

# Shire of Jerramungup

## Budget Review 2015-2016

Using figures to 31st January 2016

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**Shire of Jerramungup**  
**STATEMENT OF BUDGET REVIEW**  
**(Nature or Type)**  
Using figures to 31st January 2016

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	3,004,607	3,032,962	28,328		3,032,935
Grants, Subsidies and Contributions	975,738	682,542	128,390		1,104,127
Profit on Asset Disposal	48,997	29,348	(19,649)		29,348
Fees and Charges	724,570	586,073	46,035		770,605
Service Charges	0	0	0		0
Interest Earnings	66,703	33,844	(2,685)		64,018
Other Revenue	502,480	338,886	41,944		544,424
	<b>5,323,095</b>	<b>4,703,655</b>	<b>222,362</b>	<b>0</b>	<b>5,545,457</b>
<b>Operating Expense</b>					
Employee Costs	(1,521,657)	(773,174)	126,445		(1,395,212)
Materials and Contracts	(2,136,745)	(1,143,714)	424		(2,136,321)
Utilities Charges	(167,914)	(91,450)	(9,105)		(177,019)
Depreciation (Non-Current Assets)	(1,828,030)	(989,661)	131,468		(1,696,562)
Interest Expenses	(46,938)	(10,876)	0		(46,938)
Insurance Expenses	(235,078)	(224,593)	10,485		(224,593)
Loss on Asset Disposal	(116,525)	(79,597)	21,927		(94,597)
Other Expenditure	(362,265)	(330,776)	(137,280)		(499,545)
	<b>(6,415,152)</b>	<b>(3,643,841)</b>	<b>144,365</b>	<b>0</b>	<b>(6,270,787)</b>
<b>Funding Balance Adjustment</b>					
Add Back Depreciation	1,828,030	989,661	(131,468)		1,696,562
Adjust (Profit)/Loss on Asset Disposal	67,528	50,249	(2,278)		65,249
Adjust Provisions and Accruals					0
<b>Net Operating</b>	<b>803,501</b>	<b>2,099,724</b>	<b>232,981</b>	<b>0</b>	<b>1,036,482</b>
<b>Capital Revenues</b>					
Grants, Subsidies and Contributions	1,557,389	984,306	133,560		1,690,949
Proceeds from Disposal of Assets	676,632	359,145	13		676,645
Proceeds from New Debentures	120,000	0	0		120,000
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	220,500	0	0		220,500
	<b>2,574,521</b>	<b>1,343,451</b>	<b>133,573</b>	<b>0</b>	<b>2,708,094</b>
<b>Capital Expenses</b>					
Land and Buildings	(211,702)	(75,993)	(123,001)		(334,703)
Plant and Equipment	(897,725)	(846,003)	(13,278)		(911,003)
Furniture and Equipment	(5,000)	(6,932)	(15,883)		(20,883)
Infrastructure Assets - Roads	(2,003,000)	(1,254,887)	109,245		(1,893,755)
Infrastructure Assets - Other	(331,929)	(315,915)	(51,703)		(383,632)
Purchase of Investments	0	0	0		0
Repayment of Debentures	(127,004)	(66,076)	0		(127,004)
Advances to Community Groups	0	0	0		0
Transfer to Reserves	(333,146)	(6,090)	(50,000)		(383,146)
	<b>(3,909,507)</b>	<b>(2,571,896)</b>	<b>(144,620)</b>	<b>0</b>	<b>(4,054,127)</b>
<b>Net Capital</b>	<b>(1,334,986)</b>	<b>(1,228,446)</b>	<b>(11,047)</b>	<b>0</b>	<b>(1,346,032)</b>
<b>Net Operating + Capital</b>	<b>(531,484)</b>	<b>871,279</b>	<b>221,934</b>	<b>0</b>	<b>(309,551)</b>
Opening Funding Surplus(Deficit)	546,112	538,955	(7,157)		538,955
Add Back Opening Balance items			0		0
<b>Closing Funding Surplus(Deficit)</b>	<b>14,628</b>	<b>1,410,233</b>	<b>214,776</b>	<b>0</b>	<b>229,404</b>

**Shire of Jerramungup**  
**STATEMENT OF BUDGET REVIEW**  
**(Statutory Reporting Program)**  
**Using figures to 31st January 2016**

