

SHIRE OF JERRAMUNGUP
MONTHLY FINANCIAL REPORT
(Containing the Statement of Financial Activity)
For the Period Ended 31 July 2019

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

TABLE OF CONTENTS

Statement of Financial Activity by Program	4
Statement of Financial Activity by Nature or Type	6
Note 1 Statement of Financial Activity Information	7
Note 2 Cash and Financial Assets	8
Note 3 Receivables	9
Note 4 Other Current Assets	10
Note 5 Payables	11
Note 6 Rating Revenue	12
Note 7 Disposal of Assets	13
Note 8 Capital Acquisitions	14
Note 9 Borrowings	16
Note 10 Cash Reserves	17
Note 11 Other Current Liabilities	18
Note 12 & 13 Grants and Contributions	19
Note 14 Trust Fund	21
Note 15 Explanation of Material Variances	22

MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2019

INFORMATION

PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 15 August 2019

Prepared by: Tamara Pike

Reviewed by: Charmaine Solomon

BASIS OF PREPARATION

REPORT PURPOSE

This report is prepared to meet the requirements of *Local Government (Financial Management) Regulations 1996*, Regulation 34. Note: The statements and accompanying notes are prepared based on all transactions recorded at the time of preparation and may vary due to transactions being processed for the reporting period after the date of preparation.

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 and to the extent they are not inconsistent with the *Local Government Act 1995* and accompanying regulations), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

THE LOCAL GOVERNMENT REPORTING ENTITY

All Funds through which the 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 14.

SIGNIFICANT ACCOUNTING POLICIES

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.

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.

ROUNDING OFF FIGURES

All figures shown in this statement are rounded to the nearest dollar.

KEY TERMS AND DESCRIPTIONS FOR THE PERIOD ENDED 31 JULY 2019

STATUTORY REPORTING PROGRAMS

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

GOVERNANCE	ACTIVITIES
To provide a decision making process for the efficient allocation of scarce resources.	Administration and operation of facilities and services to members of Council; Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council Services.
GENERAL PURPOSE FUNDING	
To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY	
To provide services to help ensure a safer community.	Supervision of various by-laws, fire prevention, emergency services and animal control.
HEALTH	
To provide an operational framework for good community health.	Food quality and pest control, maintenance and contributions to health services and facilities.
EDUCATION AND WELFARE	
To meet the needs of the community in these areas.	Operation and provision of services to seniors and child care centres within the Shire.
HOUSING	
Help ensure adequate housing for key community personnel such as police.	Maintenance of staff and rental housing.
COMMUNITY AMENITIES	
To provide services required by the community.	Rubbish collection services, operation of tips, noise control, administration of the town planning scheme, maintenance of cemeteries, control and maintenance of coastal reserves and other community/environmental services.
RECREATION AND CULTURE	
To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.	Maintenance of public halls, sporting complexes, resource centres, various parks and associated facilities, provision of library services in Jerramungup and Bremer Bay. Maintenance and upgrade of radio repeater services.
TRANSPORT	
To provide safe and efficient transport services to the community	Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets, parking facilities, traffic signs, depot maintenance and airstrip maintenance.
ECONOMIC SERVICES	
To help promote the Shire and improve its economic wellbeing.	The regulation and provision of tourism, area promotion, building control, saleyards, noxious weeds, vermin control and water supply including stand pipes.
OTHER PROPERTY AND SERVICES	
Other activities which contribute to the governance and operations of the Shire.	Private works operation, plant repairs and operations costs, administration expenses.

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2019**

STATUTORY REPORTING PROGRAMS

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
Opening Funding Surplus / (Deficit)	1 (c)	4,211,721	4,211,721	1,783,777	(2,427,944)	(57.65%)	
Revenue from operating activities							
Governance		0	0	281	281	0.00%	
General Purpose Funding - Rates	6	3,396,372	0	905	905	0.00%	
General Purpose Funding - Other		745,350	0	2,672	2,672	0.00%	
Law, Order and Public Safety		165,030	21,720	366	(21,354)	(98.31%)	▼
Health		7,363	0	3,466	3,466	0.00%	
Education and Welfare		1,088	0	137	137	0.00%	
Housing		129,233	7,931	7,750	(181)	(2.28%)	
Community Amenities		502,976	473,457	6,250	(467,207)	(98.68%)	▼
Recreation and Culture		927,225	0	13,718	13,718	0.00%	▲
Transport		168,221	152,421	9,957	(142,464)	(93.47%)	▼
Economic Services		69,895	3,245	5,712	2,467	76.01%	
Other Property and Services		236,307	7,780	8,773	993	12.77%	
		6,349,060	666,554	59,988	(606,566)		
Expenditure from operating activities							
Governance		(334,675)	(150,155)	(34,525)	115,630	77.01%	▲
General Purpose Funding		(243,278)	(24,208)	(25,139)	(931)	(3.85%)	
Law, Order and Public Safety		(537,417)	(54,586)	(69,065)	(14,479)	(26.52%)	▼
Health		(281,260)	(49,151)	(23,989)	25,162	51.19%	▲
Education and Welfare		(127,807)	(21,226)	(9,883)	11,343	53.44%	▲
Housing		(236,407)	(43,297)	(9,969)	33,328	76.97%	▲
Community Amenities		(1,366,849)	(143,427)	(114,381)	29,046	20.25%	▲
Recreation and Culture		(742,767)	(110,730)	(127,075)	(16,345)	(14.76%)	▼
Transport		(2,252,458)	(203,474)	(210,838)	(7,364)	(3.62%)	
Economic Services		(188,164)	(18,506)	(21,509)	(3,003)	(16.23%)	
Other Property and Services		(8,472)	(70,467)	(27,423)	43,044	61.08%	▲
		(6,319,554)	(889,227)	(673,796)	215,431		
Non-cash amounts excluded from operating activities	1 (a)	(489,462)	188,454	125,391	(63,063)	(33.46%)	▼
Amount attributable to operating activities		(459,956)	(34,219)	(488,417)	(454,198)		
Investing Activities							
Proceeds from non-operating grants, subsidies and contributions	13	3,386,193	150,000	54,817	(95,183)	(63.46%)	▼
Proceeds from disposal of assets	7	779,410	0	0	0	0.00%	
Purchase of property, plant and equipment	8	(8,460,214)	(886,372)	(360,309)	526,063	59.35%	▲
Amount attributable to investing activities		(4,294,611)	(736,372)	(305,492)	430,880		
Financing Activities							
Proceeds from New Debentures		1,000,000	0	0	0	0.00%	
Transfer from Reserves	10	591,670	0	0	0	0.00%	
Repayment of Debentures	9	(220,884)	0	0	0	0.00%	
Transfer to Reserves	10	(824,653)	(733)	(733)	0	0.00%	
Amount attributable to financing activities		546,133	(733)	(733)	0		
Closing Funding Surplus / (Deficit)	1 (c)	3,287	3,440,397	989,135			

