

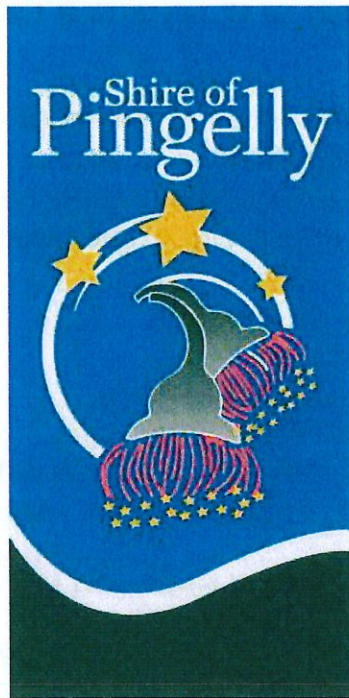


Shire of Pingelly

Attachments

Ordinary Council Meeting
21 August 2019

Attachment 1



Shire of Pingelly

Minutes

Audit Committee Meeting
17 July 2019

SHIRE OF PINGELLY

Minutes of the Audit Committee Meeting of the Shire of Pingelly held in the Council Chambers, 17 Queen Street, Pingelly on 17 July 2019 at 1.30pm.

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1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Chairman declared the meeting open at 1.30pm.

1.1. ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Noongar people of this area and recognise their continuing connection to land, waters and community. We pay respect to both the Aboriginal and non-Aboriginal people past and present.

2. RECORD OF ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE

MEMBERS PRESENT

Cr WV Mulroney	President
Cr DI Freebairn	Deputy President
Cr EJ Hodges	
Cr JM Walton-Hassell	
Cr BW Hotham	
Cr J McBurney	
Cr K Hastings	

STAFF IN ATTENDANCE

Mr M Dacombe	Acting Chief Executive Officer
Mr S Billingham	Director Corporate and Community Services
Mrs L Boddy	Executive Assistant

APOLOGIES

Cr P Wood

OBSERVERS & VISITORS

Nil

3. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

4. PUBLIC QUESTION TIME

No members of the public present.

5. APPLICATIONS FOR LEAVE OF ABSENCE

N/A

6. DISCLOSURES OF INTEREST

The *Local Government Act* (Section 5.60 – 5.62) provides that it is the Councillor's obligation to declare an interest if they believe that they have a financial interest, proximity interest, closely associated persons interest or an interest affecting impartiality in a matter being discussed by Council.

The Act provides that the interest may be declared in writing to the Chief Executive Officer prior to the meeting or declared prior to discussion of the agenda item at the meeting. Forms for this purpose are available to Councillors.

The Act further provides that the extent of the interest needs to be declared if the Councillor seeks to remain in the Chamber during the discussion, debate or voting on the item.

A Councillor declaring a financial or proximity interest must leave the meeting prior to the matter being discussed or voted on (including the question as to whether they are permitted to remain in the Chamber). Councillors remaining in the Chamber may resolve to allow the member to return to the meeting to participate in the proceedings.

7. CONFIRMATION OF MINUTES AND REPORTS

7.1 Audit Committee Meeting – 20 February 2019

Statutory Environment:

Section 5.22 of the Local Government Act provides that minutes of all meeting to be kept and submitted to the next ordinary meeting of the council or the committee, as the case requires, for confirmation.

Voting Requirements:

Simple Majority

12702 Moved: Cr Hodges

Seconded: Cr Hastings

Recommendation and Council Decision:

That the Minutes of the Audit Committee of the Shire of Pingelly held in the Council Chambers on 20 February 2019 be confirmed.

Carried 7:0

8. ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION

Nil

9. PETITIONS / DEPUTATIONS / PRESENTATIONS / SUBMISSIONS

Nil

10. BUSINESS

10.1 Office of the Auditor General Interim Management Letter June 2019

File Reference: ADM0074
Location: Shire of Pingelly
Applicant: Office of the Auditor General
Author: Stuart Billingham, Director Corporate & Community Services
Date: 4 July 2019
Disclosure of Interest: Nil
Attachments: OAG Interim Management Letter Report for Year ending 30 June 2019 (Attachment 1 following red sheet at the end of this document)

Summary:

To provide the Audit Committee with the Interim Management Report from its Office of the Auditor General for consideration. (See attached report submitted as a separate attachment)

Background:

AMD Accountants on behalf of the Office of the Auditor General visited the Shire of Pingelly on the 27-29 May 2019 to conduct the Interim Audit for the year ending 30 June 2019.

Below is listed the matters raised in the Interim Management Letter Report and the Shire of Pingelly Management Comments.

Consultation:

Shire of Pingelly Audit Committee
 Acting Chief Executive Officer
 Office of the Auditor General
 AMD Chartered Accountants

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
1. User Access Management		✓	
2. Fees and Charges		✓	
3. Credit Card Statements		✓	
4. Review of Reconciliations		✓	
5. Journal Entries			✓

KEY TO RATINGS

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

- Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly.
- Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
- Minor** - Those findings that are not of primary concern but still warrant action being taken.

1. User Access Management

Finding

Our review of user access levels within the Shire's financial reporting system (Synergy) identified that 9 user accounts still exist for staff, who were no longer employed by the Shire.

Rating: Moderate

Implication

Without an effective user access management process to ensure user accounts of individuals leaving the Shire are appropriately removed or disabled, there is an increased risk of unauthorised access.

Recommendation

We recommend that the Shire regularly review its user accounts within Synergy, and promptly remove or disable user accounts of staff who have left the Shire.

Management Comment

Affected Synergysoft user profiles to be addressed as listed below:

1. CEO Profile name changed and updated to Acting CEO - CEO position remains
2. ETO officer user profile 'depot' – name changed to position title - removed.
3. Casual Admin Officer RG – 'policy' – name changed to position - removed.
4. Project Admin Officer TW user profile 'pao' – Name changed to position – removed.
5. Admin Officer - AO - removed.
6. Community Development Officer KS – CSO position currently vacant and name removed and changed to position title until position recruited.
7. Casual LD - contractor4 – removed
8. Project Management- pm - removed
9. Trainee-Trainee - removed

Risk of other employees using an old user profile and bypassing their access restrictions considered low as staff are not permitted to share their login details and passwords. Audit trails are switched on in Synergysoft. As part of Termination check list all outgoing staff have their passwords cancelled within the hour of their termination to stop access either by remote connection or at any PC, Laptop or smart device or phone to email or server files including SynergySoft.

Responsible Officer: Director Corporate and Community Services
Completion Date: 30 June 2019

2. Fees and Charges

Finding

From our testing of 5 sundry debtor invoices, we found the following:

1. In one instance, the administration charge for rubbish disposal was not included on the Shire's published list of fees and charges for 2018-19.
Section 6.19 of the *Local Government Act 1995* (Act) requires:
If a local government wishes to impose any fees or charges after the annual budget has been adopted, it must, before introducing the fees or charges, give local public notice of — its intention to do so; and the date from which it is proposed the fees or charges will be imposed.
2. In one instance, the rate charged for truck repairs to the Shire of Brookton was not indexed at 1 July 2018 to include the annual increase of 3%, which was agreed between both Shires.

