

SHIRE OF JERRAMUNGUP
MONTHLY FINANCIAL REPORT
(Containing the Statement of Financial Activity)
For the period ending 30 September 2020

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

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KEY TERMS AND DESCRIPTIONS

For the period ending 30 September 2020

STATUTORY REPORTING PROGRAMS

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

PROGRAM NAME AND OBJECTIVES

ACTIVITIES

GOVERNANCE

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 30 SEPTEMBER 2020**

STATUTORY REPORTING PROGRAMS

	Ref Note	Amended Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
Opening funding surplus / (deficit)	1(c)	1,485,686	1,485,686	1,698,434	212,748	14.32%	▲
Revenue from operating activities							
General purpose funding - general rates	6	3,405,452	3,405,602	3,408,014	2,412	0.07%	
General purpose funding - other		684,992	171,239	167,910	(3,329)	(1.94%)	
Law, order and public safety		318,112	165,810	127,170	(38,640)	(23.30%)	▼
Health		17,548	1,833	9,634	7,801	425.59%	
Education and welfare		0	0	75	75	0.00%	
Housing		88,885	22,188	24,628	2,440	11.00%	
Community amenities		542,803	492,350	500,553	8,203	1.67%	
Recreation and culture		116,849	13,106	1,673	(11,433)	(87.23%)	▼
Transport		172,474	159,860	158,774	(1,086)	(0.68%)	
Economic services		66,139	16,521	6,344	(10,177)	(61.60%)	▼
Other property and services		91,880	27,334	27,963	629	2.30%	
		5,505,134	4,475,843	4,432,738	(43,105)		
Expenditure from operating activities							
Governance		(305,948)	(145,105)	(135,047)	10,058	6.93%	
General purpose funding		(247,859)	(57,779)	(51,185)	6,594	11.41%	
Law, order and public safety		(881,905)	(223,275)	(130,136)	93,139	41.71%	▲
Health		(280,059)	(66,974)	(58,540)	8,434	12.59%	
Education and welfare		(86,241)	(28,269)	(17,597)	10,672	37.75%	▲
Housing		(68,352)	(37,462)	(11,424)	26,038	69.51%	▲
Community amenities		(1,327,318)	(313,534)	(211,810)	101,724	32.44%	▲
Recreation and culture		(890,963)	(264,953)	(207,055)	57,898	21.85%	▲
Transport		(2,404,914)	(596,002)	(457,124)	138,878	23.30%	▲
Economic services		(198,892)	(67,124)	(80,523)	(13,399)	(19.96%)	▼
Other property and services		(32,604)	(45,045)	(109,034)	(63,989)	(142.06%)	▼
		(6,725,055)	(1,845,522)	(1,469,475)	376,047		
Non-cash amounts excluded from operating activities	1(a)	2,118,769	525,677	486,460	(39,217)	(7.46%)	
Amount attributable to operating activities		898,848	3,155,998	3,449,723	293,725		
Investing Activities							
Proceeds from non-operating grants, subsidies and contributions	14	6,151,375	212,630	198,791	(13,839)	(6.51%)	
Proceeds from disposal of assets	7	222,000	0	0	0	0.00%	
Payments for property, plant and equipment and infrastructure	8	(9,056,598)	(1,324,221)	(778,412)	545,809	41.22%	▲
Amount attributable to investing activities		(2,683,223)	(1,111,591)	(579,621)	531,970		
Financing Activities							
Transfer from reserves	11	735,000	0	0	0	0.00%	
Payments for principal portion of lease liabilities	10	(14,485)	(3,610)	(3,610)	0	0.00%	
Repayment of debentures	9	(196,749)	(50,301)	(50,301)	0	0.00%	
Transfer to reserves	11	(233,819)	(129)	(129)	0	0.00%	
Amount attributable to financing activities		289,947	(54,040)	(54,040)	0		
Closing funding surplus / (deficit)	1(c)	(8,742)	3,476,053	4,514,496			

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 16 for an explanation of the reasons for the variance.

The material variance adopted by Council for the 2020-21 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 30 SEPTEMBER 2020

REVENUE

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts and concessions offered. Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refers 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 identifiable non financial assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

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.

PROFIT ON ASSET DISPOSAL

Excess of assets received over the net book value for assets on their disposal.

