

SHIRE OF TAMMIN

MONTHLY FINANCIAL REPORT (Containing the Statement of Financial Activity) For the Period Ended 31 August 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 2020 Annual Financial Report.

SHIRE OF TAMMIN
STATEMENT OF FINANCIAL ACTIVITY
(Statutory Reporting Program)
For the Period Ended 31 August 2019

	Note	Original Annual Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
			\$	\$	\$	%	
Opening Funding Surplus(Deficit)	3	956,397	956,397	952,431	(3,966)	(0%)	
Revenue from operating activities							
Governance		0	0	0	0	0%	
General Purpose Funding - Rates	8	1,118,062	1,140,721	1,136,547	(4,175)	(0%)	
General Purpose Funding - Other		579,252	132,152	123,881	(8,271)	(6%)	
Law, Order and Public Safety		8,754	1,128	233	(896)	(79%)	
Health		1,044	266	478	212	80%	
Education and Welfare		63,637	10,606	9,218	(1,388)	(13%)	
Housing		45,486	4,566	4,223	(343)	(8%)	
Community Amenities		35,020	23,914	21,357	(2,556)	(11%)	
Recreation and Culture		51,100	21,858	21,535	(323)	(1%)	
Transport		78,277	72,279	71,700	(578)	(1%)	
Economic Services		26,950	4,494	0	(4,494)	(100%)	
Other Property and Services		47,626	7,274	17,926	10,652	146%	😊
		2,055,208	1,419,258	1,407,098			
Expenditure from operating activities							
Governance		(349,159)	(79,737)	(53,316)	26,421	33%	😊
General Purpose Funding		(96,223)	(16,038)	(8,345)	7,693	48%	
Law, Order and Public Safety		(31,751)	(5,291)	(2,593)	2,698	51%	
Health		(9,670)	(1,608)	(882)	726	45%	
Education and Welfare		(112,901)	(21,785)	(12,114)	9,671	44%	
Housing		(105,675)	(11,918)	(10,832)	1,086	9%	
Community Amenities		(241,913)	(32,590)	(24,951)	7,638	23%	
Recreation and Culture		(596,089)	(102,104)	(61,373)	40,730	40%	😊
Transport		(1,785,942)	(298,441)	(117,457)	180,984	61%	😊
Economic Services		(76,039)	(12,798)	(5,478)	7,319	57%	
Other Property and Services		(18,517)	(26,149)	1,916	28,065	107%	😊
		(3,423,880)	(608,458)	(295,427)			
Operating activities excluded from budget							
Add back Depreciation		1,255,065	209,158	0	(209,158)	(100%)	😞
Adjust (Profit)/Loss on Asset Disposal	10	33,058	0	0	0		
Adjust Provisions and Accruals		0	0	0	0		
Amount attributable to operating activities		(80,549)	1,019,958	1,111,671			
Investing Activities							
Non-operating Grants, Subsidies and Contributions		579,656	216,266	214,916	(1,350)	1%	
Proceeds from Disposal of Assets	10	194,191	194,191	0	(194,191)	100%	😞
Land Held for Resale	0	0	0	0	0	0%	
Land and Buildings	11	(263,600)	0	(5,834)	(5,834)		
Infrastructure Assets - Roads	11	(884,746)	(144,102)	(30,402)	113,700	79%	😊
Infrastructure Assets - Other	11	(120,000)	0	0	0	0%	
Infrastructure Assets - Footpaths	11	(20,000)	0	0	0		
Infrastructure Assets - Drainage	11	0	0	0	0		
Plant and Equipment	11	(437,000)	(80,000)	(44,160)	35,840	45%	😊
Furniture and Equipment	11	(6,800)	0	0	0	0%	
Amount attributable to investing activities		(958,299)	186,355	134,520			
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	327,100	0	0	0	0%	
Advances to Community Groups		0	0	0	0	0%	
Repayment of Debentures	9	(72,769)	(19,194)	(19,194)	0	0%	
Transfer to Reserves	7	(168,000)	(168,000)	0	168,000	100%	😊
Amount attributable to financing activities		86,332	(187,194)	(19,194)			
Closing Funding Surplus(Deficit)	3	3,880	1,975,516	2,179,430			

