	
<b>Revenue from operating activities</b>								
Rates	8	1,064,163	1,064,163	0	<b>0</b>	0	0%	
Operating Grants, Subsidies and Contributions		585,937	585,937	20,460	<b>42,000</b>	21,540	105%	😊
Fees and Charges		151,058	151,058	10,968	<b>12,582</b>	1,614	15%	
Sewerage Charges		0	0	0	<b>0</b>	0	0%	
Interest Earnings		34,900	34,900	2,417	<b>3,501</b>	1,084	45%	
Other Revenue		160,630	160,630	10,656	<b>12,416</b>	1,760	17%	
Profit on Disposal of Assets		0	0	0	<b>0</b>	0	0%	
		<b>1,996,688</b>	<b>1,996,688</b>	<b>44,501</b>	<b>70,499</b>			
<b>Expenditure from operating activities</b>								
Employee Costs		(758,888)	(758,888)	(62,004)	<b>(38,206)</b>	23,798	38%	😊
Materials and Contracts		(1,132,348)	(1,132,348)	(60,328)	<b>(21,841)</b>	38,487	64%	😊
Utility Charges		(52,680)	(52,680)	(4,420)	<b>(3,294)</b>	1,126	25%	
Depreciation on Non-Current Assets		(1,240,370)	(1,240,370)	(103,353)	<b>0</b>	103,353	100%	😊
Interest Expenses		(10,965)	(10,965)	(4,543)	<b>(4,543)</b>	(1)	(0%)	
Insurance Expenses		(62,479)	(62,479)	(20,040)	<b>0</b>	20,040	100%	😊
Other Expenditure		(33,850)	(33,850)	(2,534)	<b>(21,058)</b>	(18,524)	(731%)	😞
Loss on Disposal of Assets	10	(3,000)	(3,000)	0	<b>0</b>	0	0%	
		<b>(3,294,580)</b>	<b>(3,294,580)</b>	<b>(257,222)</b>	<b>(88,942)</b>			
<b>Operating activities excluded from budget</b>								
Add back Depreciation		1,240,370	1,240,370	103,353	<b>0</b>	(103,353)	(100%)	😞
Adjust (Profit)/Loss on Asset Disposal	10	3,000	3,000	0	<b>0</b>	0	0%	
Adjust Provisions and Accruals		0	0	0	<b>0</b>	0	0%	
<b>Amount attributable to operating activities</b>		<b>(54,522)</b>	<b>(54,522)</b>	<b>(109,368)</b>	<b>(18,443)</b>			
<b>Investing activities</b>								
Grants, Subsidies and Contributions		351,617	351,617	0	<b>0</b>	0	0%	
Proceeds from Disposal of Assets	10	15,000	15,000	0	<b>0</b>	0	0%	
Land Held for Resale		0	0	0	<b>0</b>	0	0%	
Land and Buildings	11	(74,500)	(74,500)	(7,583)	<b>(4,034)</b>	3,549	(47%)	
Infrastructure Assets - Roads	11	(706,111)	(706,111)	(57,991)	<b>0</b>	57,991	(100%)	😊
Infrastructure Assets - Other	11	(153,740)	(153,740)	0	<b>0</b>	0	0%	
Plant and Equipment	11	(58,000)	(58,000)	(33,000)	<b>0</b>	33,000	(100%)	😊
Furniture and Equipment	11	(6,500)	(6,500)	0	<b>0</b>	0	0%	
<b>Amount attributable to investing activities</b>		<b>(632,234)</b>	<b>(632,234)</b>	<b>(98,574)</b>	<b>(4,034)</b>			
<b>Financing Activities</b>								
Proceeds from New Debentures		0	0	0	<b>0</b>	0	0%	
Proceeds from Advances		0	0	0	<b>0</b>	0	0%	
Self-Supporting Loan Principal		0	0	0	<b>0</b>	0	0%	
Transfer from Reserves	7	118,000	118,000	0	<b>0</b>	0	0%	
Advances to Community Groups		0	0	0	<b>0</b>	0	0%	
Repayment of Debentures	9	(50,828)	(50,828)	(18,508)	<b>(18,508)</b>	0	0%	
Transfer to Reserves	7	(38,000)	(38,000)	(3,413)	<b>(3,413)</b>	0	0%	
<b>Amount attributable to financing activities</b>		<b>29,172</b>	<b>29,172</b>	<b>(21,921)</b>	<b>(21,921)</b>			
<b>Closing Funding Surplus (Deficit)</b>	3	<b>0</b>	<b>29,176</b>	<b>456,897</b>	<b>642,362</b>	185,465	41%	😊

Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold.

