

Shire of Ravensthorpe
MONTHLY FINANCIAL REPORT
For the Period Ended 31 October 2012

TABLE OF CONTENTS

Statements of Financial Activity

| | |
|---------|---|
| Note 1 | Significant Accounting Policies |
| Note 3 | Net Current Funding Position |
| Note 4 | Cash and Investments |
| Note 5 | Major Variances |
| Note 6 | Out of Budget Authorisations and Funding Arrangements |
| Note 7 | Receivables |
| Note 9 | Cash Backed Reserves |
| Note 10 | Capital Disposals and Acquisitions |
| Note 11 | Trust |

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

Shire of Ravensthorpe
STATEMENT OF FINANCIAL ACTIVITY
(Nature or Type)
For the Period Ended 31 October 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 | \$ 1,549,564 | \$ 516,504 | \$ 447,406 | (69,098) | (15.4%) | ▼ |
| Profit on Asset Disposal | 10 | 0 | 0 | 0 | 0 | | |
| Fees and Charges | | 1,209,251 | 403,020 | 599,301 | 196,281 | 32.8% | ▲ |
| Service Charges | | 0 | 0 | 0 | 0 | | |
| Interest Earnings | | 218,588 | 72,860 | 24,492 | (48,368) | (197.5%) | ▼ |
| Other Revenue | | 66,794 | 22,252 | 19,561 | (2,691) | (13.8%) | ▼ |
| Total (Excluding Rates) | | 3,044,197 | 1,014,636 | 1,090,759 | 76,123 | | |
| Operating Expense | | | | | | | |
| Employee Costs | | (2,373,952) | (790,712) | (780,517) | 10,195 | 1.3% | |
| Materials and Contracts | | (2,300,536) | (763,784) | (699,921) | 63,863 | 9.1% | |
| Utilities Charges | | (211,337) | (70,260) | (97,850) | (27,590) | (28.2%) | ▲ |
| Depreciation (Non-Current Assets) | | (2,559,951) | (853,176) | (890,250) | (37,074) | (4.2%) | |
| Interest Expenses | | (117,557) | (39,168) | (16,586) | 22,582 | 136.1% | ▼ |
| Insurance Expenses | | (353,905) | (117,832) | (326,833) | (209,001) | (63.9%) | ▲ |
| Loss on Asset Disposal | 10 | (29,633) | (9,876) | (22,333) | (12,457) | (55.8%) | ▲ |
| Other Expenditure | | (172,168) | (57,380) | (38,481) | 18,899 | 49.1% | ▼ |
| Total | | (8,119,039) | (2,702,188) | (2,872,770) | (170,582) | | |
| Funding Balance Adjustment | | | | | | | |
| Add Back Depreciation | | 2,559,951 | 853,176 | 890,250 | 37,074 | 4.2% | |
| Adjust (Profit)/Loss on Asset Disposal | 10 | 29,633 | 9,876 | 22,333 | 12,457 | 55.8% | ▲ |
| Adjust Leave Provisions and Accruals | | | | 10,427 | | | |
| Net Operating (Ex. Rates) | | (2,485,258) | (824,500) | (859,002) | (44,929) | | |
| Capital Revenues | | | | | | | |
| Grants, Subsidies and Contributions | 8 | 1,422,744 | 474,244 | 0 | (474,244) | (100.0%) | ▼ |
| Proceeds from Disposal of Assets | 10 | 132,000 | 44,000 | 66,818 | 22,818 | 34.1% | ▲ |
| Proceeds from New Debentures | | 0 | 0 | 0 | 0 | | |
| Proceeds from Sale of Investments | | 0 | 0 | 0 | 0 | | |
| Proceeds from Advances | | 0 | 0 | 0 | 0 | | |
| Self-Supporting Loan Principal | | 0 | 0 | 0 | 0 | | |
| Transfer from Reserves | 9 | 249,956 | 83,319 | 0 | (83,319) | (100.0%) | ▼ |
| Total | | 1,804,700 | 601,563 | 66,818 | (534,745) | | |
| Capital Expenses | | | | | | | |
| Land and Buildings | 10 | (1,379,524) | (459,841) | (516,128) | (56,287) | (10.9%) | ▲ |
| Plant and Equipment | 10 | (338,000) | (112,667) | (189,771) | (77,104) | (40.6%) | ▲ |
| Furniture and Equipment | 10 | (7,500) | (2,500) | (641) | 1,859 | 290.1% | |
| Infrastructure Assets - Roads | 10 | (1,095,000) | (365,000) | (169,545) | 195,455 | 115.3% | ▼ |
| Infrastructure Assets - Other | 10 | (70,000) | (23,333) | (15,163) | 8,171 | 53.9% | |
| Repayment of Debentures | | (172,132) | (57,377) | (83,443) | (26,066) | (31.2%) | ▲ |
| Advances to Community Groups | | 0 | 0 | 0 | 0 | | |
| Transfer to Reserves | 9 | (282,177) | (94,059) | (9,145) | 84,914 | 928.5% | ▼ |
| Total | | (3,344,333) | (1,114,778) | (983,836) | 130,942 | | |
| Net Capital | | (1,539,633) | (513,215) | (917,018) | (403,803) | | |
| Total Net Operating + Capital | | | | | | | |
| | | (4,024,891) | (1,337,715) | (1,776,019) | (448,731) | | |
| Rate Revenue | | 3,187,269 | 2,994,852 | 3,266,522 | 271,670 | 8.3% | |
| Opening Funding Surplus(Deficit) | | 842,122 | 842,122 | 538,247 | (303,875) | (56.5%) | ▼ |
| Closing Funding Surplus(Deficit) | | 4,500 | 2,499,259 | 2,028,750 | (480,936) | | |