KEY INFORMATION

▲▼ Indicates a variance between Year to Date (YTD) Actual and YTD Actual data as per the adopted materiality threshold. Refer to threshold. Refer to Note 15 for an explanation of the reasons for the variance.

The material variance adopted by Council for the 2019-20 year is \$10,000 or 10.00% whichever is the greater.

This statement is to be read in conjunction with the accompanying Financial Statements and notes.

KEY TERMS AND DESCRIPTIONS FOR THE PERIOD ENDED 31 JULY 2019

REVENUE

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 charges.

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. 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.

NATURE OR TYPE DESCRIPTIONS

EXPENSES

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.

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2019**

BY NATURE OR TYPE

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
Opening Funding Surplus / (Deficit)	1 (c)	4,211,721	4,211,721	1,783,777	(2,427,944)	(57.65%)	
Revenue from operating activities							
Rates	6	3,396,372	0	0	0	0.00%	
Operating grants, subsidies and contributions	12	1,941,594	161,051	8,631	(152,420)	(94.64%)	
Fees and charges		801,909	505,503	47,097	(458,406)	(90.68%)	
Interest earnings		75,308	0	3,111	3,111	0.00%	
Other revenue		23,850	0	1,148	1,148	0.00%	
Profit on disposal of assets	7	110,027	0	0	0	0.00%	
		6,349,060	666,554	59,988	(606,566)		
Expenditure from operating activities							
Employee costs		(2,046,153)	(204,579)	(148,497)	56,082	27.41%	▲
Materials and contracts		(1,671,815)	(203,336)	(239,411)	(36,075)	(17.74%)	
Utility charges		(187,058)	(14,529)	(19,582)	(5,053)	(34.78%)	
Depreciation on non-current assets		(1,884,684)	(188,454)	(160,312)	28,142	14.93%	▲
Interest expenses		(43,625)	0	6,649	6,649	0.00%	
Insurance expenses		(234,724)	(164,278)	(105,450)	58,828	35.81%	▲
Other expenditure		(156,888)	(105,709)	(7,194)	98,515	93.19%	▲
Loss on disposal of assets	7	(94,607)	(8,342)	0	8,342	100.00%	
		(6,319,554)	(889,227)	(673,796)	215,431		▲
Non-cash amounts excluded from operating activities	1 (a)	(489,462)	188,454	125,391	(63,063)	(33.46%)	
Amount attributable to operating activities		(459,956)	(34,219)	(488,417)	(454,198)		
Investing activities							
Non-operating grants, subsidies and contributions	13	3,386,193	150,000	54,817	(95,183)	(63.46%)	
Proceeds from disposal of assets	7	779,410	0	0	0	0.00%	
Payments for property, plant and equipment	8	(8,460,214)	(886,372)	(360,309)	526,063	(59.35%)	▲
Amount attributable to investing activities		(4,294,611)	(736,372)	(305,492)	430,880		▲
Financing Activities							
Proceeds from new debentures		1,000,000	0	0	0	0.00%	
Transfer from reserves	10	591,670	0	0	0	0.00%	
Repayment of debentures	9	(220,884)	0	0	0	0.00%	
Transfer to reserves	10	(824,653)	(733)	(733)	0	0.00%	
Amount attributable to financing activities		546,133	(733)	(733)	0		
Closing Funding Surplus / (Deficit)	1 (c)	3,287	3,440,397	989,135			

KEY INFORMATION

▲ ▼ Indicates a variance between Year to Date (YTD) Actual and YTD Actual data as per the adopted materiality threshold.

Refer to Note 15 for an explanation of the reasons for the variance.

This statement is to be read in conjunction with the accompanying Financial Statements and Notes.

(a) Non-cash items excluded from operating activities

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

Notes	Adopted Budget	YTD Budget (a)	YTD Actual (b)
Non-cash items excluded from operating activities	\$	\$	\$
Adjustments to operating activities			
Less: Profit on asset disposals	(110,027)	0	0
Less: Movement in liabilities associated with restricted cash	(2,358,726)	0	(734)
Movement in provisions			(34,187)
Add: Loss on asset disposals	94,607	0	0
Add: Depreciation on assets	1,884,684	188,454	160,312
Total non-cash items excluded from operating activities	(489,462)	188,454	125,391

(b) Adjustments to net current assets in the Statement of Financial Activity

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

		Last Year Closing 30 Jun 2019	This Year Opening 01 Jul 2019	This Time Last Year 30 Jul 2018	Year to Date 31 Jul 2019
Adjustments to net current assets					
Less: Reserves - restricted cash	10	(1,488,969)	(1,488,969)	(1,467,213)	(1,489,702)
Add: Borrowings	9	178,127	178,127	203,031	178,127
Add: Provisions - employee	11	339,457	339,457	299,687	304,577
Total adjustments to net current assets		(971,385)	(971,385)	(964,495)	(1,006,998)

(c) Net current assets used in the Statement of Financial Activity

Current assets					
Cash and cash equivalents	2	6,520,565	6,520,565	2,227,581	5,871,882
Rates receivables	3	68,099	68,099	60,097	62,462
Receivables	3	235,265	235,265	1,384,807	211,194
Other current assets	4	28,800	28,800	31,018	82,412
Less: Current liabilities					
Payables	5	(247,847)	(247,847)	(750,970)	(410,602)
Borrowings	9	(178,127)	(178,127)	(203,031)	(178,127)
Contract liabilities	11	(3,332,136)	(3,332,136)	0	(3,338,511)
Provisions	11	(339,457)	(339,457)	(299,687)	(304,577)
Less: Total adjustments to net current assets	1(b)	(971,385)	(971,385)	(964,495)	(1,006,998)
Closing Funding Surplus / (Deficit)		1,783,777	1,783,777	1,485,320	989,135

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. Unless otherwise stated assets or liabilities are classified as current if expected to be settled within the next 12 months, being the Council's operational cycle.

