

Shire of Ravensthorpe

MONTHLY FINANCIAL REPORT

For the Period Ended 30th April 2012

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Shire of Ravensthorpe
STATEMENT OF FINANCIAL ACTIVITY
(Nature or Type)
For the Period Ended 30th April 2012

	Note	Revised Annual Budget 4	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a) 3	Var. % (b)-(a)/(b) 3	
Operating Revenues							
Grants, Subsidies and Contributions	8	\$ 1,311,487	\$ 1,092,870	\$ 1,587,208	494,338	31.1%	▲
Profit on Asset Disposal	10	38,501	32,080	496,766	464,686	93.5%	▲
Fees and Charges		726,933	605,710	696,066	90,356	13.0%	▲
Service Charges		0	0	0	0		
Interest Earnings		226,601	188,810	138,923	(49,887)	(35.9%)	▼
Other Revenue		143,583	131,890	102,122	(29,768)	(29.1%)	▼
Total (Excluding Rates)		2,447,105	2,051,360	3,021,085	969,725		
Operating Expense							
Employee Costs		(1,987,216)	(1,655,860)	(1,536,855)	119,005	7.7%	
Materials and Contracts		(1,806,604)	(1,506,830)	(2,332,360)	(825,530)	(35.4%)	▲
Utilities Charges		(137,799)	(114,700)	(156,201)	(41,501)	(26.6%)	▲
Depreciation (Non-Current Assets)		(3,198,154)	(2,665,050)	(2,055,053)	609,997	29.7%	▼
Interest Expenses		(132,558)	(110,440)	(81,295)	29,146	35.9%	▼
Insurance Expenses		(341,356)	(284,370)	(211,277)	73,093	34.6%	▼
Loss on Asset Disposal	10	0	0	(10,376)	(10,376)	(100.0%)	▲
Other Expenditure		(6,350)	(5,290)	(99,441)	(94,151)	(94.7%)	▲
Total		(7,610,037)	(6,342,540)	(6,482,857)	(140,317)		
Funding Balance Adjustment							
Add Back Depreciation		3,198,154	2,665,050	2,055,053	(609,997)	(29.7%)	▼
Adjust (Profit)/Loss on Asset Disposal	10	(38,501)	(32,080)	(486,390)	(454,310)	93.4%	
Adjust Leave Provisions and Accruals				(9,480)			
Net Operating (Ex. Rates)		(2,003,279)	(1,658,210)	(1,902,589)	(234,899)		
Capital Revenues							
Grants, Subsidies and Contributions	8	1,197,761	998,130	449,969	(548,161)	(121.8%)	▼
Proceeds from Disposal of Assets	10	42,000	35,000	58,785	23,785	40.5%	▲
Proceeds from New Debentures		444,682	370,568	444,683	74,115	16.7%	▲
Proceeds from Sale of Investments		692,000	576,667	692,116	115,449	16.7%	▲
Proceeds from Advances		0	0	0	0		
Self-Supporting Loan Principal		0	0	0	0		
Transfer from Reserves	9	313,477	261,231	180,000	(81,231)	(45.1%)	▼
Total		2,689,920	2,241,596	1,825,553	(416,043)		
Capital Expenses							
Land and Buildings	10	(1,129,000)	(940,833)	(656,236)	284,597	43.4%	▼
Plant and Equipment	10	(353,500)	(294,583)	(103,863)	190,720	183.6%	▼
Furniture and Equipment	10	(18,000)	(15,000)	(131,434)	(116,434)	(88.6%)	▲
Infrastructure Assets - Roads	10	(1,045,765)	(871,471)	(319,779)	551,692	172.5%	▼
Infrastructure Assets - Other	10	(135,642)	(113,035)	0	113,035	100.0%	▼
Repayment of Debentures		(607,852)	(506,543)	(533,691)	(27,148)	(5.1%)	
Advances to Community Groups		0	0	0	0		
Transfer to Reserves	9	(647,000)	(539,167)	(625,906)	(86,740)	(13.9%)	▲
Total		(3,936,759)	(3,280,633)	(2,370,911)	909,721		
Net Capital		(1,246,839)	(1,039,037)	(545,358)	493,679		
Total Net Operating + Capital		(3,250,118)	(2,697,247)	(2,447,947)	258,779		
Rate Revenue		2,768,627	2,307,369	2,785,353	477,984	17.2%	▲
Opening Funding Surplus(Deficit)		689,345	689,345	73,397	(615,948)	(839.2%)	▼
Closing Funding Surplus(Deficit)		207,854	299,467	410,803	120,816		

