

# **Shire of Jerramungup**

## **Budget Review 2016-2017**

**Using figures to 28th February 2017**

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**Shire of Jerramungup**  
**STATEMENT OF BUDGET REVIEW**  
**(Nature or Type)**  
**Using figures to 28th February 2017**

Note	Budget v Actual		Predicted			
	Revised Annual Budget \$ (a)	YTD Actual \$ (b)	Variance Permanent (c)	Variance Timing (Carryover) (d)	Projected Year End \$ (a)+(c)+(d)	
<b>Operating Revenues</b>	\$	\$	\$	\$	\$	
Rate Revenue	3,124,811	3,128,676	3,841		3,128,652	
Grants, Subsidies and Contributions	2,168,709	1,423,391	168,539		2,337,248	
Profit on Asset Disposal	66,654	46,443	(20,211)		46,443	◀
Fees and Charges	744,143	574,731	(30,743)		713,400	
Service Charges	0	0	0		0	
Interest Earnings	61,755	58,171	21,185		82,940	◀
Other Revenue	482,000	232,614	(83,234)		398,766	◀
	<b>6,648,072</b>	<b>5,464,026</b>	<b>59,378</b>	<b>0</b>	<b>6,707,450</b>	
<b>Operating Expense</b>						
Employee Costs	(1,872,687)	(1,292,251)	(10,927)		(1,883,614)	
Materials and Contracts	(2,691,434)	(1,440,038)	(76,734)		(2,768,168)	
Utilities Charges	(159,763)	(107,688)	(22,547)		(182,310)	◀
Depreciation (Non-Current Assets)	(1,638,717)	(1,275,262)	(547,447)		(2,186,164)	◀
Interest Expenses	(42,194)	(10,862)	376		(41,818)	
Insurance Expenses	(233,928)	(221,187)	12,741		(221,187)	
Loss on Asset Disposal	(36,074)	(41,060)	(38,060)		(74,134)	◀
Other Expenditure	56,352	(681)	(46,370)		9,982	◀
	<b>(6,618,445)</b>	<b>(4,389,029)</b>	<b>(728,967)</b>	<b>0</b>	<b>(7,347,412)</b>	
<b>Funding Balance Adjustment</b>						
Add Back Depreciation	1,638,717	1,275,262	547,447		2,186,164	◀
Adjust (Profit)/Loss on Asset Disposal	(30,580)	(5,383)	58,271		27,691	
Adjust Provisions and Accruals					0	
<b>Net Operating</b>	<b>1,637,764</b>	<b>2,344,877</b>	<b>(63,871)</b>	<b>0</b>	<b>1,573,892</b>	
<b>Capital Revenues</b>						
Grants, Subsidies and Contributions	1,886,784	604,597	(26,083)	(687,000)	1,173,701	◀
Proceeds from Disposal of Assets	295,000	227,663	(4,337)		290,663	
Proceeds from New Debentures	350,000	0	0		350,000	
Proceeds from Sale of Investments	0	0	0		0	
Proceeds from Advances	0	0	0		0	
Self-Supporting Loan Principal	0	0	0		0	
Transfer from Reserves	141,670	39,519	(84,834)	50,000	106,836	◀
	<b>2,673,454</b>	<b>871,779</b>	<b>(115,254)</b>	<b>(637,000)</b>	<b>1,921,200</b>	
<b>Capital Expenses</b>						
Land and Buildings	(237,780)	(174,744)	(28,842)		(266,622)	◀
Plant and Equipment	(331,644)	(290,852)	5,792		(325,852)	
Furniture and Equipment	(6,600)	(5,712)	0		(6,600)	
Infrastructure Assets - Roads	(2,915,402)	(942,982)	231,430	150,000	(2,533,972)	◀
Infrastructure Assets - Other	(2,191,843)	(177,624)	18,119	1,768,289	(405,435)	◀
Purchase of Investments	0	0	0		0	
Repayment of Debentures	(156,493)	(100,941)	0		(156,493)	
Advances to Community Groups	0	0	0		0	
Transfer to Reserves	(305,518)	(325,725)	(985,890)		(1,291,408)	
	<b>(6,145,280)</b>	<b>(2,018,580)</b>	<b>(759,392)</b>	<b>1,918,289</b>	<b>(4,986,383)</b>	
<b>Net Capital</b>	<b>(3,471,826)</b>	<b>(1,146,801)</b>	<b>(874,646)</b>	<b>1,281,289</b>	<b>(3,065,183)</b>	
<b>Net Operating + Capital</b>	<b>(1,834,062)</b>	<b>1,198,076</b>	<b>(938,517)</b>	<b>1,281,289</b>	<b>(1,491,290)</b>	
Opening Funding Surplus(Deficit)	1,840,009	1,812,805	(27,204)		1,812,805	
Add Back Opening Balance items			0		0	
<b>Closing Funding Surplus(Deficit)</b>	<b>5,947</b>	<b>3,010,880</b>	<b>(965,721)</b>	<b>1,281,289</b>	<b>321,514</b>	◀