Description	Classification	Unrestricted	Restricted	Trust	Total YTD Actual	Institution	Interest Rate	Maturity Date
		\$	\$	\$	\$			
Cash on hand								
Municipal Bank account	Cash and cash equivalents	1,478,826	0	0	1,478,826	Bankwest	1.00%	
At Call Bank account (Muni Funds)	Cash and cash equivalents	600,000	0	0	600,000	Bankwest	1.10%	
Reserves Bank Account	Cash and cash equivalents	0	1,489,702	0	1,489,702	Bankwest	0.55%	
Restricted - Telenet account - grant funds	Cash and cash equivalents	0	2,303,152	0	2,303,152	Bankwest	0.55%	
Trust Fund Bank account	Cash and cash equivalents	0	0	14,780	14,780	Bankwest	0.00%	
Till/Petty Cash	Cash and cash equivalents	200	0	0	200		0.00%	
BPAY holding account	Cash and cash equivalents	1	0	0	1	Bankwest	0.00%	
Total		2,079,027	3,792,854	14,780	5,886,662			
Comprising								
Cash and cash equivalents		2,079,027	3,792,854	14,780	5,886,662			
Financial assets at amortised cost		0	0	0	0			
		2,079,027	3,792,854	14,780	5,886,662			

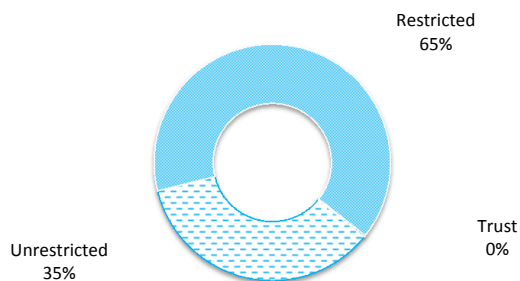
KEY INFORMATION

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments highly liquid investments with original maturities of three months or less 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 net current assets.

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

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

Financial assets at amortised cost held with registered financial institutions are listed in this note other financial assets at amortised cost are provided in Note 4 - Other assets.



Total Cash	Unrestricted
\$5.89 M	\$2.08 M

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2019

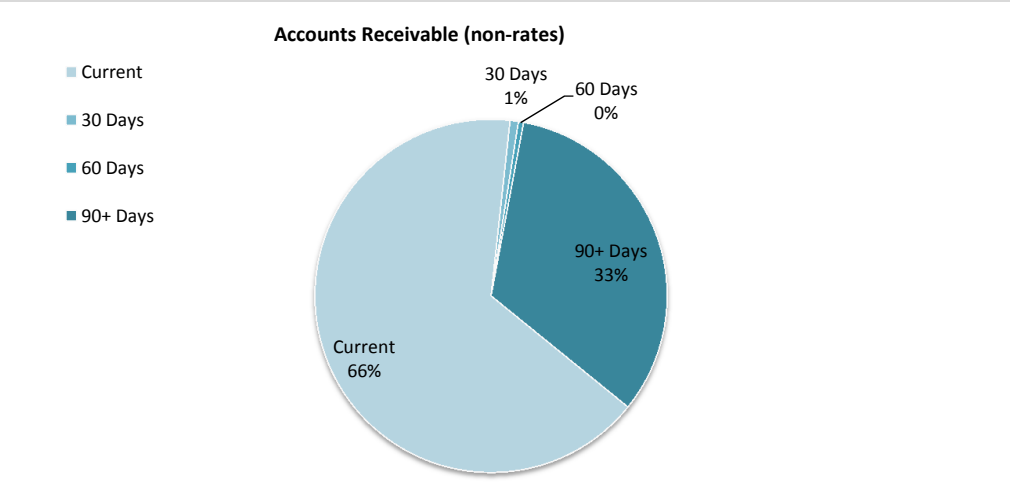
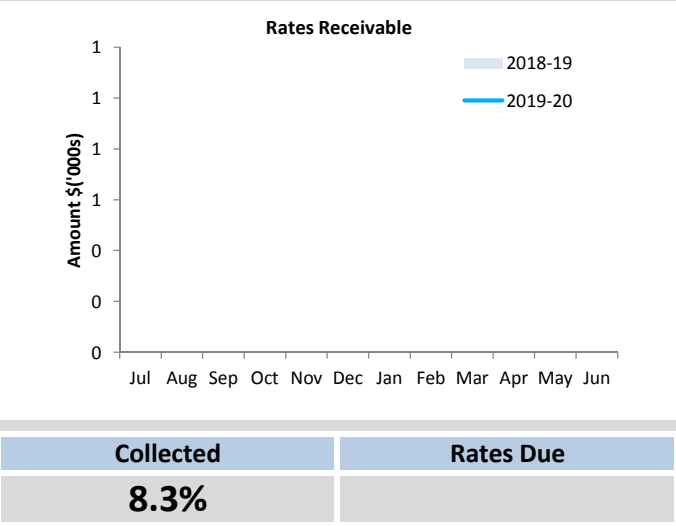
OPERATING ACTIVITIES
NOTE 3
RECEIVABLES

Rates Receivable	30 Jun 2019	31 Jul 19
	\$	\$
Opening Arrears Previous Years	61328	68,099
Levied this year	0	0
Less - Collections to date	6771	(5,637)
Equals Current Outstanding	\$68,099	62,462
Net Rates Collectable	68,099	
% Collected	-11%	8.3%

Receivables - General	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - General	(1,600)	93,023	1,082	663	46,411	139,579
Percentage	-1.1%	66.6%	0.8%	0.5%	33.3%	
Balance per Trial Balance						
Sundry receivable						139,579
GST receivable						71,615
Total Receivables General Outstanding						211,194
Amounts shown above include GST (where applicable)						

KEY INFORMATION

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.