Shire of Ravensthorpe
STATEMENT OF FINANCIAL ACTIVITY
(Statutory Reporting Program)
For the Period Ended 30th April 2012

	Note	Revised Annual Budget 4	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a) 3	Var. % (b)-(a)/(b) 3	Var.
Operating Revenues		\$	\$	\$	\$	%	
Governance		0	0	0	0		
General Purpose Funding		1,338,586	1,115,440	993,630	(121,810)	(12.26%)	▼
Law, Order and Public Safety		77,240	64,360	92,877	28,517	30.70%	▲
Health		0	0	2,491	2,491	100.00%	
Education and Welfare		0	0	0	0		
Housing		164,520	137,100	15,830	(121,270)	(766.10%)	▼
Community Amenities		260,300	216,890	293,908	77,018	26.20%	▲
Recreation and Culture		461,027	384,170	207,910	(176,260)	(84.78%)	▼
Transport		1,022,262	851,870	1,127,142	275,272	24.42%	▲
Economic Services		155,825	129,840	111,397	(18,443)	(16.56%)	▼
Other Property and Services		165,106	149,820	625,870	476,050	76.06%	▲
Total (Excluding Rates)		3,644,866	3,049,490	3,471,054	421,564		
Operating Expense							
Governance		(467,414)	(389,470)	(269,917)	119,553	44.29%	▼
General Purpose Funding		(302,798)	(252,320)	(158,477)	93,843	59.22%	▼
Law, Order and Public Safety		(363,035)	(302,440)	(297,194)	5,246	1.77%	
Health		(181,991)	(151,630)	(135,435)	16,195	11.96%	▼
Education and Welfare		(101,594)	(86,290)	(77,243)	9,047	11.71%	
Housing		(59,952)	(49,900)	(52,786)	(2,886)	(5.47%)	
Community Amenities		(740,053)	(616,590)	(569,162)	47,428	8.33%	
Recreation and Culture		(1,316,365)	(1,096,790)	(861,518)	235,272	27.31%	▼
Transport		(3,517,345)	(2,931,030)	(3,492,963)	(561,933)	(16.09%)	▲
Economic Services		(542,172)	(451,760)	(340,965)	110,795	32.49%	▼
Other Property and Services		(17,318)	(14,320)	(227,198)	(212,878)	(93.70%)	▲
Total		(7,610,037)	(6,342,540)	(6,482,857)	(140,317)		
Funding Balance Adjustment							
Add back Depreciation		3,198,154	2,665,050	2,055,053	(609,997)	(29.68%)	▼
Adjust (Profit)/Loss on Asset Disposal	10	(38,501)	(32,080)	(486,390)	(454,310)	93.40%	
Adjust Provisions and Accruals		0	0	(9,480)			
Net Operating (Ex. Rates)		(805,518)	(660,080)	(1,452,620)	(783,060)		
Capital Revenues							
Proceeds from Disposal of Assets	10	42,000	35,000	58,785	23,785	40.46%	▲
Proceeds from New Debentures		0	0	0	0		
Proceeds from Sale of Investments		444,682	370,568	444,683	74,115	16.67%	▲
Proceeds from Advances		692,000	576,667	692,116	115,449	16.68%	▲
Self-Supporting Loan Principal		0	0	0	0		
Transfer from Reserves	9	313,477	261,231	180,000	(81,231)	(45.13%)	▼
Total		1,492,159	1,243,466	1,375,584	132,118		
Capital Expenses							
Land Held for Resale		0	0	0	0		
Land and Buildings	10	(1,129,000)	(940,833)	(656,236)	284,597	43.37%	▼
Plant and Equipment	10	(353,500)	(294,583)	(103,863)	190,720	183.63%	▼
Furniture and Equipment	10	(18,000)	(15,000)	(131,434)	(116,434)	(88.59%)	▲
Infrastructure Assets - Roads	10	(1,045,765)	(871,471)	(319,779)	551,692	172.52%	▼
Infrastructure Assets - Other	10	(135,642)	(113,035)	0	113,035	100.00%	▼
Purchase of Investments		0	0	0	0		
Repayment of Debentures		(607,852)	(506,543)	(533,691)	(27,148)	(5.09%)	
Advances to Community Groups		0	0	0	0		
Transfer to Reserves	9	(647,000)	(539,167)	(625,906)	(86,740)	(13.86%)	▲
Total		(3,936,759)	(3,280,633)	(2,370,911)	909,721		
Net Capital		(2,444,600)	(2,037,167)	(995,327)	1,041,840		
Total Net Operating + Capital		(3,250,118)	(2,697,247)	(2,447,947)	258,779		
Rate Revenue		2,768,627	2,307,369	2,785,353	477,984	17.16%	▲
Opening Funding Surplus(Deficit)		689,345	689,345	73,397	(615,948)	(839.20%)	▼
Closing Funding Surplus(Deficit)	3	207,854	299,467	410,803	120,816		