**Shire of Jerramungup**  
**STATEMENT OF BUDGET REVIEW**  
**(Statutory Reporting Program)**  
Using figures to 28th February 2017

Note	Budget v Actual		Predicted		
	Revised Annual Budget \$ (a)	YTD Actual \$ (b)	Variance Permanent (c)	Variance Timing (Carryover) (d)	Year End \$ (a)+(c)+(d)
<b>Operating Revenues</b>					
Governance	\$ 0	\$ 1,932	\$ 3,084	\$	\$ 3,084
General Purpose Funding	4,454,816	4,151,078	30,277		4,485,093
Law, Order and Public Safety	158,004	116,511	14,344		172,348
Health	0	4,647	5,450		5,450
Education and Welfare	1,093	1,480	971		2,064
Housing	132,673	83,737	(1,722)		130,951
Community Amenities	396,511	400,989	(3,343)		393,168
Recreation and Culture	743,567	85,495	34,140	(687,000)	90,707
Transport	1,921,083	806,320	(29,802)		1,891,281
Economic Services	91,068	26,482	2,330		93,398
Other Property and Services	636,041	389,951	(22,435)		613,606
	<b>8,534,856</b>	<b>6,068,623</b>	<b>33,295</b>	<b>(687,000)</b>	<b>7,881,151</b>
<b>Operating Expense</b>					
Governance	(241,458)	(166,690)	6,298		(235,160)
General Purpose Funding	(86,150)	(54,661)	(10,177)		(96,327)
Law, Order and Public Safety	(643,924)	(392,468)	(14,733)		(658,657)
Health	(285,311)	(163,202)	3,661		(281,650)
Education and Welfare	(83,264)	(45,564)	1,520		(81,744)
Housing	(151,139)	(115,479)	(66,381)		(217,520)
Community Amenities	(948,810)	(558,139)	(33,660)		(982,470)
Recreation and Culture	(638,233)	(517,015)	(318,428)		(956,661)
Transport	(2,801,159)	(1,789,934)	(411,189)		(3,212,348)
Economic Services	(156,476)	(166,340)	(118,747)		(275,222)
Other Property and Services	(582,522)	(419,538)	232,870		(349,652)
	<b>(6,618,445)</b>	<b>(4,389,029)</b>	<b>(728,967)</b>	<b>0</b>	<b>(7,347,412)</b>
<b>Funding Balance Adjustment</b>					
Add Back Depreciation	1,638,717	1,275,262	547,447		2,186,164
Adjust (Profit)/Loss on Asset Disposal	(30,580)	(5,383)	58,271		27,691
Adjust Provisions and Accruals					0
<b>Net Operating</b>	<b>3,524,548</b>	<b>2,949,474</b>	<b>(89,954)</b>	<b>(687,000)</b>	<b>2,747,593</b>
<b>Capital Revenues</b>					
Proceeds from Disposal of Assets	295,000	227,663	(4,337)	0	290,663
Proceeds from New Debentures	350,000	0	0		350,000
Proceeds from Sale of Investments	0	0	0		0
Proceeds from Advances	0	0	0		0
Self-Supporting Loan Principal	0	0	0		0
Transfer from Reserves	141,670	39,519	(84,834)	50,000	106,836
	<b>786,670</b>	<b>267,182</b>	<b>(89,171)</b>	<b>50,000</b>	<b>747,499</b>
<b>Capital Expenses</b>					
Land Held for Resale	0	0	0		0
Land and Buildings	(237,780)	(174,744)	(28,842)	0	(266,622)
Plant and Equipment	(331,644)	(290,852)	5,792	0	(325,852)
Furniture and Equipment	(6,600)	(5,712)	0		(6,600)
Infrastructure Assets - Roads	(2,915,402)	(942,982)	231,430	150,000	(2,533,972)
Infrastructure Assets - Other	(2,191,843)	(177,624)	18,119	1,768,289	(405,435)
Purchase of Investments	0	0	0		0
Repayment of Debentures	(156,493)	(100,941)	0		(156,493)
Advances to Community Groups	0	0	0		0
Transfer to Reserves	(305,518)	(325,725)	(985,890)		(1,291,408)
	<b>(6,145,280)</b>	<b>(2,018,580)</b>	<b>(759,392)</b>	<b>1,918,289</b>	<b>(4,986,383)</b>
<b>Net Capital</b>	<b>(5,358,610)</b>	<b>(1,751,398)</b>	<b>(848,563)</b>	<b>1,968,289</b>	<b>(4,238,884)</b>
<b>Net Operating + Capital</b>	<b>(1,834,062)</b>	<b>1,198,076</b>	<b>(938,517)</b>	<b>1,281,289</b>	<b>(1,491,290)</b>
Opening Funding Surplus(Deficit)	1,840,009	1,812,805	(27,204)		1,812,805
Add Back Opening Balance items			0		
<b>Closing Funding Surplus(Deficit)</b>	<b>5,947</b>	<b>3,010,880</b>	<b>(965,721)</b>	<b>1,281,289</b>	<b>321,514</b>

**Shire of Jerramungup**  
**NOTES TO THE BUDGET REVIEW REPORT**  
**Using figures to 28th February 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies which have been adopted in the preparation of this statement of financial activity are:

**(a) Basis of Accounting**

This statement is a special purpose financial report, prepared in accordance with applicable Australian Accounting Standards, other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended).