Debtors Due
\$211,194
Over 30 Days
35%
Over 90 Days
33.3%

	Opening Balance 1 July 2019	Asset Increase	Asset Reduction	Closing Balance 31 July 2019
Other Current Assets	\$	\$	\$	\$
Inventory				
Fuel and materials	28,055	0	(6,517)	21,538
Prepayments				
Prepayments	0	60,874	0	60,874
Total Other Current assets				82,412

KEY INFORMATION

Other financial assets at amortised cost

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

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

Inventory

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 resale 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. Borrowing 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 onto the buyer at this point.

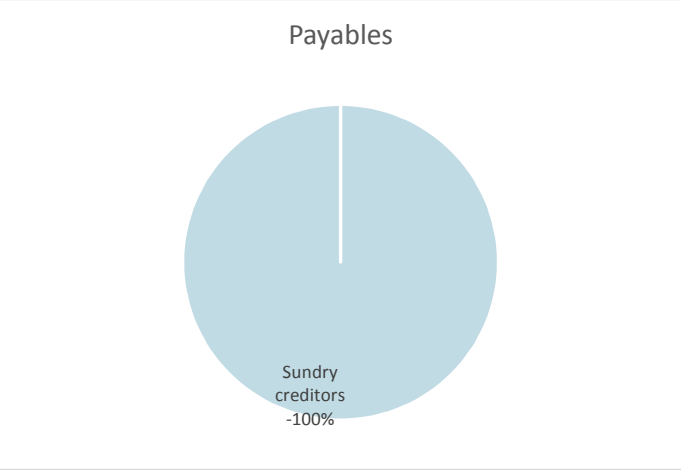
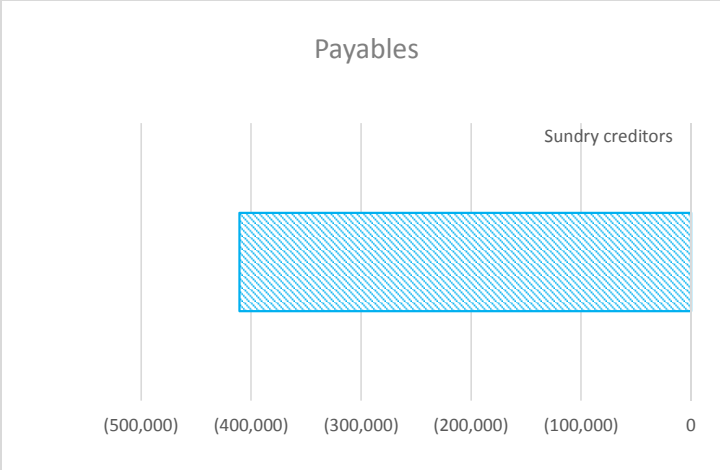
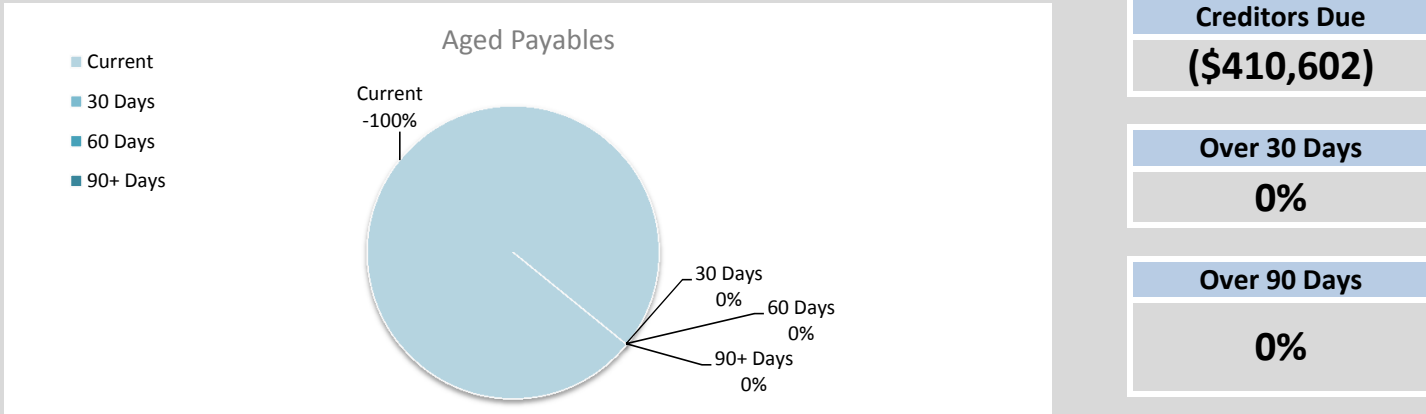
Land held for resale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

CONTRACT ASSETS

A contract asset is the right to consideration in exchange for goods or services the entity has transferred to a customer when that right is conditioned on something other than the passage of time.

Payables - General	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - General	0	(410,602)	0	0	0	(410,602)
Percentage	0%	100%	0%	0%	0%	
Balance per Trial Balance						
Sundry creditors						(410,602)
Total Payables General Outstanding						(410,602)
Amounts shown above include GST (where applicable)						

KEY INFORMATION
Trade and other payables represent liabilities for goods and services provided to the Shire that are unpaid and arise when the Shire 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.