Shire of Ravensthorpe
STATEMENT OF FINANCIAL ACTIVITY
(Statutory Reporting Program)
For the Period Ended 31 October 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 | | 1,035,053 | 345,004 | 227,207 | (117,797) | (51.85%) | ▼ |
| Law, Order and Public Safety | | 110,433 | 36,796 | 43,904 | 7,108 | 16.19% | |
| Health | | 2,536 | 840 | 0 | (840) | (100.00%) | |
| Education and Welfare | | 0 | 0 | 0 | 0 | | |
| Housing | | 56,400 | 18,796 | 15,332 | (3,464) | (22.59%) | |
| Community Amenities | | 349,434 | 116,468 | 380,961 | 264,493 | 69.43% | ▲ |
| Recreation and Culture | | 1,096,194 | 365,380 | 27,299 | (338,081) | (1238.46%) | ▼ |
| Transport | | 1,575,086 | 525,016 | 277,877 | (247,139) | (88.94%) | ▼ |
| Economic Services | | 103,300 | 34,424 | 29,141 | (5,283) | (18.13%) | |
| Other Property and Services | | 138,506 | 46,156 | 89,782 | 43,626 | 48.59% | ▲ |
| Total (Excluding Rates) | | 4,466,941 | 1,488,880 | 1,091,503 | (397,377) | | |
| Operating Expense | | | | | | | |
| Governance | | (334,193) | (111,368) | (115,196) | (3,828) | (3.32%) | |
| General Purpose Funding | | (80,598) | (26,860) | (45,744) | (18,884) | (41.28%) | ▲ |
| Law, Order and Public Safety | | (415,227) | (138,248) | (132,542) | 5,706 | 4.30% | |
| Health | | (193,670) | (64,516) | (66,672) | (2,156) | (3.23%) | |
| Education and Welfare | | (123,651) | (41,148) | (32,813) | 8,335 | 25.40% | |
| Housing | | (97,454) | (32,348) | (52,971) | (20,623) | (38.93%) | ▲ |
| Community Amenities | | (769,469) | (256,160) | (288,799) | (32,639) | (11.30%) | ▲ |
| Recreation and Culture | | (1,476,043) | (491,172) | (409,361) | 81,811 | 19.99% | ▼ |
| Transport | | (4,165,038) | (1,385,996) | (1,295,668) | 90,328 | 6.97% | |
| Economic Services | | (296,714) | (98,828) | (77,794) | 21,034 | 27.04% | ▼ |
| Other Property and Services | | (166,981) | (55,544) | (355,210) | (299,666) | (84.36%) | ▲ |
| Total | | (8,119,039) | (2,702,188) | (2,872,770) | (170,582) | | |
| Funding Balance Adjustment | | | | | | | |
| Add back Depreciation | | 2,559,951 | 853,176 | 890,250 | 37,074 | 4.16% | |
| Adjust (Profit)/Loss on Asset Disposal | 10 | 29,633 | 9,876 | 22,333 | 12,457 | 55.78% | ▲ |
| Adjust Provisions and Accruals | | 0 | 0 | 10,427 | | | |
| Net Operating (Ex. Rates) | | (1,062,514) | (350,256) | (858,258) | (518,429) | | |
| Capital Revenues | | | | | | | |
| Proceeds from Disposal of Assets | 10 | 132,000 | 44,000 | 66,818 | 22,818 | 34.15% | ▲ |
| Proceeds from New Debentures | | 0 | 0 | 0 | 0 | | |
| Proceeds from Sale of Investments | | 0 | 0 | 0 | 0 | | |
| Self-Supporting Loan Principal | | 0 | 0 | 0 | 0 | | |
| Transfer from Reserves | 9 | 249,956 | 83,319 | 0 | (83,319) | (100.00%) | ▼ |
| Total | | 381,956 | 127,319 | 66,818 | (60,501) | | |
| Capital Expenses | | | | | | | |
| Land Held for Resale | | 0 | 0 | 0 | 0 | | |
| Land and Buildings | 10 | (1,379,524) | (459,841) | (516,128) | (56,287) | (10.91%) | ▲ |
| Plant and Equipment | 10 | (338,000) | (112,667) | (189,771) | (77,104) | (40.63%) | ▲ |
| Furniture and Equipment | 10 | (7,500) | (2,500) | (641) | 1,859 | 290.07% | |
| Infrastructure Assets - Roads | 10 | (1,095,000) | (365,000) | (169,545) | 195,455 | 115.28% | ▼ |
| Infrastructure Assets - Other | 10 | (70,000) | (23,333) | (15,163) | 8,171 | 53.89% | |
| Purchase of Investments | | 0 | 0 | 0 | 0 | | |
| Repayment of Debentures | | (172,132) | (57,377) | (83,443) | (26,066) | (31.24%) | ▲ |
| Advances to Community Groups | | 0 | 0 | 0 | 0 | | |
| Transfer to Reserves | 9 | (282,177) | (94,059) | (9,145) | 84,914 | 928.54% | ▼ |
| Total | | (3,344,333) | (1,114,778) | (983,836) | 130,942 | | |
| Net Capital | | (2,962,377) | (987,459) | (917,018) | 70,441 | | |
| Total Net Operating + Capital | | (4,024,891) | (1,337,715) | (1,775,275) | (447,987) | | |
| Rate Revenue | | 3,187,269 | 2,994,852 | 3,266,522 | 271,670 | 8.32% | |
| Opening Funding Surplus(Deficit) | | 842,122 | 842,122 | 538,247 | (303,875) | (56.46%) | ▼ |
| Closing Funding Surplus(Deficit) | 3 | 4,500 | 2,499,259 | 2,029,494 | (480,192) | | |