Rating: Moderate

Implication

The Shire is not complying with the requirement of the Act.

By charging an incorrect fee, there is a risk of financial loss to the Shire.

Recommendation

We recommend that the Shire ensure a public notice is given for any fees and charges imposed that are not included within the original budget, in accordance with the Act.

We also recommend that the Shire undertake the necessary steps to ensure correct rates are charged when invoicing.

Management Comment

Senior Finance Officer has now updated the Private Works procedures and calculation spreadsheet after being supplied copy of the new agreement for Heavy Duty Plant Mechanic Services between the Shire of Pingelly and the Shire of Brookton signed in February 2019. Due to short period of time and a downturn in usage from the Shire of Brookton this 3% lower charge out rate is considered immaterial. It should be noted that Private Works is still producing a reasonable Profit as a cost centre.

Schedule of Fees and Charges for 2018/19 only has an administration fee under private works \$156 and the Draft Fees and Charges for 2019/20 to include an administration fee under Refuse/Rubbish Disposal/Environment for to ensure future compliance.

Responsible Officer:	Director Corporate and Community Services
Completion Date:	17 July 2019 Budget Adoption date proposed

3. Credit Card Statements

Finding

We noted that since new credit cards were issued to the acting Chief Executive Officer (CEO) and Director of Corporate and Community Services (DCCS) in March 2019, the CEO and DCCS had self-approved their credit card statements.

While we acknowledged that the Senior Finance Officer's (SFO) sign off is also on the credit card statements, her sign off is more to evidence that the credit card transactions are supported by invoices/receipts and recorded in the correct general ledger accounts. Furthermore, the DCCS and SFO are closely related which could be seen as a threat to actual or perceived independence.

Rating: Moderate

Implication

By not having an independent review of credit card statements, there is an increased risk of fraud and error passing undetected.

Recommendation

We recommend that the Shire ensure all credit card statements are reviewed and signed by an independent senior officer.

As best practice, we also recommend that the CEO's credit card statements be reviewed and signed by the President or a representative of Council.

Management Comment

The Chief Executive Officer now reviews and signs off the Director of Corporate and Community Services credit cards monthly transactions. The Shire President now reviews and signs off the Chief Executive Officer monthly credit card transactions.

Responsible Officer: Chief Executive Officer and Director Corporate and Community Services

Completion Date: 30 June 2019

4. Review of Reconciliations

Finding

From our review of the reconciliations performed, we noted that there was no evidence that the following reconciliations were being independently reviewed:

- Monthly fixed asset reconciliations
- Periodic reconciliations of WA Treasury Corporation (WATC) loans and self-supporting loans

Rating: Moderate

Implication

When reconciliations are not independently reviewed, there is an increased risk that errors may not be detected and resolved promptly.

Recommendation

We recommend that the Shire ensure all reconciliations performed are reviewed and signed by an independent senior officer.

Management Comment

Monthly fixed asset reconciliations are now being prepared by the DCCS from May 2019 and to be reviewed by an independent officer other than SFO.

Half yearly reconciliation of Loans and Self Supporting loans to be undertaken DCCS as paid usually every 6 months. SSL Reconciliation prepared and compared to agreed repayment schedule/terms. Loans Liability Reconciliation currently prepared annually to be changed to 6 monthly and compared to WATC reports and GL balances.

Responsible Officer: Director Corporate and Community Services
Completion Date: 30 June 2019

5. Journals Entries

Finding

We noted that journals processed by the DCCS are reviewed and signed off by the SFO, and vice versa. As noted in Finding 3, these two employees are closely related.

Rating: Minor

Implication

If journals are not independently reviewed and approved, there is an increased risk that erroneous or fraudulent transactions may pass undetected.

Recommendation

We recommend that all journal entries be independently reviewed and the evidence of authorisation retained. Also given the close relationship between the DCCS and SFO, we recommend that the Shire consider whether significant adjusting journals should be further reviewed by the CEO.

Management Comment

Future Journals created by the DCCS and SFO are to be reviewed and signed off by another independent Officer to reduce threat to actual or perceived independence e.g. CEO.

Responsible Officer:	Director Corporate and Community Services
Completion Date:	30 June 2019

Statutory Environment:

Local Government Act 1995 and associated regulations

Policy Implications:

There are no policy implications arising from this report.

Financial Implications:

There are no known financial implications upon either the Council's current budget or long term financial plan.

Strategic Implications:

There are no known significant strategic implications relating to the report or the committee recommendation.

Risk Implications:

Risk	Medium (6)
Risk Likelihood (based on history and with existing controls)	Medium (6)
Risk Impact / Consequence	Medium (6)
Risk Rating (Prior to Treatment or Control)	Medium (6)
Principal Risk Theme	Medium (6)
Risk Action Plan (Controls or Treatment Proposed)	Medium (6)

Risk Matrix

Consequence Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives; occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating of 6 has been determined for this item. Any items with a risk rating over 10 (considered to be high or extreme risk) will be added to the Risk Register, and any item with a risk rating over 17 will require a specific risk treatment plan to be developed.

Voting Requirements:

Simple Majority

12703 Moved: Cr Hodges

Seconded: Cr McBurney

Recommendation:

That the Audit Committee recommends to Council:

1. receive the minutes of the Audit Committee dated 17 July 2019; and
2. notes there are no further actions required by the Acting Chief Executive Officer to address matters raised in the attached Interim Management Letter Report.

Carried 7:0

10.2 Audit Committee Terms of Reference Name Change

File Reference: ADM0074
Location: Shire of Pingelly
Applicant: Stuart Billingham, Director Corporate & Community Services
Author: Stuart Billingham, Director Corporate & Community Services
Date: 4 July 2019
Disclosure of Interest: Nil
Attachments: Shire of Pingelly Audit and Risk Committee terms of reference updated
 (Attachment 2 following orange sheet at the end of this document)

Summary:

To provide the Audit Committee with a request to review and change its term of reference and name.

Background:

With a growing focus on risk management in Local Government many Councils are now adding to the Audit Committee responsibilities the role of risk management. A new Draft Terms of Reference attached for consideration of adoption and a name change for the committee.

Statutory Environment:

Local Government Act 1995 and associated regulations

Policy Implications:

There are no policy implications arising from this report.

Financial Implications:

There are no known financial implications upon either the Council's current budget or long term financial plan.

Strategic Implications:

There are no known significant strategic implications relating to the report or the committee recommendation.

