

SHIRE OF TAMMIN

BUDGET REVIEW REPORT

FOR THE PERIOD ENDED 29 FEBRUARY 2024

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

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SHIRE OF TAMMIN
STATEMENT OF BUDGET REVIEW
FOR THE PERIOD ENDED 29 FEBRUARY 2024

| | | Budget v Actual | | | | | |
|--|------|------------------|---------------------|----------------------------------|------------------------------|---|--|
| | Note | Adopted Budget | Year to Date Actual | Estimated Year at End Amount (b) | Predicted Variance (a) - (b) | | PREDICTED VARIANCES |
| | | \$ | \$ | \$ | \$ | | |
| OPERATING ACTIVITIES | | | | | | | |
| General rates | | 1,243,582 | 1,242,723 | 1,243,582 | 0 | | |
| Grants, subsidies and contributions | 4.1 | 107,765 | 215,141 | 212,472 | 104,707 | ▲ | Increase in Financial Assistance Grants funding \$58K, New Traineeship Grant \$20K and Lotterywest funding \$18K |
| Fees and charges | 4.2 | 116,065 | 104,081 | 143,415 | 27,350 | ▲ | \$15K Higher Private Works and increased Sewerage and Housing revenue. |
| Interest revenue | 4.3 | 53,520 | 70,354 | 72,520 | 19,000 | ▲ | Higher Interest rates and earnings |
| Other revenue | 4.4 | 90,050 | 13,156 | 29,730 | (60,320) | ▼ | \$53K less WC reimbursements as the funds were received in the previous year. |
| Profit on asset disposals | 4.5 | 66,000 | 44,812 | 87,412 | 21,412 | ▼ | Movements in Sale Proceeds has increased Profit on Sale. |
| | | 1,676,982 | 1,690,268 | 1,789,131 | 112,149 | | |
| Expenditure from operating activities | | | | | | | |
| Employee costs | 4.6 | (1,071,209) | (660,303) | (1,059,209) | 12,000 | ▼ | Lower Office staff costs due to staff movements timing. |
| Materials and contracts | 4.7 | (823,453) | (530,307) | (925,472) | (102,019) | ▲ | Higher maintenance expenditure within Roads and Footpaths \$20K and Plant Costs \$33. Private works \$12K and Housing maintenance \$15K expenses are predicted to be higher which are partly offset by higher revenue. |
| Utility charges | 4.8 | (111,665) | (53,207) | (117,165) | (5,500) | ▲ | Within Variance |
| Depreciation | | (1,213,290) | (920,888) | (1,213,290) | 0 | | |
| Finance costs | | (2,226) | (1,280) | (2,226) | 0 | | |
| Insurance | 4.9 | (93,817) | (104,161) | (104,117) | (10,300) | ▲ | Final Insurance premiums were high than budget. |
| Other expenditure | | (95,960) | (55,930) | (95,960) | 0 | | |
| | | (3,411,620) | (2,326,076) | (3,517,440) | (105,819) | | |
| Non-cash amounts excluded from operating activities | 4.10 | 1,147,290 | 876,076 | 1,125,878 | (21,412) | ▲ | Movements in Sale Proceeds has increased Profit on Sale. |
| Amount attributable to operating activities | | (587,348) | 240,268 | (602,430) | (15,082) | | |
| INVESTING ACTIVITIES | | | | | | | |
| Inflows from investing activities | | | | | | | |
| Capital grants, subsidies and contributions | 4.1 | 689,757 | 44,661 | 577,963 | (111,794) | ▼ | Reduce LRCI funding brought in as revenue in FY23 |
| Proceeds from disposal of assets | 4.2 | 96,000 | 50,830 | 117,430 | 21,430 | ▲ | Higher Sale values predicted for Plant & Vehicles disposals - Refer to Note 4 for details |
| Proceeds from self supporting loans | | 14,279 | 7,115 | 14,279 | 0 | | |
| | | 800,036 | 102,606 | 709,672 | (90,364) | | |
| Outflows from investing activities | | | | | | | |
| Purchase of land and buildings | 4.3 | (132,669) | (67,627) | (502,252) | (369,583) | ▲ | Refer Note 5 - Addition of Growing Regions housing project and minor variations to existing projects. |
| Purchase of plant and equipment | 4.4 | (380,650) | (439,659) | (427,590) | (46,940) | ▲ | Refer Note 5 - Increased costs of planned plant and vehicle purchases. |
| Purchase of furniture and equipment | 4.5 | (49,500) | 0 | (46,500) | 3,000 | ▼ | Within Variance |
| Purchase and construction of infrastructure-roads | 4.6 | (985,475) | (141,835) | (1,113,475) | (128,000) | ▲ | Refer Note 5 - Southern Link (New) ,Yorkrakine Floodway (New) and increased cost of Bungulla Rd North project. |
| Purchase and construction of infrastructure-other | 4.7 | (152,450) | (25,079) | (95,000) | 57,450 | ▼ | Removal of Admin Drainage & Donnan Park lighting projects. |
| | | (1,700,744) | (674,200) | (2,184,817) | (484,073) | | |
| Amount attributable to investing activities | | (900,708) | (529,794) | (1,475,145) | (574,437) | | |
| FINANCING ACTIVITIES | | | | | | | |
| Cash inflows from financing activities | | | | | | | |
| Transfers from reserve accounts | 4.8 | 279,650 | 0 | 308,650 | 29,000 | ▲ | Increase transfer from reserves to part fund Plant cost increases. |
| | | 279,650 | 0 | 308,650 | 29,000 | | |
| Cash outflows from financing activities | | | | | | | |
| Repayment of borrowings | | (42,728) | (21,185) | (42,728) | 0 | | |
| Transfers to reserve accounts | | (335,238) | (33,110) | (335,238) | 0 | | |
| | | (377,966) | (54,295) | (377,966) | 0 | | |
| Amount attributable to financing activities | | (98,316) | (54,295) | (69,316) | 29,000 | | |
| MOVEMENT IN SURPLUS OR DEFICIT | | | | | | | |
| Surplus or deficit at the start of the financial year | 4.9 | 1,586,372 | 2,146,891 | 2,146,891 | 560,519 | ▲ | Estimated brought forward surplus higher than budget, due to higher Capital Grants income in previous year. |
| Amount attributable to operating activities | | (587,348) | 240,268 | (602,430) | (15,082) | ▲ | Overall Increase in Operating Costs |
| Amount attributable to investing activities | | (900,708) | (529,794) | (1,475,145) | (574,437) | ▲ | Overall Increase in Investing Activities |
| Amount attributable to financing activities | | (98,316) | (54,295) | (69,316) | 29,000 | ▼ | Overall decrease in Financing Activities. |
| Surplus or deficit after imposition of general rates | | 0 | 1,803,069 | 0 | 0 | | No net movement in closing balance |