😊 More Revenue OR Less Expenditure  
 😞 Less Revenue OR More Expenditure

This statement is to be read in conjunction with the accompanying Financial Statements and notes.

**SHIRE OF TAMMIN**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 July 2018**

**Note 1: Significant Accounting Policies**

**(a) Basis of Accounting**

This statement comprises a special purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this statement are presented below and have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

**Critical Accounting Estimates**

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

**(b) The Local Government Reporting Entity**

All Funds through which the Council controls resources to carry on its functions have been included in this statement. In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated. All monies held in the Trust Fund are excluded from the statement, but a separate statement of those monies appears at Note 12.

**(c) Rounding Off Figures**

All figures shown in this statement are rounded to the nearest dollar.

**(d) Rates, Grants, Donations and Other Contributions**

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

**(e) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

**(f) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

**(g) Trade and Other Receivables**

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

**(h) Inventories**

**General**

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Land Held for Resale**

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed. Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point. Land held for sale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

**(i) Fixed Assets**

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the local government includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead. Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

**SHIRE OF TAMMIN**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 July 2018**

**Note 1: Significant Accounting Policies**

**(j) Depreciation of Non-Current Assets**

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation rates and periods are:

<b>Asset</b>	<b>Years</b>
Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
bituminous seals	20 years
asphalt surfaces	25 years
Gravel Roads	
formation	not depreciated
pavement	50 years
gravel sheet	12 years
Formed roads	
formation	not depreciated
pavement	50 years
Footpaths - slab	40 years

**(k) Trade and Other Payables**

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

**(l) Employee Benefits**

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

*(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)*

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the Shire has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Shire expects to pay and includes related on-costs.

*(ii) Annual Leave and Long Service Leave (Long-term Benefits)*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the project unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where the Shire does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

**(m) Interest-bearing Loans and Borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

**Borrowing Costs**

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

**(n) Provisions**

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one of item included in the same class of obligations may be small.

**SHIRE OF TAMMIN**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 July 2018**

**Note 1: Significant Accounting Policies**

**(o) Current and Non-Current Classification**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non current based on Council's intentions to release for sale.

**(p) Nature or Type Classifications**

**Rates**

All rates levied under the Local Government Act 1995. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Exclude administration fees, interest on instalments, interest on arrears and service

**Operating Grants, Subsidies and Contributions**

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

**Non-Operating Grants, Subsidies and Contributions**

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

**Profit on Asset Disposal**

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure

**Fees and Charges**

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

**Service Charges**

Service charges imposed under Division 6 of Part 6 of the Local Government Act 1995. Regulation 54 of the Local Government (Financial Management) Regulations 1996 identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services. Exclude rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

**Interest Earnings**

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

**Other Revenue / Income**

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates etc.

**Employee Costs**

All costs associate with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

**Materials and Contracts**

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

**Utilities (Gas, Electricity, Water, etc.)**

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

**Insurance**

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

**Loss on asset disposal**

Loss on the disposal of fixed assets.

**Depreciation on non-current assets**

Depreciation expense raised on all classes of assets.

**Interest expenses**

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

**Other expenditure**

Statutory fees, taxes, provision for bad debts, member's fees or State taxes. Donations and subsidies made to community groups.

**SHIRE OF TAMMIN**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 July 2018**

**Note 1: Significant Accounting Policies**  
**(r) Program Classifications (Function/Activity)**



Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.


**GOVERNANCE**  
**GENERAL PURPOSE FUNDING**  
**LAW, ORDER, PUBLIC SAFETY**  
**HEALTH**  
**EDUCATION AND WELFARE**  
**HOUSING**  
**COMMUNITY AMENITIES**  
**RECREATION AND CULTURE**  
**TRANSPORT**  
**ECONOMIC SERVICES**  
**OTHER PROPERTY AND SERVICES**

**SHIRE OF TAMMIN**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
For the Period Ended 31 July 2018

**Note 2: Explanation of Material Variances**

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date budget materially. The material variance adopted by Council for the 2018/19 Financial Year is \$10,000 or 10% whichever is the greater.