**(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.

**(c) Rounding Off Figures**

All figures shown in this statement, other than a rate in the dollar, 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**

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables are stated inclusive of applicable GST.

**(f) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities.

**(g) Trade and Other Receivables**

Trade receivables, which generally have 30 - 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible amounts.

Collectability of trade 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.

**Shire of Jerramungup**  
**NOTES TO THE BUDGET REVIEW REPORT**  
**Using figures to 28th February 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(h) Inventories**

**General**

Inventories are valued 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 of necessary to make the sale.

Inventories held from trading are classified as current even if not expected to be raised in the next 12 months.

**Land Held for Resale**

Land purchased for development and/or resale is valued at the lower of the cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale.

Land held for resale 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 Municipality 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.

**(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.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

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

Land	Not Depreciated
Buildings	2.00%
Furniture and Internal	15.00%
-Computers	33.30%
Light Vehicles - replacement due	
- Every Year	5.00%
- Every Two Years	10.00%
- More Than Two Years	15.00%
Light Plant and External	15.00%
Heavy Plant and External	10.00%
Sealed Roads and Streets:	
- Clearing and Earthwork	0.00%
- Pavement	2.00%
- Kerb	5.00%
- Seal	3.33%
Unsealed Roads and Streets	
- Clearing and Earthwork	0.00%
- Pavement	3.33%
Footpaths	2.00%
Drainage, Sewerage and Stormwater	2.00%
Other Infrastructure	2.00%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

**Shire of Jerramungup**  
**NOTES TO THE BUDGET REVIEW REPORT**  
**Using figures to 28th February 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Impairment**

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 "Impairment of Assets" and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

At the time of preparing this report, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2010.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on the Monthly Statement of Financial Position from a budgetary perspective.

**(l) Trade and Other Payables**

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition

**(m) 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 municipality 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 Council 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 Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

**Shire of Jerramungup**  
**NOTES TO THE BUDGET REVIEW REPORT**  
**Using figures to 28th February 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(n) 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.

**(o) 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.

**(p) 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.

**Shire of Jerramungup**  
**NOTES TO THE BUDGET REVIEW REPORT**  
**Using figures to 28th February 2017**

**(q) 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, service charges and sewerage rates.

**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 classifications.

**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.

**Service Charges**

Council does not have any service charges.

**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.



**Shire of Jerramungup**  
**NOTES TO THE BUDGET REVIEW REPORT**  
**Using figures to 28th February 2017**

**(q) Nature or Type Classifications (Continued)**

**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 levies including WA Fire Brigade Levy and State taxes. Donations and subsidies made to community groups.

**(r) Statement of Objectives**

In order to discharge its responsibilities to the community, the Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis and for each of its broad activities/programs.

Council operations as disclosed in this statement encompass the following service orientated activities/programs:

**GOVERNANCE**

Details expenses related to Councils seven councillors, who normally meet the third Wednesday of each month, make policy decisions, review Councils operations, plan for current and future service provision requirements and undertake necessary appropriate training and attend conferences.

**GENERAL PURPOSE FUNDING**

Rates - the amount raised is determined by Councils budget "shortfall" that is known income and desired expenditure.

General purpose grants - are the grant amounts paid to the shire from Federal Government funding as determined by and via the Western Australian Local Government Grants Commission.

Interest - interest earned on monies invested or deposited by Council.

**LAW, ORDER, PUBLIC SAFETY**

Supervision of by-laws, fire prevention and animal control.  
Requirements that Council carries out by statute.

**HEALTH**

Food quality control, immunisation, contributions to medical, health and operation of the child health clinic.

**Shire of Jerramungup**  
**NOTES TO THE BUDGET REVIEW REPORT**  
**Using figures to 28th February 2017**

**(r) STATEMENT OF OBJECTIVE (Continued)**

**EDUCATION AND WELFARE**

Assists in the provision of the Home and Community Care services, Seniors and Pensioner requirements.

**HOUSING**

Provides and maintains housing rented to staff and non-staff. Council is a major landlord, providing accommodation for aged, pensioner, single, married and Government Employees.

**COMMUNITY AMENITIES**

Operation and control of cemeteries, public conveniences and sanitation service. Provides public amenities. Owns and operates the town site deep sewerage service. Controls and maintains one rubbish disposal site.

