

SHIRE OF TAMMIN

MONTHLY FINANCIAL REPORT (Containing the Statement of Financial Activity) For the Period Ended 28 February 2019

LOCAL GOVERNMENT ACT 1995

LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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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 28 February 2019

	Note	Original Annual Budget	YTD Budget (a)	YTD Actual (b)	(b)-(a)	(b)-Var.
			\$	\$	\$	%
Opening Funding Surplus(Deficit)	3	657,584	657,584	711,466	53,882	8%
Revenue from operating activities						
Governance		0	0	0	0	0%
General Purpose Funding - Rates	8	1,064,163	1,068,396	1,068,394	(2)	(0%)
General Purpose Funding - Other		516,162	416,080	415,935	(145)	(0%)
Law, Order and Public Safety		3,700	7,862	8,480	618	8%
Health		948	848	478	(370)	(44%)
Education and Welfare		79,624	41,808	45,329	3,521	8%
Housing		38,400	22,904	19,987	(2,917)	(13%)
Community Amenities		30,176	26,904	26,598	(306)	(1%)
Recreation and Culture		34,385	46,359	43,841	(2,518)	(5%)
Transport		47,400	219,513	218,315	(1,197)	(1%)
Economic Services		42,150	67,400	65,060	(2,340)	(3%)
Other Property and Services		139,580	61,504	66,800	5,296	9%
		1,996,688	1,979,578	1,979,216		
Expenditure from operating activities						
Governance		(271,757)	(213,292)	(213,813)	(521)	(0%)
General Purpose Funding		(95,269)	(58,160)	(50,190)	7,970	14%
Law, Order and Public Safety		(32,597)	(11,704)	(17,223)	(5,519)	(47%)
Health		(9,405)	(6,508)	(4,996)	1,512	23%
Education and Welfare		(130,099)	(72,944)	(66,769)	6,175	8%
Housing		(66,697)	(41,164)	(25,205)	15,959	39%
Community Amenities		(254,309)	(131,762)	(99,599)	32,163	24%
Recreation and Culture		(529,529)	(338,353)	(290,104)	48,249	14%
Transport		(1,675,555)	(1,068,704)	(948,615)	120,089	11%
Economic Services		(78,203)	(57,680)	(36,007)	21,673	38%
Other Property and Services		(151,160)	(12,417)	(80,724)	(68,307)	(550%)
		(3,294,580)	(2,012,687)	(1,833,245)		
Operating activities excluded from budget						
Add back Depreciation		1,240,370	826,824	841,257	14,433	2%
Adjust (Profit)/Loss on Asset Disposal	10	3,000	3,000	1,636	(1,364)	(45%)
Adjust Provisions and Accruals		0	0	0	0	
Amount attributable to operating activities		(54,522)	796,714	988,864		
Investing Activities						
Non-operating Grants, Subsidies and Contributions		351,617	182,812	104,035	(78,777)	43%
Proceeds from Disposal of Assets	10	15,000	15,000	16,362	1,362	(9%)
Land and Buildings	11	(74,500)	(64,476)	(66,933)	(2,457)	(4%)
Infrastructure Assets - Roads	11	(706,111)	(459,144)	(37,783)	421,361	92%
Infrastructure Assets - Other	11	(153,740)	(48,088)	(75,878)	(27,790)	(58%)
Plant and Equipment	11	(58,000)	(33,000)	(33,000)	0	0%
Furniture and Equipment	11	(6,500)	(5,536)	(8,273)	(2,737)	(49%)
Amount attributable to investing activities		(632,234)	(412,432)	(101,469)		
Financing Activities						
Proceeds from New Debentures		0	0	0	0	0%
Proceeds from Advances		0	0	0	0	0%
Self-Supporting Loan Principal		0	0	0	0	0%
Transfer from Reserves	7	118,000	0	0	0	0%
Advances to Community Groups		0	0	0	0	0%
Repayment of Debentures	9	(50,828)	(44,012)	(44,012)	0	0%
Transfer to Reserves	7	(38,000)	(16,253)	(16,253)	0	0%
Amount attributable to financing activities		29,172	(60,265)	(60,265)		
Closing Funding Surplus(Deficit)	3	0	981,601	1,538,597		