 **More Revenue OR Less Expenditure**  
 **Less Revenue OR More Expenditure**

Reporting Program	Var. \$	Var. %	Var.	Timing/ Permanent	Explanation of Variance
<b>Operating Income</b>	\$	%			
Governance	0	0%			Within Variance Threshold
General Purpose Funding - Rates	0	0%			Within Variance Threshold
General Purpose Funding - Other	1,702	70%			Within Variance Threshold
Law, Order and Public Safety	(334)	(57%)			Within Variance Threshold
Health	273	1092%			Within Variance Threshold
Education and Welfare	375	8%			Within Variance Threshold
Housing	(198)	(6%)			Within Variance Threshold
Community Amenities	91	12%			Within Variance Threshold
Recreation and Culture	(765)	(87%)			Within Variance Threshold
Transport	(56)	(10%)			Within Variance Threshold
Economic Services	21,850	108%		Timing	Connecting Corridors Across Tammin Grant received in July 2018 from the Department of Primary Industries and Regional Development.
Other Property and Services	3,060	28%			Within Variance Threshold
<b>Operating Expense</b>	\$	%			Within Variance Threshold
Governance	1,019	5%			Within Variance Threshold
General Purpose Funding	6,480	83%			Within Variance Threshold
Law, Order and Public Safety	731	53%			Within Variance Threshold
Health	442	60%			Within Variance Threshold
Education and Welfare	7,280	67%			Within Variance Threshold
Housing	5,136	70%			Within Variance Threshold
Community Amenities	9,877	57%			Within Variance Threshold
Recreation and Culture	33,978	76%		Timing	Depreciation for the month of July hasn't been allocated due to finalising assets in the 17/18 financial year. This will be corrected when EOM reports are completed at the end of August.
Transport	91,628	66%		Timing	Road Maintenance is \$29k lower than YTD budget & Depreciation is \$74k lower than YTD budget. See above detailed explanation regarding depreciation.
Economic Services	5,444	75%			Within Variance Threshold
Other Property and Services	6,266	7459%			Within Variance Threshold
<b>Operating activities excluded from budget</b>					
Add back Depreciation	(103,353)	(100%)			Within Variance Threshold
Adjust (Profit)/Loss on Asset Disposal	0				No disposal of assets to date
Adjust Provisions and Accruals	0				No provisions and accruals to date
<b>Capital Revenues</b>					
Grants, Subsidies and Contributions	0	0%			Within Variance Threshold
Proceeds from Disposal of Assets	0	0%			No disposal of assets to date
<b>Capital Expenses</b>					
Land and Buildings	3,549	(47%)			Within Variance Threshold
Infrastructure - Roads	57,991	(100%)		Timing	Refer to Note 11 for further details
Infrastructure Assets - Other	0	0%			Within Variance Threshold
Infrastructure - Footpaths	0	0%			Within Variance Threshold
Infrastructure - Drainage	0	0%			Within Variance Threshold
Plant and Equipment	33,000	(100%)		Timing	Refer to Note 11 for further details
Furniture and Equipment	0	0%			Within Variance Threshold
<b>Financing</b>					
Transfer from Reserves	0	0%			Within Variance Threshold
Repayment of Debentures	0	0%			Within Variance Threshold
<b>Opening Funding Surplus(Deficit)</b>	0	0%			No changes to the bought forward surplus



**SHIRE OF TAMMIN**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 July 2018**

**Note 3: Net Current Funding Position**

Positive=Surplus (Negative=Deficit)

		Last Years Actual Closing	Current
	Note	30 June 2018	31 Jul 2018
		\$	\$
<b>Current Assets</b>			
Cash Unrestricted	4	808,415	650,326
Cash Restricted	4	1,181,241	1,184,654
Receivables - Rates		15,273	10,578
Receivables - Other		14,871	80,423
Interest / ATO Receivable/Trust		26,746	22,085
Inventories		(65)	(65)
		2,046,480	1,948,000
<b>Less: Current Liabilities</b>			
Payables		(92,135)	(34,639)
Current Borrowings		(50,828)	(32,320)
Long Term Borrowings			
Provisions		(86,347)	(86,347)
		(229,309)	(153,306)
Net Current Assets		1,817,171	1,794,695
Less: Cash Reserves	7	(1,181,241)	(1,184,654)
<b>Plus: Current Borrowings included in Budget</b>		50,828	32,320
<b>Net Current Funding Position</b>		<b>686,760</b>	<b>642,362</b>