1. BASIS OF PREPARATION

This budget review has been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996*, prescribe that the budget review be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 Leases which would have required the Shire of Tammin to measure any vested improvements at zero cost.

Local Government (Financial Management) Regulations 1996, regulation 33A prescribes contents of the budget review.

Accounting policies which have been adopted in the preparation of this budget review have been consistently applied unless stated otherwise. Except for cash flow and statement of financial activity, the budget review has 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.

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire of Tammin controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

All monies held in the Trust Fund are excluded from the financial statements.

Judgements and 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 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.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, infrastructure and investment property
- estimation uncertainties made in relation to lease accounting
- estimation of fair values of provisions

SIGNIFICANT ACCOUNTING POLICES

Significant accounting policies utilised in the preparation of these statements are as described within the 2023-24 Annual Budget. Please refer to the adopted budget document for details of these policies.

2 NET CURRENT FUNDING POSITION
EXPLANATION OF DIFFERENCE IN NET CURRENT ASSETS AND SURPLUS/(DEFICIT)

| (a) Composition of estimated net current assets | Audited Actual | Adopted Budget | Year to Date Actual | Estimated Year at End |
|---|----------------|--------------------------|---------------------|-----------------------|
| | 30 June 2023 | Brought forward Estimate | 29 February 2024 | Amount 30 June 2024 |
| | \$ | \$ | \$ | \$ |
| Current assets | | | | |
| Cash and cash equivalents | 2,133,111 | 2,190,760 | 1,778,526 | 52,000 |
| Financial assets | 1,402,111 | 1,344,463 | 1,435,221 | 1,457,699 |
| Trade and other receivables | 44,831 | 213,345 | 114,787 | 73,000 |
| Self Supporting Loans | 14,279 | 14,279 | 7,164 | 0 |
| Other assets | 172,154 | 0 | 23,945 | 0 |
| Contract assets | 111,794 | 0 | 0 | 0 |
| | 3,878,280 | 3,762,847 | 3,359,643 | 1,582,699 |
| Less: current liabilities | | | | |
| Trade and other payables | (273,199) | (214,807) | (45,188) | (125,000) |
| Contract liabilities | (41,800) | (602,926) | (41,800) | 0 |
| Borrowings | (42,939) | (42,728) | (21,755) | 0 |
| Employee related provisions | (52,215) | (62,016) | (52,215) | (52,215) |
| | (410,153) | (922,477) | (160,958) | (177,215) |
| Net current assets | 3,468,127 | 2,840,370 | 3,198,685 | 1,405,484 |
| Less: Total adjustments to net current assets | (1,321,236) | (1,253,998) | (1,368,415) | (1,405,484) |
| Closing funding surplus / (deficit) | 2,146,891 | 1,586,372 | 1,830,270 | 0 |