Shire of Ravensthorpe
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 October 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 31 October 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 31 October 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 31 October 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 31 October 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 31 October 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 31 October 2012

Note 3: NET CURRENT FUNDING POSITION

| | | | | Positive=Surplus (Negative=Deficit) | | |
|-------------------------------------|------------------|------------------|-----------------|-------------------------------------|--|--|
| | | | | 2012-13 | | |
| Note | This Period | Last Period | Opening Balance | | | |
| | \$ | \$ | \$ | | | |
| Current Assets | | | | | | |
| Cash Unrestricted | 1,293,971 | 1,130,976 | 235,647 | | | |
| Cash Restricted | 2,771,861 | 2,771,042 | 2,762,716 | | | |
| Investments | 0 | 550,317 | 601,679 | | | |
| Receivables - Rates and Rubbish | 1,219,711 | 1,672,919 | 266,113 | | | |
| Sundry Debtors | 235,055 | 183,592 | 624,184 | | | |
| GST and other receivables | 46,391 | 9,189 | 3,530 | | | |
| Inventories | 37 | 37 | 4,037 | | | |
| | 5,567,026 | 6,318,072 | 4,497,906 | | | |
| Less: Current Liabilities | | | | | | |
| Payables | (469,673) | (627,265) | (686,322) | | | |
| Provisions | (296,742) | (380,185) | (510,621) | | | |
| | (766,415) | (1,007,450) | (1,196,943) | | | |
| Less: Cash Restricted | (2,771,861) | (2,771,042) | (2,762,716) | | | |
| Net Current Funding Position | 2,028,750 | 2,539,580 | 538,247 | | | |