**RECREATION AND CULTURE**

Maintenance of hall, the aquatic centre, library and various reserves.

**TRANSPORT**

Construction and maintenance of roads, footpaths, drainage works and cleaning of streets. Provision of infrastructure necessary to ensure adequate transport, communication, freight, social access routes and environmental enhancement within the shire.

**ECONOMIC SERVICES**

Tourism, pest control, building controls and natural resource management. Tourism facilities, information and directional signs. Weed and pest control services. Necessary building control services.

**OTHER PROPERTY & SERVICES**

Private works carried out by council and indirect cost allocation pools. Public Works Overheads, plant operation and administrative costs are allocated to the various functions, works and services provided by Council.

**Shire of Jerramungup**  
**NOTES TO THE REVIEW OF THE ANNUAL BUDGET**  
Using figures to 28th February 2017

**Note 2: PREDICTED VARIANCES**

Comments/Reason for Variance	Variance \$	
	Permanent	Timing
<b>2.1 OPERATING REVENUE (EXCLUDING RATES)</b>		
<b>2.1.1 PROFIT ON ASSET DISPOSAL</b>		
Additional book profit yield on Fire truck transfer and Depot.	(20,211)	0
<b>2.1.2 FEES AND CHARGES</b>		
Minor additional income items including tipsite income \$6,000, Planning Fees \$6,000, Health fees \$3500 and unbudgeted lease on Western Power Communications facilities \$6,000	(30,743)	0
<b>2.1.3 GRANTS, SUBSIDIES AND CONTRIBUTIONS</b>		
Reimbursement of 15/16 Swimming Pool Grant \$32,000, additional FAGS grants \$7,800, Diesel fuel rebate has been booked under this income code \$53,309 - was not included in budget estimates. The majority of the balance relates to workers compensation reimbursements greater than budget forecast.	168,539	0
<b>2.1.7 INTEREST EARNINGS</b>		
Interest earnings are up on budget projections due to grant income funds associated with the Civic Square project gaining interest.	21,185	0
<b>2.1.8 OTHER REVENUE</b>		
A large Department of Transport licensing receipt occurred 30/06/16 automated direct debit payment occurred 4/7/16 which has resulted in \$63,283 over projection of Transport Licensing Income. This will likely be offset at the end of this year assuming the bulk licensing is undertaken again at the end of June. Department of Transport commissions are also down by approximately \$6,000 due to declining volume of over the counter transactions.	(83,234)	0
Predicted Variances Carried Forward	<b>55,537</b>	<b>0</b>

**Shire of Jerramungup**  
**NOTES TO THE REVIEW OF THE ANNUAL BUDGET**  
Using figures to 28th February 2017

**Note 2: PREDICTED VARIANCES**

Comments/Reason for Variance	Variance \$	
	Permanent	Timing
Predicted Variances Brought Forward	<b>55,537</b>	<b>0</b>
<b>2.2 OPERATING EXPENSES</b>		
<b>2.2.1 EMPLOYEE COSTS</b>		
Variance due to paid parental leave which was not budgeted but is offset by reimbursements from Centrelink.	(10,927)	0
<b>2.2.2 MATERIAL AND CONTRACTS</b>		
An additional \$30,000 of contract expenditure is projected for the new toddlers pool, offset by additional grant income advised above. Additional \$33,000 forecast on road maintenance and depot maintenance contracts. Balance relates to minor overspend forecasts in various expenditure areas.	(76,734)	0
<b>2.2.3 UTILITY CHARGES</b>		
Electricity expenses on major buildings underbudgeted accounts for approximately \$15,000 of the difference. Remaining difference relates to various minor overspends and purchase of mobile phones which were budgeted as materials.	(22,547)	0
<b>2.2.4 DEPRECIATION (NON CURRENT ASSETS)</b>		
Increase in projected depreciation costs due to increase in asset valuations through fair value implementation from July 1st 2016. Non cash item which will not effect net position.	(547,447)	0
<b>2.2.4 INTEREST EXPENSES</b>		
	376	0
<b>2.2.5 INSURANCE EXPENSES</b>		
Decrease in annual property and motor vehicle insurance	12,741	0
<b>2.2.6 LOSS ON ASSET DISPOSAL</b>		
Book value of Excavator and Terex Positrac were higher than actual / projected sales figures. Non cash item.	(38,060)	0
<b>2.2.7 OTHER EXPENDITURE</b>		
Plant depreciation rates have been reduced following assessment under new fair value guidelines and total reallocations have reduced accordingly.	(46,370)	0
Predicted Variances Carried Forward	<b>(673,430)</b>	<b>0</b>