**Comments - Net Current Funding Position**

**SHIRE OF TAMMIN**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 July 2018**

**Note 4: Cash and Investments**

	Unrestricted	Restricted	Trust	Total Amount	Institution	Interest Rate	Maturity Date
	\$	\$	\$	\$			
<b>(a) Cash Deposits</b>							
Municipal Bank Account	642,042			642,042	NAB	0.10%	At Call
Cash Maxi	7,784			7,784	NAB	0.60%	At Call
Trust Bank Account			13,766	13,766	NAB	0.01%	At Call
Cash On Hand	500			500	n/a	n/a	On Hand
				0			
<b>(b) Term Deposits</b>				0			
Reserve Investment Account #1		1,000,447		1,000,447	NAB	2.45%	11-Sep-18
Reserve Investment Account #2		184,207		184,207	NAB	2.45%	25-Jul-18
	<b>650,326</b>	<b>1,184,654</b>	<b>13,766</b>	<b>1,848,746</b>			

**Comments/Notes - Investments**

The above balances are the funds held in bank accounts and on hand as at reporting date.

SHIRE OF TAMMIN  
 NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
 For the Period Ended 31 July 2018

Note 5: BUDGET AMENDMENTS

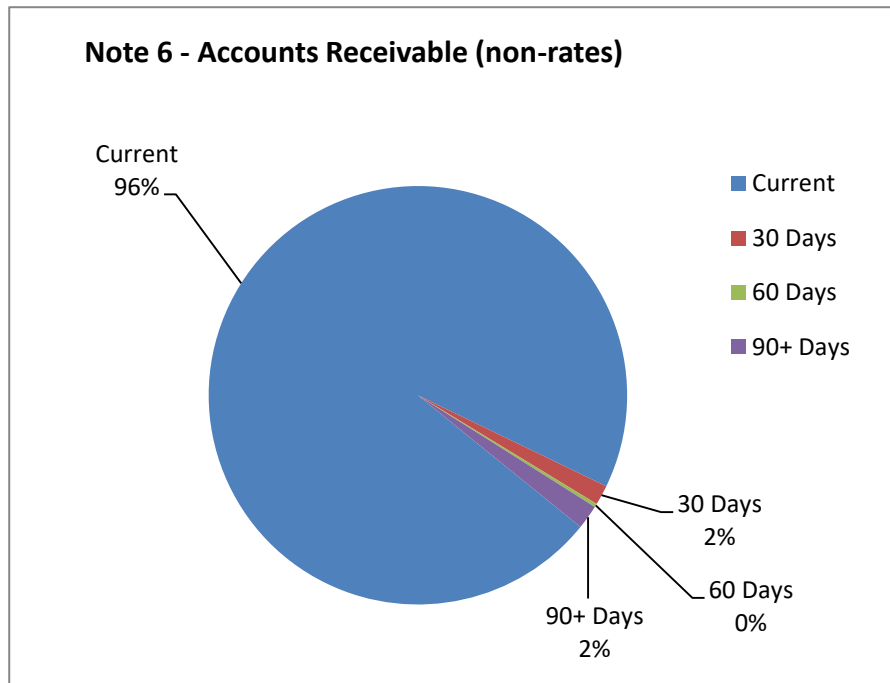
Amendments to original budget since budget adoption. Surplus/(Deficit)

GI Account Code	Description	Council Resolution	Classification	Original Budget	Amended Budget	No Change - (Non Cash Items) Adjust.	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance
						\$	\$	\$	\$
	Budget Adoption Year End Surplus		Opening Surplus(Deficit)			0	0	0	0
			Predicted Net Changes			0	0	0	0

**SHIRE OF TAMMIN**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 July 2018**

**Note 6: Receivables**

Receivables - General	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$
Receivables - General	31,371	499	86	610	32,566
<b>Balance per Trial Balance</b>					
Sundry Debtors					32,566
<b>Total Receivables General Outstanding (includes GST)</b>					<b>32,566</b>