Comments - Net Current Funding Position

Shire of Ravensthorpe
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 October 2012

Note 4: CASH AND INVESTMENTS

| | Interest Rate | Unrestricted \$ | Restricted \$ | Trust \$ | Invest \$ | Total Amount \$ | Institution |
|--|---------------|-----------------|---------------|----------|-----------|-----------------|-------------|
| (a) Cash Deposits | | | | | | | |
| Muni Fund | 0.01% | 1,291,661 | | | | 1,291,661 | Westpac |
| Till / Petty Cash | 0.00% | 2,310 | | | | 2,310 | |
| (b) Term Deposits | | | | | | | |
| Reserves Term Deposit | 5.10% | | 2,500,000 | | | 2,500,000 | Westpac |
| Reserves Term Deposit | 5.10% | | | | | 0 | Westpac |
| Muni Term Deposit | 4.75% | | | | 1,000,000 | | NAB |
| (c) Investments | | | | | | | |
| Investment Account | 4.25% | | | | | 0 | Westpac |
| Reserves Cash Account | 3.50% | | 271,861 | | | 271,861 | Westpac |
| Short Term Investment | | | | | | 0 | Westpac |
| (d) Financial Instruments (Indicative Values) | | | | | | | |
| Blue Gum - Ref G61425 | 0.00% | | | | | 0 | |
| Helium Scarborough Ref G64106 | 0.00% | | | | | 0 | |
| Total | | 1,293,971 | 2,771,861 | 0 | 1,000,000 | 4,065,832 | |

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 31 October 2012

Note 5: MAJOR VARIANCES

Comments/Reason for Variance

5.1 OPERATING REVENUE (EXCLUDING RATES)

5.1.1 GRANTS, SUBSIDIES AND CONTRIBUTIONS

Timing variance only at this stage. Flood damage claims still to be finalised and paid.

5.1.2 PROFIT ON ASSET DISPOSAL

5.1.3 FEES AND CHARGES

Timing variance only at this stage.

5.1.6 SERVICE CHARGES

Nil

5.1.7 INTEREST EARNINGS

Timing difference due to interest on investments being paid at maturity rather than monthly

5.1.8 OTHER REVENUE

5.2 OPERATING EXPENSES

5.2.1 EMPLOYEE COSTS

5.2.2 MATERIAL AND CONTRACTS

5.2.3 UTILITY CHARGES

Additional utilities expenses peaking from Winter Sports Season and upfront payment of water corp rates. Will be reviewed at budget review time if required.

5.2.4 DEPRECIATION (NON CURRENT ASSETS)

5.2.5 INTEREST EXPENSES

Timing variance only at this stage.

5.2.6 INSURANCE EXPENSES

Insurance expenses are incurred in July and September but budgeted throughout the full financial year. There is no material variance expected though at year end.

5.2.7 LOSS ON ASSET DISPOSAL

Timing variance only at this stage.

5.2.8 OTHER EXPENDITURE

Timing variance only at this stage.

Shire of Ravensthorpe
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 October 2012

Note 5: MAJOR VARIANCES

Comments/Reason for Variance

5.3 CAPITAL REVENUE

5.3.1 GRANTS, SUBSIDIES AND CONTRIBUTIONS

Timing variance only at this stage. Grant funding will be received in line with capital project commencement.

5.3.2 PROCEEDS FROM DISPOSAL OF ASSETS

Timing variance only.

5.3.3 PROCEEDS FROM NEW DEBENTURES

5.3.4 PROCEEDS FROM SALE OF INVESTMENT

5.3.5 PROCEEDS FROM ADVANCES

5.3.6 SELF-SUPPORTING LOAN PRINCIPAL

5.3.7 TRANSFER FROM RESERVES (RESTRICTED ASSETS)

Reserve transfers not undertaken yet due to term deposit.