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

Shortfall between the value of assets received over the net book value for assets on their disposal.

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, allowance for impairment of assets, member's fees or State taxes. Donations and subsidies made to community groups.

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

BY NATURE OR TYPE

	Ref Note	Amended Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
Opening funding surplus / (deficit)	1(c)	1,485,686	1,485,686	1,698,434	212,748	14.32%	▲
Revenue from operating activities							
Rates	6	3,405,452	3,405,602	3,408,014	2,412	0.07%	
Operating grants, subsidies and contributions	13	1,200,821	459,977	418,131	(41,846)	(9.10%)	
Fees and charges		719,420	561,663	562,998	1,335	0.24%	
Interest earnings		55,375	13,840	5,023	(8,817)	(63.71%)	
Other revenue		116,466	27,161	38,572	11,411	42.01%	▲
Profit on disposal of assets	7	7,600	7,600	0	(7,600)	(100.00%)	
		5,505,134	4,475,843	4,432,738	(43,105)		
Expenditure from operating activities							
Employee costs		(2,058,976)	(514,434)	(379,082)	135,352	26.31%	▲
Materials and contracts		(1,889,474)	(474,752)	(411,419)	63,333	13.34%	▲
Utility charges		(198,404)	(49,422)	(44,178)	5,244	10.61%	
Depreciation on non-current assets		(2,088,419)	(521,826)	(486,456)	35,370	6.78%	
Interest expenses		(29,979)	(7,460)	100	7,560	101.34%	
Insurance expenses		(280,561)	(175,990)	(133,149)	42,841	24.34%	▲
Other expenditure		(141,688)	(97,889)	(15,291)	82,598	84.38%	▲
Loss on disposal of assets	7	(37,554)	(3,749)	0	3,749	100.00%	
		(6,725,055)	(1,845,522)	(1,469,475)	376,047		
Non-cash amounts excluded from operating activities							
	1(a)	2,118,769	525,677	486,460	(39,217)	(7.46%)	
Amount attributable to operating activities		898,848	3,155,998	3,449,723	293,725		
Investing activities							
Proceeds from non-operating grants, subsidies and contributions	14	6,151,375	212,630	198,791	(13,839)	(6.51%)	
Proceeds from disposal of assets	7	222,000	0	0	0	0.00%	
Payments for property, plant and equipment and infrastructure	8	(9,056,598)	(1,324,221)	(778,412)	545,809	41.22%	▲
Amount attributable to investing activities		(2,683,223)	(1,111,591)	(579,621)	531,970		
Financing Activities							
Transfer from reserves	11	735,000	0	0	0	0.00%	
Payments for principal portion of lease liabilities		(14,485)	(3,610)	(3,610)	0	0.00%	
Repayment of debentures	9	(196,749)	(50,301)	(50,301)	0	0.00%	
Transfer to reserves	11	(233,819)	(129)	(129)	0	0.00%	
Amount attributable to financing activities		289,947	(54,040)	(54,040)	0		
Closing funding surplus / (deficit)	1(c)	(8,742)	3,476,053	4,514,496	1,038,443		

KEY INFORMATION

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

Refer to Note 16 for an explanation of the reasons for the variance.

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

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 Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this financial report. This is not in accordance with the requirements of *AASB 1051 Land Under Roads paragraph 15* and *AASB 116 Property, Plant and Equipment paragraph 7*.

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.

PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 13 October 2020

SIGNIFICANT ACCOUNTING POLICES

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.

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

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 financial statements. A separate statement of those monies

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.

ROUNDING OFF FIGURES

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

(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	Amended Budget	YTD Budget (a)	YTD Actual (b)
Non-cash items excluded from operating activities				
		\$	\$	\$
Adjustments to operating activities				
Less: Profit on asset disposals	7	(7,600)	7,600	0
Less: Movement in employee liabilities associated with restricted cash		396	0	4
Movement in liabilities		0	0	0
Add: Loss on asset disposals	7	37,554	(3,749)	0
Add: Depreciation on assets		2,088,419	521,826	486,456
Total non-cash items excluded from operating activities		2,118,769	525,677	486,460