Risk Implications:

Risk	Low (2)
Risk Likelihood (based on history and with existing controls)	Low (2)
Risk Impact / Consequence	Low (2)
Risk Rating (Prior to Treatment or Control)	Low (2)
Principal Risk Theme	Low (2)
Risk Action Plan (Controls or Treatment Proposed)	Low (2)

Risk Matrix

Consequence Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives; occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating of 2 has been determined for this item. Any items with a risk rating over 10 (considered to be high or extreme risk) will be added to the Risk Register, and any item with a risk rating over 17 will require a specific risk treatment plan to be developed.

Voting Requirements:

Simple Majority

12704 Moved: Cr Hotham

Seconded: Cr McBurney

Recommendation:

That the Audit Committee recommends to Council it adopts the new Name of 'Audit and Risk Committee' and updates the Terms of Reference of the Audit and Risk Committee as submitted in the attached Draft Terms of Reference.

Carried 7:0

10.3 Significant Adverse Trend Report to Minister for Local Government S7.12A

File Reference: ADM0074
Location: Shire of Pingelly
Applicant: Department of Local Government, Sport and Cultural Industries
Author: Stuart Billingham, Director Corporate & Community Services
Date: 8 July 2019
Disclosure of Interest: Nil
Attachments: Department Local Government Letter for Year Ending 30 June 2018
 (Attachment 3 following yellow sheet at the end of this document)

Summary:

To provide the Audit Committee with a report on the Significant adverse trend in the financial position of the Shire: Operating Surplus Ratio below the Department standard the last three years.

Background:

AMD Accountants in the Auditor Report for the year ending 30 June 2018, under Report on Other Legal and Regulatory Requirements states.

In accordance with the Local Government (Audit) Regulations 1996 we report that:

- (i) In our opinion, the following matters indicate significant adverse trends in the financial position of the Shire of Pingelly:
- (a) Operating surplus ratio as reported in Note 31 of the financial report is below the below the Department of Local Government, Sport, and Cultural Industries (DLGSCI) standard of zero for the last three years (2016:-0.719, 2017:-0.596 and 2018: -0.472).

Operating Surplus Ratio = $\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$

The Operating Surplus Ratio is calculated by Operating revenue minus operating expense as a ratio of own source operating revenue. It measures the Shires ability to cover operational costs and have revenues available for capital funding or other purposes. Basic standard met if ratio is above 0.01. A sustained period of deficits will reduce the ability of the Shire to maintain service levels and its asset base. Accurate depreciation levels may result in an improvement to this ratio. As shown below own source operating revenue is made up of Rates, Fees and Charges, Interest Income, Profit on disposals of assets, reimbursements and recoveries and other revenue.

2018 OPERATING SURPLUS RATIO	Operating Minus Revenue Expense Operating		(1,139,409)			
	Net Result	+	4,901,168			
	- less: Non-Operating grants, Subsidies and contributions	-	(6,040,577)		(1,139,409)	
	Own Source Operating Revenue		2,415,798		2,415,798	-0.472
	- add: rates	+	1,913,399			=
	- add: fees and user charges	+	319,050			
	- add: service charges	+	0			
	- add: interest income	+	80,339			
	- add: profit on disposal of assets	+	0			
	- add: reimbursements and recoveries	+	60,311			
	- add: other revenue		42,699			
2017 OPERATING	Operating Minus Revenue Expense Operating		(1,442,862)			=

SURPLUS RATIO	Net Result	+	1,736,983			
	- less: Non-Operating grants, Subsidies and contributions	-	(3,179,845)	(1,442,862)		-0.596
	Own Source Operating Revenue		2,421,274	2,421,274		
	- add: rates	+	1,870,046			
	- add: fees and user charges	+	284,771			
	- add: service charges	+	0			
	- add: interest income	+	136,752			
	- add: profit on disposal of assets	+	0			
	- add: reimbursements and recoveries	+	20,751			
	- add: other revenue		108,954			

2016 OPERATING SURPLUS RATIO	Operating Minus Revenue Expense		(1,671,586)			
	Net Result	+	(336,905)			
	- less: Non-Operating grants, Subsidies and contributions	-	(1,334,681)	(1,671,586)		-0.719
	Own Source Operating Revenue		2,325,151	2,325,151		
	- add: rates	+	1,699,390			
	- add: fees and user charges	+	322,566			
	- add: service charges	+	0			
	- add: interest income	+	166,725			
	- add: profit on disposal of assets	+	11,069			
	- add: reimbursements and recoveries	+	74,509			
	- add: other revenue		50,892			
					=	

Comment:

Many Country Local Governments in WA are heavily funded by external grants and often lack the capacity to raise their own source funding to meet the growing challenge of balancing the annual budget whilst maintaining service levels.

It is noted by the Auditors that the Shire of Pingelly was unable to achieve a zero operating surplus ratio or better in the past three (3) years (and refer attached Note 31. Financial Ratios - excerpt from the 30 June 2018 Annual Financial Statements) reflects the shire's reliance on non- operating grants (\$6,040,577 in 2017-18) to offset the shire's annual depreciation expense (\$1,522,726 in 2017-18).

The Shire's 30 June 2014 Annual Financial Statements reported depreciation expense at \$1,991,572, and this expense has not been responsible for adversely affecting this ratio as council has re-valued its assets so as to accord with the Act's re-valuation for fair value regulations.

The matter of this adverse trend of the operating surplus ratio and this 'seeming' reliance by small regional Local Governments on non-operating grants appears to be the norm rather than the exception in Country and Regional Western Australia.

It appears that without a change in the *status quo* e.g. a change in the DLGSCI's operating surplus ratio standard of zero; or transfer of the shire's circa \$68M of roads, drainage and bridges infrastructure assets to the state, seems that every year the Shire of Pingelly, with its *circa* \$87M in total of non-current assets and reliance on non-operating grants, will be reporting on this matter in future years again.

Consultation:

Acting Chief Executive Officer
Office of the Auditor General
AMD Chartered Accountants

Statutory Environment:

Local Government Act 1995 and associated regulations

Division 4 — General

7.12A. Duties of local government with respect to audits

- (1) A local government is to do everything in its power to —
 - (a) assist the auditor of the local government to conduct an audit and carry out his or her other duties under this Act in respect of the local government; and
 - (b) ensure that audits are conducted successfully and expeditiously.
- (2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.
- (2) A local government is to examine the report of the auditor prepared under section 7.9(1), and any report prepared under section 7.9(3) forwarded to it, and is to —
 - (a) determine if any matters raised by the report, or reports, require action to be taken by the local government; and
 - (b) ensure that appropriate action is taken in respect of those matters.
- (3) A local government is to —
 - (a) prepare a report on any actions under subsection (3) in respect of an audit conducted in respect of a financial year; and (b) forward a copy of that report to the Minister, by the end of the next financial year, or 6 months after the last report prepared under section 7.9 is received by the local government, whichever is the latest in time.

[Section 7.12A inserted by No. 49 of 2004 s. 8.]

Policy Implications:

There are possible future policy implications arising from this report.