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	\$ 10,843	\$ 37,812	\$ 30,705	\$	\$ 41,549
General Purpose Funding	3,448,782	3,282,998	26,525		3,475,306
Law, Order and Public Safety	119,262	217,359	139,645		258,906
Health	2,748	1,205	(182)		2,566
Education and Welfare	944	10,331	9,718		10,662
Housing	82,173	50,767	7,857		90,029
Community Amenities	458,580	377,236	40,646		499,226
Recreation and Culture	83,280	56,991	17,943		101,222
Transport	1,966,220	1,179,927	(24,504)		1,941,716
Economic Services	27,371	92,405	125,720		153,092
Other Property and Services	680,281	380,930	(18,151)		662,131
	<b>6,880,484</b>	<b>5,687,961</b>	<b>355,923</b>	<b>0</b>	<b>7,236,407</b>
<b>Operating Expense</b>					
Governance	(297,012)	(201,127)	61,192		(235,820)
General Purpose Funding	(75,635)	(54,013)	(20,288)		(95,923)
Law, Order and Public Safety	(554,727)	(305,125)	(1,652)		(556,379)
Health	(254,801)	(158,779)	1,799		(253,001)
Education and Welfare	(102,732)	(63,280)	(1,073)		(103,806)
Housing	(110,185)	(33,173)	31,251		(78,934)
Community Amenities	(1,054,052)	(598,309)	(8,245)		(1,062,297)
Recreation and Culture	(1,031,344)	(547,280)	(30,621)		(1,061,965)
Transport	(2,503,899)	(1,373,113)	274,144		(2,229,755)
Economic Services	(202,009)	(148,064)	(44,223)		(246,233)
Other Property and Services	(228,755)	(161,577)	(117,920)		(346,675)
	<b>(6,415,152)</b>	<b>(3,643,841)</b>	<b>144,365</b>	<b>0</b>	<b>(6,270,787)</b>
<b>Funding Balance Adjustment</b>					
Add Back Depreciation	1,828,030	989,661	(131,468)		1,696,562
Adjust (Profit)/Loss on Asset Disposal	67,528	50,249	(2,278)		65,249
Adjust Provisions and Accruals					0
<b>Net Operating</b>	<b>2,360,890</b>	<b>3,084,030</b>	<b>366,541</b>	<b>0</b>	<b>2,727,431</b>
<b>Capital Revenues</b>					
Proceeds from Disposal of Assets	676,632	359,145	13	0	676,645
Proceeds from New Debentures	120,000	0	0		120,000
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	220,500	0	0		220,500
	<b>1,017,132</b>	<b>359,145</b>	<b>13</b>	<b>0</b>	<b>1,017,145</b>
<b>Capital Expenses</b>					
Land Held for Resale	0	0	0		0
Land and Buildings	(211,702)	(75,993)	(123,001)	0	(334,703)
Plant and Equipment	(897,725)	(846,003)	(13,278)	0	(911,003)
Furniture and Equipment	(5,000)	(6,932)	(15,883)		(20,883)
Infrastructure Assets - Roads	(2,003,000)	(1,254,887)	109,245	0	(1,893,755)
Infrastructure Assets - Other	(331,929)	(315,915)	(51,703)		(383,632)
Purchase of Investments	0	0	0		0
Repayment of Debentures	(127,004)	(66,076)	0		(127,004)
Advances to Community Groups	0	0	0		0
Transfer to Reserves	(333,146)	(6,090)	(50,000)		(383,146)
	<b>(3,909,507)</b>	<b>(2,571,896)</b>	<b>(144,620)</b>	<b>0</b>	<b>(4,054,127)</b>
<b>Net Capital</b>	<b>(2,892,375)</b>	<b>(2,212,751)</b>	<b>(144,607)</b>	<b>0</b>	<b>(3,036,982)</b>
<b>Net Operating + Capital</b>	<b>(531,484)</b>	<b>871,279</b>	<b>221,934</b>	<b>0</b>	<b>(309,551)</b>
Opening Funding Surplus(Deficit)	546,112	538,955	(7,157)		538,955
Add Back Opening Balance items			0		
<b>Closing Funding Surplus(Deficit)</b>	<b>14,628</b>	<b>1,410,233</b>	<b>214,776</b>	<b>0</b>	<b>229,404</b>