**Shire of Jerramungup**  
**NOTES TO THE REVIEW OF THE ANNUAL BUDGET**  
Using figures to 28th February 2017

**Note 2: PREDICTED VARIANCES**

Comments/Reason for Variance	Variance \$	
	Permanent	Timing
Predicted Variances Brought Forward	<b>(673,430)</b>	<b>0</b>
<b>2.3 CAPITAL REVENUE</b>		
<b>2.3.1 GRANTS, SUBSIDIES AND CONTRIBUTIONS</b>		
Income for Paperbarks, Skate Park will be forthcoming next financial year. Devils Creek Road RRG funds reduced by \$26k due to project savings.	(26,083)	(687,000)
<b>2.3.2 PROCEEDS FROM DISPOSAL OF ASSETS</b>		
	(4,337)	0
<b>2.3.3 PROCEEDS FROM NEW DEBENTURES</b>		
	0	0
<b>2.3.4 PROCEEDS FROM SALE OF INVESTMENT</b>		
	0	0
<b>2.3.5 PROCEEDS FROM ADVANCES</b>		
	0	0
<b>2.3.6 SELF-SUPPORTING LOAN PRINCIPAL</b>		
	0	0
<b>2.3.7 TRANSFER FROM RESERVES (RESTRICTED ASSETS)</b>		
Transfer of \$50,000 from the Community Recreation Reserve for the skate park project will occur in the next financial year.	(84,834)	50000
Predicted Variances Carried Forward	<b>(788,684)</b>	<b>(637,000)</b>

**Shire of Jerramungup**  
**NOTES TO THE REVIEW OF THE ANNUAL BUDGET**  
Using figures to 28th February 2017

**Note 2: PREDICTED VARIANCES**

Comments/Reason for Variance	Variance \$	
	Permanent	Timing
Predicted Variances Brought Forward	<b>(788,684)</b>	<b>(637,000)</b>
<b>2.4 CAPITAL EXPENSES</b>		
<b>2.4.1 LAND HELD FOR RESALE</b>		
<b>2.4.2 LAND AND BUILDINGS</b> Bremer Bay Bowling Green Project will be offset from the Community Recreation Reserve, employee costs booked to the asset rather than maintenance.	(28,842)	0
<b>2.4.3 PLANT AND EQUIPMENT</b> Purchase of backhoe was less than budget.	5,792	0
<b>2.4.4 FURNITURE AND EQUIPMENT</b>	0	0
<b>2.4.5 INFRASTRUCTURE ASSETS - ROADS</b> Detailed summary of roads is provided in Note 4.	231,430	150,000
<b>2.4.6 INFRASTRUCTURE ASSETS - OTHER</b> The Bremer Bay Civic Square Construction is projected to carryover into the 2017/18 financial year, site works only for Millers Point and House Beach were not factored into the budget this will be offset by the Campsite Development Grant.	18,119	1,768,289
<b>2.4.7 PURCHASES OF INVESTMENT</b>	0	0
<b>2.4.8 REPAYMENT OF DEBENTURES</b> No Variance projected.	0	0
<b>2.4.9 ADVANCES TO COMMUNITY GROUPS</b>	0	0
Predicted Variances Carried Forward	<b>(562,185)</b>	<b>1,281,289</b>

**Shire of Jerramungup**  
**NOTES TO THE REVIEW OF THE ANNUAL BUDGET**  
Using figures to 28th February 2017

**Note 2: PREDICTED VARIANCES**

Comments/Reason for Variance	Variance \$	
	Permanent	Timing
Predicted Variances Brought Forward	<b>(562,185)</b>	<b>1,281,289</b>
<b>2.5 OTHER ITEMS</b>		
<b>2.5.10 TRANSFER TO RESERVES (RESTRICTED ASSETS)</b>	(985,890)	0
<b>2.5.11 TRANSFER FROM RESERVES (RESTRICTED ASSETS)</b>	0	0
<b>2.5.1 RATE REVENUE</b>		
Increase in rates	3,841	0
<b>2.5.2 OPENING FUNDING SURPLUS(DEFICIT)</b>		
Audited opening balance.	(27,204)	0
<b>2.5.3 NON-CASH WRITE BACK OF PROFIT (LOSS), DEPRECIATION</b>		
As discussed above depreciation rates higher due to to fair value adjustments.	605,717	0
	0	0
<b>Total Predicted Variances as per Annual Budget Review</b>	<b>(965,721)</b>	<b>1,281,289</b>

**Shire of Jerramungup**  
**NOTES TO THE BUDGET REVIEW REPORT**  
Using figures to 28th February 2017

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

GL Account Code	Description	Council Resolution	Classification	No Change (Non Cash Items) Adjust.	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance
				\$	\$	\$	\$
	<b>Budget Adoption</b>		Opening Surplus(Deficit)				5,947
	Materials & Contractors - 20 Coral Sea Road, Jerramungup	OC161005	Capital Expenses			(17,800)	<b>(11,853)</b>
	Materials & Contractors costs allocated to A610	OC161005	Capital Expenses		5,800		<b>(6,053)</b>
	Materials & Contractors costs allocated to A26	OC161005	Capital Expenses		12,000		5,947
<b>Amended Budget Cash Position as per Council Resolution</b>				<b>0</b>	<b>17,800</b>	<b>(17,800)</b>	5,947