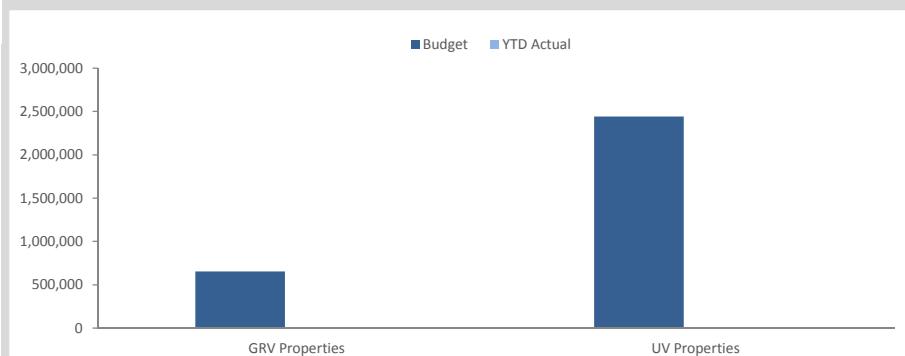


General Rate Revenue

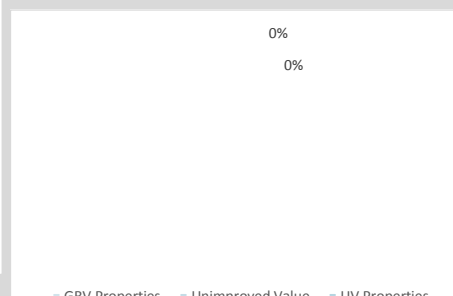
RATE TYPE	Budget							YTD Actual			
	Rate in \$ (cents)	Number of Properties	Rateable Value	Rate Revenue	Interim Rate	Back Rate	Total Revenue	Rate Revenue	Interim Rates	Back Rates	Total Revenue
				\$	\$	\$	\$	\$	\$	\$	\$
Differential General Rate											
Gross Rental Value											
GRV Properties	0.098994	847	6,606,492	654,003	0	0	654,003	0	0	0	0
Unimproved Value											
UV Properties	0.010125	323	241,314,600	2,443,310	0	0	2,443,310	0	0	0	0
Sub-Total		1,170	247,921,092	3,097,313	0	0	3,097,313	0	0	0	0
Minimum Payment	Minimum \$										
Gross Rental Value											
GRV Properties	685	314	1,287,349	215,090	0	0	215,090	0	0	0	0
Unimproved Value											
UV Properties	801	40	1,261,440	32,040	0	0	32,040	0	0	0	0
Sub-Total		354	2,548,789	247,130	0	0	247,130	0	0	0	0
Rate written off							(150)				0
Amount from General Rates							3,344,293				0
Ex-Gratia Rates							52,079				0
Total General Rates							3,396,372				0

KEY INFORMATION

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

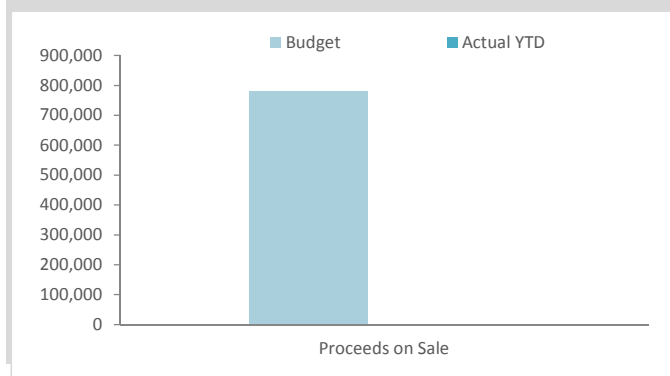


General Rates		
Budget	YTD Actual	%
\$3.34 M	\$. M	0



Asset Ref.	Asset Description	Budget				YTD Actual			
		Net Book Value	Proceeds	Profit	(Loss)	Net Book Value	Proceeds	Profit	(Loss)
		\$	\$	\$	\$	\$	\$	\$	\$
	Buildings								
A186/32	2 Coral Sea Road	68,411	110,000	41,589	0	0	0	0	0
A180/26	8 Derrick Street	146,562	215,000	68,438	0	0	0	0	0
A184/30	9 Monash Avenue	171,882	170,000	0	(1,882)	0	0	0	0
	Plant and equipment								
	Governance								
A898	Changeover CEO vehicle	54,295	45,000	0	(9,295)	0	0	0	0
	Community amenities								
A888	Changeover Planner Vehicle	32,588	26,100	0	(6,488)	0	0	0	0
	Transport								
A863	Changeover Works Manager Vehicle	42,298	27,273	0	(15,025)	0	0	0	0
A798	Changeover Grader	130,000	117,000	0	(13,000)	0	0	0	0
A736	Changeover Tandem Axle Truck	98,824	63,637	0	(35,187)	0	0	0	0
A801	Changeover Town Service Ute (JP0033)	19,130	5,400	0	(13,730)	0	0	0	0
		763,990	779,410	110,027	(94,607)	0	0	0	0

KEY INFORMATION



Proceeds on Sale		
Annual Budget	YTD Actual	%
\$779,410	\$0	0%

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2019**

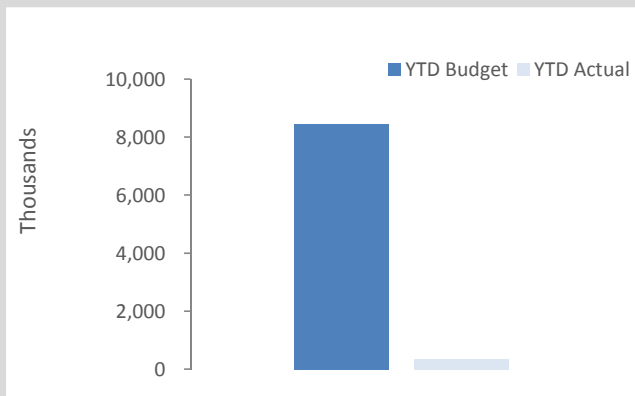
**INVESTING ACTIVITIES
NOTE 8
CAPITAL ACQUISITIONS**

Capital Acquisitions	Adopted		YTD Actual	YTD Actual Variance
	Budget	YTD Budget		
	\$	\$	\$	\$
Buildings - non-specialised	3,646,320	440,502	166,309	(274,193)
Buildings - specialised	157,500	24,583	67,394	42,811
Plant and equipment	848,447	103,955	0	(103,955)
Infrastructure - Roads	2,575,117	214,594	90,638	(123,956)
Infrastructure - Footpaths	132,830	11,071	25,364	14,293
Infrastructure - Parks & Ovals	0	0	3,776	3,776
Infrastructure - Other	1,100,000	91,667	6,828	(84,839)
Capital Expenditure Totals	8,460,214	886,372	360,309	(526,063)
Capital Acquisitions Funded By:				
	\$	\$	\$	\$
Capital grants and contributions	3,386,193	0	54,817	54,817
Borrowings	1,000,000	0	0	0
Other (Disposals & C/Fwd)	779,410	0	0	0
Cash Backed Reserves				
Long Service Leave Reserve	20,000	0	0	0
Plant Replacement Reserve	50,000	0	0	0
Community Recreation Reserve	230,000	0	0	0
General Building Reserve	175,000	0	0	0
Bremer Bay Retirement Units Reserve	95,000	0	0	0
Fire Control Point Henry Reserve	21,670	0	0	0
Contribution - operations	2,702,941	886,372	305,492	(580,880)
Capital Funding Total	8,460,214	886,372	360,309	(526,063)