**Shire of Jerramungup**  
**NOTES TO THE BUDGET REVIEW REPORT**  
**Using figures to 31st January 2016**

**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 31st January 2016**

**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 Ye	15.00%
Light Plant and Extern	15.00%
Heavy Plant and Exter	10.00%
Sealed Roads and Streets:	
- Clearing and Earth	0.00%
- Pavement	2.00%
- Kerb	5.00%
- Seal	3.33%
Unsealed Roads and Streets	
- Clearing and Earth	0.00%
- Pavement	3.33%
Footpaths	2.00%
Drainage, Sewerage Fi	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 31st January 2016**

**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 31st January 2016**

**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 31st January 2016**

**(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 31st January 2016**

**(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 31st January 2016**

**(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 31st January 2016

**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>		
Projected sale of old depot expected to proceed this financial year.	(19,649)	0
<b>2.1.2 FEES AND CHARGES</b>		
There are increased fees & charges in the areas of Town Planning Scheme Fees, old depot lease fees, rent on Council houses to private tenants. Income from Jerramungup and Bremer Bay waste sites are down compared to last financial year.	46,035	0
<b>2.1.3 GRANTS, SUBSIDIES AND CONTRIBUTIONS</b>		
Additional grant received DFES for the employment of a Bushfire Risk Planning Coordinator for the Shires of Jerramungup and Ravensthorpe.	128,390	0
<b>2.1.7 INTEREST EARNINGS</b>		
Loan repayments are due in March and April 2016. Start of year interest accrual journals also reduce the relative expenditure to date on interest. This will be offset by interest journals at the end of the financial year.	(2,685)	0
<b>2.1.8 OTHER REVENUE</b>		
LGIS membership dividend from unrequired insurance premiums in the state pool. Income received from the Department of Transport for dredging work carried out at Fisheries Marina.	41,944	0
Predicted Variances Carried Forward	<b>194,034</b>	<b>0</b>

**Shire of Jerramungup**  
**NOTES TO THE REVIEW OF THE ANNUAL BUDGET**  
Using figures to 31st January 2016

**Note 2: PREDICTED VARIANCES**

Comments/Reason for Variance	Variance \$	
	Permanent	Timing
Predicted Variances Brought Forward	<b>194,034</b>	<b>0</b>
<b>2.2 OPERATING EXPENSES</b>		
<b>2.2.1 EMPLOYEE COSTS</b>		
Reduction in employee costs due to minor internal restructures and staff vacancy not being filled until January 2016.	126,445	0
<b>2.2.2 MATERIAL AND CONTRACTS</b>		
Works were completed in the administration building to remove front step as part of OSH costs associated with renovations were recouped from the LGIS funding pool, eligible expenditure associated with management of risk. Entertainment Centre roof was replaced to stop leaks.	424	0
<b>2.2.3 UTILITY CHARGES</b>		
The Shire's SMS service and Ranger's mobile has been booked to utilities rather than materials and contractors as budgeted.	(9,105)	0
<b>2.2.4 DEPRECIATION (NON CURRENT ASSETS)</b>		
Increase in projected depreciation costs due to increase in carrying asset valuations through fair value implementation from July 1st 2015. Non cash item which will not effect net position.	131,468	0
<b>2.2.4 INTEREST EXPENSES</b>		
No Material Variance	0	0
<b>2.2.5 INSURANCE EXPENSES</b>		
Decrease in annual property insurance	10,485	0
<b>2.2.6 LOSS ON ASSET DISPOSAL</b>		
Kluger, Prado & Hilux valuations were less than budgeted for due to new model releases affecting the valuation of the old models and the sale of 1 Coral Sea Road.	21,927	0
<b>2.2.7 OTHER EXPENDITURE</b>		
Plant depreciation rates have been reduced following assessment under new fair value guidelines. This is a non-cash expense and will not affect Council's net position at year end.	(137,280)	0
Predicted Variances Carried Forward	<b>338,399</b>	<b>0</b>

**Shire of Jerramungup**  
**NOTES TO THE REVIEW OF THE ANNUAL BUDGET**  
Using figures to 31st January 2016

**Note 2: PREDICTED VARIANCES**

Comments/Reason for Variance	Variance \$	
	Permanent	Timing
Predicted Variances Brought Forward	<b>338,399</b>	<b>0</b>
<b>2.3 CAPITAL REVENUE</b>		
<b>2.3.1 GRANTS, SUBSIDIES AND CONTRIBUTIONS</b>		
Additional income associated with the Millers Point & House Beach campgrounds project.	133,560	0
<b>2.3.2 PROCEEDS FROM DISPOSAL OF ASSETS</b>		
No material variance.	13	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>		
	0	0
Predicted Variances Carried Forward	<b>471,972</b>	<b>0</b>