 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 28 February 2019

	Note	Original Annual Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)/(a)	Var.
Opening Funding Surplus (Deficit)	3	657,584	\$ 657,584	\$ 711,466	\$ 53,882	8%	
Revenue from operating activities							
Rates	8	1,064,163	1,068,396	1,068,394	(2)	(0%)	
Operating Grants, Subsidies and Contributions		585,937	682,211	676,441	(5,771)	(1%)	
Fees and Charges		151,058	137,748	142,971	5,223	4%	
Sewerage Charges		0	0	0	0	0%	
Interest Earnings		34,900	24,153	25,161	1,008	4%	
Other Revenue		160,630	67,069	66,250	(819)	(1%)	
Profit on Disposal of Assets		0	0	0	0	0%	
		1,996,688	1,979,578	1,979,216			
Expenditure from operating activities							
Employee Costs		(758,888)	(356,766)	(341,776)	14,990	4%	
Materials and Contracts		(1,114,848)	(670,732)	(460,093)	210,638	31%	😊
Utility Charges		(52,680)	(42,486)	(53,809)	(11,323)	(27%)	😞
Depreciation on Non-Current Assets		(1,240,370)	(826,824)	(841,257)	(14,433)	(2%)	
Interest Expenses		(10,965)	(9,934)	(5,362)	4,572	46%	
Insurance Expenses		(62,479)	(49,974)	(74,950)	(24,976)	(50%)	😞
Other Expenditure		(51,350)	(52,972)	(54,363)	(1,391)	(3%)	
Loss on Disposal of Assets	10	(3,000)	(3,000)	(1,636)	1,364	45%	
		(3,294,580)	(2,012,687)	(1,833,245)			
Operating activities excluded from budget							
Add back Depreciation		1,240,370	826,824	841,257	14,433	2%	
Adjust (Profit)/Loss on Asset Disposal	10	3,000	3,000	1,636	(1,364)	(45%)	
Adjust Provisions and Accruals		0	0	0	0	0%	
Amount attributable to operating activities		(54,522)	796,714	988,864			
Investing activities							
Grants, Subsidies and Contributions		351,617	182,812	104,035	(78,777)	(43%)	😞
Proceeds from Disposal of Assets	10	15,000	15,000	16,362	1,362	9%	
Land Held for Resale		0	0	0	0	0%	
Land and Buildings	11	(74,500)	(64,476)	(66,933)	(2,457)	4%	
Infrastructure Assets - Roads	11	(706,111)	(459,144)	(37,783)	421,361	(92%)	😊
Infrastructure Assets - Other	11	(153,740)	(48,088)	(75,878)	(27,790)	58%	😞
Infrastructure Assets - Footpaths	11	0	0	0	0	0%	
Infrastructure Assets - Drainage	11	0	0	0	0	0%	
Heritage Assets	11	0	0	0	0	0%	
Plant and Equipment	11	(58,000)	(33,000)	(33,000)	0	0%	
Furniture and Equipment	11	(6,500)	(5,536)	(8,273)	(2,737)	(49%)	
Amount attributable to investing activities		(632,234)	(412,432)	(101,469)			
Financing Activities							
Proceeds from New Debentures		0	0	0	0	0%	
Proceeds from Advances		0	0	0	0	0%	
Self-Supporting Loan Principal		0	0	0	0	0%	
Transfer from Reserves	7	118,000	0	0	0	0%	
Repayment of Debentures	9	(50,828)	(44,012)	(44,012)	0	0%	
Transfer to Reserves	7	(38,000)	(16,253)	(16,253)	0	0%	
Amount attributable to financing activities		29,172	(60,265)	(60,265)			
Closing Funding Surplus (Deficit)	3	0	981,601	1,538,597	556,996	57%	😊