(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 June 2020	This Time Last Year 30 September 2019	Year to Date 30 September 2020
Adjustments to net current assets				
Less: Reserves - restricted cash	11	(2,219,259)	(1,491,342)	(2,219,388)
Add: Borrowings	9	196,748	178,127	146,447
Add: Provisions - employee	12	354,777	304,577	354,777
Add: Lease liabilities	10	14,485	10,469	10,875
Total adjustments to net current assets		(1,653,249)	(998,169)	(1,707,289)

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

Current assets				
Cash and cash equivalents	2	4,672,540	6,943,396	5,017,382
Rates receivables	3	85,749	1,725,724	3,098,052
Receivables	3	982,683	167,815	560,838
Other current assets	4	30,457	65,595	66,655
Less: Current liabilities				
Payables	5	(206,971)	(284,782)	(255,434)
Borrowings	9	(196,748)	(178,127)	(146,447)
Contract liabilities	12	(1,646,765)	(2,986,957)	(1,753,608)
Lease liabilities	10	(14,485)	(10,469)	(10,875)
Provisions	12	(354,777)	(304,577)	(354,777)
Less: Total adjustments to net current assets	1(b)	(1,653,249)	(998,169)	(1,707,289)
Closing funding surplus / (deficit)		1,698,434	4,139,449	4,514,497

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	Total Cash	Trust	Institution	Interest Rate	Maturity Date
		\$	\$	\$				
Cash on hand								
Municipal bank account	Cash and cash equivalents	1,170,430	0	1,170,430		Bankwest	0.51%	
Municipal bank account - pool funds	Cash and cash equivalents	0	918,811	918,811		Bankwest	0.05%	
Reserves bank account	Cash and cash equivalents	0	2,219,388	2,219,388		Bankwest	0.05%	
WA treasury - waste grant funds	Cash and cash equivalents	0	197,705	197,705		WA Treasury	0.20%	
Telenet - waste grant funds	Cash and cash equivalents	0	510,849	510,849		Bankwest	0.05%	
Till/Petty cash	Cash and cash equivalents	200	0	200		Bankwest		
BPAY holding account	Cash and cash equivalents	1	0	1		Bankwest		
Total		1,170,631	3,846,751	5,017,382	0			
Comprising								
Cash and cash equivalents		1,170,631	3,846,751	5,017,382	0			
		1,170,631	3,846,751	5,017,382	0			

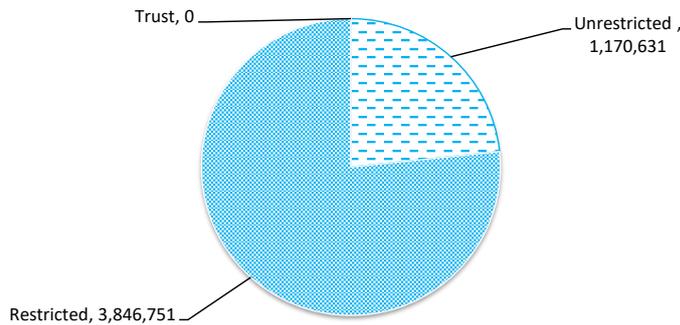
KEY INFORMATION

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.



**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

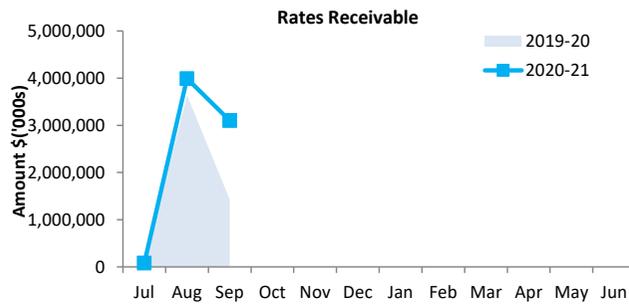
**OPERATING ACTIVITIES
NOTE 3
RECEIVABLES**

Rates receivable	30 Jun 2020	30 Sep 2020
	\$	\$
Opening arrears previous years	85,749	85,749
Levied this year		3,903,906
Less - collections to date	(0)	(891,603)
Equals current outstanding	85,749	3,098,052
Net rates collectable	85,749	3,098,052
% Collected	0%	22.3%

Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	(4,228)	4,402	53,492	2,037	487,742	543,444
Percentage	(0.8%)	0.8%	9.8%	0.4%	89.8%	
Balance per trial balance						
Sundry receivable						543,444
GST receivable						17,394
Total receivables general outstanding						560,838
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 impairment of receivables is raised when there is objective evidence that they will not be collectible.