Financial Implications:

There are no known financial implications upon either the Council's current budget or long term financial plan. Future Plans may need to consider increasing own source revenues or reducing service levels to address this matter.

Strategic Implications:

There are no known significant strategic implications relating to the report or the committee recommendation. Future discussions on how to address this matter to be held before 30 June 2020.

Risk Implications:

Risk	Low (2)
Risk Likelihood (based on history and with existing controls)	Low (2)
Risk Impact / Consequence	Low (2)
Risk Rating (Prior to Treatment or Control)	Low (2)
Principal Risk Theme	Low (2)
Risk Action Plan (Controls or Treatment Proposed)	Low (2)

Risk Matrix

Consequence Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives; occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating of 2 has been determined for this item. Any items with a risk rating over 10 (considered to be high or extreme risk) will be added to the Risk Register, and any item with a risk rating over 17 will require a specific risk treatment plan to be developed.

Voting Requirements:

Simple Majority

12705 Moved: Cr Hastings**Seconded: Cr McBurney****Recommendation:****That the Audit Committee recommends to Council:****That Council:**

1. Recognises that relative to Department of Local Government, Sport and Cultural Industries criteria, the Shire of Pingelly is not meeting the operating surplus ratio (zero) standard, and directs the Chief Executive Officer to arrange, before 30 June 2020, workshop(s) as required so that Council might further discuss and attempt to address this matter.
2. Directs the Acting Chief Executive Officer to give a copy of this report to the Minister for Local Government as soon as practically possible; and publish a copy of this report on the Shires official website.

(NB: Statutory timeframe of providing this report to the Minister within three (3) months after 30 June 2018 audit report was received by the local government having passed and may be raised as a future noncompliance matter.)

Carried 7:0

11. CLOSURE OF MEETING.

The Chairman declared the meeting closed at 1.50pm.

These minutes were confirmed by Council at the Audit Committee Meeting held on

Signed.....
Presiding Person at the meeting at which the minutes were confirmed.

Attachment 2

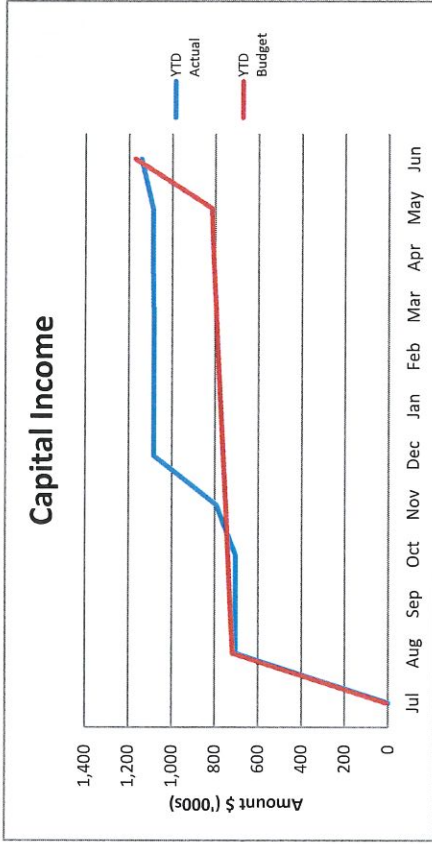
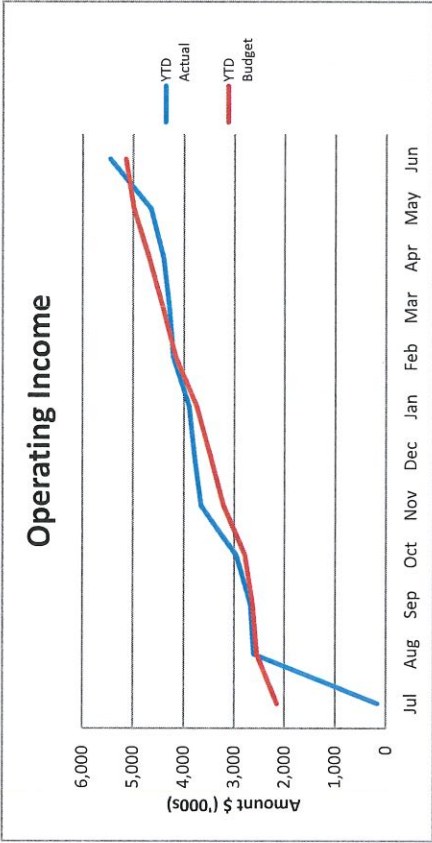
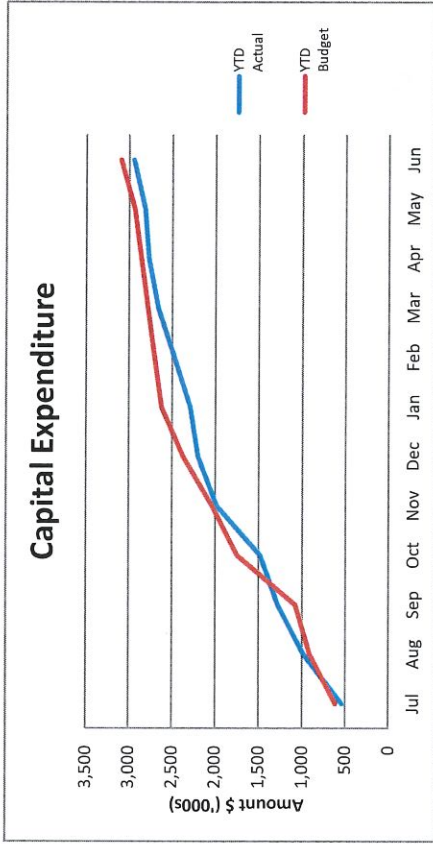
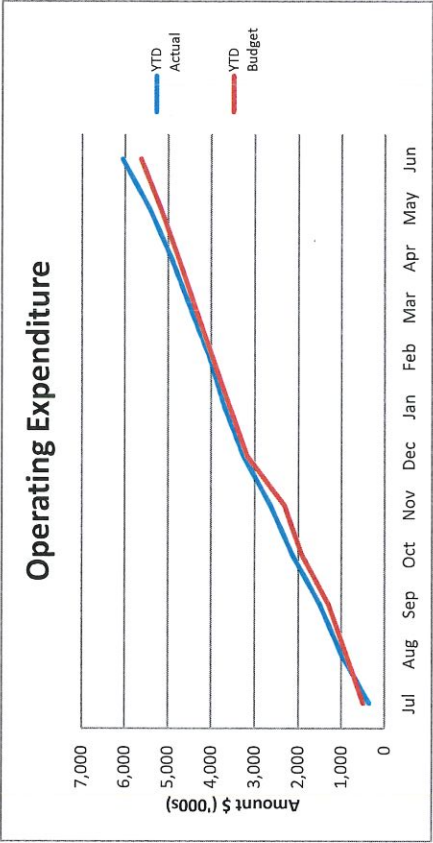