**Comments/Notes - Receivables General**

**SHIRE OF TAMMIN**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
For the Period Ended 31 July 2018

**Note 7: Cash Backed Reserve**

Name	Opening Balance	Budget Interest In	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Actual Transfers Out (-)	Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Reserves Staff Entitlements	26,442	582	68	0	0	0	0	27,024	26,509
Reserves Plant Replacement	248,449	5,469	636	0	0	(25,000)	0	228,918	249,085
Reserves Information & Technology	11,663	257	30	0	0	0	0	11,920	11,692
Reserves Tamma Village Upgrade & Improvements	19,690	433	50	0	0	0	0	20,123	19,740
Sports, Recreation & Community Facilities Upgrades	862,415	18,982	2,596	0	0	(93,000)	0	788,397	865,012
Bowling Green Replacement	12,582	277	32	12,000	0	0	0	24,859	12,615
	<b>1,181,241</b>	<b>26,000</b>	<b>3,413</b>	<b>12,000</b>	<b>0</b>	<b>(118,000)</b>	<b>0</b>	<b>1,101,241</b>	<b>1,184,654</b>

**Comments**

Reserve funds are fully cash-backed in a term Deposit and Bank Account - Refer to Note 4.

**SHIRE OF TAMMIN**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 July 2018**

**Note 8: Rating Information**

	Rate in	Number of Properties	Rateable Value	Original Budget			YTD Actual			
				Rate Revenue	Interim Rate	Back Rate	Total Revenue	Rate Revenue	Interim Rates	Back Rates
<b>RATE TYPE</b>	\$		\$	\$	\$	\$	\$	\$	\$	\$
<b>Differential General Rate</b>										
GRV	0.1196	89	807,924	96,666	0	0	96,666	0	0	0
UV	0.0161	166	59,086,500	951,943	0	0	951,943	0	0	0
					0	0	0	0	0	0
					0	0	0	0	0	0
					0	0	0	0	0	0
<b>Sub-Totals</b>		<b>255</b>	<b>59,894,424</b>	<b>1,048,608</b>	<b>0</b>	<b>0</b>	<b>1,048,608</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Minimum Payment</b>	<b>Minimum \$</b>									
GRV	551.00	46	23,662	25,346	0	0	25,346	0	0	0
UV	551.00	28	542,000	15,428	0	0	15,428	0	0	0
<b>Sub-Totals</b>		<b>74</b>	<b>565,662</b>	<b>40,774</b>	<b>0</b>	<b>0</b>	<b>40,774</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>329</b>	<b>60,460,086</b>	<b>1,089,382</b>	<b>0</b>	<b>0</b>	<b>1,089,382</b>	<b>0</b>	<b>0</b>	<b>0</b>
Concession/discount				(32,681)			(32,681)			0
<b>Amount from General Rates</b>				<b>1,056,701</b>			<b>1,056,701</b>			<b>0</b>
Ex-Gratia Rates				7,462			7,462			0
<b>Totals</b>				<b>1,064,163</b>			<b>1,064,163</b>			<b>0</b>

**SHIRE OF TAMMIN**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 July 2018**

**Note 9 : Information on Borrowings**  
**(a) Debenture Repayments**

Particulars	Actual		Principal Repayments		Principal Outstanding		Interest Repayments	
	01 Jul 2018	New Loans	Actual	Budget	Actual	Budget	Actual	Budget
			\$	\$	\$	\$	\$	\$
<b>Housing</b>								
Loan 79	42,912	0	2,632	10,715	40,280	32,197	506	1,838
Loan 80	101,565	0	5,986	12,077	95,579	89,488	1,762	3,420
<b>Recreation and Culture</b>								
Loan 81	112,644	0	5,942	11,963	106,702	100,681	1,515	2,950
<b>Transport</b>								
Loan 78	64,366	0	3,948	16,073	60,418	48,293	760	2,757
	321,487	0	18,508	50,828	302,979	270,659	4,543	10,965

**(b) New Debentures**

The Shire does not expect to take out any new debenture during the year.

**(c) Unspent Debentures**

The Shire has no unspent debentures.

**(d) Overdraft**

Council has an overdraft facility of \$100,000 with NAB.