SIGNIFICANT ACCOUNTING POLICIES

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the local government includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead. Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

KEY INFORMATION



Acquisitions	Annual Budget	YTD Actual	% Spent
	\$8.46 M	\$0.36 M	4%
Capital Grant	Annual Budget	YTD Actual	% Received
	\$3.39 M	\$0.05 M	2%

INVESTING ACTIVITIES
NOTE 8
CAPITAL ACQUISITIONS (CONTINUED)

		Adopted			Variance
Account Description		Budget	YTD Budget	YTD Actual	(Under)/Over
Buildings					
A887	Fire Shed - Lot 301 Jacup	150,000	150,000	149,458	542
A52	Paperbarks Ablutions	145,000	12,083	54,894	90,106
A897	Lot 3 Yandil Street, BB (Seniors Units)	1,730,020	144,168	15,674	1,714,346
A906	Unit 1 - Lot 265 Collins Street, Jerramungup	326,000	27,167	294	325,706
A907	Unit 2 - Lot 265 Collins Street, Jerramungup	326,000	27,167	294	325,706
A908	Lot 263 Collins Street, Jerramungup - House	527,000	43,917	294	526,706
A909	19 McGlade Close, BB - House	577,000	48,083	294	576,706
A823	20 McGlade Close, BB - House	10,300	0	0	10,300
A46	Jerramungup Entertainment Centre	12,500	12,500	12,500	0
Buildings Total		3,803,820	465,085	233,703	3,570,117
Plant & Equipment					
A913	Changeover CEO Vehicle	56,000	0	0	56,000
A914	Changeover Town Planner Vehicle	53,000	53,000	0	53,000
A910	Changeover Manager of Works Vehicle	48,455	48,455	0	48,455
A912	Changeover Manager of Works Vehicle	33,500	0	0	33,500
A911	Changeover Grader	395,000	0	0	395,000
A915	Changeover Tandem axle truck	200,000	0	0	200,000
A917	Pruning Saw	30,000	2,500	0	30,000
A916	Scrubber - Entertainment Centre	7,492	0	0	7,492
A919	BB Standpipe - swipe system	25,000	0	0	25,000
Plant & Equipment Total		848,447	103,955	0	848,447
Infrastructure - Parks & Ovals					
A854	Paperbarks Redevelopment	0	0	3,776	(3,776)
Infrastructure - Parks & Ovals Total		0	0	3,776	(3,776)
Other Infrastructure					
A262l	Jerramungup Transfer Station	0	0	6,828	(6,828)
A3	Jerramungup Swimming Pool	1,100,000	91,667	0	1,100,000
Other Infrastructure - Total		1,100,000	91,667	6,828	1,093,172
Other Infrastructure - Footpaths					
P319	Townsite Footpaths - Bremer Bay	28,600	2,384	25,364	3,236
P322	Townsite Footpaths - Jerramungup	28,600	2,384	0	28,600
P323	Yandil Street Footpath	35,117	2,926	0	35,117
P324	Paperbarks carpark/retaining wall	40,513	3,377	0	40,513
Other infrastructure - Footpaths Total		132,830	11,071	25,364	107,466
Infrastructure - Roads					
C03	Borden - Bremer Bay road	75,667	6,305	0	75,667
C12	Brook Road	140,636	11,720	7,002	133,634
C153	Morreshead Road	23,671	1,974	0	23,671
C30	Cowalellup Road	140,000	11,665	0	140,000
C50	Jerramungup North Road	137,890	11,492	0	137,890
C57	Little Boat Harbour	104,572	8,715	0	104,572
C63	Meechi Road	142,805	11,900	42,817	99,988
C78	Rabit Proof Fence Road	155,350	12,946	0	155,350
C84	Stock Road	89,731	7,478	0	89,731
C177	Water Bomber Turnaround (BB Airstrip)	100,345	8,361	0	100,345
C178	Site Works - Staff housing and Seniors Living	35,117	2,926	0	35,117
C180	Lions Park Earthworks	23,503	1,959	0	23,503
RRG7	Devils Creek Road - MRWA	194,072	16,173	9,941	184,131
RG11	Lake Magenta Road - MRWA	240,765	20,063	8,890	231,875
RG10	Gairdner South Road - MRWA	298,852	24,905	0	298,852
RRG1	Needilup North Road - MRWA	180,000	15,001	14,988	165,012
RG12	Borden - Bremer Bay road - MRWA	91,251	7,605	0	91,251
RR23	Dillon Bay Road - R2R	127,405	10,616	0	127,405
RR20	Jacup North Road - R2R	128,654	10,722	7,000	121,654
RR24	Marnigarup East Road - R2R	144,831	12,068	0	144,831
Infrastructure - Roads Total		2,575,117	214,594	90,638	2,484,479
Grand Total		8,460,214	886,372	360,309	16,199,810

Repayments - Borrowings

Information on Borrowings		New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
Particulars	1 July 2019	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Housing									
Loan 259 Key Personnel	33,075	0	0	0	33,075	33,075	0	(528)	1,061
Loan 261 Staff Housing Bremer Bay	193,543	0	0	0	35,486	193,543	158,057	(1,910)	7,944
Loan 264 Staff Housing and Senior Independent Living	0	0	500,000	0	21,379	0	478,621	0	8,075
Loan 265 Key Worker Accommodation	0	0	500,000	0	21,379	0	478,621	0	8,075
Transport									
Loan 260 Bremer Bay Town Centre	224,599	0	0	0	52,780	224,599	171,819	(2,928)	8,673
Loan 262 Grader	49,638	0	0	0	24,537	49,638	25,101	(28)	992
Loan 263 Bremer Bay Town Centre Stage 2	288,441	0	0	0	32,248	288,441	256,193	(1,255)	8,805
	789,296	0	1,000,000	0	220,884	789,296	1,568,412	(6,649)	43,625
Total	789,296	0	1,000,000	0	220,884	789,296	1,568,412	(6,649)	43,625
Current borrowings	178,127					178,127			
Non-current borrowings	611,169					611,169			
	789,296					789,296			

All debenture repayments were financed by general purpose revenue.