Other current assets	Opening Balance 1 July 2020	Asset Increase	Asset Reduction	Closing Balance 30 September 2020
	\$	\$	\$	\$
Inventory				
Fuel and Materials	30,457	(2,533)	0	27,924
Prepayments				
Prepayments	0	38,731	0	38,731
Total other current assets	30,457	36,198	0	66,655

KEY INFORMATION

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.

Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	200,360	200,360	0	0	0	400,719
Percentage	0%	50%	0%	0%	0%	
Balance per trial balance						
Sundry creditors						(200,360)
ATO liabilities						(55,074)
Total payables general outstanding						(255,434)

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.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

OPERATING ACTIVITIES
NOTE 6
RATE REVENUE

General rate revenue	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
RATE TYPE				\$	\$	\$	\$	\$	\$	\$	\$
Gross rental value											
GRV Properites	0.09889	545	6,787,896	671,961	0	0	671,961	673,225	0	65	673,290
Unimproved value											
UV Properties	0.00975	329	251,213,004	2,449,326	0	0	2,449,326	2,449,326	0	1,083	2,450,409
Sub-Total		874	258,000,900	3,121,287	0	0	3,121,287	3,122,551	0	1,148	3,123,699
Minimum payment	Minimum \$										
Gross rental value											
GRV Properites	685	306	1,247,956	209,610	0	0	209,610	209,610	0	0	209,610
Unimproved value											
UV Properties	685	33	939,957	22,605	0	0	22,605	22,605	0	0	22,605
Sub-total		339	2,187,913	232,215	0	0	232,215	232,215	0	0	232,215
Rates written off							(150)				
Amount from general rates							3,353,352				3,355,914
Ex-gratia rates							52,100				52,100
Total general rates							3,405,452				3,408,014

KEY INFORMATION

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Rates received in advance give rise to a financial liability. On 1 July 2020 the prepaid rates were recognised as a financial asset and a related amount was recognised as a financial liability and no income was recognised. When the taxable event occurs the financial liability is extinguished and income recognised for the prepaid rates that have not been refunded.

Asset Ref.	Asset description	Budget				YTD Actual			
		Net Book Value	Proceeds	Profit	(Loss)	Net Book Value	Proceeds	Profit	(Loss)
		\$	\$	\$	\$	\$	\$	\$	\$
	Plant and equipment								
	Governance								
A913	CEO Prado	51,749	48,000	0	(3,749)	0	0	0	0
A898	DCEO Prado	32,400	40,000	7,600	0	0	0	0	0
	Transport								
A910	Works Managager vehicle	43,065	40,000	0	(3,065)	0	0	0	0
A831	Town Services vehicle	16,600	3,500	0	(13,100)	0	0	0	0
A814	Mitsubishi Triton	12,140	3,500	0	(8,640)	0	0	0	0
A816	Prime Mover	96,000	87,000	0	(9,000)	0	0	0	0
		251,954	222,000	7,600	(37,554)	0	0	0	0

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

**INVESTING ACTIVITIES
NOTE 8
CAPITAL ACQUISITIONS**

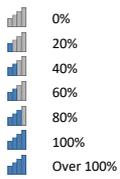
Capital acquisitions	Amended		YTD Actual	YTD Actual Variance
	Budget	YTD Budget		
	\$	\$	\$	\$
Buildings	972,007	833,914	385,642	448,272
Furniture and equipment	32,175	32,175	30,995	1,180
Plant and equipment	671,269	29,000	31,110	(2,110)
Infrastructure - Roads	2,996,673	429,132	330,665	98,467
Infrastructure - Other	4,384,474	0	0	0
Payments for Capital Acquisitions	9,056,598	1,324,221	778,412	545,809
Total Capital Acquisitions	9,056,598	1,324,221	778,412	545,809
Capital Acquisitions Funded By:				
	\$	\$	\$	\$
Capital grants and contributions	6,191,375	212,630	198,791	13,839
Other (disposals & C/Fwd)	222,000	0	0	0
Cash backed reserves				
Reserves cash backed - Leave Reserve	10,000	0	0	0
Reserves cash backed - Plant replacement	10,000	0	0	0
Reserves cash backed - Community Recreation	200,000	0	0	0
Reserves cash backed - General Building	420,000	0	0	0
Reserves cash backed - Bremer Bay Retirement Units	80,000	0	0	0
Reserves cash backed - Effluent	10,000	0	0	0
Reserves cash backed - Bremer Bay Boat Ramp	5,000	0	0	0
Contribution - operations	1,908,223	1,111,591	579,621	531,970
Capital funding total	9,056,598	1,324,221	778,412	545,809