Shire of Ravensthorpe
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30th April 2012

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

(b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in this statement.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated.

All monies held in the Trust Fund are excluded from the statement, but a separate statement of those monies appears at Note 11.

(c) Rounding Off Figures

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

(d) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

(e) Goods and Services Tax

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

(f) Cash and Cash Equivalents

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

(g) Trade and Other Receivables

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

Shire of Ravensthorpe
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30th April 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Inventories

General

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs of necessary to make the sale.

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

Land Held for Resale

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

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

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

(i) Fixed Assets

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the 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.

(j) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

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

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

Buildings	20 years
Furniture and Equipment	10 years
Leased Furniture and Equipment	3 years
Plant and Machinery	10 years
Roads – Sealed	30 years
Roads – Gravel	20 years
Footpaths - slab	40 years
Effluent disposal infrastructure	20 years
Parks, recreation and other infrastructure	20 years
Coastal infrastructure	20 years

The assets residual values and useful lives are reviewed, and adjusted if

Shire of Ravensthorpe
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30th April 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the local government prior to the end of the financial year 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 and are usually paid within 30 days of recognition.

(l) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the Shire has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Shire expects to pay and includes related on-costs.

(ii) Annual Leave and Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the project unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where the Shire does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(m) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

(n) Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one of item included in the same class of obligations may be small.

(o) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non current based on Council's intentions to release for sale.

Shire of Ravensthorpe
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30th April 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Nature or Type Classifications

Rates

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

Operating Grants, Subsidies and Contributions

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

Non-Operating Grants, Subsidies and Contributions

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

Profit on Asset Disposal

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

Fees and Charges

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. 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 are television and radio broadcasting, underground electricity and neighbourhood surveillance services. Exclude rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

Interest Earnings

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

Other Revenue / Income

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates etc.

Employee Costs

All costs associate with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

Materials and Contracts

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

Utilities (Gas, Electricity, Water, etc.)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

Shire of Ravensthorpe
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30th April 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Nature or Type Classifications (Continued)

Insurance

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

Loss on asset disposal

Loss on the disposal of fixed assets.

Depreciation on non-current assets

Depreciation expense raised on all classes of assets.

Interest expenses

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

Other expenditure

Statutory fees, taxes, provision for bad debts, member's fees or levies including WA Fire Brigade Levy and State taxes. Donations and subsidies made to community groups.

(r) Statement of Objectives

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

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

GOVERNANCE

Administration and operation of facilities and services to members of Council, other costs that relate to tasks of assisting elected members and ratepayers on matters which do not concern specific Council services. In accordance with legislation changes effective July 1997 general administration costs have been allocated to the various programmes of Council to reflect the true costs of the associated services.