KEY INFORMATION

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.

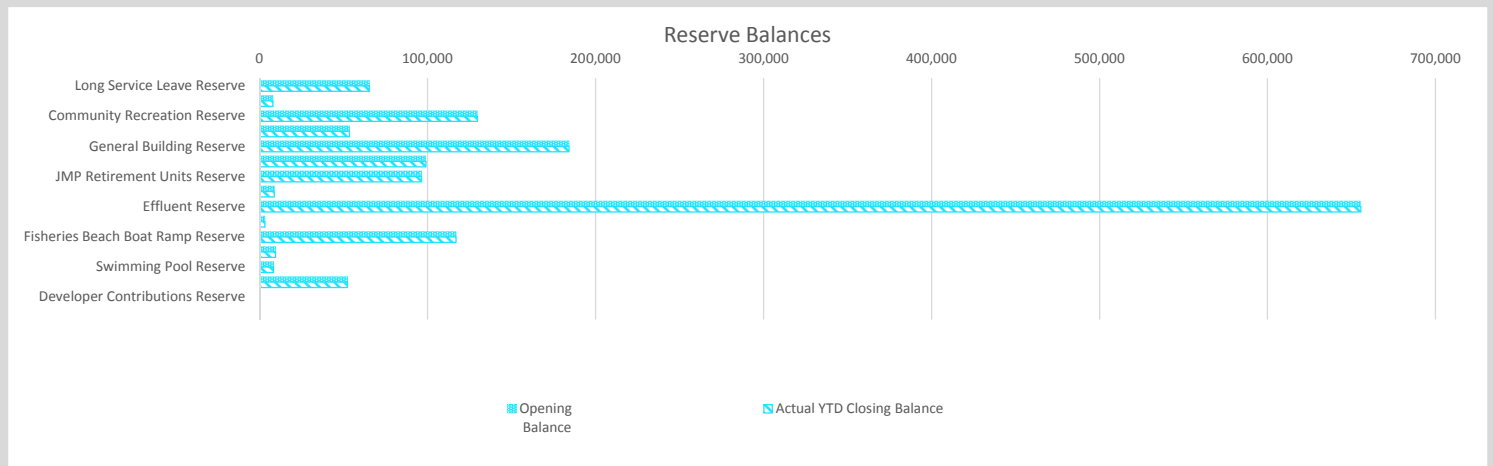
Category	Value
Actual	178,127
Budget	611,169

Principal Repayments	\$0
Interest Earned	\$3,111
Interest Expense	(\$6,649)
Reserves Bal	\$1.49 M
Loans Due	\$0.79 M

Cash Backed Reserve

Reserve Name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Actual Transfers Out (-)	Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Long Service Leave Reserve	65,221	835	32	0	0	(20,000)	0	46,056	65,253
Plant Replacement Reserve	7,955	102	4	50,000	0	(50,000)	0	8,057	7,959
Community Recreation Reserve	129,502	1,658	64	81,000	0	(230,000)	0	(17,840)	129,566
Bremer Bay Youth Camp Reserve	53,427	684	26	0	0	0	0	54,111	53,453
General Building Reserve	184,083	2,356	91	495,000	0	(175,000)	0	506,439	184,174
Bremer Bay Retirement Units Reserve	98,819	1,265	49	0	0	(95,000)	0	5,084	98,868
JMP Retirement Units Reserve	96,268	1,232	47	0	0	0	0	97,500	96,315
Jerramungup Entertainment Centre Reserve	8,711	112	4	0	0	0	0	8,823	8,715
Effluent Reserve	655,162	8,386	323	66,280	0	0	0	729,828	655,485
Fire Control Point Henry Reserve	3,041	288	1	21,670	0	(21,670)	0	3,329	3,042
Fisheries Beach Boat Ramp Reserve	116,856	1,496	57	0	0	0	0	118,352	116,913
Capital Works Reserve	9,399	120	5	0	0	0	0	9,519	9,404
Swimming Pool Reserve	8,318	106	4	0	0	0	0	8,424	8,322
Roe Park Reserve	52,207	668	26	10,000	0	0	0	62,875	52,233
Developer Contributions Reserve	0	0	0	80,145	0	0	0	80,145	0
Carpark payment in lieu Reserve	0	0	0	1,250	0	0	0	1,250	0
	1,488,969	19,308	733	805,345	0	(591,670)	0	1,721,952	1,489,702

KEY INFORMATION



Other Current Liabilities	Note	Opening Balance 1 July 2019	Liability Increase	Liability Reduction	Closing Balance 31 July 2019
		\$	\$	\$	\$
Provisions					
Annual leave		(158,996)	0	(34,880)	(124,116)
Long service leave		(180,461)	0	0	(180,461)
Contract Liabilities					
Unspent grant - Regional Waste Facility Project		(2,423,045)	6,375	0	(2,429,420)
Unspent contributions - Jerramungup Pool		(909,091)	0	0	(909,091)
Total Other Current Liabilities					(3,643,088)
Amounts shown above include GST (where applicable)					

A breakdown of contract liabilities and associated movements is provided on the following pages at 12(a) and 12(b)

KEY INFORMATION

PROVISIONS

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

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

EMPLOYEE BENEFITS

Short-term employee benefits

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

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the calculation of net current assets.