(b) Non-cash amounts excluded from operating activities

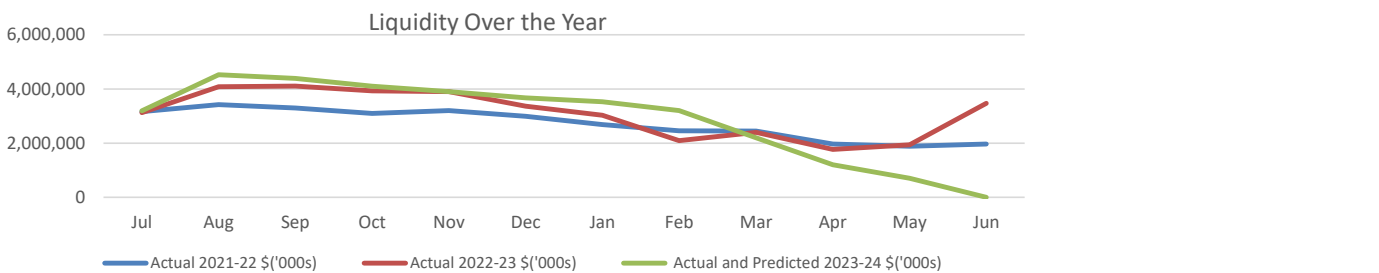
The following non-cash revenue and expenditure has been excluded from operating activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

| | Adopted Budget | Year to Date Actual | Estimated Year at End |
|--|----------------|---------------------|-----------------------|
| | 30 June 2024 | 29 February 2024 | Amount 30 June 2024 |
| | \$ | \$ | \$ |
| Adjustments to operating activities | | | |
| Less: Profit on asset disposals | (66,000) | (44,812) | (87,412) |
| Add: Depreciation on assets | 1,213,290 | 920,888 | 1,213,290 |
| Non-cash amounts excluded from operating activities | 1,147,290 | 876,076 | 1,125,878 |

(d) Current assets and liabilities excluded from budgeted deficiency

The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

| | Audited Actual | Adopted Budget | Year to Date Actual | Estimated Year at End |
|--|----------------|----------------|---------------------|-----------------------|
| | 30 June 2023 | 30 June 2024 | 29 February 2024 | Amount 30 June 2024 |
| | \$ | \$ | \$ | \$ |
| Adjustments to net current assets | | | | |
| Less: Reserve accounts | (1,402,111) | (1,344,463) | (1,435,221) | (1,457,699) |
| Less: Financial assets at amortised cost - self supporting loans | (14,279) | (14,279) | (7,164) | 0 |
| Add: Current liabilities not expected to be cleared at end of year | | | | |
| - Current portion of borrowings | 42,939 | 42,728 | 21,755 | 0 |
| - Employee benefit provisions | 52,215 | 62,016 | 52,215 | 52,215 |
| Total adjustments to net current assets | (1,321,236) | (1,253,998) | (1,368,415) | (1,405,484) |



2 COMMENTS/NOTES - NET CURRENT FUNDING POSITION (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, 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 shown as short term borrowings in current liabilities.

FINANCIAL ASSETS AT AMORTISED COST

The Shire of Tammin classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

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 grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

The Shire of Tammin applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

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.

CONTRACT ASSETS

Contract assets primarily relate to the Shire of Tammin's right to consideration for work completed but not billed at the end of the period.

CONTRACT LIABILITIES

Contract liabilities represent the Shire of Tammin's obligation to transfer goods or services to a customer for which the Shire of Tammin has received consideration from the customer.

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

PROVISIONS

Provisions are recognised when the Shire of Tammin has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

CURRENT AND NON-CURRENT CLASSIFICATION

An asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire of Tammin's operational cycle. In the case of liabilities where the Shire of Tammin 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 or non-current based on the Shire of Tammin's intentions to release for sale.

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Shire of Tammin prior to the end of the financial year that are unpaid and arise when the Shire of Tammin 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. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

PREPAID RATES

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire of Tammin recognises revenue for the prepaid rates that have not been refunded.

EMPLOYEE BENEFITS

Short-Term Employee Benefits

Provision is made for the Shire of Tammin's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire of Tammin's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the net current funding position. Shire of Tammin's current obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the net current funding position.

Other long-term employee benefits

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire of Tammin's obligations for long-term employee benefits where the Shire of Tammin does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, are presented as current provisions in the net current funding position.