**SHIRE OF TAMMIN**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 July 2018**

**Note 10: Disposal of Assets**

Asset Number	Asset Description	Program	YTD Actual				Budget			
			Net Book Value	Proceeds	Profit	(Loss)	Net Book Value	Proceeds	Profit	(Loss)
			\$	\$	\$	\$	\$	\$	\$	\$
P1	2016 Mazda 6 Sport Sedan - MF (1TN)	Other Property and Services	0	0	0	\$0	18,000	15,000	0	(3,000)
			<u>0</u>	<u>0</u>	<u>0</u>	<u>\$0</u>	<u>18,000</u>	<u>15,000</u>	<u>0</u>	<u>(3,000)</u>



SHIRE OF TAMMIN  
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
For the Period Ended 31 July 2018

Note 11: Capital Acquisitions

Assets	Account/Job	Budget				YTD Actual			Strategic Reference / Comment	
		Original Annual Budget	Amended budget	YTD Budget	YTD Variance	New/Upgrade	Renewal	Total YTD		
		\$		\$	\$ %	\$	\$	\$		
<i>Level of completion indicator (based on expenditure), please see table at the end of this note for further detail.</i>										
<b>Land and Buildings</b>										
<b>Education &amp; Welfare</b>										
Unit 10 Building Renewal/ Upgrade	TVRE10	600	600	50	(50)	-100%	0	0	0	
Unit 1 Building Renewal/ Upgrade	TVREN1	600	600	50	(50)	-100%	0	0	0	
Unit 2 Building Renewal/ Upgrade	TVREN2	600	600	50	(50)	-100%	0	0	0	
Unit 3 Building Renewal/ Upgrade	TVREN3	4,100	4,100	50	(50)	-100%	0	0	0	
Unit 4 Building Renewal/ Upgrade	TVREN4	600	600	50	(50)	-100%	0	0	0	
Unit 5 Building Renewal/ Upgrade	TVRENS	600	600	50	(50)	-100%	0	0	0	
Unit 6 Building Renewal/ Upgrade	TVREN6	600	600	50	(50)	-100%	0	0	0	
Unit 7 Building Renewal/ Upgrade	TVREN7	600	600	50	(50)	-100%	0	0	0	
Unit 8 Building Renewal/ Upgrade	TVREN8	600	600	50	(50)	-100%	0	0	0	
Unit 9 Building Renewal/ Upgrade	TVREN9	600	600	50	(50)	-100%	0	0	0	
<b>Housing</b>										
3 Nottage Way - 6X6 Shed	3NOT1	10,000	10,000	0	0	0%	0	0	0	
<b>Community Amenities</b>										
Public Toilet Renovations	PT001	20,000	20,000	0	0	0%	0	0	0	
<b>Recreation &amp; Culture</b>										
Kitchen Renovation	DPB1	25,000	25,000	2,083	(2,083)	-100%	0	0	0	
<b>Other Property &amp; Services</b>										
Administration Office Window Treatments	AO004	5,000	5,000	0	0	0%	0	0	0	
Administration Office Reception Furniture	AO005	5,000	5,000	5,000	(966)	-19%	4,034	0	4,034	
<b>Total - Land and Buildings</b>		<b>74,500</b>	<b>74,500</b>	<b>7,583</b>	<b>(3,549)</b>	<b>-47%</b>	<b>4,034</b>	<b>0</b>	<b>4,034</b>	
<b>Furniture and Equipment</b>										
<b>Governance</b>										
Councillor Ipads	MC1901	6,500	6,500	0	0	0%	0	0	0	
<b>Total - Furniture and Equipment</b>		<b>6,500</b>	<b>6,500</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Plant, Equip. &amp; Vehicles</b>										
<b>Other Property &amp; Services</b>										
Plant Trailer	143406	25,000	25,000	0	0	0%	0	0	0	
Purchase of TN1 Administration Vehicle	145400	33,000	33,000	33,000	(33,000)	-100%	0	0	0	Mazda CX-5 is being purchased in August 2018 from Northam Mazda.
<b>Total - Plant and Equipment</b>		<b>58,000</b>	<b>58,000</b>	<b>33,000</b>	<b>(33,000)</b>	<b>-100%</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Roads</b>										
<b>Transport</b>										
Tammin Oval - Entrance & Kerbing	TO01	10,000	10,000	0	0	0%	0	0	0	
Nelson Road	C0083	20,141	20,141	1,676	(1,676)	-100%	0	0	0	
Leslie Road	C0084	41,438	41,438	3,451	(3,451)	-100%	0	0	0	
Chappell Wheelodon Road	C0085	81,179	81,179	6,763	(6,763)	-100%	0	0	0	
Turon Road	C0086	51,827	51,827	4,317	(4,317)	-100%	0	0	0	
Tammin-Wyalkatchem Road	RRG080	195,585	195,585	16,297	(16,297)	-100%	0	0	0	
Tammin-Wyalkatchem Reseals	RRG081	95,806	95,806	7,982	(7,982)	-100%	0	0	0	
Mclaren Street	RRG082	100,750	100,750	8,394	(8,394)	-100%	0	0	0	
Tammin South Bypass Road	MRWA01	30,193	30,193	2,514	(2,514)	-100%	0	0	0	
Ralston Road	R2R002	79,192	79,192	6,597	(6,597)	-100%	0	0	0	
<b>Total - Roads</b>		<b>706,111</b>	<b>706,111</b>	<b>57,991</b>	<b>(57,991)</b>	<b>-100%</b>	<b>0</b>	<b>0</b>	<b>0</b>	Road Resheeting Program to commence from 4/10/18 to 26/10/18. Subject to changes due to weather and road conditions.
<b>Other Infrastructure</b>										