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.

Capital expenditure total

Level of completion indicators



Percentage Year to Date Actual to Annual Budget expenditure where the expenditure over budget highlighted in red.

Level of completion indicator, please see table at the end of this note for further detail.

		Amended			
Account Description		Budget	YTD Budget	YTD Actual	Variance (Under)/Over
Buildings					
A38	Gairdner Hall	58,500	0	0	(58,500)
A479	37 Derrick Street	14,500	0	0	(14,500)
A49	Needilup Pavillion	58,500	0	0	(58,500)
A526	Cameron Business Centre	6,591	0	0	(6,591)
A727	Lions Park Toilets And Improvements	33,776	33,776	12,524	(21,252)
A897	Lot 3 Yandil Street Bb (Seniors Units)	111,196	111,196	40,997	(70,199)
A906	Unit 1 - Lot 265 Collins Street Jerramungup	167,236	167,236	60,782	(106,454)
A907	Unit 2, Lot 265 Collins Street, Jerramungup	167,236	167,236	60,783	(106,453)
A908	Lot 7 Lancaster Road, Jerramungup(3X2) House	182,236	182,235	115,547	(66,689)
A909	19 Mcglade Close, Bremer Bay (4X2) House	172,236	172,235	95,009	(77,227)
Buildings Total		972,007	833,914	385,642	(586,365)
Plant & Equipment					
A912	Works Manager Ute 2020	52,000	0	0	(52,000)
A919	Swipe Tag System - Bb Standpipes	32,000	0	0	(32,000)
A921	Mack Superliner Prime Mover	293,800	0	0	(293,800)
A922	2020 Dolly	29,000	29,000	31,110	2,110
A923	CEO Vehicle	63,206	0	0	(63,206)
A924	DCEO Vehicle	56,324	0	0	(56,324)
A925	Traffic Trailer	15,000	0	0	(15,000)
A926	Variable Message Display Board	25,000	0	0	(25,000)
A927	Town Services Ute	33,719	0	0	(33,719)
A928	Boxwood Hill Tank/Pump(Shields Property)	32,000	0	0	(32,000)
A929	Boxwood Hill Tank/Pump	39,220	0	0	(39,220)
Plant & Equipment Total		671,269	29,000	31,110	(640,159)
Furniture & Equipment					
A700	New Server Computer Network	32,175	32,175	30,995	(1,180)
Furniture & Equipment Total		32,175	32,175	30,995	(1,180)
Other Infrastructure					
A2031	Boxwood Community Dam	134,474	0	0	(134,474)
A3901	Gairdner Dam	50,000	0	0	(50,000)
A930	Jerramungup Pool	4,200,000	0	0	(4,200,000)
Other Infrastructure Total		4,384,474	0	0	(4,384,474)
Roads					
C12	Brook Road	139,732	139,732	56,456	(83,276)
C16	Cameron Road Construcion	86,812	0	19,416	(67,396)
C190	Sydney Street	78,914	0	3,056	(75,858)
C30	Cowalellup Road	132,904	0	4,189	(128,715)
C36	Dillon Bay Road	152,833	0	0	(152,833)
C48	Jacup North Road	132,860	132,860	13,398	(119,462)
C50	Jerramungup North Road	130,114	0	7,763	(122,351)
C57	Little Boat Harbour Road	38,505	0	883	(37,622)
C62	Marnigarup East Road	139,953	0	315	(139,638)
C63	Meechi Road	141,831	0	10,655	(131,176)
C68	Monkey Rock Road	129,806	0	22,494	(107,312)
C77	Point Henry Road	225,610	0	40,402	(185,208)
C78	Rabbit Proof Fence Road	145,549	145,549	42,495	(103,054)
C84	Stock Road	92,834	0	0	(92,834)
C91	Wellstead Road	108,661	0	5,487	(103,174)
RG10	Gairdner South Road - Regional Road Group	235,754	3,466	26,714	(209,040)
RG12	Borden Boxwood Road - Mrwa	90,000	0	15,291	(74,709)
RR25	Bremer Bay Road - R2R	215,782	0	590	(215,192)
RR26	Swamp Road - R2R	174,589	0	14,110	(160,479)
RR27	Frantom Way - R2R	43,630	0	5,564	(38,066)
RRG1	Needilup North	180,000	7,525	15,262	(164,738)
RRG7	Devils Creek Road	180,000	0	25,678	(154,322)
Roads Total		2,996,673	429,132	330,665	(2,666,896)
		9,056,598	1,324,221	778,412	(8,279,074)