SHIRE OF PINGELLY
MONTHLY STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2018 TO 30 JUNE 2019

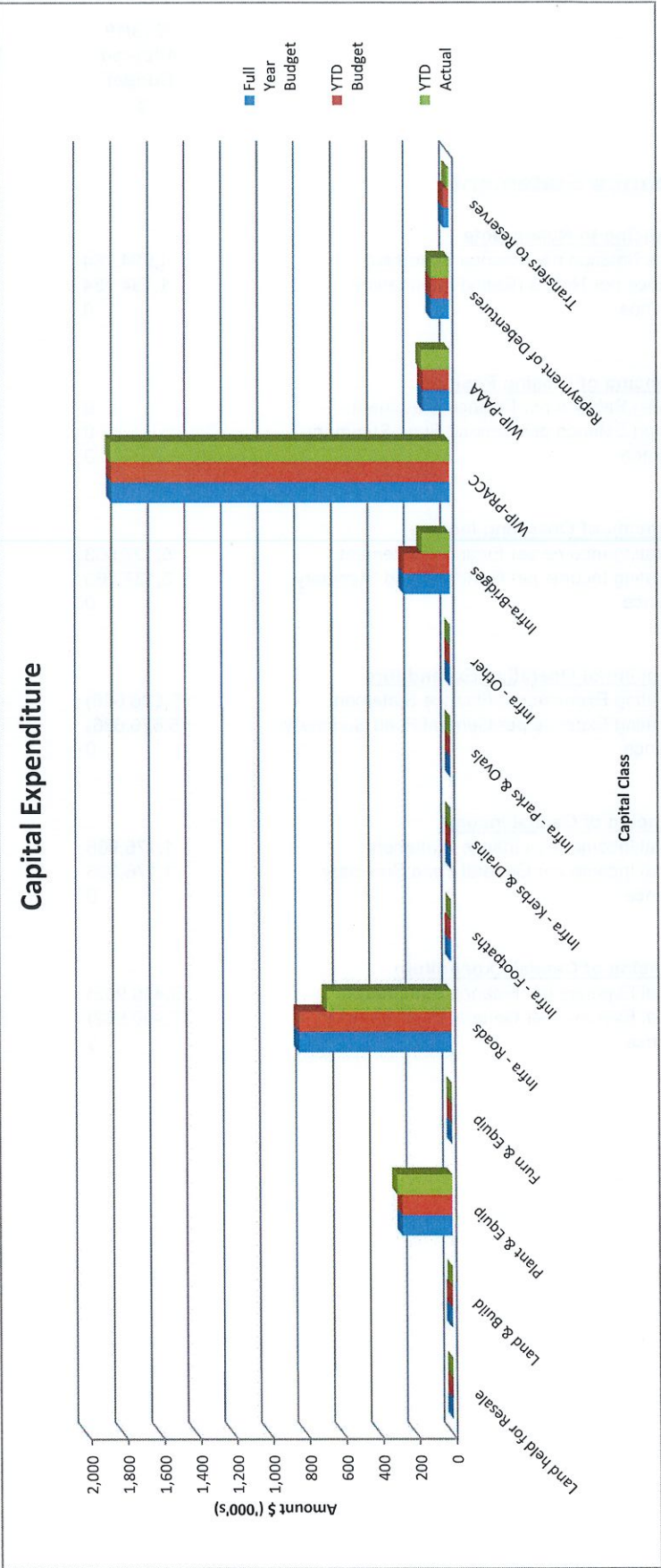
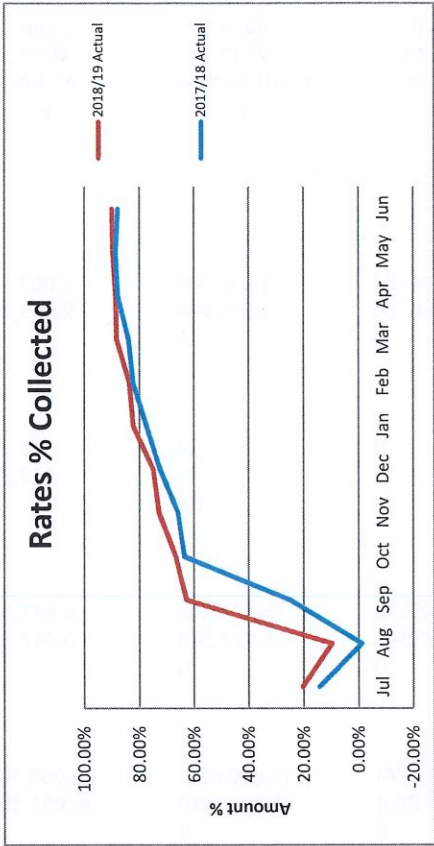
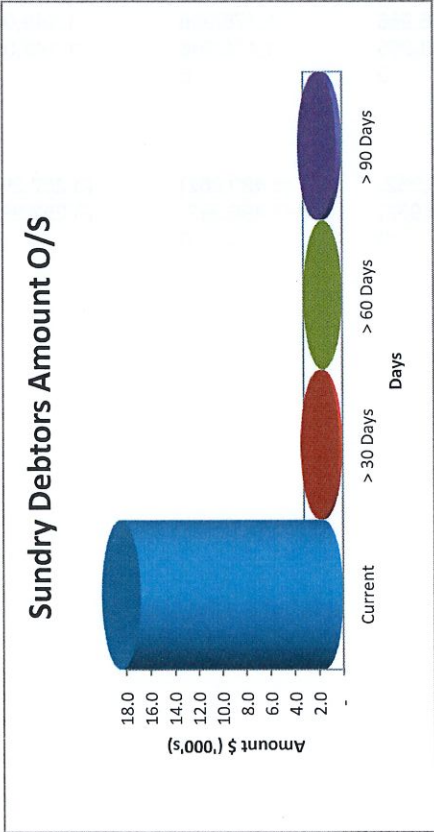
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Income and Expenditure Graphs to 30 June 2019