Shire of Tammin
NOTES TO THE BUDGET REVIEW REPORT
For the Period Ended 28th February 2023

Note 3: BUDGET AMENDMENTS

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

| Classification | GL Account Code | Description | Original Budget | Budget Amendments | Predicted Budget | No Change -(Non Cash Items) Adjust. | Increase in Available Cash | Decrease in Available Cash | Amended Budget Running Balance | Comments |
|--|-----------------|--|-----------------|-------------------|------------------|-------------------------------------|----------------------------|----------------------------|--------------------------------|---|
| | | | | | | \$ | \$ | \$ | \$ | |
| Budget Adoption Year End Surplus Audited Result | | | | | | | | | | |
| Opening Surplus(Deficit) | | | 1,586,372 | 560,519 | 2,146,891 | | 560,519 | | 560,519 | Audited result Brought Forward Funding higher than budgeted |
| Operating Income | 031007 | Rates Administration Fee Received | 1,500 | 1,500 | 3,000 | | 1,500 | 0 | 562,019 | |
| Operating Income | 031011 | Reimbursement of Legal Costs | 10,000 | (9,000) | 1,000 | | 0 | (9,000) | 553,019 | |
| Operating Expenditure | 031103 | Postage & Freight | (950) | (1,500) | (2,450) | | 0 | (1,500) | 551,519 | |
| Operating Expenditure | 031105 | Legal Expenses | (10,000) | 5,000 | (5,000) | | 5,000 | 0 | 556,519 | |
| Operating Income | 032001 | Grants Commission Grant Received - General | 0 | 39,707 | 39,707 | | 39,707 | 0 | 596,226 | |
| Operating Income | 032002 | Grants Commission Grant Received - Roads | 0 | 18,412 | 18,412 | | 18,412 | 0 | 614,638 | |
| Capital Grants, Subsidies | 032003 | Grants Commission - Local Roads & Community Infrastructure Program | 111,794 | (111,794) | 0 | | 0 | (111,794) | 502,844 | |
| Operating Income | 032004 | Muni Interest Received | 1,500 | 19,000 | 20,500 | | 19,000 | 0 | 521,844 | |
| Operating Expenditure | 041101 | Members Conference Expenses | (12,600) | (3,000) | (15,600) | | 0 | (3,000) | 518,844 | |
| Operating Expenditure | 041102 | Council Election Expenses | (10,000) | 10,000 | 0 | | 10,000 | 0 | 528,844 | |
| Operating Expenditure | 041105 | Members - Insurance | (17,766) | 6,400 | (11,366) | | 6,400 | 0 | 535,244 | |
| Operating Expenditure | 042101 | Audit Fees | (46,200) | 10,000 | (36,200) | | 10,000 | 0 | 545,244 | |
| Operating Income | 091006 | Income from 3 Nottage Way | 11,900 | 5,200 | 17,100 | | 5,200 | 0 | 550,444 | |
| Operating Expenditure | 091100 | Maintenance Staff Housing | (37,997) | (14,000) | (51,997) | | 0 | (14,000) | 536,444 | |
| Operating Income | 100001 | Income Relating to Sanitation - Household Refuse | 25,000 | 7,150 | 32,150 | | 7,150 | 0 | 543,594 | |
| Operating Expenditure | 111101 | Maintenance - Tammin Hall | (14,824) | (1,500) | (16,324) | | 0 | (1,500) | 542,094 | |
| Operating Expenditure | 113102 | Maintenance - Donnan Park Recreation Facility | (120,679) | (27,500) | (148,179) | | 0 | (27,500) | 514,594 | |
| Operating Income | 116020 | Lotterywest Grant | 0 | 18,425 | 18,425 | | 18,425 | 0 | 533,019 | |
| Operating Expenditure | 116110 | Expenses related to Function & Events | (40,609) | (5,000) | (45,609) | | 0 | (5,000) | 528,019 | |
| Operating Income | 122005 | Main Roads Direct Grant | 83,015 | 6,114 | 89,129 | | 6,114 | 0 | 534,133 | |