The construction of the Jerramungup pool is listed above so that Council can see the progress of construction however once the pool is finalised the cost will be transferred to an operating expense rather than a capital expense since the Shire does not own the pool.

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

**FINANCING ACTIVITIES
NOTE 9
BORROWINGS**

Repayments - borrowings

Information on borrowings Particulars	Loan No.	1 July 2020	New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
			Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
		\$	\$	\$	\$	\$	\$	\$	\$	
Housing										
Staff Housing and Independent Living Units	264	500,000	0	0	23,097	46,385	476,903	453,615	4,125	8,060
Community amenities										
BB Staff Housing	261	158,057	0	0	0	37,030	158,057	121,027	0	6,403
Transport										
Bremer Bay Town Centre	260	171,819	0	0	27,204	54,965	144,615	116,854	0	6,487
Grader	262	25,100	0	0	0	25,100	25,100	0	0	430
Bremer Bay Town Centre	263	256,193	0	0	0	33,269	256,193	222,924	0	7,785
Total		1,111,169	0	0	50,301	196,749	1,060,868	914,420	4,125	29,165
Current borrowings		196,749					146,447			
Non-current borrowings		914,420					914,421			
		<u>1,111,169</u>					<u>1,060,868</u>			

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.

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

**FINANCING ACTIVITIES
NOTE 10
LEASE LIABILITIES**

Movement in carrying amounts

Information on leases Particulars	Lease No.	1 July 2020	New Leases		Principal Repayments		Principal Outstanding		Interest Repayments	
			Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
		\$	\$	\$	\$	\$	\$	\$	\$	
Other property and services										
Konica Minolta C656		45,647	0	0	3,610	14,485	42,037	31,162	(214)	(813)
Total		45,647	0	0	3,610	14,485	42,037	31,162	(214)	(813)
Current lease liabilities		14,485					10,875			
Non-current lease liabilities		31,162					31,162			
		45,647					42,037			

All lease repayments were financed by general purpose revenue.

KEY INFORMATION

At inception of a contract, the Shire assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the commencement date, a right of use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

All contracts classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

**OPERATING ACTIVITIES
NOTE 11
CASH RESERVES**

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
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Reserves cash backed - Leave Reserve	65,954	396	4	10,000	0	(10,000)	0	66,350	65,958
Reserves cash backed - Plant replacement	58,334	350	3	0	0	(10,000)	0	48,684	58,337
Reserves cash backed - Community Recreat	213,430	1,281	12	82,000	0	(200,000)	0	96,711	213,442
Reserves cash backed - Bremer Bay Youth C	54,027	324	3	0	0	0	0	54,351	54,030
Reserves cash backed - General Building	656,840	3,941	38	0	0	(420,000)	0	240,781	656,878
Reserves cash backed - Bremer Bay Retirem	99,928	599	6	0	0	(80,000)	0	20,527	99,934
Reserves cash backed - Jerramungup Retire	97,348	584	6	0	0	0	0	97,932	97,354
Reserves cash backed - Jerramungup Entert	8,809	53	1	10,000	0	0	0	18,862	8,810
Reserves cash backed - Effluent	733,617	4,402	43	66,774	0	(10,000)	0	794,793	733,660
Reserves cash backed - Point Henry Fire Lev	24,745	148	1	21,670	0	0	0	46,563	24,746
Reserves cash backed - Bremer Bay Boat Ra	118,168	709	7	0	0	(5,000)	0	113,877	118,175
Reserves cash backed - Capital Works	9,505	57	1	10,000	0	0	0	19,562	9,506
Reserves cash backed - Swimming Pool	8,537	51	1	0	0	0	0	8,588	8,538
Reserves cash backed - Roe Park	62,851	377	4	10,000	0	0	0	73,228	62,855
Reserves cash backed - Developer Contribu	7,166	43	0	0	0	0	0	7,209	7,166
Reserves cash backed - Skate Park	0	60	0	10,000	0	0	0	10,060	0
	2,219,259	13,375	129	220,444	0	(735,000)	0	1,718,078	2,219,388