Other Graphs to 30 June 2019



SHIRE OF PINGELLY

Summary of Balancing Contained Within The Monthly Reports

	2018/19 Adopted Budget \$	2018/19 Revised Budget \$	June 2019 Y-T-D Budget \$	June 2019 Actual \$
Finance Statement				
<u>Balancing to Rating Note</u>				
Rates Balance per Finance Statement	1,994,784	1,994,784	1,994,784	2,001,704
Balance per Note 6 (Rating Information)	1,994,784	1,994,784	1,994,784	2,001,703
Variance	0	0	0	0
<u>Balancing of Closing Position</u>				
Closing Balance per Finance Statement	0	0	(0)	373,337
Closing Balance per General Fund Summary	0	0	(0)	373,337
Variance	0	0	(0)	(0)
<u>Balancing of Operating Income</u>				
Operating Income per Finance Statement	5,137,563	5,137,563	5,137,563	5,447,826
Operating Income per General Fund Summary	5,137,563	5,137,563	5,137,563	5,447,827
Variance	0	0	0	(1)
<u>Balancing of Operating Expenditure</u>				
Operating Expense per Finance Statement	(5,626,626)	(5,626,626)	(5,626,626)	(6,053,193)
Operating Expense per General Fund Summary	(5,626,626)	(5,626,626)	(5,626,626)	(6,053,193)
Variance	0	0	0	0
<u>Balancing of Capital Income</u>				
Capital Income per Finance Statement	1,176,966	1,176,966	1,176,966	1,149,055
Capital Income per General Fund Summary	1,176,966	1,176,966	1,176,966	1,149,055
Variance	0	0	0	0
<u>Balancing of Capital Expenditure</u>				
Capital Expense per Finance Statement	(3,490,962)	(3,490,962)	(3,490,962)	(3,252,397)
Capital Expense per General Fund Summary	(3,490,962)	(3,490,962)	(3,490,962)	(3,252,397)
Variance	0	0	0	(0)

SHIRE OF PINGELLY

STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2018 TO 30 JUNE 2019

	NOTE	2018/19 Adopted Budget \$	2018/19 Revised Budget \$	June 2019 Y-T-D Budget \$	June 2019 Actual \$	Variances Actuals to Budget \$	Variances Actual Budget to Y-T-D %	
Operating								
Revenues/Sources								
Governance		85,669	85,669	85,669	73,947	(11,722)	(13.68%)	▼
General Purpose Funding		696,301	696,301	696,301	1,305,889	609,588	87.55%	▲
Law, Order, Public Safety		65,902	65,902	65,902	94,360	28,458	43.18%	▲
Health		6,936	6,936	6,936	1,526	(5,410)	(78.00%)	▼
Education and Welfare		11,175	11,175	11,175	12,737	1,562	13.98%	
Community Amenities		343,650	343,650	343,650	210,008	(133,642)	(38.89%)	▼
Recreation and Culture		712,454	712,454	712,454	735,338	22,884	3.21%	
Transport		1,118,892	1,118,892	1,118,892	938,651	(180,241)	(16.11%)	▼
Economic Services		24,050	24,050	24,050	25,394	1,344	5.59%	
Other Property and Services		77,750	77,750	77,750	48,273	(29,477)	(37.91%)	▼
		3,142,779	3,142,779	3,142,779	3,446,123	303,344	9.65%	
(Expenses)/(Applications)								
Governance		(677,507)	(677,507)	(677,507)	(544,118)	133,389	19.69%	▼
General Purpose Funding		(225,373)	(225,373)	(225,373)	(174,790)	50,583	22.44%	▼
Law, Order, Public Safety		(207,056)	(207,056)	(207,056)	(232,566)	(25,510)	(12.32%)	▲
Health		(121,072)	(121,072)	(121,072)	(102,673)	18,399	15.20%	▼
Education and Welfare		(119,003)	(119,003)	(119,003)	(67,615)	51,388	43.18%	▼
Community Amenities		(408,119)	(408,119)	(408,119)	(365,509)	42,610	10.44%	▼
Recreation & Culture		(1,338,540)	(1,338,540)	(1,338,540)	(1,310,318)	28,222	2.11%	
Transport		(2,225,141)	(2,225,141)	(2,225,141)	(2,904,168)	(679,047)	(30.52%)	▲
Economic Services		(264,077)	(264,077)	(264,077)	(237,135)	26,942	10.20%	▼
Other Property and Services		(40,738)	(40,738)	(40,738)	(114,281)	(73,543)	(181%)	▲
		(5,626,626)	(5,626,626)	(5,626,626)	(6,053,193)	(426,567)	7.58%	
Net Operating Result Excluding Rates		(2,483,847)	(2,483,847)	(2,483,847)	(2,607,070)	(123,223)	4.96%	
Adjustments for Non-Cash								
(Revenue) and Expenditure								
(Profit)/Loss on Asset Disposals	2	308,049	308,049	308,049	(74,358)	(382,407)	124.14%	▼
Movement in Deferred Pensioner Rates/ESL		0	0	0	(12,100)	(12,100)	0.00%	
Movement in Employee Benefit Provisions		0	0	0	68,183	68,183	0.00%	
Adjustments in Fixed Assets		0	0	0	0	0	0.00%	
Rounding		0	0	0	0	0	0.00%	
Depreciation on Assets		1,755,000	1,755,000	1,755,000	2,360,311	605,311	(34.49%)	▲
Capital Revenue and (Expenditure)								
Purchase Land Held for Resale	1	0	0	0	0	0	0.00%	
Purchase of Land and Buildings	1	(5,000)	(5,000)	(5,000)	0	5,000	100.00%	
Purchase of Furniture & Equipment	1	0	0	0	0	0	0.00%	
Purchase of Plant & Equipment	1	(273,000)	(273,000)	(273,000)	(300,539)	(27,539)	(10.09%)	▲
Purchase of WIP - PP & E	1	0	0	0	0	0	0.00%	
Purchase of Infrastructure Assets - Roads	1	(833,572)	(833,572)	(833,572)	(682,809)	150,763	18.09%	▼
Purchase of Infrastructure Assets - Footpaths	1	(6,000)	(6,000)	(6,000)	0	6,000	100.00%	▼
Purchase of Infrastructure Assets - Kerbs & Drains	1	0	0	0	0	0	0.00%	
Purchase of Infrastructure Assets - Parks & Ovals	1	0	0	0	0	0	0.00%	
Purchase of Infrastructure Assets - Bridges	1	(252,000)	(252,000)	(252,000)	(152,539)	99,461	39.47%	▼
Purchase of Infrastructure Assets - Other	1	0	0	0	0	0	0.00%	
Purchase of WIP Recreation and Culture	1	(1,849,533)	(1,849,533)	(1,849,533)	(1,854,649)	(5,116)	(0.28%)	
Purchase of WIP Aged Accommodation	1	(144,525)	(144,525)	(144,525)	(154,300)	(9,775)	(6.76%)	
Proceeds from Disposal of Assets	2	113,600	113,600	113,600	145,417	31,817	28.01%	▲
Repayment of Debentures	3	(98,336)	(98,336)	(98,336)	(98,336)	0	0.00%	
Proceeds from New Debentures	3	700,000	700,000	700,000	700,000	0	0.00%	
Advances to Community Groups		0	0	0	0	0	0.00%	
Self-Supporting Loan Principal Income		7,598	7,598	7,598	7,598	(0)	(0.00%)	
Transfer from Restricted Asset - Unspent Loans		0	0	0	(0)	(0)	0.00%	
Transfers to Restricted Assets (Reserves)	4	(28,996)	(28,996)	(28,996)	(9,225)	19,771	68.19%	▼
Transfers from Restricted Asset (Reserves)	4	355,768	355,768	355,768	296,040	(59,728)	(16.79%)	▼
Transfers to Restricted Assets (Other)		0	0	0	0	0	0.00%	
Transfers from Restricted Asset (Other)		0	0	0	0	0	0.00%	
ADD Net Current Assets July 1 B/Fwd	5	740,010	740,010	740,010	740,010	(0)	0.00%	
Net Current Assets - Unspent Grants		0	0	0	0	0		
LESS Net Current Assets Year to Date	5	0	0	(0)	373,337	373,337	266669403.32%	▲
Amount Raised from Rates		(1,994,784)	(1,994,784)	(1,994,784)	(2,001,704)	(6,920)	0.35%	