| Operating Expenditure | 122104 | Maintenance - Footpaths | 0 | (10,000) | (10,000) | | 0 | (10,000) | 524,133 | |
| Operating Expenditure | 122106 | Maintenance - Depot | (25,723) | (10,000) | (35,723) | | 0 | (10,000) | 514,133 | |
| Operating Income | 131002 | Rural Grant Income | 0 | 2,049 | 2,049 | | 2,049 | 0 | 516,182 | |
| Operating Income | 141001 | Income from Private Works | 0 | 15,000 | 15,000 | | 15,000 | 0 | 531,182 | |
| Operating Expenditure | 141100 | Expenses Relating to Private Works | 0 | (12,019) | (12,019) | | 0 | (12,019) | 519,163 | |
| Operating Income | 142002 | Workers Compensation Reimbursements | 53,820 | (52,820) | 1,000 | | 0 | (52,820) | 466,343 | |
| Operating Income | 142004 | Regional Traineeship Program Grant 2022-2023 (DPIRD) | 0 | 20,000 | 20,000 | | 20,000 | 0 | 486,343 | |
| Operating Expenditure | 142100 | Works Manager | (133,767) | (5,000) | (138,767) | | 0 | (5,000) | 481,343 | |
| Operating Expenditure | 142105 | Conference and Training Expenses | (14,693) | (5,000) | (19,693) | | 0 | (5,000) | 476,343 | |
| Operating Expenditure | 142112 | Insurance | (9,788) | (7,200) | (16,988) | | 0 | (7,200) | 469,143 | |
| Operating Expenditure | 143101 | Fuel & Oils | (71,400) | (17,000) | (88,400) | | 0 | (17,000) | 452,143 | |
| Operating Expenditure | 143103 | Parts & Repairs | (62,570) | (5,000) | (67,570) | | 0 | (5,000) | 447,143 | |
| Operating Expenditure | 143113 | Plant Servicing -- External | 0 | (11,000) | (11,000) | | 0 | (11,000) | 436,143 | |
| Operating Expenditure | 145101 | Administration Office Maintenance | (16,261) | (2,000) | (18,261) | | 0 | (2,000) | 434,143 | |
| Operating Expenditure | 145104 | Telecommunications - Admin | (13,000) | (2,000) | (15,000) | | 0 | (2,000) | 432,143 | |
| | | Employee Costs (Office Staff - excl. CEO, WM, Rates/CDO) Inc. Annual & LSL | (209,855) | 17,000 | (192,855) | | 17,000 | 0 | 449,143 | |
| Operating Expenditure | 145113 | Insurance | (10,354) | (9,500) | (19,854) | | 0 | (9,500) | 439,643 | |
| Operating Expenditure | 145119 | Consultant fees | 0 | (6,000) | (6,000) | | 0 | (6,000) | 433,643 | |
| Non Cash Item | 123401 | Profit on Asset Disposal | (66,000) | (21,412) | (87,412) | 21,412 | 0 | (21,412) | 433,643 | |
| Proceeds on Sale | | Proceeds from disposal of assets | 96,000 | 21,430 | 117,430 | | 21,430 | 0 | 455,073 | |
| Capital Expenditure | | Purchase of land and buildings | (132,669) | (369,583) | (502,252) | | 0 | (369,583) | 85,490 | |
| Capital Expenditure | | Purchase of plant and equipment | (380,650) | (46,940) | (427,590) | | 0 | (46,940) | 38,550 | |
| Capital Expenditure | | Purchase of furniture and equipment | (49,500) | 3,000 | (46,500) | | 3,000 | 0 | 41,550 | |
| Capital Expenditure | | Purchase and construction of infrastructure-roads | (985,475) | (128,000) | (1,113,475) | | 0 | (128,000) | (86,450) | |
| Capital Expenditure | | Purchase and construction of infrastructure-other | (152,450) | 57,450 | (95,000) | | 57,450 | 0 | (29,000) | |
| | | | 0 | 0 | 0 | | 0 | 0 | (29,000) | |
| TFRReserves | | Transfers from reserve accounts | 279,650 | 29,000 | 308,650 | | 29,000 | 0 | 0 | |
| Total | | | | | | 21,412 | 872,356 | (893,768) | 0 | Predicted Closing Funding Surplus/(Deficit) |