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

😊 More Revenue OR Less Expenditure
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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 28 February 2019

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 28 February 2019

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:

Asset	Years
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 28 February 2019

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 28 February 2019

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 28 February 2019

Note 2(a): Explanation of Material Variances by Program

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
Operating Income	\$	%			
Governance	0	0%			Within Variance Threshold
General Purpose Funding - Rates	(2)	(0%)			Within Variance Threshold
General Purpose Funding - Other	(145)	(0%)			Within Variance Threshold
Law, Order and Public Safety	618	8%			Within Variance Threshold
Health	(370)	(44%)			Within Variance Threshold
Education and Welfare	3,521	8%			Within Variance Threshold
Housing	(2,917)	(13%)			Within Variance Threshold
Community Amenities	(306)	(1%)			Within Variance Threshold
Recreation and Culture	(2,518)	(5%)			Within Variance Threshold
Transport	(1,197)	(1%)			Within Variance Threshold
Economic Services	(2,340)	(3%)			Within Variance Threshold
Other Property and Services	5,296	9%			Within Variance Threshold
Operating Expense	\$	%			
Governance	(521)	(0%)			Within Variance Threshold
General Purpose Funding	7,970	14%			Within Variance Threshold
Law, Order and Public Safety	(5,519)	(47%)			Within Variance Threshold
Health	1,512	23%			Within Variance Threshold
Education and Welfare	6,175	8%			Within Variance Threshold
Housing	15,959	39%		Timing	Staff Housing Maintenance is \$14k lower than YTD budget. This may even out over the year.
Community Amenities	32,163	24%		Timing	Cemetery maintenance is \$6k under YTD budget & tip maintenance is \$21k under YTD budget. This is a timing issue and is expected to even out by 30 June 2019.
Recreation and Culture	48,249	14%		Timing	Expenses and maintenance relating to Sports, Parks, Gardens, Reserves is \$11k under YTD budget and expenses related to Functions and Events is \$19k under YTD budget. This is a timing issue, due to winter sports commencing shortly which will require a lot more maintenance and our CDO is organising three more events prior to the end of the financial year.
Transport	120,089	11%		Timing	Road Maintenance and Street Cleaning costs are \$120k below the YTD budget. These items will be reviewed by staff and addressed with the budget review.
Economic Services	21,673	38%		Permanent	Expenditure associated with the Connecting Corridors grant lower than YTD budget, due to low public interest.
Other Property and Services	(68,307)	(550%)		Timing	Primary overhead allocations. This item will be reviewed by staff and addressed with the budget review.
Operating activities excluded from budget					
Add back Depreciation	14,433	2%			Within Variance Threshold
Adjust (Profit)/Loss on Asset Disposal	(1,364)	(45%)			Within Variance Threshold
Adjust Provisions and Accruals	0				No provisions and accruals to date
Capital Revenues					
Grants, Subsidies and Contributions	(78,777)	43%		Timing	R2R Grant not yet received. Has been received as of March 2019.
Proceeds from Disposal of Assets	1,362	-9%			
Capital Expenses					Refer to Note 11 for further details
Land and Buildings	(2,457)	4%			Within Variance Threshold
Infrastructure - Roads	421,361	(92%)		Timing	RRG, R2R & Council funded road capital expenditure projects commenced later than predicted. Works will commence in March 2019.
Infrastructure Assets - Other	(27,790)	(58%)		Timing	Capex works which still need completing are, 6x6 Shed at 3 Nottage Way, Solar Panels at 14 Russell Street, Kedjinyiny Kep Fencing, Main Street Gardens and Tennis Court Landscaping which is a total cost of \$33k. Tamma Village Pathways and Pathways and Lighting at the Town Hall wont be completed in 18/19. These projects will be reviewed as part of the mid-year budget review process.
Infrastructure - Footpaths	0	0%			Within Variance Threshold
Infrastructure - Drainage	0	0%			Within Variance Threshold
Plant and Equipment	0	0%			Within Variance Threshold
Furniture and Equipment	(2,737)	(49%)			Within Variance Threshold
Financing					
Transfer from Reserves	0	0%			Within Variance Threshold
Repayment of Debentures	0	0%			Within Variance Threshold
Opening Funding Surplus(Deficit)	53,882	8%			The final surplus position as at 30 June 2018 is higher than budgeted. These additional funds will be addressed with the Budget review