GENERAL PURPOSE FUNDING

Rates, general purpose government grants, interest revenue and allocated administration costs associated with general purpose funding.

LAW, ORDER, PUBLIC SAFETY

Supervision of various local laws, fire prevention, emergency services and animal control. Requirements that Council carries out by statute.

HEALTH

Food quality and pest control, maintenance and contributions to health services and facilities.

Shire of Ravensthorpe
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30th April 2012

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) STATEMENT OF OBJECTIVE (Continued)

EDUCATION AND WELFARE

Provision and maintenance of retirement units, assisting Southern AgCare Services. Assistance to pre-school facilities as well as local primary and high schools

HOUSING

The provision and maintenance of housing to both staff and private residents.

COMMUNITY AMENITIES

Rubbish collection services, maintenance of refuse sites, sewerage maintenance in Ravensthorpe and Mu control and coordination of cemeteries, administration of Town Planning Scheme, coastal reserves and other environmental services

RECREATION AND CULTURE

Maintenance and administration of halls, sporting complexes, resources centres, libraries Bremer Bay Youth Camp, parks and gardens and broadcasting services.

TRANSPORT

Construction and maintenance of roads, drainage works, footpaths, parking facilities, traffic facilities townscapes and airstrips.

ECONOMIC SERVICES

The regulation and provision of tourism, area promotion, building control, saleyards noxious weeds, vermin control and water supply including standpipes.

OTHER PROPERTY & SERVICES

Private works operations, plant maintenance and operation costs.
Police Licensing, Westpac banking income and other non classified items.

Shire of Ravensthorpe
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30th April 2012

Note 3: NET CURRENT FUNDING POSITION

Positive=Surplus (Negative=Deficit)			
2011-12			
Note	This Period	Last Period	Opening Balance
	\$	\$	\$
Current Assets			
Cash Unrestricted	24,075	114,355	277,400
Cash Restricted	2,797,553	2,795,347	2,342,446
Investments	23,325	853,325	285,855
Receivables - Rates and Rubbish	319,149	393,441	212,202
Sundry Debtors	374,404	102,686	451,056
GST and other receivables	74,751	3,362	14,899
Inventories	4,037	4,037	8,583
	3,617,295	4,266,553	3,592,441
Less: Current Liabilities			
Payables	(243,143)	(372,815)	(345,314)
Provisions	(165,795)	(165,795)	(831,284)
	(408,938)	(538,610)	(1,176,598)
Less: Cash Restricted	(2,797,553)	(2,795,347)	(2,342,446)
Net Current Funding Position	410,804	932,595	73,397

Comments - Net Current Funding Position

Shire of Ravensthorpe
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30th April 2012

Note 4: CASH AND INVESTMENTS

	Interest Rate	Unrestricted \$	Restricted \$	Trust \$	Invest \$	Total Amount \$	Institution
(a) Cash Deposits							
Muni Fund	0.00%	21,765				21,765	Westpac
Till / Petty Cash	0.00%	2,310				2,310	
(b) Term Deposits							
Reserves Term Deposit	6.00%		2,000,000			2,000,000	Westpac
Reserves Term Deposit	5.90%					0	Westpac
(c) Investments							
Investment Account	4.25%				(139,605)	(139,605)	Westpac
Reserves Cash Account	4.25%		797,553			797,553	Westpac
Short Term Investment		162,930				162,930	Westpac
(d) Financial Instruments (Indicative Values)							
Blue Gum - Ref G61425	0.00%					0	
Helium Scarborough Ref G64106	0.00%					0	
Total		187,005	2,797,553	0	(139,605)	2,844,953	

Comments/Notes - Investments

The remaining Financial Instruments held by Council have suffered credit events resulting in full net loss of investment. Council's financial records of these assets has been written down accordingly.

Shire of Ravensthorpe
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30th April 2012

Note 5: MAJOR VARIANCES

Comments/Reason for Variance

5.1 OPERATING REVENUE (EXCLUDING RATES)

5.1.1 GRANTS, SUBSIDIES AND CONTRIBUTIONS

Timing differences between actual income received and budgeted month. Council has also received additional grant income associated with works on Hopetoun Road.