**Shire of Jerramungup**  
**NOTES TO THE REVIEW OF THE ANNUAL BUDGET**  
Using figures to 31st January 2016

**Note 2: PREDICTED VARIANCES**

Comments/Reason for Variance	Variance \$	
	Permanent	Timing
Predicted Variances Brought Forward	<b>471,972</b>	<b>0</b>
<b>2.4 CAPITAL EXPENSES</b>		
<b>2.4.1 LAND HELD FOR RESALE</b>		
<b>2.4.2 LAND AND BUILDINGS</b> Material variance associated with the Campsite Development Grant received for Millers Point and House Beach upgrades which is fully externally funded.	(123,001)	0
<b>2.4.3 PLANT AND EQUIPMENT</b> Increased expenditure on Grader and Roller purchase however this overall variance is not considered material.	(13,278)	0
<b>2.4.4 FURNITURE AND EQUIPMENT</b> Replacement of the Shires server has exceeded budget allocation.	(15,883)	0
<b>2.4.5 INFRASTRUCTURE ASSETS - ROADS</b> Detailed summary of roads is provided in Note 4.	109,245	0
<b>2.4.6 INFRASTRUCTURE ASSETS - OTHER</b> Material Variance associated with Plant and Labour costs on the Point Henry Trail. These overspends will be offset by reduced expenditure in other areas of works operations.	(51,703)	0
<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>377,352</b>	<b>0</b>

**Shire of Jerramungup**  
**NOTES TO THE REVIEW OF THE ANNUAL BUDGET**  
Using figures to 31st January 2016

**Note 2: PREDICTED VARIANCES**

Comments/Reason for Variance	Variance \$	
	Permanent	Timing
Predicted Variances Brought Forward	<b>377,352</b>	<b>0</b>
<b>2.5 OTHER ITEMS</b>		
<b>2.5.10 TRANSFER TO RESERVES (RESTRICTED ASSETS)</b>		
Provision to transfer balance of Bushfire Risk Officer Funding to restricted cash at year end.	(50,000)	0
<b>2.5.11 TRANSFER FROM RESERVES (RESTRICTED ASSETS)</b>		
	0	0
<b>2.5.1 RATE REVENUE</b>		
No material variance.	28,328	0
<b>2.5.2 OPENING FUNDING SURPLUS(DEFICIT)</b>		
No material variance.	(7,157)	0
<b>2.5.3 NON-CASH WRITE BACK OF PROFIT (LOSS), DEPRECIATION</b>		
As discussed above in profit for sale of old depot and depreciation due to fair value adjustments.	(133,746)	0
	0	0
<b>Total Predicted Variances as per Annual Budget Review</b>	<b>214,776</b>	<b>0</b>

Shire of Jerramungup  
**NOTES TO THE BUDGET REVIEW REPORT**  
 Using figures to 31st January 2016

**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)	\$	\$	\$	\$ 14,628
	No budget amendments to date.						
<b>Amended Budget Cash Position as per Council Resolution</b>				<b>0</b>	<b>0</b>	<b>0</b>	<b>14,628</b>



**Shire of Jerramungup**  
**NOTES TO THE BUDGET REVIEW REPORT**  
Using figures to 31st January 2016

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

Classification	Description	Data	Total
Buildings	Bush Fire Brigade Shed - Boxwood	Sum of Current Budget	\$27,000
		Sum of Adjusted Forecast	\$27,099
		Sum of Variance	\$99
	Bush Fire Brigade Shed - Needilup	Sum of Current Budget	\$0
		Sum of Adjusted Forecast	\$235
		Sum of Variance	\$235
	4 Derrick Street Improvements	Sum of Current Budget	\$16,000
		Sum of Adjusted Forecast	\$15,023
		Sum of Variance	-\$977
	Jerramungup Waste Site Capital Expenditure	Sum of Current Budget	\$123,702
		Sum of Adjusted Forecast	\$123,702
		Sum of Variance	\$0
	Bremer Bay Hall Improvements	Sum of Current Budget	\$5,000
		Sum of Adjusted Forecast	\$5,000
		Sum of Variance	\$0
Collins Street Units Buildings And Improvements	Sum of Current Budget	\$8,000	
	Sum of Adjusted Forecast	\$11,290	
	Sum of Variance	\$3,290	
9 Monash Ave Building And Improvements	Sum of Current Budget	\$10,500	
	Sum of Adjusted Forecast	\$10,954	
	Sum of Variance	\$454	
20 Coral Sea Road Building And Improvements	Sum of Current Budget	\$6,250	
	Sum of Adjusted Forecast	\$6,250	
	Sum of Variance	\$0	
6 Memorial Road Building And Improvements	Sum of Current Budget	\$4,000	
	Sum of Adjusted Forecast	\$4,000	
	Sum of Variance	\$0	
Administration Building - Renovations	Sum of Current Budget	\$0	
	Sum of Adjusted Forecast	\$0	
	Sum of Variance	\$0	
Construction Senior Staff House - Wm - Closed	Sum of Current Budget	\$2,750	
	Sum of Adjusted Forecast	\$2,750	
	Sum of Variance	\$0	