SHIRE OF TAMMIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

Note 2(b): Explanation of Material Variances by Nature or Type

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
Operating Income	\$	%			Within Variance Threshold
Rates	(2)	(0%)			Within Variance Threshold
Operating Grants, Subsidies and Contributions	(5,771)	(1%)			Within Variance Threshold
Fees and Charges	5,223	4%			Within Variance Threshold
Sewerage Charges	0	0%			Within Variance Threshold
Interest Earnings	1,008	4%			Within Variance Threshold
Other Revenue	(819)	(1%)			Within Variance Threshold
Profit on Disposal of Assets	0	0%			Within Variance Threshold
Operating Expense	\$	%			
Employee Costs	14,990	4%			Within Variance Threshold
Materials and Contracts	210,638	31%	😊	Timing	Road Maintenance (\$99k), Street Cleaning (\$25k) and Fuels & Oils (\$66k) below YTD budget. This will be reviewed in the mid-year budget review.
Utility Charges	(11,323)	(27%)	😞	Timing	Stand pipe water expenses are higher than expected due to Main Roads using water for GEH roadworks. Water is being reimbursed.
Depreciation on Non-Current Assets	(14,433)	(2%)			Within Variance Threshold
Interest Expenses	4,572	46%			Within Variance Threshold
Insurance Expenses	(24,976)	(50%)	😞	Timing	Insurance expenses relating to Public Works Overheads and Administration costs higher than YTD budget. Staff will review these accounts during the mid-year budget review.
Other Expenditure	(1,391)	(3%)			Within Variance Threshold
Loss on Disposal of Assets	1,364	45%			Within Variance Threshold
Operating activities excluded from budget					
Add back Depreciation	14,433	2%			Within Variance Threshold
Adjust (Profit)/Loss on Asset Disposal	(1,364)	(45%)			Within Variance Threshold
Adjust Provisions and Accruals	0	0%			Within Variance Threshold
Capital Revenues					
Grants, Subsidies and Contributions	(78,777)	(43%)	😞	Timing	R2R Grant not yet received. Has been received as of March 2019.
Proceeds from Disposal of Assets	1,362	9%			
Capital Expenses					Refer to Note 11 for further details
Land and Buildings	(2,457)	4%			Within Variance Threshold
Infrastructure - Roads	421,361	(92%)	😊	Timing	RRG, R2R & Council funded road capital expenditure projects commenced later than predicted. Works will commence in March 2019.
Infrastructure Assets - Other	(27,790)	58%	😞	Timing	Capex works which still need completing are, 6x6 Shed at 3 Nottage Way, Solar Panels at 14 Russell Street, Kedjinyne Kep Fencing, Main Street Gardens and Tennis Court Landscaping which is a total cost of \$33k. Tamma Village Pathways and Pathways and Lighting at the Town Hall wont be completed in 18/19. These projects will be reviewed as part of the mid-year budget review process.
Infrastructure - Footpaths	0	0%			Within Variance Threshold
Infrastructure - Drainage	0	0%			Within Variance Threshold
Plant and Equipment	0	0%			Within Variance Threshold
Furniture and Equipment	(2,737)	(49%)	😊		Within Variance Threshold
Financing					
Proceeds from New Debentures	0	0%			Within Variance Threshold
Proceeds from Advances	0	0%			Within Variance Threshold
Self-Supporting Loan Principal	0	0%			Within Variance Threshold
Transfer from Reserves	0	0%			Within Variance Threshold
Repayment of Debentures	0	0%			Within Variance Threshold
Opening Funding Surplus(Deficit)	53,882	8%			The final surplus position as at 30 June 2018 is higher than budgeted. These additional funds will be addressed with the Budget review