KEY INFORMATION

Other current liabilities	Note	Opening Balance 1 July 2020	Liability Increase	Liability Reduction	Closing Balance 30 September 2020
		\$	\$	\$	\$
Contract liabilities					
Unspent grants, contributions and reimbursements					
- operating	13	(0)	0	0	0
- non-operating	14	(1,617,297)	(97,048)	0	(1,714,345)
Total unspent grants, contributions and reimbursements		(1,617,297)	(97,048)	0	(1,714,345)
Bonds		(29,468)	0	0	(29,468)
Provisions					
Annual leave		(153,082)	0	0	(153,082)
Long service leave		(201,695)	0	0	(201,695)
Total Provisions		(354,777)	0	0	(354,777)
Total other current assets		(2,001,542)	(97,048)	0	(2,098,590)
Amounts shown above include GST (where applicable)					

A breakdown of contract liabilities and associated movements is provided on the following pages at Note 13 and 14

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.

Contract liabilities

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Grants to acquire or construct recognisable non-financial assets to identified specifications be constructed to be controlled by the Shire are recognised as a liability until such time as the Shire satisfies its obligations under the agreement.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

NOTE 13

OPERATING GRANTS AND CONTRIBUTIONS

Provider	Unspent operating grant, subsidies and contributions liability					Operating grants, subsidies and contributions revenue		
	Liability 1 July 2020	Increase in Liability	Liability Reduction (As revenue)	Liability 30 Sep 2020	Current Liability 30 Sep 2020	Amended Budget Revenue	YTD Budget	YTD Revenue Actual
	\$	\$	\$	\$	\$	\$	\$	\$
Operating grants and subsidies								
General purpose funding								
FAGS funding - general purpose	0	0	0	0	0	330,684	82,671	83,809
FAGS funding - Roads	0	0	0	0	0	284,333	71,083	77,539
Law, order, public safety								
ESL Operating grant	0	0	0	0	0	64,000	16,000	0
BRPC Funding	0	0	0	0	0	127,360	127,360	105,130
MAF Funding	0	0	0	0	0	100,000	0	0
Community amenities								
Southcoast	0	0	0	0	0	0	0	380
Recreation and culture								
Drought Communities program	0	0	0	0	0	28,000	0	0
GSCORE - signage on walk trails	0	0	0	0	0	22,593	0	0
DLGSC Funding	0	0	0	0	0	11,589	11,589	0
Transport	0	0	0					
Main Roads WA - Direct	0	0	0	0	0	151,274	151,274	151,274
	0	0	0	0	0	1,119,833	459,977	418,131
Operating contributions								
Law, order, public safety								
DFES reimbursements	0	0	0	0	0	1,932	0	0
Community amenities								
Kokoda Op Shop - Lions Park Toilet	0	0	0	0	0	33,776	0	0
Other property and services								
LGIS - Health and Wellbeing	0	0	0	0	0	5,280	0	0
	0	0	0	0	0	40,988	0	0
TOTALS	0	0	0	0	0	1,160,821	459,977	418,131