5.4 CAPITAL EXPENSES

5.4.1 LAND HELD FOR RESALE

5.4.2 LAND AND BUILDINGS

Timing variance only at this stage. Purchase of museum shelter will be funded by Future Fund contributions

5.4.3 PLANT AND EQUIPMENT

5.4.4 FURNITURE AND EQUIPMENT

5.4.5 INFRASTRUCTURE ASSETS - ROADS

Timing variance only at this stage. Major construction still to be undertaken

5.4.6 INFRASTRUCTURE ASSETS - OTHER

5.4.7 PURCHASES OF INVESTMENT

5.4.8 REPAYMENT OF DEBENTURES

5.4.9 ADVANCES TO COMMUNITY GROUPS

5.4.10 TRANSFER TO RESERVES (RESTRICTED ASSETS)

Timing variance only at this stage.

5.4.11 TRANSFER FROM RESERVES (RESTRICTED ASSETS)

Shire of Ravensthorpe
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 October 2012

Note 5: MAJOR VARIANCES

Comments/Reason for Variance

5.5 OTHER ITEMS

5.5.1 RATE REVENUE

5.5.2 OPENING FUNDING SURPLUS(DEFICIT)

Opening balance in monthly reports includes employee provisions and interest on loan accruals and wage accruals which are not used in calculations for annual rate setting statement. These figures excluded, the unaudited opening balance at present is \$80,528 higher than budgeted. The difference is due to employee leave entitlement differences and will be attended to through the budget review process for reallocation if required.

Shire of Ravensthorpe
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
 For the Period Ended 31 October 2012

Note 6: OUT OF BUDGET AUTHORISATIONS and FUNDING ARRANGEMENTS
 Since budget adoption, Surplus/(Deficit) Impacts

| GL Account Code | Description | Amendment / Unbudgeted Expense | Council Resolution | Classification | No Change - (Non Cash Items) Adjust. | Increase in Available Cash | Decrease in Available Cash | Amended Budget Running Balance |
|-----------------|--|--------------------------------|--------------------|---------------------------|--------------------------------------|----------------------------|----------------------------|--------------------------------|
| | Budget Adoption | | | Opening Surplus/(Deficit) | \$ | \$ | \$ | 0 |
| 1091410 | Purchase of Staff Housing | Approved Out of Budget Expense | 176/12 | Capital Expenses | | | (235,000) | (235,000) |
| 1724000 | Transfer from Building Reserve | Approved Out of Budget Expense | 176/12 | Capital Revenue | | 235,000 | | 0 |
| | Purchase of Recreation Vehicle | Approved Out of Budget Expense | 201/12 | Capital Expenses | | | (34,000) | (34,000) |
| | Reduction in Airport Generator Forecast | Approved Out of Budget Expense | 201/12 | Capital Expenses | | 10,000 | | (24,000) |
| | Deter Ranger Vehicle Replacement | Approved Out of Budget Expense | 201/12 | Capital Expenses | | 24,000 | | 0 |
| | Closing Funding Surplus (Deficit) | | | | 0 | 269,000 | (269,000) | 0 |

Shire of Ravensthorpe
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 October 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 2012-13 | Previous to 2011-12 | Total |
|--------------------|------------------------|--------------------|
| \$ | \$ | \$ |
| 3,573,821 | 266,113 | 266,113 |
| (2,551,091) | (69,131) | 3,573,821 |
| 1,022,729 | 196,982 | (2,620,223) |
| | | 1,219,711 |
| | | 1,219,711 |
| | | 68.24% |

Comments/Notes - Receivables Rates and Rubbish

**Receivables -
General**

Excluding GST
Receivable

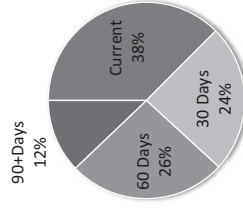
Total Outstanding

Amounts shown above include GST (where applicable)

| Current | 30 Days | 60 Days | 90+Days |
|---------|---------|---------|----------------|
| \$ | \$ | \$ | \$ |
| 88,102 | 57,230 | 61,235 | 28,486 |
| | | | 235,053 |

Comments/Notes - Receivables General

Note 7 - Accounts Receivable (non-rates)