SHIRE OF TAMMIN  
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
For the Period Ended 31 July 2018

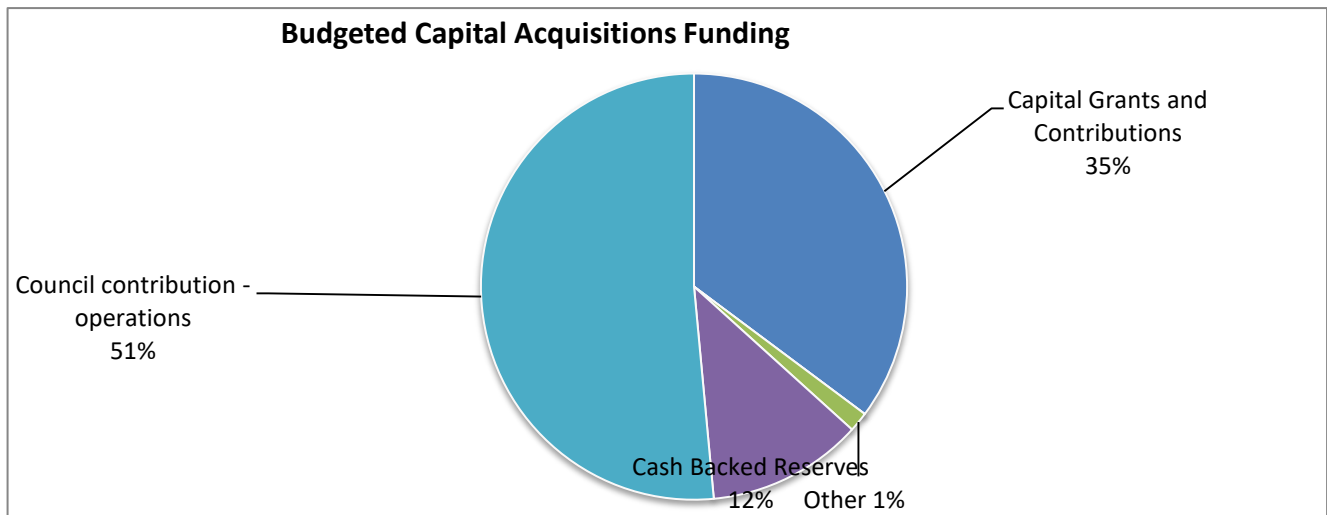
Note 11: Capital Acquisitions

Assets	Account/Job	Budget				YTD Actual			Strategic Reference / Comment
		Original Annual Budget	Amended budget	YTD Budget	YTD Variance	New/Upgrade	Renewal	Total YTD	
		\$		\$	\$	%	\$	\$	\$
<b>Law, order, public safety</b>									
Water Tanks	FP001	4,840	4,840	0	0	0%	0	0	0
<b>Education &amp; Welfare</b>									
Tamma Village Garden Reticulation	TVI01	25,000	25,000	0	0	0%	0	0	0
Tamma Village Pathways	TVINF	25,000	25,000	0	0	0%	0	0	0
<b>Housing</b>									
14 Russell Street - Solar Panels	14RU1	8,500	8,500	0	0	0%	0	0	0
<b>Recreation &amp; Culture</b>									
Tammin Hall - Pathways & Lighting	THO11	20,000	20,000	0	0	0%	0	0	0
Donnan Park Oval Fencing	DP001	15,000	15,000	0	0	0%	0	0	0
Kadjinyiny Kep Other Infrastructure	KEP001	5,000	5,000	0	0	0%	0	0	0
Tennis Court Landscaping	TC001	23,000	23,000	0	0	0%	0	0	0
Main Street Gardens	113546	10,000	10,000	0	0	0%	0	0	0
Pump & Foot Valves	TDO01	3,400	3,400	0	0	0%	0	0	0
Pontoon Purchase & Construction	TDO02	6,000	6,000	0	0	0%	0	0	0
<b>Economic Services</b>									
RV Site - Other Infrastructure	132151	8,000	8,000	0	0	0%	0	0	0
<b>Total - Other Infrastructure</b>		<b>153,740</b>	<b>153,740</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Capital Expenditure Total</b>		<b>998,851</b>	<b>998,851</b>	<b>98,574</b>	<b>(94,540)</b>	<b>-96%</b>	<b>4,034</b>	<b>0</b>	<b>4,034</b>