😊 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 August 2019

	Note	Original Annual Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
			\$	\$	\$	%	
Opening Funding Surplus (Deficit)	3	956,397	956,397	952,431	(3,966)	(0%)	
Revenue from operating activities							
Rates	8	1,118,062	1,140,721	1,136,547	(4,175)	(0%)	
Operating Grants, Subsidies and Contributions		650,983	223,507	215,831	(7,677)	(3%)	
Fees and Charges		154,752	43,634	36,140	(7,494)	(17%)	
Sewerage Charges		0	0	0	0	0%	
Interest Earnings		53,350	2,058	754	(1,304)	(63%)	
Other Revenue		59,992	9,338	17,827	8,489	91%	
Profit on Disposal of Assets		18,069	0	0	0	0%	
		2,055,208	1,419,258	1,407,098			
Expenditure from operating activities							
Employee Costs		(854,746)	(142,424)	(105,815)	36,609	26%	😊
Materials and Contracts		(956,320)	(149,134)	(79,839)	69,295	46%	😊
Utility Charges		(119,541)	(19,906)	(11,597)	8,309	42%	
Depreciation on Non-Current Assets		(1,255,065)	(209,158)	0	209,158	100%	😊
Interest Expenses		(8,194)	(1,366)	(3,857)	(2,491)	(182%)	
Insurance Expenses		(65,987)	(53,001)	(51,742)	1,259	2%	
Other Expenditure		(112,899)	(33,469)	(42,578)	(9,109)	(27%)	
Loss on Disposal of Assets	10	(51,127)	0	0	0	0%	
		(3,423,880)	(608,458)	(295,427)			
Operating activities excluded from budget							
Add back Depreciation		1,255,065	209,158	0	(209,158)	(100%)	☹️
Adjust (Profit)/Loss on Asset Disposal	10	33,058	0	0	0	0%	
Adjust Provisions and Accruals		0	0	0	0	0%	
		(80,550)	1,019,958	1,111,671			
Investing activities							
Grants, Subsidies and Contributions		579,656	216,266	214,916	(1,350)	(1%)	
Proceeds from Disposal of Assets	10	194,191	194,191	0	(194,191)	(100%)	☹️
Land Held for Resale		0	0	0	0	0%	
Land and Buildings	11	(263,600)	0	(5,834)	(5,834)		
Infrastructure Assets - Roads	11	(884,746)	(144,102)	(30,402)	113,700	(79%)	😊
Infrastructure Assets - Other	11	(120,000)	0	0	0	0%	
Infrastructure Assets - Footpaths	11	(20,000)	0	0	0		
Infrastructure Assets - Drainage	11	0	0	0	0		
Plant and Equipment	11	(437,000)	(80,000)	(44,160)	35,840	(45%)	😊
Furniture and Equipment	11	(6,800)	0	0	0	0%	
		(958,299)	186,355	134,520			
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	327,100	0	0	0	0%	
Repayment of Debentures	9	(72,769)	(19,194)	(19,194)	0	0%	
Transfer to Reserves	7	(168,000)	(168,000)	0	168,000	100%	😊
		86,332	(187,194)	(19,194)			
Closing Funding Surplus (Deficit)	3	3,880	1,975,516	2,179,430	203,914		