Royalties for Regions CLGF applications have been submitted April 2012.

5.1.2 PROFIT ON ASSET DISPOSAL

Profit on asset disposal is influenced by the sale of Lehmans investments which were previously written down to a collective value of \$195,350 yet sold for significantly more.

5.1.3 FEES AND CHARGES

Timing difference.

5.1.6 SERVICE CHARGES

Nil

5.1.7 INTEREST EARNINGS

Timing difference - a term deposit is about to mature which will correct the difference between actual and budget year to date.

5.1.8 OTHER REVENUE

Reduction in licensing commissions compared to budget.

5.2 OPERATING EXPENSES

5.2.1 EMPLOYEE COSTS

Reduced staff costs due to vacancies and restructure of administration team.

5.2.2 MATERIAL AND CONTRACTS

Increased materials and contracts have been incurred in line with Hopetoun Road improvements applicable to grant funding above. This factor will continue to increase above original budget expectations due to flood damage - there will be limited net impact due to matching grant funding expected in mid May.

5.2.3 UTILITY CHARGES

It is expected that the utilities expenditure will remain higher than budgeted figure due to increased energy costs not being factored into the budget.

5.2.4 DEPRECIATION (NON CURRENT ASSETS)

Timing difference - depreciation has not been run for February at this stage due to software installation. This is a non-cash impact.

5.2.5 INTEREST EXPENSES

Timing difference between budget ytd and actual expenses. Interest income is due to be down slightly due to interest rates being lower however the variance is not expected to impact significantly on Council's net financial position.

5.2.6 INSURANCE EXPENSES

5.2.7 LOSS ON ASSET DISPOSAL

Loss on asset disposal not budgeted for on sale of Pajero.

5.2.8 OTHER EXPENDITURE

Other expenditure is being impacted by reclassification of expenditure items. Some expenses budgeted as materials and contracts have been classified as other expenses.

Shire of Ravensthorpe
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30th April 2012

Note 5: MAJOR VARIANCES

Comments/Reason for Variance

5.3 CAPITAL REVENUE

5.3.1 GRANTS, SUBSIDIES AND CONTRIBUTIONS

Timing - income associated with Roads to Recovery, MRWA Project Grants and Royalties for Regions yet to be claimed.

5.3.2 PROCEEDS FROM DISPOSAL OF ASSETS

Timing difference.

5.3.3 PROCEEDS FROM NEW DEBENTURES

Timing - YTD budget reflects the debenture income being spread across the year.

5.3.4 PROCEEDS FROM SALE OF INVESTMENT

Sale of Merimbula investment to be recognised and allocated as part of budget review process.

5.3.5 PROCEEDS FROM ADVANCES

5.3.6 SELF-SUPPORTING LOAN PRINCIPAL

5.3.7 TRANSFER FROM RESERVES (RESTRICTED ASSETS)

5.4 CAPITAL EXPENSES

5.4.1 LAND HELD FOR RESALE

5.4.2 LAND AND BUILDINGS

Impacted by status on project construction.

5.4.3 PLANT AND EQUIPMENT

Impacted by status on asset acquisition.

5.4.4 FURNITURE AND EQUIPMENT

5.4.5 INFRASTRUCTURE ASSETS - ROADS

Impacted by status on project construction.

5.4.6 INFRASTRUCTURE ASSETS - OTHER

Impacted by status on project construction.

5.4.7 PURCHASES OF INVESTMENT

5.4.8 REPAYMENT OF DEBENTURES

Timing - YTD budget assumes repayments are spread evenly across the year - Loan 138B has been finalised of \$444,683

5.4.9 ADVANCES TO COMMUNITY GROUPS

5.4.10 TRANSFER TO RESERVES (RESTRICTED ASSETS)

Timing.

5.4.11 TRANSFER FROM RESERVES (RESTRICTED ASSETS)

Timing.