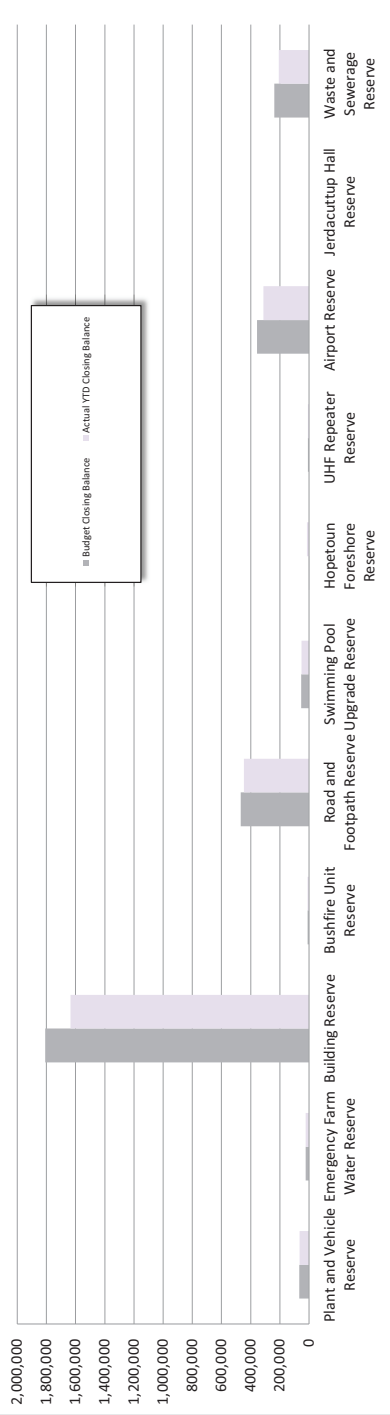


Shire of Ravensthorpe
 NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
 For the Period Ended 31 October 2012

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 (-) | Transferout Reference | Budget Closing Balance | Actual YTD Closing Balance |
|-------------------------------|------------------|------------------------|------------------------|-------------------------|-------------------------|--------------------------|--------------------------|-----------------------|------------------------|----------------------------|
| Plant and Vehicle Reserve | \$ 64,234.78 | \$ 212 | \$ 213 | | | | | | \$ 67,447 | \$ 64,447.41 |
| Emergency Farm Water Reserve | \$ 22,496.74 | 1,125 | 74 | | | | | | 23,621 | \$ 22,571.21 |
| Building Reserve | \$ 1,629,865.52 | 77,422 | 5,395 | 100,000 | | | | | 1,807,308 | \$ 1,635,280.63 |
| Bushfire Unit Reserve | \$ 8,934.51 | 447 | 30 | | | | | | 9,382 | \$ 8,964.09 |
| Road and Footpath Reserve | \$ 445,302.78 | 22,265 | 1,474 | | | | | | 467,588 | \$ 446,772.72 |
| Swimming Pool Upgrade Reserve | \$ 50,731.13 | 2,573 | 168 | | | | | | 53,304 | \$ 50,699.05 |
| Hopetoun Foreshore Reserve | \$ 14,957.12 | 0 | 50 | | | (14,956) | Contribution to Upgrades | | 1 | \$ 15,006.63 |
| UHF Repeater Reserve | \$ 8,101.46 | 405 | 27 | | | | | | 8,506 | \$ 8,128.28 |
| Airport Reserve | \$ 10,731.02 | 15,537 | 1,029 | 2,456 | | | | | 35,795 | \$ 31,760.46 |
| Jerdacuttup Hall Reserve | \$ 0.00 | 0 | 0 | | | | | | 0 | \$ 0.00 |
| Waste and Sewerage Reserve | \$ 207,339.82 | 10,367 | 686 | 19,388 | | | | | 237,095 | \$ 208,026.14 |
| | 2,762,716 | 133,353 | 9,145 | 148,824 | 0 | (14,956) | 0 | | 3,029,937 | 2,771,861 |

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



Comments/Notes - Receivables Rates and Rubbish

Shire of Ravensthorpe
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 October 2012