SHIRE OF TAMMIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

Note 3: Net Current Funding Position

Positive=Surplus (Negative=Deficit)

		Last Years Actual Closing	Current
	Note	30 June 2018	28 Feb 2019
		\$	\$
Current Assets			
Cash Unrestricted	4	808,415	1,507,317
Cash Restricted	4	1,181,241	1,197,494
Receivables - Rates		15,273	70,266
Receivables - Other		56,784	42,061
Interest / ATO Receivable/Trust		23,557	10,784
Inventories		0	0
		2,085,269	2,827,922
Less: Current Liabilities			
Payables		(108,454)	(7,723)
Current Borrowings		(50,828)	(6,816)
Provisions		(84,107)	(84,107)
		(243,390)	(98,646)
Net Current Assets		1,841,880	2,729,276
Less: Cash Reserves	7	(1,181,241)	(1,197,494)
Plus: Current Borrowings included in Budget		50,828	6,816
Net Current Funding Position		711,466	1,538,597

Comments - Net Current Funding Position

SHIRE OF TAMMIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

Note 4: Cash and Investments

	Unrestricted	Restricted	Trust	Total Amount	Institution	Interest Rate	Maturity Date
	\$	\$	\$	\$			
(a) Cash Deposits							
Municipal Bank Account	199,033			199,033	NAB	0.10%	At Call
Cash Maxi	1,307,784			1,307,784	NAB	0.60%	At Call
Trust Bank Account			24,407	24,407	NAB	0.01%	At Call
Cash On Hand	500			500	n/a	n/a	On Hand
				0			
(b) Term Deposits				0			
Reserve Investment Account		1,197,494		1,197,494	NAB	2.53%	11-Mar-19
	1,507,317	1,197,494	24,407	3,729,665			

Comments/Notes - Investments

The totals above reflect the balance of the Shires General Ledger Accounts.

SHIRE OF TAMMIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

Note 5: BUDGET AMENDMENTS

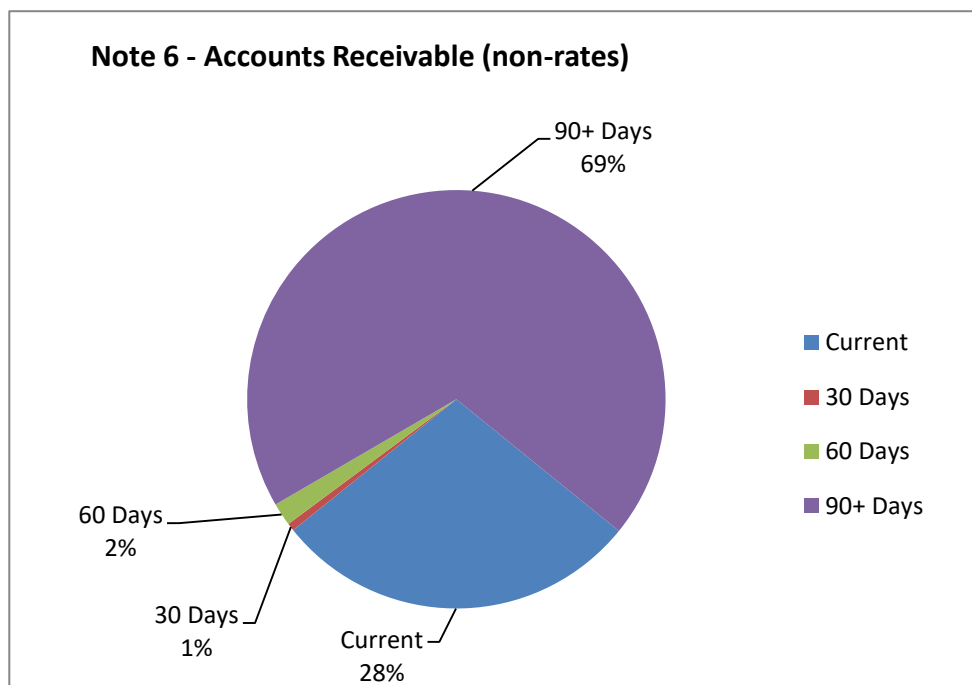
Proposed amendments to original budget since budget adoption will be presented to Council in a separate document for review at its March meeting.