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

😊 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 August 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 31 August 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 31 August 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 31 August 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 31 August 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	(4,175)	(0%)			Within Variance Threshold
General Purpose Funding - Other	(8,271)	(6%)			Within Variance Threshold
Law, Order and Public Safety	(896)	(79%)			Within Variance Threshold
Health	212	80%			Within Variance Threshold
Education and Welfare	(1,388)	(13%)			Within Variance Threshold
Housing	(343)	(8%)			Within Variance Threshold
Community Amenities	(2,556)	(11%)			Within Variance Threshold
Recreation and Culture	(323)	(1%)			Within Variance Threshold
Transport	(578)	(1%)			Within Variance Threshold
Economic Services	(4,494)	(100%)			Within Variance Threshold
Other Property and Services	10,652	146%		Timing	Primarily, fuel tax credits above budget as a result of Shire's recovery of historical FBT under-claim.
Operating Expense	\$	%			
Governance	26,421	33%		Timing / Permanent	Expenses relating to elections and training \$10k lower than YTD budget as the election process is currently underway and training will occur once new Councillors are elected. Insurance expenses are \$3k lower than YTD budget, this will remain the same. Accounting support fees are \$5k lower than YTD budget, waiting to receive invoice for payment in September 2019.
General Purpose Funding	7,693	48%			Within Variance Threshold
Law, Order and Public Safety	2,698	51%			Within Variance Threshold
Health	726	45%			Within Variance Threshold
Education and Welfare	9,671	44%			Within Variance Threshold
Housing	1,086	9%			Within Variance Threshold
Community Amenities	7,638	23%			Within Variance Threshold
Recreation and Culture	40,730	40%		Timing	Expenses relating to Parks, Gardens & Reserves, Sporting Facilities and Donnan Park Recreation Facility is \$24k lower than YTD budget. Depreciation is \$21k lower than YTD budget due to depreciation not being run for July & August 2019 until asset register for FY19 has been finalised post FY19 Audit. This is a timing issue.
Transport	180,984	61%		Timing	Road Maintenance is \$26k lower than YTD budget and depreciation is \$154k lower than YTD budget due to depreciation not being run in July & August 2019 until the asset register for FY19 has been finalised post FY19 Audit. This is a timing issue.
Economic Services	7,319	57%			Within Variance Threshold
Other Property and Services	28,065	107%		Timing	Gross Salaries & Wages is \$51k lower than YTD budget due to currently Plant/ General Hand vacancy.
Operating activities excluded from budget					
Add back Depreciation	(209,158)	(100%)		Timing	Depreciation for July & August 2019 hasn't been run due to the asset register for FY19 not yet being finalised. This will be completed in line with the EOY audit.
Adjust (Profit)/Loss on Asset Disposal	0				
Adjust Provisions and Accruals	0				
Capital Revenues					
Grants, Subsidies and Contributions	(1,350)	1%			
Proceeds from Disposal of Assets	(194,191)	100%		Timing	Sale of 20 Ridley Street is underway. The Fiat Tractor has been sold to David Rees for \$2,011 who had the highest bid above the reserve price. There were no successful tenders for the other vehicles which means they will be sent to auction in the upcoming months.
Capital Expenses					Refer to Note 11 for further details
Land and Buildings	(5,834)				
Infrastructure - Roads	113,700	(79%)			
Infrastructure Assets - Other	0	0%			
Infrastructure - Footpaths	0	0%			
Infrastructure - Drainage	0	0%			
Plant and Equipment	35,840	(45%)			
Furniture and Equipment	0	0%			
Financing					
Transfer from Reserves	0	0%			
Repayment of Debentures	0	0%			
Opening Funding Surplus(Deficit)	(3,966)	(0%)			