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

Material Variances Symbol

Above Budget Expectations Greater than 10% and \$5,000 ▲
Below Budget Expectations Less than 10% and \$5,000 ▼

SHIRE OF PINGELLY
FOR THE PERIOD 1 JULY 2018 TO 30 JUNE 2019
Report on Significant variances Greater than 10% and \$5,000

Purpose

The purpose of the Monthly Variance Report is to highlight circumstances where there is a major variance from the YTD Monthly Budget and YTD Actual figures. These variances can occur because of a change in timing of the activity, circumstances change (e.g. a grants were budgeted for but was not received) or changes to the original budget projections. The Report is designed to highlight these issues and explain the reason for the variance.

REPORTABLE OPERATING REVENUE VARIATIONS

General Purpose Funding - variance below budget expectations		609,588
Advance Payment of 2019/20 Federal Assistance Grants in June 2019	643,891	
Movement in Excess Rates - YTD Budget nil compared to YTD Actual (Permanent Difference) EOY adj	(18,790)	
Law Order and Public Safety - variance above budget expectations		28,458
ESL BFB grants - YTD Actual higher than Full budgeted (Permanent Difference)	11,508	
DFES Fire Unit Grant brought to account for GST reporting not budgeted for 2018/19.	19,546	
Health - Variance above budget expectations		(5,410)
BBP reimbursement Income YTD Actual higher than YTD Budget (Timing Difference)	(5,000)	
Community Amenities		(133,642)
Waste Tipping Charges Pingelly Tip Site YTD Actuals less than YTD Budget (Old Hospital Waste)	(152,932)	
Transport - variance above budget expectations		(180,241)
Regional Road Group funding Actual YTD received less than budget YTD (Timing Difference)	(118,693)	
MRWA Direct Road Grant Actual YTD more than YTD Budget (Permanent Difference) State Govt Agreement delay	5,125	

REPORTABLE OPERATING EXPENSE VARIATIONS

Governance - variance above budget expectations		133,389
Administration Allocated more YTD actual than YTD budget (Timing Difference)	(389,394)	
Depreciation YTD Actual less than YTD Budget Depn not run until Audit sign off in December 2018 (Timing Difference)	(30,882)	
General Purpose Funding - variance below budget expectations		50,583
Administration Allocated less YTD actual than YTD budget (Timing Difference)	31,151	
Education and Welfare - variances below budget expectations		51,388
Education - Depreciation YTD less than Budget YTD - Depreciation will be run/calculated and assets rolled over after auditor's final audit in December 2018 (Timing Difference)	17,591	
Community Amenities - variance below budget expectations		42,610
Admin Allocation - Town planning YTD Actuals less than YTD Budget (Timing Difference)	15,576	
Other Community Amenities - Depreciation YTD less than Budget YTD - Depreciation will be run/calculated and assets rolled over after auditor's final audit in December 2018 (Timing Difference)	(3,981)	
Transport - variance below budget expectations		(679,047)
Townsite Maintenance YTD Actual more than YTD Budget (Timing Difference)	(871)	
Depreciation YTD Actual less than Budget YTD - Depreciation will be run/calculated and assets rolled over after auditor's final audit in December 2018 (Timing difference)	(629,037)	
Economic Services - variance below budget expectations		26,942
OES Depreciation YTD Actuals less than YTD Budget - Depreciation will be run/calculated and assets rolled over after auditor's final audit in December 2018 (Timing Difference)	(17,568)	

REPORTABLE NON-CASH VARIATIONS

(Profit)/Loss on Asset Disposals - below budget expectations		
DTS Holden captiva sold at auction (Timing Difference) loss on sale to book Written Down Value	3,666	
Webb St Block not sold/disposed YTD (Timing Difference) Carryover	-	(382,407)
CAT Front end loader changed over with new CASE loader (Timing Difference) profit on sale to book WDV	(77,238)	
Depreciation on Assets - below budget expectations		605,311
Depreciation higher than expected due to revaluation of Infra Assets (Permanent Difference)		

REPORTABLE CAPITAL EXPENDITURE VARIATIONS

Purchase of Plant & Equipment - below budget expectations		(27,539)
Purchase of Plant & Equipment YTD Actuals above YTD Budget (Timing Difference)		
Changeover of CEO vehicle approved out of Budget exp by Council with cash back (Permanent Diff)	(36,748)	
Purchase of Road Infrastructure Assets - below budget expectations		150,763
Road Infrastructure YTD Actuals less than YTD Budget (Timing Difference)		
SBS01 Capex - Sbs Bodey Street And Harper Street Project postponed to 2019/20 (Timing Difference)	77,000	
RRGA7 Capex - Rrg York Williams Rd Reseal & Regravel YTD Actual higher than YTD Budget (Permanent Diff)	(48,054)	
RRG09 Yenellin Road Upgrade Rrg Project postponed to 2019/20 Budget (Timing Difference)	126,235	
Purchase of Bridge Infrastructure Assets - below budget expectations		99,461
BRR21 Capex - Bridge - Replace Box Culverts project not completed carryover to 2019/20 Budget	99,461	
Transfers to Restricted Assets (Reserves) - Variance below budget expectations.		19,771
Not all transfers to reserves required.		

REPORTABLE CAPITAL REVENUE VARIATIONS

Proceeds from Disposal of Assets - below budget expectations		
Proceeds from Disposal of assets YTD Actual above YTD Budget - (Timing Difference)	145,417	31,817