Shire of Ravensthorpe
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30th April 2012

Note 5: MAJOR VARIANCES

Comments/Reason for Variance

5.5 OTHER ITEMS

5.5.1 RATE REVENUE

Timing

5.5.2 OPENING FUNDING SURPLUS(DEFICIT)

Note this amount recorded as the actual opening balance is calculated differently to the opening balance recorded the in the budget.

The funding surplus in the monthly reports includes all provisions to provide an actual net assets position. The major difference between this opening balance and that used through the budget process the inclusion of the loan liability in monthly statements which for the Shire of Ravensthorpe amounted to \$607, 852 at July 1st 2012. The actual difference between the rate setting statement opening balance according to Council's annual report (\$614,681) and budget (\$689,385) is \$74,704.

This variance was predominatly due to late invoices and GST, Payroll tax liabilities which are likely to have the same balances at the end of this financial year thus have limited actual impact on Council's available cash.

Shire of Ravensthorpe
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
 For the Period Ended 30th April 2012

Note 7: RECEIVABLES

Receivables - Rates and Rubbish

Opening Arrears Previous Years
 Rates Levied this year
Less Collections to date
 Equals Current Outstanding

Net Rates Collectable
 % Collected

	Current 2011-12	Previous to 2010-11	Total
	\$	\$	\$
	3,070,432	212,202	212,202
	<u>(2,894,877)</u>	<u>(68,608)</u>	<u>3,070,432</u>
	175,555	143,594	(2,963,485)
			319,149
			319,149
			90.28%

Comments/Notes - Receivables Rates and Rubbish

**Receivables -
General**

Excluding GST
 Receivable

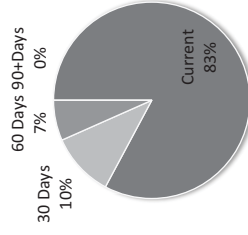
Amounts shown above include GST (where applicable)

	Current	30 Days	60 Days	90+Days
	\$	\$	\$	\$
	310,089	39,476	24,839	0
				374,404

Total Outstanding

Comments/Notes - Receivables General

Note 7 - Accounts Receivable (non-rates)

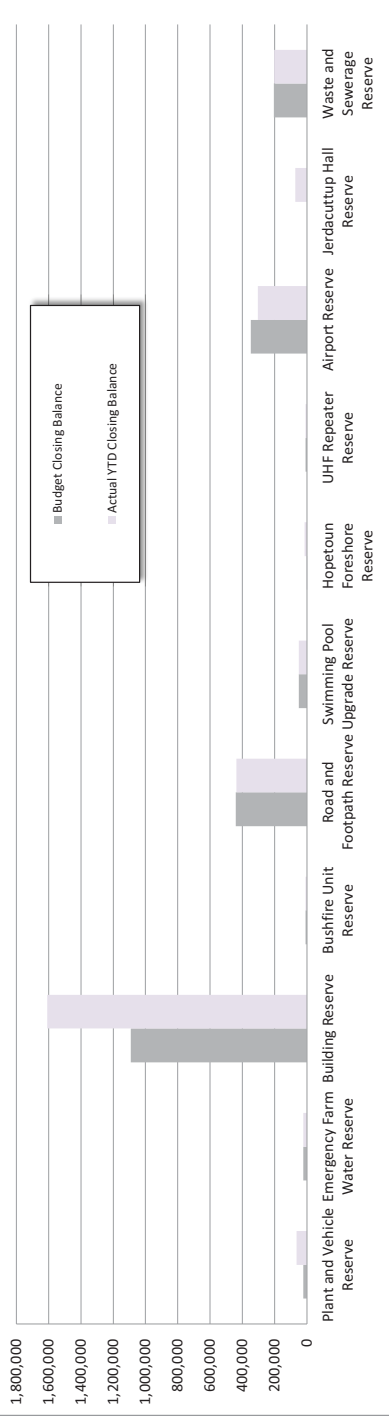


Shire of Ravensthorpe
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30th April 2012

Note 9: Cash Backed Reserve.