SHIRE OF TAMMIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 August 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	\$	%			
Rates	(4,175)	(0%)			Within Variance Threshold
Operating Grants, Subsidies and Contributions	(7,677)	(3%)			Within Variance Threshold
Fees and Charges	(7,494)	(17%)			Within Variance Threshold
Sewerage Charges	0	0%			Within Variance Threshold
Interest Earnings	(1,304)	(63%)			Within Variance Threshold
Other Revenue	8,489	91%			Within Variance Threshold
Profit on Disposal of Assets	0	0%			Within Variance Threshold
Operating Expense	\$	%			
Employee Costs	36,609	26%		Timing / Permanent	Gross Salaries & Wages is \$30k below budget due to Plant/ General Hand position being vacant and Works Manager is \$12K below YTD budget due to the position being vacant in July.
Materials and Contracts	69,295	46%		Timing	Road Maintenance (Contractors & Plant Recovery), Fuels & Oils, & Plant Servicing - External (Service Contracts) is \$57k lower than YTD budget. Staff will review accounts & process appropriate journal. Council Election expenses are \$8k lower than YTD budget due to expenses not yet being allocated to this account yet.
Utility Charges	8,309	42%			Within Variance Threshold
Depreciation on Non-Current Assets	209,158	100%		Timing	Depreciation for July & August 2019 hasn't been run yet due to finalising the asset register for FY19. Depreciation will be allocated once this process has been finalised.
Interest Expenses	(2,491)	(182%)			Within Variance Threshold
Insurance Expenses	1,259	2%			Within Variance Threshold
Other Expenditure	(9,109)	(27%)			Within Variance Threshold
Loss on Disposal of Assets	0	0%			Within Variance Threshold
Operating activities excluded from budget					
Add back Depreciation	(209,158)	(100%)		Timing	Depreciation for July & August 2019 hasn't been run due to the asset register for FY19 not yet being finalised. This will be completed prior to the EOY audit.
Adjust (Profit)/Loss on Asset Disposal	0	0%			Within Variance Threshold
Adjust Provisions and Accruals	0	0%			Within Variance Threshold
Capital Revenues					
Grants, Subsidies and Contributions	(1,350)	(1%)			
Proceeds from Disposal of Assets	(194,191)	-100%		Timing	Sale of 20 Ridley Street is underway. The Fiat Tractor has been sold to David Rees for \$2,011 who had the highest bid above the reserve price. There were no successful tenders for the other vehicles which means they will be sent to auction in the upcoming months.
Capital Expenses					Refer to Note 11 for further details
Land and Buildings	(5,834)				
Infrastructure - Roads	113,700	(79%)			
Infrastructure Assets - Other	0	0%			
Infrastructure - Footpaths	0	0%			
Infrastructure - Drainage	0	0%			
Plant and Equipment	35,840	(45%)			
Furniture and Equipment	0	0%			
Financing					
Proceeds from New Debentures	0	0%			
Proceeds from Advances	0	0%			
Self-Supporting Loan Principal	0	0%			
Transfer from Reserves	0	0%			
Repayment of Debentures	0	0%			
Opening Funding Surplus(Deficit)	(3,966)	(0%)			

SHIRE OF TAMMIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 August 2019

Note 3: Net Current Funding Position

Positive=Surplus (Negative=Deficit)

		Last Years Actual Closing	Current
	Note	30 June 2019	31 Aug 2019
		\$	\$
Current Assets			
Cash Unrestricted	4	1,009,799	1,274,593
Cash Restricted	4	1,409,224	1,409,224
Receivables - Rates		18,450	1,007,057
Receivables - Other		23,773	24,327
Interest / ATO Receivable/Trust		77,129	9,244
Inventories		0	0
		2,538,376	3,724,445
Less: Current Liabilities			
Payables		(115,819)	(90,344)
Current Borrowings		(72,769)	(53,575)
Long Term Borrowings			
Provisions		(85,623)	(70,170)
		(274,211)	(214,090)
Net Current Assets		2,264,164	3,510,355
Less: Cash Reserves	7	(1,384,502)	(1,384,502)
Plus: Current Borrowings included in Budget		72,769	53,575
Net Current Funding Position		952,431	2,179,430

Comments - Net Current Funding Position

SHIRE OF TAMMIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 August 2019

Note 4: Cash and Investments

	Unrestricted	Restricted	Trust	Total Amount	Institution	Interest Rate	Maturity Date
	\$	\$	\$	\$			
(a) Cash Deposits							
Municipal Bank Account	579,447			579,447	NAB	0.10%	At Call
Cash Maxi	694,645			694,645	NAB	0.60%	At Call
Trust Bank Account			24,722	24,722	NAB	0.01%	At Call
Cash On Hand	500			500	n/a	n/a	On Hand
				0			
(b) Term Deposits							
Reserve Investment Account		1,384,502		1,384,502	NAB	2.05%	28-Oct-19
	1,274,593	1,384,502	24,722	3,684,264			

Comments/Notes - Investments

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

Shire of Tammin
NOTES TO THE BUDGET REVIEW REPORT
For the Period Ended 31 August 2019