Shire of Jerramungup  
**NOTES TO THE BUDGET REVIEW REPORT**  
 Using figures to 31st January 2016

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

Classification	Description	Data	Total
Buildings	37 Mcglade Crescent Bremer Bay Staff House	Sum of Current Budget	\$6,000
		Sum of Adjusted Forecast	\$4,062
		Sum of Variance	-\$1,938
	8 Derrick Street Improvements	Sum of Current Budget	\$2,500
		Sum of Adjusted Forecast	\$2,500
		Sum of Variance	\$0
	Millers Point Campsite Upgrades	Sum of Current Budget	\$0
		Sum of Adjusted Forecast	\$60,919
		Sum of Variance	\$60,919
	House Beach Campsite Upgrades	Sum of Current Budget	\$0
Sum of Adjusted Forecast		\$60,919	
Sum of Variance		\$60,919	
Buildings	Sum of Current Budget	\$211,702	
Buildings	Sum of Adjusted Forecast	\$334,703	
Buildings	Sum of Variance	\$123,001	

**Shire of Jerramungup**  
**NOTES TO THE BUDGET REVIEW REPORT**  
Using figures to 31st January 2016

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

Classification	Description	Data	Total
Plant	Duo Roller	Sum of Current Budget Sum of Adjusted Forecast Sum of Variance	\$0 \$43,765 \$43,765
	Maintenance Grader - 2015	Sum of Current Budget Sum of Adjusted Forecast Sum of Variance	\$330,000 \$312,000 -\$18,000
	Construction Loader - 2015	Sum of Current Budget Sum of Adjusted Forecast Sum of Variance	\$290,000 \$277,015 -\$12,985
	Light Maintenance Truck - Jp0015 - 2015	Sum of Current Budget Sum of Adjusted Forecast Sum of Variance	\$65,000 \$65,000 \$0
	Works Manager Vehicle - 2015	Sum of Current Budget Sum of Adjusted Forecast Sum of Variance	\$45,000 \$48,204 \$3,204
	Town Planners Vehicle - 2015	Sum of Current Budget Sum of Adjusted Forecast Sum of Variance	\$35,454 \$34,773 -\$681
	Doctors Vehicle - 2015	Sum of Current Budget Sum of Adjusted Forecast Sum of Variance	\$43,181 \$42,273 -\$908
	Ceo Vehicle - 2015	Sum of Current Budget Sum of Adjusted Forecast Sum of Variance	\$53,636 \$53,201 -\$435
	Dceo Vehicle 2015	Sum of Current Budget Sum of Adjusted Forecast Sum of Variance	\$35,454 \$34,773 -\$681
		Plant Sum of Current Budget	\$897,725
		Plant Sum of Adjusted Forecast	\$911,003
		Plant Sum of Variance	\$13,278
	Roads	Boxwood Ongerup Road	Sum of Current Budget Sum of Adjusted Forecast Sum of Variance