**SHIRE OF TAMMIN**  
**STATEMENT OF CAPITAL ACQUISITIONS AND CAPITAL FUNDING**  
**For the Period Ended 31 July 2018**

**Capital Acquisitions**

	Note	Amended YTD Budget	Annual Budget	YTD Actual Total
		\$	\$	\$
Land and Buildings	11	7,583	74,500	4,034
Infrastructure Assets - Roads	11	57,991	706,111	0
Infrastructure Assets - Other	11	0	153,740	0
Infrastructure Assets - Footpaths	11	0	0	0
Infrastructure Assets - Drainage	11	0	0	0
Heritage Assets	11	0	0	0
Plant and Equipment	11	33,000	58,000	0
Furniture and Equipment	11	0	6,500	0
<b>Capital Expenditure Totals</b>		<b>98,574</b>	<b>998,851</b>	<b>4,034</b>
<b>Capital acquisitions funded by:</b>				
Capital Grants and Contributions		0	351,617	0
Borrowings	9	0	0	0
Other (Disposals & C/Fwd)	10	0	15,000	0
Cash Backed Reserves	7		118,000	0
<b>Council contribution - operations</b>		<b>98,574</b>	<b>514,234</b>	<b>4,034</b>
<b>Capital Funding Total</b>		<b>98,574</b>	<b>998,851</b>	<b>4,034</b>



**SHIRE OF TAMMIN**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 July 2018**

**Note 12: Grant Register**

Issuing Body	Federal / State	Program	Description	Grant Type	Grant Funding	Forecast Grant to	Actual Grant	Date of Receipt	Total Grant Funds	Total Grant Funds
					Received in Prior	be Received	Received		Received &	Still to be
					Year (17/18)*	FY18/19	FY18/19			
					(a)	(b)	(c)	(a+c)	(b-c)	
					\$	\$	\$	\$	\$	
<b>Operating</b>										
Dept. Infrastructure & Regional Dev	Federal	General Purpose Funding	Financial Assistance Grant FY18/19 - General	Operating	387,239	350,511	0		387,239	350,511
Dept. Infrastructure & Regional Dev	Federal	General Purpose Funding	Financial Assistance Grant FY18/19 - Roads	Operating	159,323	126,401	0		159,323	126,401
Lotterywest	State	Recreation and Culture	Grant	Operating	0	22,000	0		0	0
Main Roads	State	Transport	Regional Road Group - Direct	Operating	0	40,000	0		0	40,000
Office of Emergency Management	Federal & State	Transport	WA Natural Disaster Relief & Recovery Arrangement (WANDRRA)	Operating	0	0	0		0	0
Natural Resource Management	State	Economic Services	Connecting Corridors	Operating		40,000	42,000	July 18	42,000	(2,000)
					<b>546,562</b>	<b>578,912</b>	<b>42,000</b>		<b>588,562</b>	<b>514,912</b>
<b>Capital</b>										
Tammin Bowling Club	State	Recreation and Culture	Synthetic Bowling Greens	Capital	0	12,000	0		0	12,000
Dept. Infrastructure & Regional Dev	Federal	Transport	Roads to Recovery	Capital	0	78,777	0		0	78,777
Main Roads	State	Transport	Regional Road Group - Specific	Capital	0	260,840	0		0	260,840
					<b>0</b>	<b>351,617</b>	<b>0</b>		<b>0</b>	<b>351,617</b>
					<b>546,562</b>	<b>930,529</b>	<b>42,000</b>		<b>588,562</b>	<b>866,529</b>

**Comments**

\*The Shire received 50% of its Financial Assistance Grants for FY18/19 in FY17/18. (Roads \$159,323. General \$387,239. Total \$546,562)