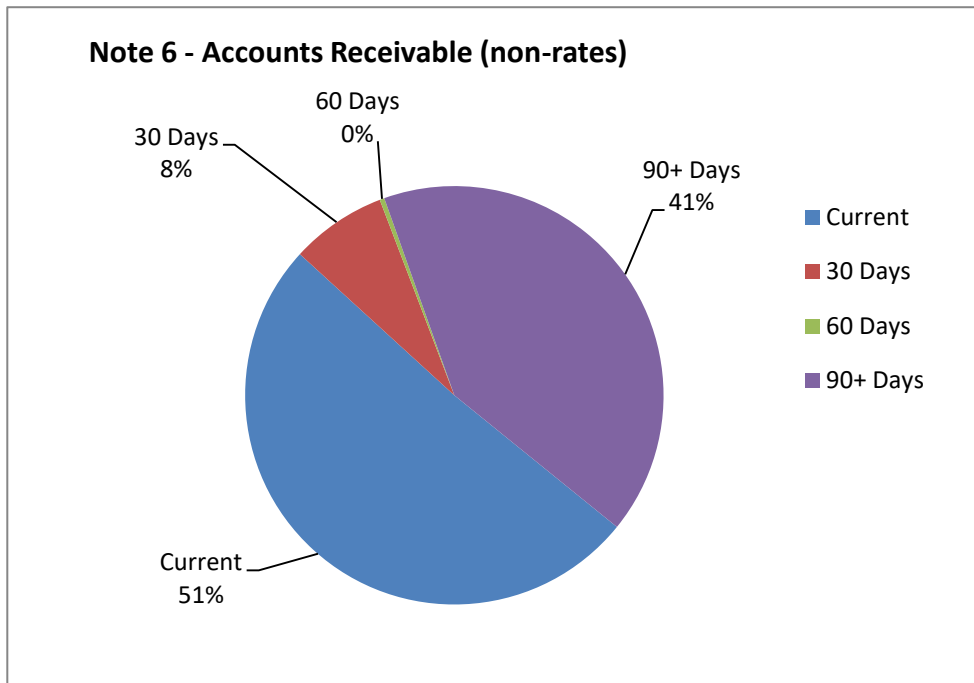
Note 5: BUDGET AMENDMENTS

There have been no amendments to the original budget since budget adoption.

SHIRE OF TAMMIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 August 2019

Note 6: Receivables

Receivables - General	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$
Receivables - General	10,202	1,485	73	8,264	20,024
Balance per Trial Balance					
Sundry Debtors					20,024
Total Receivables General Outstanding (includes GST)					20,024



Comments/Notes - Receivables General

90 + Days

Debtor 30124 - Amount owing is \$6753, now in the hands of AMPAC Debt Recovery.

Debtors 128, 46, 30083, 205, 122, 205 & 139 - Amount owing is \$1625 which is outstanding money for fire break infringements. Debtor 205 has paid \$125 in September.

Debtor 10 - Amount owing is \$714 which has been paid in September.

SHIRE OF TAMMIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 August 2019

Note 7: Cash Backed Reserve

Name	Opening Balance	Budget Interest In	Actual Interest Earned	Original Budget Transfers In (+)	Actual Transfers In (+)	Original Budget Transfers Out	Actual Transfers Out (-)	Original Budget Closing Balance	Actual YTD Closing Balance
Reserves Staff Entitlements	\$ 27,238	\$ 915	\$ 0	\$ 0	\$ 0	0	0	\$ 28,153	\$ 27,238
Reserves Plant Replacement	407,066	8,598	0	0	0	(211,000)	0	204,664	407,066
Reserves Information & Technology	12,014	404	0	0	0	0	0	12,418	12,014
Reserves Tamma Village Upgrade & Improvements	20,283	681	0	0	0	0	0	20,964	20,283
Sports, Recreation & Community Facilities Upgrades	892,940	29,966	0	0	0	(116,100)	0	806,806	892,940
Bowling Green Replacement	24,961	436	0	12,000	0	0	0	37,397	24,961
Property & Building Reserve	0	0	0	115,000	0	0	0	115,000	0
	1,384,502	41,000	0	127,000	0	(327,100)	0	1,225,401	1,384,502

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 August 2019

Note 9 : Information on Borrowings
(a) Debenture Repayments

Particulars	Principal Outstanding	Actual	Principal Repayments		Principal Outstanding		Interest Repayments	
	01 Jul 2019	New Loans	Actual	Budget	Actual	Budget	Actual	Budget
			\$	\$	\$	\$	\$	\$
Housing								
Loan 79	32,196	0	2,758	14,121	29,438	18,075	380	1,187
Loan 80	89,488	0	6,196	18,912	83,292	70,576	1,553	2,773
Recreation and Culture								
Loan 81	100,681	0	6,103	18,555	94,578	82,126	1,354	2,454
Transport								
Loan 78	48,293	0	4,137	21,181	44,156	27,112	570	1,780
	270,658	0	19,194	72,769	251,464	197,889	3,857	8,194