Name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Actual Transfers Out (-)	Transfer out Reference	Budget Closing Balance	Actual YTD Closing Balance
Plant and Vehicle Reserve	\$ 21,976.20	\$ 1,129	\$ 884	\$ 40,209	\$ 40,209	\$ -	\$ -		\$ 23,105	\$ 63,769.46
Emergency Farm Water Reserve	\$ 12,900.86	1,090	854						22,321	\$ 22,084.94
Building Reserve	\$ 1,251,343.12	64,266	50,166	487,000	487,000	(225,185)	(180,000)	Purchase of Hopetoun Childcare building	1,090,424	\$ 1,608,508.73
Busfires Unit Reserve	\$ 8,431.76	433	329						8,865	\$ 8,770.96
Road and Footpath Reserve	\$ 420,245.28	21,583	16,906					Finance Loan 1388	441,828	\$ 437,151.54
Swimming Pool Upgrade Reserve	\$ 47,876.46	2,459	1,926						50,335	\$ 49,802.51
Hopetoun Foreshore Reserve	\$ 14,115.47	725	568			(14,840)		Contribution to Upgrades	0	\$ 14,683.33
UHF Repeater Reserve	\$ 7,645.56	393	308						8,034	\$ 7,953.16
Airport Reserve	\$ 293,246.84	54,285	11,797						347,532	\$ 305,044.03
Jerdacuttip Hall Reserve	\$ 69,862.08	3,588	2,811			(73,450)		Contribution to Upgrades	0	\$ 72,672.60
Waste and Sewerage Reserve	\$ 195,672.66	10,049	7,872						205,722	\$ 203,544.49
Unapplied Interest	(9,200)			3,567	3,567					3,567
	2,342,446	160,000	94,430	0	531,476	(313,475)	(180,000)		2,198,171	2,797,553

Note 9 - Year To Date Reserve Balance to End of Year Estimate



Comments/Notes - Receivables Rates and Rubbish

Budgeted transfer of \$441,828 from road and footpath reserve was not utilised due to refinancing of loan 1388.

Shire of Ravensthorpe
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30th April 2012

Note 10: CAPITAL DISPOSALS AND ACQUISITIONS

Disposals by Program	Profit(Loss) of Asset Disposal			
		Net Book Value	Proceeds	Profit (Loss)
Community Amenities		\$ 43,396	\$ 40,909	\$ (2,487)
Other Property and Services		15,389	7,500	(7,889)
Financial Assets		195,350	692,116	496,766
Totals	0	254,135	740,525	486,390

Summary Acquisitions	Current Budget			
	Budget	Actual	Variance	
	\$	\$	\$	
Property, Plant & Equipment				
Land and Buildings	1,129,000	656,236	(472,764)	▼
Plant & Property	353,500	103,863	(249,637)	▼
Furniture & Equipment	18,000	131,434	113,434	▲
Infrastructure				
Roadworks	1,045,765	319,779	(725,986)	▼
Other, Footpath & Cycleways	0	0	(135,642)	
Totals	2,546,265	1,211,313	(1,470,594)	

Land & Buildings	Current Budget			
	This Year			
	Budget	Actual	Variance	
	\$	\$	\$	
Acquisitions	1,129,000	656,236	(472,764)	▼
Totals	1,129,000	656,236	(472,764)	

Plant & Equipment	Current Budget			
	This Year			
	Budget	Actual	Variance (Under)Over	
	\$	\$	\$	
Acquisitions	353,500	103,863	(249,637)	▼
Totals	353,500	103,863	(249,637)	

Furniture & Equipment	Current Budget			
	This Year			
	Budget	Actual	Variance (Under)Over	
	\$	\$	\$	
Acquisitions	18,000	131,434	113,434	▲
Totals	18,000	131,434	113,434	

Roads	Current Budget			
	This Year			
	Budget	Actual	Variance (Under)Over	
	\$	\$	\$	
Acquisitions	1,045,765	319,779	(725,986)	▼
Totals	1,045,765	319,779	(725,986)	

Other, Footpaths & Cycleways	Current Budget			
	This Year			
	Budget	Actual	Variance (Under)Over	
	\$	\$	\$	
Acquisitions	135,642	0	(135,642)	▼
Totals			(135,642)	