Other long-term employee benefits

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur. The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2019

NOTE 12

OPERATING GRANTS AND CONTRIBUTIONS

Description	Provider	Unspent Operating Grant, Subsidies and Contributions Liability					Unspent Operating Grants, Subsidies and Contributions Revenue					
		Liability 1-Jul	Increase in Liability	Liability Reduction (As revenue)	Liability 30-Jun	Current Liability 30-Jun	Adopted Budget Revenue	YTD Budget	Annual Budget	Budget Variations	Expected	YTD Revenue Actual
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Grants and Subsidies												
General purpose funding												
Grants Commision - General	WALGGC	0	0	0	0	0	332,804	0	332,804	0	332,804	0
Grants Commision - Roads	WALGGC	0	0	0	0	0	316,288	0	316,288	0	316,288	0
Law, order, public safety												
Grant - MAF funding	DFES	0	0	0	0	0	102,460	0	102,460	0	102,460	0
ESL Operating Grant	DFES	0	0	0	0	0	33,750	0	33,750	0	33,750	0
FESA admin fee	DFES	0	0	0	0	0	4,000	0	4,000	0	4,000	0
Transport												
Grant - Direct	Main Roads WA	0	0	0	0	0	152,421	152,421	152,421	0	152,421	0
		0	0	0	0	0	941,723	152,421	941,723	0	941,723	0
Operating Contributions												
Education and welfare												
Contributions	Various	0	0	0	0	0	0	0	0	0	0	28
Community amenities												
Contributions	Various	0	0	0	0	0	500	50	500	0	500	1,099
Recreation and culture												
Contributions	Various	0	0	0	0	0	0	0	0	0	0	150
Contributions	Various	0	0	0	0	0	0	0	0	0	0	91
Transport												
Contributions	Various	0	0	0	0	0	0	0	0	0	0	2,345
Economic services												
Contribution	Kokoda Op Shop	0	0	0	0		8,000	0	8,000	0	8,000	0
Other property and services												
Contribution towards Jerramungup pool	Dept Education	(909,091)	0	0		(909,091)	909,091	0	909,091	0	909,091	0
Health & Wellbeing	LGIS	0	0	0	0	0	5,280	5,280	5,280	0	5,280	0
Maternity leave		0	0	0	0	0	12,000	800	12,000	0	0	0
Fuel Rebate		0	0	0	0	0	40,000	0	40,000	0	40,000	3,432
Workers Compensation Reimbursements	LGIS	0	0	0	0	0	25,000	2,500	25,000	0	25,000	0
Contributions	Various	0	0	0	0	0	0	0	0	0	0	5
Contribtuions	Various	0	0	0	0	0	0	0	0	0	0	1,481
		(909,091)	0	0	0	(909,091)	999,871	8,630	999,871	0	987,871	8,631
TOTALS		(909,091)	0	0	0	(909,091)	1,941,594	161,051	1,941,594	0	1,929,594	8,631

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2019

NOTE 13
NON-OPERATING GRANTS AND CONTRIBUTIONS

Description	Provider	Unspent Non Operating Grants, Subsidies and Contributions Liability					Non Operating Grants, Subsidies and Contributions Revenue					
		Liability 1-Jul	Increase in Liability	Liability Reduction (As revenue)	Liability 30-Jun	Current Liability 30-Jun	Adopted Budget Revenue	YTD Budget	Annual Budget	Budget Variations	Expected	YTD Revenue Actual (b)
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Non-Operating Grants and Subsidies												
Law, order, public safety												
Jacup Fire Shed Grant	DFES	0	0	0	0	0	150,000	150,000	150,000	0	150,000	54,817
Education and welfare												
Seniors Independent Living Grant	BBRF & RAAP	0	0	0	0	0	1,362,500	0	0	0	0	0
Housing												
Staff Housing	BBRF	0	0	0	0	0	813,000	0	0	0	0	0
Transport												
Roads to Recovery Grant	Dept Transport	0	0	0	0	0	400,523	0	0	0	0	0
MRWA Project	Main Roads WA	0	0	0	0	0	610,000	0	0	0	0	0
NDRP - water bomber turnaround		0	0	0	0	0	50,170	0	0	0	0	0
Other property and services												
Royalties for Regions - Regional & Strategic	Dept of Regional											
Waste Management Approach	Development	2,300,777	2,375	0	2,303,152	2,303,152	0	0	0	0	0	0
		2,300,777	2,375	0	2,303,152	2,303,152	3,386,193	150,000	150,000	0	150,000	54,817
Total Non-operating grants, subsidies and contributions												
		2,300,777	2,375	0	2,303,152	2,303,152	3,386,193	150,000	150,000	0	150,000	54,817

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2019**

**NOTE 14
TRUST FUND**

Funds held at balance date over which the Shire has no control and which are not included in this statement are as follows:

Description	Opening Balance 1 July 2019	Amount Received	Amount Paid	Closing Balance 31 Jul 2019
	\$	\$	\$	\$
Public Open Space Contributions	14,780	0	0	14,780
	14,780	0	0	14,780

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JULY 2019**

**NOTE 15
EXPLANATION OF MATERIAL VARIANCES**

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 Actual materially.

The material variance adopted by Council for the 2019-20 year is \$10,000 or 10.00% whichever is the greater.

Reporting Program	Var. \$	Var. %	Timing/ Permanent	Explanation of Variance
	\$	%		
Revenue from operating activities				
Law, Order and Public Safety	(21,354)	(98.31%)	▼ Timing	Point Henry Fire levy raised as part of Rate notices, not raised until August
Community Amenities	(467,207)	(98.68%)	▼ Timing	Rubbish collection fees as part of Rate notices not raised until August
Recreation and Culture	13,718	0.00%	▲ Permanent	Additional income for telecommunication lease
Transport	(142,464)	(93.47%)	▼ Timing	Main Roads direct grant received in August
Expenditure from operating activities				
Governance	115,630	77.01%	▲ Timing	Election costs not incurred yet and councillor sitting fees not paid yet
Law, Order and Public Safety	(14,479)	(26.52%)	▼ Timing	Insurance and rego all paid in July, budget allocated over full year
Health	25,162	51.19%	▲ Timing	Timing of payments for Dr services
Education and Welfare	11,343	53.44%	▲ Timing	Timing of building maintenance costs
Housing	33,328	76.97%	▲ Timing	Timing of houses maintenance costs
Community Amenities	29,046	20.25%	▲ Timing	Timing of Town Planning projects
Recreation and Culture	(16,345)	(14.76%)	▼ Timing	
Other Property and Services	43,044	61.08%	▲ Timing	Timing of various admin costs and plant costs.
Investing Activities				
Non-operating Grants, Subsidies and Contributions	(95,183)	(63.46%)	▼	Jacup Fire shed grant - only partially received
Capital Acquisitions	526,063	59.35%	▲ Timing	Seniors and Key Personnel Housing project not started yet and still purchasing plant.