**Shire of Jerramungup**  
**NOTES TO THE BUDGET REVIEW REPORT**  
Using figures to 28th February 2017

**Note 4: Detailed Capital Works and Asset Acquisitions Summary**

Classification	Description	Data	Total
Buildings	4 Derrick Street Improvements	Sum of YTD Actual	\$23,026
		Sum of Current Budget	\$19,582
		Sum of Adjusted Forecast	\$23,026
		Sum of Variance	\$3,444
	2 Coral Sea Road - Building Additions	Sum of YTD Actual	\$31,361
		Sum of Current Budget	\$24,000
		Sum of Adjusted Forecast	\$31,361
		Sum of Variance	\$7,361
	Jerramungup Waste Site Capital Expenditure	Sum of YTD Actual	\$60
		Sum of Current Budget	\$0
		Sum of Adjusted Forecast	\$60
		Sum of Variance	\$60
	Collins Street Units Buildings And Improvements	Sum of YTD Actual	\$0
Sum of Current Budget		\$3,000	
Sum of Adjusted Forecast		\$0	
Sum of Variance		-\$3,000	
20 Coral Sea Road Building And Improvements	Sum of YTD Actual	\$22,058	
	Sum of Current Budget	\$17,800	
	Sum of Adjusted Forecast	\$22,058	
	Sum of Variance	\$4,258	
Administration Building - Renovations	Sum of YTD Actual	\$9,640	
	Sum of Current Budget	\$29,000	
	Sum of Adjusted Forecast	\$29,000	
	Sum of Variance	\$0	
8 Derrick Street	Sum of YTD Actual	\$0	
	Sum of Current Budget	\$15,000	
	Sum of Adjusted Forecast	\$15,000	
	Sum of Variance	\$0	
Gairdner Hall	Sum of YTD Actual	\$3,000	
	Sum of Current Budget	\$3,000	
	Sum of Adjusted Forecast	\$3,000	
	Sum of Variance	\$0	
28 Derrick Street	Sum of YTD Actual	\$19,278	
	Sum of Current Budget	\$14,500	
	Sum of Adjusted Forecast	\$19,278	
	Sum of Variance	\$4,778	
Bb Airstrip Amenities Facility	Sum of YTD Actual	\$1,276	
	Sum of Current Budget	\$0	
	Sum of Adjusted Forecast	\$1,276	
	Sum of Variance	\$1,276	
Jerramungup Entertainment Centre	Sum of YTD Actual	\$5,541	
	Sum of Current Budget	\$7,444	
	Sum of Adjusted Forecast	\$7,725	
	Sum of Variance	\$281	

**Shire of Jerramungup**  
**NOTES TO THE BUDGET REVIEW REPORT**  
Using figures to 28th February 2017

**Note 4: Detailed Capital Works and Asset Acquisitions Summary**

Classification	Description	Data	Total
Buildings	37 Derrick Street	Sum of YTD Actual	\$0
		Sum of Current Budget	\$4,200
		Sum of Adjusted Forecast	\$4,200
		Sum of Variance	\$0
	Paperbarks Ablutions	Sum of YTD Actual	\$243
		Sum of Current Budget	\$50,000
		Sum of Adjusted Forecast	\$50,243
		Sum of Variance	\$243
	Jerramungup Depot	Sum of YTD Actual	\$14,094
		Sum of Current Budget	\$21,220
		Sum of Adjusted Forecast	\$15,229
		Sum of Variance	-\$5,991
	Roe Park War Memorial	Sum of YTD Actual	\$0
		Sum of Current Budget	\$0
		Sum of Adjusted Forecast	\$0
		Sum of Variance	\$0
	Bremer Bay Bowling Green	Sum of YTD Actual	\$45,166
		Sum of Current Budget	\$29,034
		Sum of Adjusted Forecast	\$45,166
		Sum of Variance	\$16,132
Buildings Sum of YTD Actual			\$174,744
Buildings Sum of Current Budget			\$237,780
Buildings Sum of Adjusted Forecast			\$266,622
Buildings Sum of Variance			\$28,842