Note 10: CAPITAL DISPOSALS AND ACQUISITIONS

| Disposals by Program | Profit(Loss) of Asset Disposal | | | |
|-----------------------|--------------------------------|----------------|---------------|-----------------|
| | | Net Book Value | Proceeds | Profit (Loss) |
| | | \$ | \$ | \$ |
| Administration | | | | 0 |
| Mitsubishi Pajero | | 47,266 | 35,909 | (11,357) |
| Health | | | | 0 |
| | | | | 0 |
| Transport | | | | 0 |
| Mitsubishi Pajero | | 41,884 | 30,909 | (10,975) |
| | | | | 0 |
| Totals | 0 | 89,150 | 66,818 | (22,332) |

| Summary Acquisitions | Current Budget | | | |
|--|------------------|----------------|--------------------|---|
| | Budget | Actual | Variance | |
| | \$ | \$ | \$ | |
| Property, Plant & Equipment | | | | |
| Land and Buildings | 1,379,524 | 516,128 | (863,396) | ▼ |
| Plant & Property | 338,000 | 189,771 | (148,229) | ▼ |
| Furniture & Equipment | 7,500 | 641 | (6,859) | ▼ |
| Infrastructure | | | | |
| Roadworks | 1,095,000 | 169,545 | (925,455) | ▼ |
| Other, Footpath & Cycleways | 70,000 | 15,163 | (54,837) | ▼ |
| Totals | 2,890,024 | 891,248 | (1,998,776) | |

| Land & Buildings | Current Budget | | | |
|--|------------------|----------------|------------------|---|
| | This Year | | | |
| | Budget | Actual | Variance | |
| | \$ | \$ | \$ | |
| Purchase Land and Buildings - Fire Prevention | \$35,000 | \$13,000 | (22,000) | ▼ |
| Purchase Land and Buildings - Childcare | \$5,000 | \$0 | (5,000) | ▼ |
| Purchase Land & Buildings - Staff Housing | \$385,000 | \$280,283 | (104,717) | ▼ |
| Purchase Land and Buildings Sanitation | \$20,000 | \$12,990 | (7,010) | ▼ |
| Purchase Land & Buildings - Public Halls & Civic C | \$919,524 | \$175,247 | (744,277) | ▼ |
| Purchase Land & Buildings - Other Recreation & S | \$15,000 | \$0 | (15,000) | ▼ |
| Purchase Land & Buildings - Museums & Other C | \$0 | \$34,608 | 34,608 | ▲ |
| Totals | 1,379,524 | 516,128 | (863,396) | |

Shire of Ravensthorpe
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 October 2012

Note 10: CAPITAL DISPOSALS AND ACQUISITIONS

| Plant & Equipment | Current Budget | | | |
|--|----------------|----------------|----------------------|---|
| | This Year | | | |
| | Budget | Actual | Variance (Under)Over | |
| | \$ | \$ | \$ | |
| Purchase Plant - Law & Order | \$41,000 | \$0 | (41,000) | ▼ |
| Purchase Plant and Equipment Other Health | \$52,000 | \$0 | (52,000) | ▼ |
| Purchase Plant & Equipment - Sewerage | \$6,000 | \$5,800 | (200) | ▼ |
| Purchase Plant & Equipment - Road Plant Purcha | \$117,000 | \$52,618 | (64,382) | ▼ |
| Purchase Plant & Equipment - Aerodromes | \$25,000 | \$16,250 | (8,750) | ▼ |
| Purchase Plant - Administration | \$97,000 | \$115,103 | 18,103 | ▲ |
| Totals | 338,000 | 189,771 | (148,229) | |

| Furniture & Equipment | Current Budget | | | |
|---|----------------|------------|----------------------|---|
| | This Year | | | |
| | Budget | Actual | Variance (Under)Over | |
| | \$ | \$ | \$ | |
| Purchase Furniture & Equipment Administration | \$7,500 | \$641 | (6,859) | ▼ |
| Totals | 7,500 | 641 | (6,859) | |