Any changes made to the original budget will be outlined in this note in the March financial statements.

SHIRE OF TAMMIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

Note 6: Receivables

Receivables - General	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$
Receivables - General	11,995	250	750	29,226	42,221
Balance per Trial Balance					
Sundry Debtors					42,221
Total Receivables General Outstanding (includes GST)					42,221



Comments/Notes - Receivables General

Debtor 116 - Amount owing is \$22k which will be paid when events and acquittal has been finalised, prior to 30 June 2019.

Debtor 30124 - Amount owing is \$6753, a payment arrangement is being arranged.

Debtor 133 - Amount owing is \$4980, payment was received in March 2019 for standpipe water charges.

SHIRE OF TAMMIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

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	323	0	0	0	0	27,024	26,764
Reserves Plant Replacement	248,449	5,469	3,029	0	0	(25,000)	0	228,918	251,478
Reserves Information & Technology	11,663	257	142	0	0	0	0	11,920	11,805
Reserves Tamma Village Upgrade & Improvements	19,690	433	240	0	0	0	0	20,123	19,930
Sports, Recreation & Community Facilities Upgrades	862,415	18,982	12,365	0	0	(93,000)	0	788,397	874,780
Bowling Green Replacement	12,582	277	154	12,000	0	0	0	24,859	12,736
	1,181,241	26,000	16,253	12,000	0	(118,000)	0	1,101,241	1,197,494

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 28 February 2019

Note 8: Rating Information

RATE TYPE	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	Total Revenue
	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
Differential General Rate											
GRV	0.1196	89	807,924	96,666	0	0	96,666	0	0	0	0
UV	0.0161	166	59,086,500	951,943	0	0	951,943	0	1,089,450	0	1,089,450
					0	0	0	0	0	0	0
					0	0	0	0	0	0	0
					0	0	0	0	0	0	0
Sub-Totals		255	59,894,424	1,048,608	0	0	1,048,608	0	1,089,450	0	1,089,450
Minimum Payment	Minimum \$										
GRV	551.00	46	23,662	25,346	0	0	25,346	0	0	0	0
UV	551.00	28	542,000	15,428	0	0	15,428	0	0	0	0
Sub-Totals		74	565,662	40,774	0	0	40,774	0	0	0	0
		329	60,460,086	1,089,382	0	0	1,089,382	0	1,089,450	0	1,089,450
Concession/discount				(32,681)			(32,681)				(28,449)
Amount from General Rates				1,056,701			1,056,701				1,061,001
Ex-Gratia Rates				7,462			7,462				7,392
Totals				1,064,163			1,064,163				1,068,393

SHIRE OF TAMMIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

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
			\$	\$	\$	\$	\$	\$
Housing								
Loan 79	42,912	0	7,989	10,715	34,923	32,197	914	1,838
Loan 80	101,565	0	12,077	12,077	89,488	89,488	1,649	3,420
Recreation and Culture								
Loan 81	112,644	0	11,963	11,963	100,681	100,681	1,427	2,950
Transport								
Loan 78	64,366	0	11,984	16,073	52,382	48,293	1,371	2,757
	321,487	0	44,012	50,828	277,475	270,659	5,362	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.