**Shire of Jerramungup**  
**NOTES TO THE BUDGET REVIEW REPORT**  
Using figures to 31st January 2016

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

Classification	Description	Data	Total
Roads	Devils Creek Road	Sum of Current Budget	\$450,000
		Sum of Adjusted Forecast	\$392,634
		Sum of Variance	-\$57,366
	Maringarup West Road Construction	Sum of Current Budget	\$0
		Sum of Adjusted Forecast	\$1,146
		Sum of Variance	\$1,146
	Rabbit Proof Fence Road	Sum of Current Budget	\$140,000
		Sum of Adjusted Forecast	\$140,000
		Sum of Variance	\$0
	Maringarup Road West - Roads To Recovery	Sum of Current Budget	\$120,000
		Sum of Adjusted Forecast	\$120,000
		Sum of Variance	\$0
	Mary Street Road Construction	Sum of Current Budget	\$25,000
		Sum of Adjusted Forecast	\$21,130
		Sum of Variance	-\$3,870
	Kokoda Road Road Construction	Sum of Current Budget	\$70,000
		Sum of Adjusted Forecast	\$77,832
		Sum of Variance	\$7,832
	Emma Street Road Construction	Sum of Current Budget	\$0
		Sum of Adjusted Forecast	\$12,726
Sum of Variance		\$12,726	
John Street	Sum of Current Budget	\$0	
	Sum of Adjusted Forecast	\$9,698	
	Sum of Variance	\$9,698	
Brook Road	Sum of Current Budget	\$110,000	
	Sum of Adjusted Forecast	\$110,000	
	Sum of Variance	\$0	
Don Ende Drive Road Construction	Sum of Current Budget	\$0	
	Sum of Adjusted Forecast	\$1,508	
	Sum of Variance	\$1,508	
Road Construction - Frantom Way	Sum of Current Budget	\$30,000	
	Sum of Adjusted Forecast	\$18,571	
	Sum of Variance	-\$11,429	

**Shire of Jerramungup**  
**NOTES TO THE BUDGET REVIEW REPORT**  
Using figures to 31st January 2016

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

Classification	Description	Data	Total
Roads	Garnett Road	Sum of Current Budget Sum of Adjusted Forecast Sum of Variance	\$30,000 \$23,985 -\$6,015
	Needilup North Road	Sum of Current Budget Sum of Adjusted Forecast Sum of Variance	\$0 \$28,139 \$28,139
	Gairdner South Road - Regional Road Grip	Sum of Current Budget Sum of Adjusted Forecast Sum of Variance	\$150,000 \$155,052 \$5,052
	Lake Magenta Road - Regional Road Group	Sum of Current Budget Sum of Adjusted Forecast Sum of Variance	\$195,000 \$177,822 -\$17,178
	Jerramungup North Road - R2R	Sum of Current Budget Sum of Adjusted Forecast Sum of Variance	\$195,000 \$151,069 -\$43,931
	Meechi Road - R2R	Sum of Current Budget Sum of Adjusted Forecast Sum of Variance	\$160,000 \$132,110 -\$27,890
	Don Ende Drive - R2R	Sum of Current Budget Sum of Adjusted Forecast Sum of Variance	\$213,000 \$205,334 -\$7,666
Roads	Sum of Current Budget		\$2,003,000
Roads	Sum of Adjusted Forecast		\$1,893,755
Roads	Sum of Variance		-\$109,245
Furniture	New Server Computer Network	Sum of Current Budget Sum of Adjusted Forecast Sum of Variance	\$5,000 \$20,883 \$15,883
Furniture	Sum of Current Budget		\$5,000
Furniture	Sum of Adjusted Forecast		\$20,883
Furniture	Sum of Variance		\$15,883
(blank)		Sum of Current Budget Sum of Adjusted Forecast Sum of Variance	\$0 \$156 \$156
Footpaths	Trail And Path - Frantom Way Bremer Bay	Sum of Current Budget Sum of Adjusted Forecast Sum of Variance	\$0 \$156 \$156
	Footpath Kokoda Rd Jerramungup	Sum of Current Budget Sum of Adjusted Forecast	\$60,000 \$57,785

**Shire of Jerramungup**  
**NOTES TO THE BUDGET REVIEW REPORT**  
 Using figures to 31st January 2016

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

Classification	Description	Data	Total
Footpaths	Footpath Kokoda Rd Jerramungup	Sum of Variance	-\$2,215
	Trail - White Trail Road To Point Henry Road	Sum of Current Budget	\$200,000
		Sum of Adjusted Forecast	\$253,762
		Sum of Variance	\$53,762
	Footpaths Sum of Current Budget		\$260,000
	Footpaths Sum of Adjusted Forecast		\$311,703
	Footpaths Sum of Variance		\$51,703
Sewerage	Jerramungup Effluent System	Sum of Current Budget	\$71,929
		Sum of Adjusted Forecast	\$71,929
		Sum of Variance	\$0
	Sewerage Sum of Current Budget		\$71,929
	Sewerage Sum of Adjusted Forecast		\$71,929
	Sewerage Sum of Variance		\$0
	Total Sum of Current Budget		\$3,449,357
	Total Sum of Adjusted Forecast		\$3,543,977
	Total Sum of Variance		\$94,620