Shire of Tammin
 NOTES TO THE BUDGET REVIEW REPORT
 For the Period Ended 28th February 2023

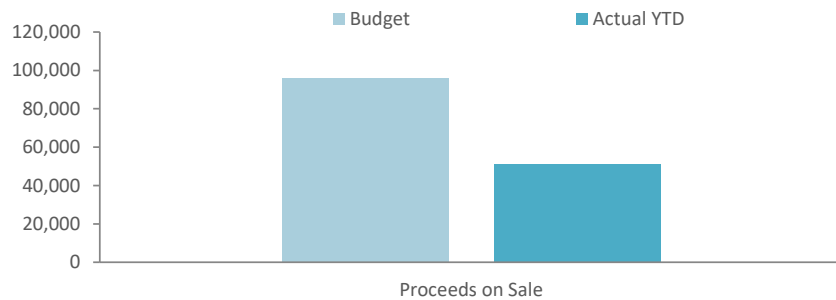
Note 3: BUDGET AMENDMENTS
 Amendments to original budget since budget adoption. Surplus/(Deficit)

| Classification | GL Account Code | Description | Original Budget | Budget Amendments | Predicted Budget | No Change -(Non Cash Items) Adjust. | Increase in Available Cash | Decrease in Available Cash | Amended Budget Running Balance | Comments |
|---|-----------------|-------------|-----------------|-------------------|------------------|--|-------------------------------|-------------------------------|-----------------------------------|----------|
| | | | | | | \$ | \$ | \$ | \$ | |
| By Classification: | | | | | | | | | | |
| Operating Income | | | 186,735 | 90,737 | 277,472 | 0 | 152,557 | (61,820) | 90,737 | |
| Operating Expenditure | | | (879,036) | (105,819) | (984,855) | 0 | 48,400 | (154,219) | (105,819) | |
| SSL Adjustment | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Capital Grants, Subsidies and Contributions | | | 111,794 | (111,794) | 0 | 0 | 0 | (111,794) | (111,794) | |
| Capital Expenditure | | | (1,700,744) | (484,073) | (2,184,817) | 0 | 60,450 | (544,523) | (484,073) | |
| T2Reserves | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| TFReserves | | | 279,650 | 29,000 | 308,650 | 0 | 29,000 | 0 | 29,000 | |
| Profit/Loss on Sale | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Proceeds on Sale | | | 96,000 | 21,430 | 117,430 | 0 | 21,430 | 0 | 21,430 | |
| Operating activities excluded from budget | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Opening Surplus(Deficit) | | | 1,586,372 | 560,519 | 2,146,891 | 0 | 560,519 | 0 | 560,519 | |
| | | | | | | 0 | 872,356 | (872,356) | 0 | |
| Non Cash Item | | | 0 | (21,412) | 0 | 21,412 | 0 | (21,412) | 0 | |
| | | | | | | 21,412 | 872,356 | (893,768) | 0 | |

**NOTES TO THE REVIEW OF THE ANNUAL BUDGET
FOR THE PERIOD ENDED 29 FEBRUARY 2024**

**Note 4
DISPOSAL OF ASSETS**

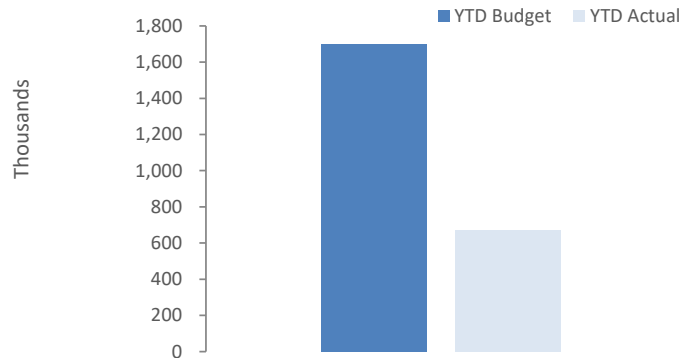
| Asset Ref. | Asset description | Original Budget | | | | Predicted Budget | | | | YTD Actual | | | |
|------------|------------------------------------|-----------------|---------------|---------------|----------|------------------|----------------|---------------|----------|----------------|---------------|---------------|----------|
| | | Net Book Value | Proceeds | Profit | (Loss) | Net Book Value | Proceeds | Profit | (Loss) | Net Book Value | Proceeds | Profit | (Loss) |
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| | Plant and equipment | | | | | | | | | | | | |
| | As listed below | 30,000 | 96,000 | 66,000 | 0 | 0 | 117,430 | 87,412 | 0 | 6,018 | 50,830 | 44,812 | 0 |
| | Transport | | | | | | | | | | | | |
| | Excavator | 8,000 | 10,000 | 2,000 | 0 | 8,000 | 22,000 | 14,000 | 0 | 0 | 0 | 0 | 0 |
| | Hino Crew Cab Truck | 16,000 | 20,000 | 4,000 | 0 | 16,000 | 24,600 | 8,600 | 0 | 0 | 0 | 0 | 0 |
| | Toro Reel Mower | 6,000 | 8,000 | 2,000 | 0 | 6,000 | 6,830 | 830 | 0 | 6,000 | 6,830 | 830 | 0 |
| | Other property and services | | | | | | | | | | | | |
| 278 | CEO Vehicle Replacement | 0 | 32,000 | 32,000 | 0 | 18 | 44,000 | 43,982 | 0 | 18 | 44,000 | 43,982 | 0 |
| | MWS Replacement Vehicle | 0 | 26,000 | 26,000 | 0 | 0 | 20,000 | 20,000 | 0 | 0 | 0 | 0 | 0 |
| | | 30,000 | 96,000 | 66,000 | 0 | 30,018 | 117,430 | 87,412 | 0 | 12,036 | 50,830 | 44,812 | 0 |