**Shire of Jerramungup**  
**NOTES TO THE BUDGET REVIEW REPORT**  
Using figures to 28th February 2017

**Note 4: Detailed Capital Works and Asset Acquisitions Summary**

Classification	Description	Data	Total
Parks	Millers Point Campsite - Toilet	Sum of YTD Actual	\$20,917
		Sum of Current Budget	\$15,000
		Sum of Adjusted Forecast	\$20,917
		Sum of Variance	\$5,917
	House Beach Campsite - Site Works	Sum of YTD Actual	\$1,517
		Sum of Current Budget	\$0
		Sum of Adjusted Forecast	\$1,517
		Sum of Variance	\$1,517
	Millers Point Campsite - Siteworks	Sum of YTD Actual	\$236
		Sum of Current Budget	\$0
		Sum of Adjusted Forecast	\$236
		Sum of Variance	\$236
	House Beach Campsite - Building	Sum of YTD Actual	\$7,476
		Sum of Current Budget	\$15,000
		Sum of Adjusted Forecast	\$7,476
		Sum of Variance	-\$7,524
	Paperbarks Redevelopment	Sum of YTD Actual	\$0
		Sum of Current Budget	\$200,000
		Sum of Adjusted Forecast	\$10,000
		Sum of Variance	-\$190,000
	Bremer Bay Skate Park	Sum of YTD Actual	\$21,320
		Sum of Current Budget	\$522,000
		Sum of Adjusted Forecast	\$21,320
		Sum of Variance	-\$500,680
Bremer Bay Civic Square Construction	Sum of YTD Actual	\$26,507	
	Sum of Current Budget	\$1,123,050	
	Sum of Adjusted Forecast	\$45,441	
	Sum of Variance	-\$1,077,609	
Parks Sum of YTD Actual			\$77,973
Parks Sum of Current Budget			\$1,875,050
Parks Sum of Adjusted Forecast			\$106,907
Parks Sum of Variance			-\$1,768,143

**Shire of Jerramungup**  
**NOTES TO THE BUDGET REVIEW REPORT**  
Using figures to 28th February 2017

**Note 4: Detailed Capital Works and Asset Acquisitions Summary**

Classification	Description	Data	Total
Plant	Dceo 2016 Vehicle	Sum of YTD Actual	\$0
		Sum of Current Budget	\$35,000
		Sum of Adjusted Forecast	\$35,000
		Sum of Variance	\$0
	Backhoe	Sum of YTD Actual	\$135,000
		Sum of Current Budget	\$150,000
		Sum of Adjusted Forecast	\$135,000
		Sum of Variance	-\$15,000
	Terex Pt-60 Posi Track Loader	Sum of YTD Actual	\$93,339
		Sum of Current Budget	\$84,644
		Sum of Adjusted Forecast	\$93,339
		Sum of Variance	\$8,695
	Slasher/Mower	Sum of YTD Actual	\$10,090
		Sum of Current Budget	\$9,000
		Sum of Adjusted Forecast	\$10,090
		Sum of Variance	\$1,090
	Ceo Vehicle 2016	Sum of YTD Actual	\$52,423
		Sum of Current Budget	\$53,000
		Sum of Adjusted Forecast	\$52,423
		Sum of Variance	-\$577
Plant Sum of YTD Actual			\$290,852
Plant Sum of Current Budget			\$331,644
Plant Sum of Adjusted Forecast			\$325,852
Plant Sum of Variance			-\$5,792

**Shire of Jerramungup**  
**NOTES TO THE BUDGET REVIEW REPORT**  
Using figures to 28th February 2017

**Note 4: Detailed Capital Works and Asset Acquisitions Summary**

Classification	Description	Data	Total
Roads	Boxwood Ongerup Road	Sum of YTD Actual	\$54,969
		Sum of Current Budget	\$115,000
		Sum of Adjusted Forecast	\$205,001
		Sum of Variance	\$90,001
	Devils Creek Road	Sum of YTD Actual	\$113,013
		Sum of Current Budget	\$174,398
		Sum of Adjusted Forecast	\$135,269
		Sum of Variance	-\$39,129
	Rabbit Proof Fence Road	Sum of YTD Actual	\$674
		Sum of Current Budget	\$115,360
		Sum of Adjusted Forecast	\$115,360
		Sum of Variance	\$0
	Brook Road	Sum of YTD Actual	\$136,891
		Sum of Current Budget	\$115,014
		Sum of Adjusted Forecast	\$136,891
		Sum of Variance	\$21,877
	Needilup North Road	Sum of YTD Actual	\$406
		Sum of Current Budget	\$0
		Sum of Adjusted Forecast	\$406
Sum of Variance		\$406	
Gairdner South Road - Regional Road Grip	Sum of YTD Actual	\$9,507	
	Sum of Current Budget	\$214,700	
	Sum of Adjusted Forecast	\$217,902	
	Sum of Variance	\$3,202	
Lake Magenta Road - Regional Road Group	Sum of YTD Actual	\$216,888	
	Sum of Current Budget	\$225,000	
	Sum of Adjusted Forecast	\$216,888	
	Sum of Variance	-\$8,112	
Jerramungup North Road - R2R	Sum of YTD Actual	\$171,234	
	Sum of Current Budget	\$202,358	
	Sum of Adjusted Forecast	\$191,234	
	Sum of Variance	-\$11,124	
Meechi Road - R2R	Sum of YTD Actual	\$31,357	
	Sum of Current Budget	\$150,963	
	Sum of Adjusted Forecast	\$51,357	
	Sum of Variance	-\$99,606	
Bb Airstrip Turnaround Area	Sum of YTD Actual	\$4,727	
	Sum of Current Budget	\$0	
	Sum of Adjusted Forecast	\$4,727	
	Sum of Variance	\$4,727	
Bb Town Centre Construction - Seadragon Ave	Sum of YTD Actual	\$135,662	
	Sum of Current Budget	\$835,700	
	Sum of Adjusted Forecast	\$836,935	
	Sum of Variance	\$1,235	
	Sum of Variance	\$0	
Marnigarup West Road Construction	Sum of YTD Actual	\$49	
	Sum of Current Budget	\$115,000	
	Sum of Adjusted Forecast	\$49	
	Sum of Variance	-\$114,951	
Carney Road Construction	Sum of YTD Actual	\$2,735	
	Sum of Current Budget	\$0	
	Sum of Adjusted Forecast	\$116,105	
	Sum of Variance	\$116,105	
White Trail Road	Sum of YTD Actual	\$51,716	