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

NOTE 14

NON-OPERATING GRANTS AND CONTRIBUTIONS

Provider	Unspent non operating grants, subsidies and contributions liability					Non operating grants, subsidies and contributions revenue		
	Liability 1 July 2020	Increase in Liability	Liability Reduction (As revenue)	Liability 30 Sep 2020	Current Liability 30 Sep 2020	Amended Budget Revenue	YTD Budget	YTD Revenue Actual (b)
	\$	\$	\$	\$	\$	\$	\$	\$
Non-operating grants and subsidies								
Housing								
BBRF Funding	0	0	0	0	0	311,944	0	0
RAAP Funding	0	0	0	0	0	27,608	0	0
Recreation and culture								
Dept of Education	(909,091)	0	0	(909,091)	(909,091)	1,400,000	0	0
Drought Communities Program	0	0	0	0	0	700,000	0	0
BBRF Round 4 Funding	0	0	0	0	0	2,100,000	0	0
Drought Communities Program	0	0	0	0	0	117,000	0	0
Transport								
Roads to Recovery	0	(97,951)	0	(97,951)	(97,951)	400,523	100,130	0
Local Roads and Community Infrastructure Progr	0	0	0	0	0	437,340	0	198,791
Main Roads - RRG Funding	0	0	0	0	0	450,000	112,500	0
Economic services								
CWSP Project	0	0	0	0	0	91,960	0	0
Drought Communities Funding	0	0	0	0	0	155,000	0	0
Other property and services								
Royalties for Regions-Waste management	(708,206)	904	0	(707,303)	(707,303)	0	0	0
	(1,617,297)	(97,047)	0	(1,714,345)	(1,714,345)	6,191,375	212,630	198,791

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

**NOTE 15
BUDGET AMENDMENTS**

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Code	Description	Council Resolution	Classification	Non Cash Adjustment	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance
				\$	\$	\$	\$
	Budget adoption		Opening surplus				4,592
070700	Dr receptionist costs	OCM200906	Operating Expenses	0	0	(13,331)	(8,739)
100601	BB Civic centre design funding - Gairdner Hall & Needilup Pavillion	OCM200906	Operating Revenue	0	0	(40,000)	(48,739)
110101	BB Civic centre design funding - Gairdner Hall & Needilup Pavillion	OCM200906	Operating Expenses	0	40,000	0	(8,739)
100600	BB Civic centre design expense moved to Gairdner Hall & Needilup Pavillion capital costs	OCM200906	Operating Expenses	0	40,000	0	31,261
A38	BB Civic centre design expense moved to Gairdner Hall capital costs	OCM200906	Capital Expenses	0	0	(20,000)	11,261
A39	BB Civic centre design expense moved to Needilup Pavillion capital costs	OCM200906	Capital Expenses	0	0	(20,000)	(8,739)
130701	Reallocate funding - Boxwood dam to Gairdner Hall & Needilup Pavillion	OCM200906	Operating Revenue	0	0	(7,000)	(15,739)
110101	Reallocate funding - Boxwood dam to Gairdner Hall & Needilup Pavillion	OCM200906	Operating Revenue	0	7,000	0	(8,739)
100601	Reallocate funding - Adverse Event Plan to Gairdner Hall and Needilup Pavillion	OCM200906	Operating Revenue	0	0	(20,000)	(28,739)
110101	Reallocate funding - Adverse Event Plan to Gairdner Hall and Needilup Pavillion	OCM200906	Operating Revenue	0	20,000	0	(8,739)
				0	107,000	(120,331)	

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 2020-21 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	(38,640)	(23.30%)	▼ Timing	Timing of grants
Recreation and culture	(11,433)	(87.23%)	▼ Timing	Timing of grant
Economic services	(10,177)	(61.60%)	▼ Timing	
Expenditure from operating activities				
Law, order and public safety	93,139	41.71%	▲ Timing	Timing of CESM and BRPC expenses and the MAF project
Education and welfare	10,672	37.75%	▲ Timing	
Housing	26,038	69.51%	▲ Timing	
Community amenities	101,724	32.44%	▲ Timing	Timing of drainage studies, toilet cleaning, tip and rubbish collection costs
Recreation and culture	57,898	21.85%	▲ Timing	
Transport	138,878	23.30%	▲ Permanent	Depreciation costs lower than budget
Economic services	(13,399)	(19.96%)	▼ Timing	
Other property and services	(63,989)	(142.06%)	▼ Timing	
Investing activities				
Payments for property, plant and equipment and infrastructure	545,809	41.22%	▲ Timing	Timing of purchasing or constructing assets