| Roads | Current Budget | | | |
|--|------------------|----------------|----------------------|---|
| | This Year | | | |
| | Budget | Actual | Variance (Under)Over | |
| | \$ | \$ | \$ | |
| Melaleuca Road Construction | \$60,000 | \$71,145 | 11,145 | ▲ |
| Fitzgerald Road - Council Construction | \$80,000 | \$5,373 | (74,627) | ▼ |
| Koornong Road | \$60,000 | \$21,411 | (38,589) | ▼ |
| Raglan Street Construction | \$40,000 | \$0 | (40,000) | ▼ |
| Bridger Road Construction | \$23,000 | \$25,515 | 2,515 | ▲ |
| Laneways Upgrade Ravensthorpe | \$80,000 | \$0 | (80,000) | ▼ |
| Morgan Street Upgrade | \$180,000 | \$5,413 | (174,587) | ▼ |
| Gravel Pit Reinstatement | \$30,000 | \$0 | (30,000) | ▼ |
| Gravel Pit Development | \$50,000 | \$0 | (50,000) | ▼ |
| Springdale Road - R2R Funded | \$120,000 | \$4,687 | (115,314) | ▼ |
| Mills Road - R2R Funded \$26K | \$0 | \$23,385 | 23,385 | ▲ |
| Masons Bay Road - Roads To Recovery | \$100,000 | \$0 | (100,000) | ▼ |
| Bedford Harbour Road - Roads To Recovery | \$80,000 | \$529 | (79,471) | ▼ |
| Gordon Road Realignment - Blackspot Funded | \$62,000 | \$11,516 | (50,484) | ▼ |
| Birdwood Street Asphalt Overlay | \$100,000 | \$0 | (100,000) | ▼ |
| Caitlin Creek Road | \$0 | \$570 | 570 | ▲ |
| Safety Audits - Blackspot Funded | \$30,000 | \$0 | (30,000) | ▼ |
| Totals | 1,095,000 | 169,545 | (925,455) | |

| Other, Footpaths & Cycleways | Current Budget | | | |
|--|----------------|---------------|----------------------|---|
| | This Year | | | |
| | Budget | Actual | Variance (Under)Over | |
| | \$ | \$ | \$ | |
| Footpath Construction - Ravy Recreation Centre L | \$0 | \$15,163 | 15,163 | ▲ |
| Esplande To Veal Street Footpath | \$20,000 | \$0 | (20,000) | ▼ |
| Hopetoun Ravensthorpe Road Footpath | \$50,000 | \$0 | (50,000) | ▼ |
| Totals | 70,000 | 15,163 | (54,837) | |

Shire of Ravensthorpe
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 October 2012

Note 11: 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-Jul-12 | Amount Received | Amount Paid | Closing Balance 1-Jul-13 |
|---|-----------------------------|-----------------|---------------|-----------------------------|
| | \$ | \$ | \$ | \$ |
| 21000 Trust Liability | \$0.00 | | 0 | \$0.00 |
| 21011 Trust - Bitumen Tender Document Bond | \$487.33 | | 0 | \$487.33 |
| 21012 Trust Hopetoun Tennis Club | \$9,071.81 | | 0 | \$9,071.81 |
| 21013 Trust - Standpipe Swipe Card Bond | \$1,250.00 | 100 | 50 | \$1,300.00 |
| 21014 Trust Unknown Rates Payments | \$1,153.53 | | 0 | \$1,153.53 |
| 21015 Trust BCITF - Payments | \$2,358.75 | 204 | 2,415 | \$147.95 |
| 21016 Trust Pavillion Hire Bonds | \$833.18 | 100 | 0 | \$933.18 |
| 21017 Trust Gym Swipe Card Bond | \$3,321.81 | 1,400 | 850 | \$3,871.81 |
| 21018 Trust Ravensthorpe Cemetery Group | \$76.22 | | 0 | \$76.22 |
| 21019 Trust Hall Hire and Key Bonds | \$2,243.45 | | 200 | \$2,043.45 |
| 21020 Trust Rehabilitation Bond - Barmingo | \$6,866.24 | | 0 | \$6,866.24 |
| 21021 Trust - Sundry Overpayments | \$5,381.71 | | 0 | \$5,381.71 |
| 21022 Trust - Swimming Pool Key Deposits | \$640.00 | | 100 | \$540.00 |
| 21023 Trust - Rural Subdivisions Shed Bonds | \$20,619.78 | | 125 | \$20,494.41 |
| 21024 Trust - Subdivision Maintenance Bonds | \$73,309.30 | | 28,599 | \$44,710.75 |
| 21025 Trust - Nomination Deposits | \$80.00 | | 0 | \$80.00 |
| 21026 Trust - Licensing Receipts | \$16,498.55 | 54,435 | 65,538 | \$5,395.90 |
| 21027 Trust - Builders Registration Board | \$763.00 | 245 | 1,008 | \$0.00 |
| | 144,955 | 56,484 | 98,884 | 102,554 |