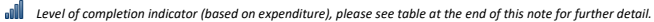




















SHIRE OF TAMMIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

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	\$ 27,825	\$ 16,362	\$ 0	\$ 0	\$ 18,000	\$ 15,000	\$ 0	\$ (3,000)
			27,825	16,362	0	\$0	18,000	15,000	0	(3,000)

SHIRE OF TAMMIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

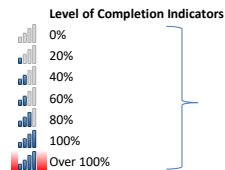
Note 11: Capital Acquisitions

Assets	Account/Job	Budget			YTD Actual		Strategic Reference / Comment
		Original Annual Budget	YTD Budget	YTD Variance	Total YTD		
		\$	\$	\$	%	\$	
							
Land and Buildings							
Education & Welfare							
 Unit 10 Building Renewal/ Upgrade	TVRE10	600	400	(400)	-100%	0	Locks and keys have been ordered and waiting on installation.
 Unit 1 Building Renewal/ Upgrade	TVREN1	600	400	(400)	-100%	0	
 Unit 2 Building Renewal/ Upgrade	TVREN2	600	400	(400)	-100%	0	
 Unit 3 Building Renewal/ Upgrade	TVREN3	4,100	3,900	(355)	-9%	3,545	
 Unit 4 Building Renewal/ Upgrade	TVREN4	600	400	(400)	-100%	0	
 Unit 5 Building Renewal/ Upgrade	TVREN5	600	400	(400)	-100%	0	
 Unit 6 Building Renewal/ Upgrade	TVREN6	600	2,168	482	22%	2,650	
 Unit 7 Building Renewal/ Upgrade	TVREN7	600	400	(400)	-100%	0	
 Unit 8 Building Renewal/ Upgrade	TVREN8	600	400	(400)	-100%	0	
 Unit 9 Building Renewal/ Upgrade	TVREN9	600	400	(400)	-100%	0	
Housing							
 3 Nottage Way - 6X6 Shed	3NOT1	10,000	0	0	0%	0	Quotes are being obtained, but budget amount isn't enough to complete the project.
Community Amenities							
 Public Toilet Renovations	PT001	20,000	23,336	1,319	6%	24,655	Works have been completed & toilets are now open to the public.
Recreation & Culture							
 Kitchen Renovation	DPB1	25,000	19,200	4,586	24%	23,786	Works have been completed.
 Pavilion Building Renovations	PN001	0	2,672	1,128	42%	3,800	17/18 Capex works, works to remove pole were completed in 18/19.
Other Property & Services							
 Administration Office Window Treatments	AO004	5,000	5,000	(862)	-17%	4,138	Works have been completed.
 Administration Office Reception Furniture	AO005	5,000	5,000	(641)	-13%	4,359	Works have been completed.
Total - Land and Buildings		74,500	64,476	2,457	4%	66,933	
Furniture and Equipment							
Governance							
 Councillor Ipads	MC1901	6,500	5,536	2,737	49%	8,273	Purchase of 6 x Samsung tablets and keyboards.
 Computer Server & Associated New Hardware & Software Eq	CS001	0	0	0	0%	0	Proposed new budget item.
Total - Furniture and Equipment		6,500	5,536	2,737	49%	8,273	
Plant, Equip. & Vehicles							
Other Property & Services							
 Plant Trailer	143406	25,000	0	0	0%	0	Quotes are being obtained.
 Purchase of TN1 Administration Vehicle	145400	33,000	33,000	0	0%	33,000	Mazda CX-5 Maxx Sport has been purchased from Northam Mazda.
Total - Plant and Equipment		58,000	33,000	0	0%	33,000	