| Capital acquisitions | Adopted Budget | Predicted Budget | YTD Budget | YTD Actual | Variance |
|---|------------------|------------------|----------------|----------------|---------------|
| | \$ | | \$ | \$ | \$ |
| Land & Buildings | 132,669 | 502,252 | 101,549 | 67,627 | (33,922) |
| Furniture & Equipment | 49,500 | 46,500 | 0 | 0 | 0 |
| Plant & Equipment | 380,650 | 427,590 | 262,340 | 439,659 | 177,319 |
| Roads | 985,475 | 1,113,475 | 279,475 | 141,835 | (137,640) |
| Footpaths | 20,000 | 20,000 | 20,000 | 23,438 | 3,438 |
| Other Infrastructure | 132,450 | 75,000 | 0 | 1,641 | 1,641 |
| Payments for Capital Acquisitions | 1,700,744 | 2,184,817 | 663,364 | 674,200 | 10,836 |
| Total Capital Acquisitions | 1,700,744 | 2,184,817 | 663,364 | 674,200 | 10,836 |
| Capital Acquisitions Funded By: | | | | | |
| | \$ | | \$ | \$ | \$ |
| Capital grants and contributions | 689,757 | 577,963 | 305,871 | 44,661 | (261,210) |
| Other (disposals & C/Fwd) | 96,000 | 96,000 | 96,000 | 50,830 | (45,170) |
| Cash backed reserves | | | | | |
| Plant Replacement | 219,650 | | 0 | 0 | 0 |
| Reserves Sports, Recreation Facilities Upgrades | 60,000 | 60,000 | 0 | 0 | 0 |
| Contribution - operations | 635,337 | 635,337 | 261,493 | 578,709 | 317,216 |
| Capital funding total | 1,700,744 | 1,369,300 | 663,364 | 674,200 | 10,836 |

SIGNIFICANT ACCOUNTING POLICIES

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.



| Account | Job | Account Description | Adopted Original Budget | Predicted Budget | YTD Actual | Predicted Budget Variance | Comments |
|----------------------------------|--------|--|-------------------------|------------------|----------------|---------------------------|--|
| Land & Buildings | | | | | | | |
| 145522 | FE005 | Security Screen for Admin Office | 5,799 | 5,799 | 0 | 0 | |
| | REGHOU | Growing Regions Housing Project | 0 | 374,503 | 0 | 374,503 | New funded project |
| 091403 | SNOT2 | 5 Nottage Way - Aircon and Replacement Lighting | 5,670 | 3,850 | 3,850 | (1,820) | Project Complete |
| 113401 | DPB9 | Donnan Park - Outdoor Speakers | 5,000 | 5,000 | 0 | 0 | Timing - Project still in planning phase |
| 113401 | DPB10 | Donnan Park - Ladies Toilets - Retiling and Plumbing | 60,000 | 50,900 | 50,900 | (9,100) | Project Complete |
| 113401 | DPB11 | Donnan Park - Outdoor BBQ Kitchen Area | 15,000 | 15,000 | 0 | 0 | |
| 106106 | COO004 | Coinda Ceiling Renewal | 12,000 | 12,000 | 0 | 0 | |
| 113401 | DPB13 | Donnan Park - Entry Booth | 6,000 | 6,000 | 0 | 0 | Timing - Awaiting invoice |
| 113521 | GC001 | Golf Club Restoration Project | 12,000 | 18,000 | 12,877 | 6,000 | Increase to project costs |
| 113401 | DPB12 | Donnan Park - Replace Doors at Pavilion | 11,200 | 11,200 | 0 | 0 | |
| | | | 132,669 | 502,252 | 67,627 | 369,583 | |
| Furniture & Equipment | | | | | | | |
| 041400 | MC1902 | Councillor Laptops | 10,000 | 12,000 | 0 | 2,000 | |
| 111400 | FTH002 | Town Hall - Industrial Dishwasher | 14,500 | 14,500 | 0 | 0 | |
| 145522 | FE004 | IT Equipment Upgrade | 25,000 | 20,000 | 0 | (5,000) | Reduction in costs |
| | | | 49,500 | 46,500 | 0 | (3,000) | |
| Plant & Equipment | | | | | | | |
| 145401 | | Purchase of CEO vehicle TN1 | 60,000 | 60,000 | 60,845 | 0 | |
| 145400 | 145400 | Purchase of Replacement TN2 | 45,000 | 45,000 | 44,866 | 0 | |
| 123400 | PT012 | MWS Replacement Vehicle | 50,000 | 52,250 | 0 | 2,250 | |
| 123400 | PT013 | Excavator | 40,000 | 69,000 | 69,000 | 29,000 | Increase to cover increased actual cost |
| 123400 | PT014 | Hino Crew Cab Truck | 100,000 | 113,000 | 0 | 13,000 | Increase to cover increased cost |
| 123400 | PT011 | Toro Wheel Mower | 65,650 | 68,340 | 250,248 | 2,690 | 0 |
| 143407 | PEG | Generator - Trailer Mounted for Emergencies | 20,000 | 20,000 | 14,700 | 0 | |
| | | | 380,650 | 427,590 | 439,659 | 46,940 | |
| Roads | | | | | | | |
| | HVSPP1 | Southern Link Project | 0 | 80,000 | 22,825 | 80,000 | Increase to cover increased cost |
| 121400 | C0090 | Cubbine SLK 3-4 | 57,000 | 37,000 | 2,123 | (20,000) | |
| | C0094 | Yorkrakine Road Floodway #21 | 0 | 35,000 | 0 | 35,000 | New project |
| 121400 | C0006 | Yorkrakine Road | 57,000 | 40,000 | 24,996 | (17,000) | |
| 121403 | RRG003 | Bungulla North Rd SLK 9.1 to SLK 13.26 | 586,705 | 636,705 | 91,450 | 50,000 | Increase to cover increased cost |
| 121412 | R2R006 | Reseal Yorkrakine Road | 156,770 | 156,770 | 441 | 0 | |
| 121400 | C0086 | Council Road Resheet | 55,000 | 55,000 | 0 | 0 | |
| | C011 | Resheet 2km of Road | 9,000 | 9,000 | 0 | 0 | |
| 121400 | C0057 | Council Road Resheet | 64,000 | 64,000 | 0 | 0 | |
| | | | 985,475 | 1,113,475 | 141,835 | 128,000 | |
| Footpaths | | | | | | | |
| 121407 | FOOT | Footpath Construction - General | 20,000 | 20,000 | 23,438 | 0 | |
| | | | 20,000 | 20,000 | 23,438 | 0 | |
| Other Infrastructure | | | | | | | |
| 132153 | OI004 | Digital Scoreboard at Pavilion | 15,000 | 15,000 | 0 | 0 | |
| | PUMPT | Pump Track | 0 | 10,000 | 0 | 10,000 | New project |
| 132153 | OI002 | Information Bay Refurbishment - Near Puma | 50,000 | 50,000 | 1,641 | 0 | |
| 145523 | AD001 | Admin Office - Drainage | 17,450 | 0 | 0 | (17,450) | Project to be deferred |
| 113545 | DPLU1 | Donnan Park Lighting Upgrade | 50,000 | 0 | 0 | (50,000) | Project to be deferred |
| | | | 132,450 | 75,000 | 1,641 | (57,450) | |
| | | | 1,700,744 | 2,184,817 | 674,200 | 484,073 | Overall Increase in Capital Works |