(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 August 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)	
			\$	\$	\$	\$	\$	\$	\$	\$	
	Mazda 6 Sports Sedan 20 Ridley Street	Other Property and Services Housing	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Community Bus	Other Property and Services	0	0	\$0	\$0	\$166,127	\$115,000	\$0	(51,127)	\$0
	Toyota Hilux - TN1	Other Property and Services	0	0	\$0	\$0	\$8,000	\$15,000	\$7,000	\$0	\$0
	Ford Ranger - TN2	Other Property and Services	0	0	\$0	\$0	\$40,872	\$41,000	\$128	\$0	\$0
			0	0	\$0	\$0	\$12,250	\$23,191	\$10,941	\$0	\$0
			\$0	\$0	\$0	\$0	\$227,249	\$194,191	\$18,069	(51,127)	

SHIRE OF TAMMIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 August 2019

Note 11: Capital Acquisitions

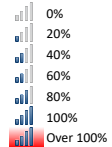
Assets	Account/Job	Budget				YTD Actual			Strategic Reference / Comment
		Original Annual Budget	YTD Budget	YTD Variance		New/Upgrade	Renewal	Total YTD	
		\$	\$	\$	%	\$	\$	\$	
LAND AND BUILDINGS									
Education & Welfare									
Unit 9 Building Renewal/ Upgrade	TVREN9	9,500	0	5,834	0%	5,834	0	5,834	Painting & new carpets were completed in August 2019. Works are now complete. Tenant moved into unit on the 9/09/19. \$3,666.00 below budget.
Community Amenities									
Cooinda Internal Painting & Equipment	COO001	10,000	0	0	0%	0	0	0	
Public Toilet Renovations	PT001	8,000	0	0	0%	0	0	0	
Recreation & Culture									
Tammin Hall - Flooring	TH001	25,000	0	0	0%	0	0	0	
Tammin Hall - Toilets	TH002	40,000	0	0	0%	0	0	0	
Storage Area & Walkway	DPB2	30,000	0	0	0%	0	0	0	CSRFF grant has been submitted by our CDO to DLGSC.
Donnan Park Airconditioning	DPB3	16,100	0	0	0%	0	0	0	Waiting to receive 2nd quote from contractor. Works to be finalised prior to 31st October.
Golf Club Roofing	GCO01	120,000	0	0	0%	0	0	0	
Other Property & Services									
Administration Office Solar	AO003	5,000	0	0	0%	0	0	0	
Total - Land and Buildings		263,600	0	5,834		5,834	0	5,834	
FURNITURE AND EQUIPMENT									
Other Property & Services									
Website Upgrade	FE001	6,800	0	0	0%	0	0	0	Purchase order has been issued on the 30/08/19. Slightly over budget by \$649.30.
Total - Furniture and Equipment		6,800	0	0		0	0	0	
PLANT AND EQUIPMENT									
Community Amenities									
Community Bus - Vehicle Purchase	COMBUS	115,000	0	0	0%	0	0	0	Purchase order has been issued to Avon Valley Toyota on the 21/08/19 for the purchase of a new bus. Due to arrive in November 2019.
Transport									
Plant Trailer 6T	PT002	31,000	0	0	0%	0	0	0	
Luigong Loader	PT003	180,000	0	0	0%	0	0	0	
Other Property & Services									
Leading Hand - Vehicle Purchase	PLHAND	31,000	0	0	0%	0	0	0	Purchase order has been issued to Avon Valley Mitsubshi on the 14/08/19. Due to arrive by the end of September 2019.
Manager Works - Vehicle Purchase	PMWORK	35,000	35,000	(35,000)	-100%	0	0	0	Isuzu MUX has been collected on 4/09/19 and was paid in September 2019. \$4,918.18 below budget.
Purchase of CEO vehicle	145401	45,000	45,000	(840)	-2%	44,160	0	44,160	Hyundai Santa Fe has been collected on 02/07/19 and was paid for in July 2019. \$840.00 below budget.
Total - Plant and Equipment		437,000	80,000	(35,840)	-45%	44,160	0	44,160	