SHIRE OF TAMMIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

Note 11: Capital Acquisitions

Assets	Account/Job	Budget				YTD Actual		Strategic Reference / Comment
		Original Annual Budget	YTD Budget	YTD Variance		Total YTD		
		\$	\$	\$	%	\$		
Roads								
Transport								
								Roadworks commencing in Feb 2019 - June 2019.
Tammin Oval - Entrance & Kerbing	TO01	10,000	12,000	6,042	50%	18,042		Works were completed before the Avon Football Grandfinal in 2018.
Nelson Road	C0083	20,141	13,408	(13,408)	-100%	0		
Leslie Road	C0084	41,438	27,608	(27,608)	-100%	0		
Chappell Wheeldon Road	C0085	81,179	54,104	(36,633)	-68%	17,471		
Turon Road	C0086	51,827	34,536	(34,536)	-100%	0		
Tammin-Wyalkatchem Road	RRG080	195,585	130,376	(130,376)	-100%	0		
Tammin-Wyalkatchem Reseals	RRG081	95,806	63,856	(63,856)	-100%	0		
McLaren Street	RRG082	100,750	67,152	(64,882)	-97%	2,270		
Tammin South Bypass Road	MRWA01	30,193	3,328	(3,328)	-100%	0		
Ralston Road	R2R002	79,192	52,776	(52,776)	-100%	0		
	Total - Roads	706,111	459,144	(421,361)	-92%	37,783		
Other Infrastructure								
Law, order, public safety								
Water Tanks	FP001	4,840	5,336	2,395	45%	7,731		Water tanks have been installed onsite and are in working order.
Education & Welfare								
Tamma Village Garden Reticulation	TVI01	25,000	4,232	1,941	46%	6,173		Reticulation has been fixed and is in good working order.
Tamma Village Pathways	TVINF	25,000	0	0	0%	0		Pathways at Tamma Village wont be completed in 18/19.
Housing								
14 Russell Street - Solar Panels	14RU1	8,500	0	0	0%	0		Quotes are being obtained.
Recreation & Culture								
Tammin Hall - Pathways & Lighting	THOI1	20,000	0	0	0%	0		To be discussed during Budget Review as flooring in hall is needing urgent attention due to rising damp.
Donnan Park Oval Fencing	DP001	15,000	20,304	10,146	50%	30,450		Works were completed before the Avon Football Grandfinal in 2018.
Kadjininy Kep Other Infrastructure	KEP001	5,000	5,000	(5,000)	-100%	0		Quotes are being obtained.
Tennis Court Landscaping	TC001	23,000	0	0	0%	0		Quotes are being obtained. To be completed when contractors are working on McLaren Street.
Main Street Gardens	113546	10,000	0	4,488	0%	4,488		Works to commence in March 2019 when weather cools down.
Pump & Foot Valves	TDO01	3,400	1,688	847	50%	2,535		Works have been completed.
Pontoon Purchase & Construction	TDO02	6,000	1,880	938	50%	2,818		Works have been completed.
Playground Upgrades	113402	0	1,312	655	50%	1,967		17/18 Capex works, purchase of white sand for playground area in 18/19.
Netball Court Fencing	NC001	0	0	0	0%	0		Proposed new budget item.
Economic Services								
RV Site - Other Infrastructure	132151	8,000	8,336	11,379	136%	19,715		Works have been completed and RV site is operational.
	Total - Other Infrastructure	153,740	48,088	27,790	58%	75,878		
Capital Expenditure Total		998,851	610,244	(388,378)	-64%	221,866		



Percentage YTD Actual to Annual Budget
Expenditure over budget highlighted in red.

SHIRE OF TAMMIN
STATEMENT OF CAPITAL ACQUISITIONS AND CAPITAL FUNDING
For the Period Ended 28 February 2019

Capital Acquisitions

	Note	Amended YTD Budget	Annual Budget	YTD Actual Total
		\$	\$	\$
Land and Buildings	11	64,476	74,500	66,933
Infrastructure Assets - Roads	11	459,144	706,111	37,783
Infrastructure Assets - Other	11	48,088	153,740	75,878
Plant and Equipment	11	33,000	58,000	33,000
Furniture and Equipment	11	5,536	6,500	8,273
Capital Expenditure Totals		610,244	998,851	221,866
Capital acquisitions funded by:				
Capital Grants and Contributions		0	351,617	104,035
Borrowings	9	0	0	0
Other (Disposals & C/Fwd)	10	15,000	15,000	16,362
Cash Backed Reserves	7		118,000	0
Council contribution - operations		595,244	514,234	101,469
Capital Funding Total		610,244	998,851	221,866