**NOTES TO THE REVIEW OF THE ANNUAL BUDGET
FOR THE PERIOD ENDED 29 FEBRUARY 2024**

**Note 6
CASH RESERVES**

Cash backed reserve

| Reserve name | Opening Balance | Actual Interest Earned | Original Budget Transfers In (+) | Predicted Budget Transfers In (+) | Actual Transfers In (+) | Original Budget Transfers Out (-) | Predicted Budget Transfers Out (-) | Actual Transfers Out (-) | Predicted Closing Balance | Actual YTD Closing Balance |
|---|------------------|------------------------|----------------------------------|-----------------------------------|-------------------------|-----------------------------------|------------------------------------|--------------------------|---------------------------|----------------------------|
| | \$ | \$ | \$ | | \$ | \$ | | \$ | \$ | \$ |
| Reserves cash backed - Leave Reserve | 87,247 | 1,954 | 0 | 0 | 0 | 0 | 0 | 0 | 87,247 | 89,201 |
| Plant Replacement | 236,409 | 7,493 | 175,607 | 175,607 | 0 | (219,650) | (248,650) | 0 | 192,366 | 243,902 |
| Reserves Information & Technology | 12,632 | 285 | 0 | 0 | 0 | 0 | 0 | 0 | 12,632 | 12,917 |
| Reserves Tamma Village Upgrade & Improvements | 21,324 | 477 | 0 | 0 | 0 | 0 | 0 | 0 | 21,324 | 21,801 |
| Reserves Sports, Recreation Facilities Upgrades | 892,224 | 20,184 | 0 | 0 | 0 | (60,000) | (60,000) | 0 | 832,224 | 912,408 |
| Reserves Bowling Green Replacement Reserve | 2,132 | 46 | 0 | 0 | 0 | 0 | 0 | 0 | 2,132 | 2,178 |
| Reserves Property & Building Reserve | 150,143 | 2,672 | 159,631 | 159,631 | 0 | 0 | 0 | 0 | 309,774 | 152,815 |
| | 1,402,111 | 33,110 | 335,238 | 335,238 | 0 | (279,650) | (308,650) | 0 | 1,457,699 | 1,435,221 |