**Shire of Jerramungup**  
**NOTES TO THE BUDGET REVIEW REPORT**  
Using figures to 28th February 2017

**Note 4: Detailed Capital Works and Asset Acquisitions Summary**

Classification	Description	Data	Total
Roads	White Trail Road	Sum of Current Budget	\$40,000
		Sum of Adjusted Forecast	\$51,716
		Sum of Variance	\$11,716
	Paperbarks Park Development	Sum of YTD Actual	\$97
		Sum of Current Budget	\$105,003
		Sum of Adjusted Forecast	\$105,003
		Sum of Variance	\$0
	Jacup North Road - R2R	Sum of YTD Actual	\$8,804
Sum of Current Budget		\$273,580	
Sum of Adjusted Forecast		\$8,804	
Sum of Variance		-\$264,776	
Needilup North	Sum of YTD Actual	\$4,109	
	Sum of Current Budget	\$81,000	
	Sum of Adjusted Forecast	\$81,000	
	Sum of Variance	\$0	
Swamp Road - R2R	Sum of YTD Actual	\$0	
	Sum of Current Budget	\$0	
	Sum of Adjusted Forecast	-\$40,000	
	Sum of Variance	-\$40,000	
Bremer Bay Streets	Sum of YTD Actual	\$0	
	Sum of Current Budget	\$0	
	Sum of Adjusted Forecast	-\$53,000	
	Sum of Variance	-\$53,000	
Borden Bremer Bay Road - Mrwa	Sum of YTD Actual	\$143	
	Sum of Current Budget	\$92,326	
	Sum of Adjusted Forecast	\$92,326	
	Sum of Variance	\$0	
Roads Sum of YTD Actual			\$942,982
Roads Sum of Current Budget			\$2,915,402
Roads Sum of Adjusted Forecast			\$2,533,972
Roads Sum of Variance			-\$381,430
Furniture	New Server Computer Network	Sum of YTD Actual	\$5,712
		Sum of Current Budget	\$5,000
Sum of Adjusted Forecast		\$5,000	
Sum of Variance		\$0	
Library Computer	Sum of YTD Actual	\$0	
	Sum of Current Budget	\$1,600	
	Sum of Adjusted Forecast	\$1,600	
	Sum of Variance	\$0	
Furniture Sum of YTD Actual			\$5,712
Furniture Sum of Current Budget			\$6,600
Furniture Sum of Adjusted Forecast			\$6,600
Furniture Sum of Variance			\$0

**Shire of Jerramungup**  
**NOTES TO THE BUDGET REVIEW REPORT**  
Using figures to 28th February 2017

**Note 4: Detailed Capital Works and Asset Acquisitions Summary**

Classification	Description	Data	Total
Footpath	Trail - White Trail Road To Bremer Bay Townsite	Sum of YTD Actual	\$97,091
		Sum of Current Budget	\$245,000
		Sum of Adjusted Forecast	\$223,999
		Sum of Variance	-\$21,001
	Bb Footbridge Replacement	Sum of YTD Actual	\$2,561
		Sum of Current Budget	\$12,000
		Sum of Adjusted Forecast	\$14,736
		Sum of Variance	\$2,736
	Coral Sea Road (Monash To Spitfire)	Sum of YTD Actual	\$0
		Sum of Current Budget	\$59,793
		Sum of Adjusted Forecast	\$59,793
		Sum of Variance	\$0
Footpath Sum of YTD Actual			\$99,651
Footpath Sum of Current Budget			\$316,793
Footpath Sum of Adjusted Forecast			\$298,528
Footpath Sum of Variance			-\$18,265
Total Sum of YTD Actual			\$1,591,915
Total Sum of Current Budget			\$5,683,269
Total Sum of Adjusted Forecast			\$3,538,482
Total Sum of Variance			-\$2,144,787