SHIRE OF TAMMIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 August 2019

Note 11: Capital Acquisitions

Assets	Account/Job	Budget				YTD Actual			Strategic Reference / Comment
		Original Annual Budget	YTD Budget	YTD Variance		New/Upgrade	Renewal	Total YTD	
		\$	\$	\$	%	\$	\$	\$	
ROADS									
Education & Welfare									
Tamma Village Road Infrastructure	084403	20,000	0	0	0%	0	0	0	
Transport									
Chappell Wheeldon Road	C0085	27,438	4,574	22,828	499%	27,402	0	27,402	Works have been finalised in August 2019 by Earthstyle Contracting. Within budget.
Wyola Rd North Slk 3-5	C0088	39,095	6,514	(6,514)	-100%	0	0	0	
Wyola South Road Slk 10-12.6	C0089	60,355	10,056	(10,056)	-100%	0	0	0	
Cubbine Slk 3-4	C0090	18,986	3,160	(3,160)	-100%	0	0	0	
Uppill St Slk 0.0 To 0.3 Packham Slk 0.12 To 0.32	C0091	57,849	9,640	(9,640)	-100%	0	0	0	
Tammin-Wyalkatchem Road Slk 5.00-6.20	RRG080	224,505	37,412	(36,662)	-98%	750	0	750	
Tammin South Road Slk 0.00-14.66	RRG083	249,534	41,586	(40,836)	-98%	750	0	750	
Chappell Wheeldon	R2R003	161,052	26,840	(26,090)	-97%	750	0	750	
Nelson Rd Slk 6.5 To 7.5	R2R009	25,932	4,320	(3,570)	-83%	750	0	750	
Total - Roads		884,746	144,102	(113,700)	-79%	30,402	0	30,402	
FOOTPATHS									
Transport									
Footpath Construction - General	FOOT	20,000	0	0	0%	0	0	0	
Total - Footpaths		20,000	0	0	0%	0	0	0	
OTHER INFRASTRUCTURE									
Education & Welfare									
Tamma Village - Boundary Fencing	TVFEN	20,000	0	0	0%	0	0	0	
Housing									
12 Russell Street - Fencing	12RUS1	5,000	0	0	0%	0	0	0	
Recreation & Culture									
Tammin Hall - Pathways & Lighting	THOI1	20,000	0	0	0%	0	0	0	
Kadjininy Kep Landscaping	KEP002	30,000	0	0	0%	0	0	0	
Memorial Park - Seating	MP001	5,000	0	0	0%	0	0	0	
Tennis Court Landscaping	TC001	10,000	0	0	0%	0	0	0	
Main Street Gardens	113546	5,000	0	0	0%	0	0	0	
Economic Services									
It Communications & Stargazing	OI001	25,000	0	0	0%	0	0	0	
Total - Other Infrastructure		120,000	0	0	0%	0	0	0	
Capital Expenditure Total		1,732,146	224,102	(143,706)	-64%	80,396	0	80,396	

Level of Completion Indicators

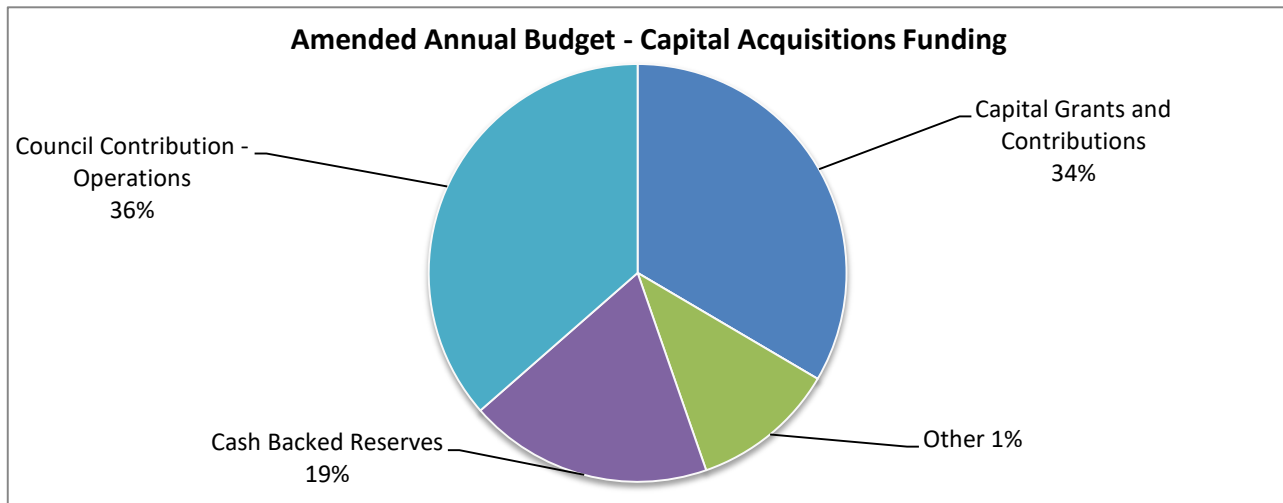


Percentage YTD Actual to Annual Budget
Expenditure over budget highlighted in red.

SHIRE OF TAMMIN
STATEMENT OF CAPITAL ACQUISITIONS AND CAPITAL FUNDING
For the Period Ended 31 August 2019

Capital Acquisitions

	Note	Original Annual Budget	YTD Budget	YTD Actual Total
			\$	\$
Land and Buildings	11	263,600	0	5,834
Infrastructure Assets - Roads	11	884,746	144,102	30,402
Infrastructure Assets - Other	11	120,000	0	0
Infrastructure Assets - Footpaths	11	20,000	0	0
Plant and Equipment	11	437,000	80,000	44,160
Furniture and Equipment	11	6,800	0	0
Capital Expenditure Total		1,732,146	224,102	80,396
Capital acquisitions funded by:				
Capital Grants and Contributions	12	579,656	216,266	214,916
Borrowings	9	0	0	0
Other (Disposals & C/Fwd)	10	194,191	194,191	0
Cash Backed Reserves	7	327,100	0	0
Council Contribution - Operations		631,199	(186,355)	(134,520)
Capital Funding Total		1,732,146	224,102	80,396



SHIRE OF TAMMIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 August 2019

Note 12: Grant Register

Funding Organisation	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 Year (17/18)*	be Received FY19/20	Received/ Invoiced FY18/19		Received & Attributable to FY17/18	Still to be Received FY17/18	
					(a)	(b)	(c)			(a+c)	(b-c)
					\$	\$	\$			\$	\$
Operating											
Dept. Infrastructure & Regional Dev	Federal	General Purpose Funding	Financial Assistance Grant FY19/20 - General	Operating	381,014	373,099	89,406	August 2019	470,420	283,694	
Dept. Infrastructure & Regional Dev	Federal	General Purpose Funding	Financial Assistance Grant FY19/20 - Roads	Operating	163,682	136,203	33,687	August 2019	197,369	102,516	
Main Roads	State	Transport	Direct Grant	Operating	0	71,077	71,077	August 2019	71,077	0	
Lotterywest	State	Recreation and Culture	Lotterywest	Capital	0	40,000	20,350	August 2019	20,350	19,650	
					544,696	620,379	214,520			759,216	405,860
Capital											
Main Roads	State	Transport	Regional Road Group - Specific (Payment 1)	Capital	0	316,035	126,416	July 2019	126,416	189,619	
Western Australian Cricket Association	Other	Recreation and Culture	ACIF Grant	Capital	0	26,850	13,500	July 2019	13,500	13,350	
Dept. Infrastructure & Regional Dev	Federal	Transport	Roads to Recovery	Capital	0	186,771	75,000	August 2019	75,000	111,771	
					0	529,656	214,916			214,916	314,740
					544,696	1,150,035	429,435			974,131	720,600

Comments

*The Shire received 50% of its Financial Assistance Grants for FY19/20 in FY18/19. (Roads \$163,682. General \$381,014. Total \$544,696)
Pending receipts indicate that an invoice has been sent to the Funder.