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2018 TO 30 JUNE 2019

	2018/19 Adopted Budget \$	2018/19 Revised Budget \$	2018/19 YTD Budget \$	June 2019 YTD Actual \$
1. ACQUISITION OF ASSETS				
The following assets have been acquired during the period under review:				
<u>By Program</u>				
Governance				
<u>Other Governance</u>				
Capex - Admin Plant Purchases	0	0	0	36,747.91
Education & Welfare				
<u>Other Aged & Disabled Services</u>				
Capex - Paaa Development	0	0	0	0.00
Capex - Paaa Project Manager	0	0	0	0.00
Capex - Paaa Architects & Consultants	9,745	9,745	9,745	4,901.90
Capex - Paaa Building Construction	19,580	19,580	19,580	20,141.82
Capex - Paaa Utility Services	18,000	18,000	18,000	23,313.35
Capex - Paaa Construction Community	19,000	19,000	19,000	13,538.87
Capex - Paaa Landscaping Soft & Hard	7,000	7,000	7,000	7,112.37
Capex - Paaa Landscaping Sensory Garden	71,200	71,200	71,200	85,291.69
Recreation and Culture				
<u>Swimming Areas & Beaches</u>				
Swimming Pool Buildings Capital	5,000	5,000	5,000	0.00
<u>Works in Progress - Recreation Centre</u>				
Capex - Pracc Project Manager	76,900	76,900	76,900	40,228.01
Capex - Pracc Architects & Consultants	41,906	41,906	41,906	27,127.87
Capex - Praac Building Construction	1,079,802	1,079,802	1,079,802	1,080,736.81
Capex - Pracc Utility Services	4,300	4,300	4,300	3,298.23
Capex - Pracc Carpark And Drainage	56,025	56,025	56,025	72,066.49
Capex - Pracc Landscaping Soft & Hard	19,000	19,000	19,000	19,830.42
Capex - Pracc Playground	35,000	35,000	35,000	34,438.00
Capex - Pracc Opening & Promotion	2,500	2,500	2,500	2,921.26
Capex - Pracc Fit Out Furniture	15,000	15,000	15,000	12,806.02
Capex - Pracc Bowling Green	503,100	503,100	503,100	540,428.25
Capex - Pracc Footpaths	16,000	16,000	16,000	20,735.46

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2018 TO 30 JUNE 2019

1. ACQUISITION OF ASSETS (Continued)	2018/19 Adopted Budget \$	2018/19 Revised Budget \$	2018/19 YTD Budget \$	June 2019 Actual \$
Transport				
<i>Construction - Roads, Bridges, Depots</i>				
Bridges Purchase - Schedule 12				
Capex - Bridge - Replace Box Culverts	252,000	252,000	252,000	152,538.58
Roads Construction				
Capex - Sbs Bodey Street And Harper Street	77,000	77,000	77,000	0.00
Capex - Rrg York Williams Rd Reseal & Regravel	172,500	172,500	172,500	220,553.93
Capex - Rrg Yenellin Road Upgrade	140,635	140,635	140,635	14,400.00
Capex - Rrg Review Street	273,500	273,500	273,500	276,336.72
Capex - Rrg Bullaring Road	67,000	67,000	67,000	68,579.24
10 Shaddick Rd Realine & Regravel - Crsf	102,937	102,937	102,937	102,938.85
Footpath - Upgrade Apex Hill	6,000	6,000	6,000	0.00
<i>Road Plant Purchases</i>				
Capex - Front End Loader	243,000	243,000	243,000	240,840.00
Capex - Flail Mower	30,000	30,000	30,000	22,951.50
	<u>3,363,630</u>	<u>3,363,630</u>	<u>3,363,630</u>	<u>3,144,835.77</u>
By Class				
Land	0	0	0	0.00
Buildings	5,000	5,000	5,000	0.00
Furniture & Equipment	0	0	0	0.00
Plant & Equipment	273,000	273,000	273,000	300,539.41
Work in Progress - PPE	0	0	0	0.00
Infrastructure - Roads	833,572	833,572	833,572	682,808.74
Infrastructure - Footpaths	6,000	6,000	6,000	0.00
Infrastructure - Kerbs & Drains	0	0	0	0.00
Infrastructure - Parks & Ovals	0	0	0	0.00
Infrastructure - Bridges	252,000	252,000	252,000	152,538.58
Infrastructure - Other	0	0	0	0.00
Works in Progress - Recreation Centre	1,849,533	1,849,533	1,849,533	1,854,649.04
Works in Progress - Aged Care Accommodation	144,525	144,525	144,525	154,300.00
	<u>3,363,630</u>	<u>3,363,630</u>	<u>3,363,630</u>	<u>3,144,835.77</u>

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2018 TO 30 JUNE 2019

2. DISPOSALS OF ASSETS

The following assets have been disposed of during the period under review:

Asset No	By Program	Written Down Value		Sale Proceeds		Profit(Loss)	
		2018/19 Budget \$	June 2019 Actual \$	2018/19 Budget \$	June 2019 Actual \$	2018/19 Budget \$	June 2019 Actual \$
	Governance						
1037	5 Webb St (Land)	32,000	0.00	20,000	0.00	(12,000)	0.00
PCEO17	PCEO17 - CEO Vehicle	0	51,961.60	0	52,747.91	0	786.31
EMCCS02	EMEDS02 - DTS Vehicle PN725	10,500	10,335.22	7,600	6,669.09	(2,900)	(3,666.13)
10180	CRC Lot 2 (18) Parade Street-Spec Building	230,600.00	0.00	0	0.00	(230,600)	0.00
10191	CRC Lot 2 (18) Parade Street-Land	16,000.00	0.00	0	0.00	(16,000)	0.00
10173	Lot 602 (38) Sharow St Land	4,753	0.00	0	0.00	(4,753)	0.00
10174	Lot 603(36) Sharow St Land	4,753	0.00	0	0.00	(4,753)	0.00
10289A	Lot 602 (38) and Lot 603 (4 Units only)	115,043	0.00	0	0.00	(115,043)	0.00
	Transport						
PL5	2003 CAT Front End Loader-PN430	8,000	8,762.21	86,000	86,000.00	78,000	77,237.79
		421,649	71,059.03	113,600	145,417.00	(308,049)	74,357.97

Asset No	By Class of Asset	Written Down Value		Sale Proceeds		Profit(Loss)	
		2018/19 Budget \$	June 2019 Actual \$	2018/19 Budget \$	June 2019 Actual \$	2018/19 Budget \$	June 2019 Actual \$
	Plant & Equipment						
PCEO16	PCEO17 - CEO Vehicle	0	51,961.60	0	52,748	0	786.31
EMCCS02	EMEDS02 - DTS Vehicle PN725	10,500	10,335.22	7,600	6,669	(2,900)	(3,666.13)
PL5	2003 CAT Front End Loader-PN430	8,000	8,762.21	86,000	86,000.00	78,000	77,237.79
	Land & Buildings						
10180	CRC Lot 2 (18) Parade Street-Spec Building	230,600	0.00	0	0	(230,600)	0.00
10191	CRC Lot 2 (18) Parade Street-Land	16,000	0.00	0	0	(16,000)	0.00
10173	Lot 602 (38) Sharow St Land	4,753	0.00	0	0	(4,753)	0.00
10174	Lot 603(36) Sharow St Land	4,753	0.00	0	0	(4,753)	0.00
10289A	Lot 602 (38) and Lot 603 (4 Units only)	115,043	0.00	0	0	(115,043)	0.00
1037	5 Webb St (Land)	32,000	0.00	20,000	0.00	(12,000)	0.00
10922	Industrial Shed - 2 Paragon Street	0	0.00	0	0.00	0	0.00
10933	Industrial Shed - Lot 853 (Land)	0	0.00	0	0.00	0	0.00
1016	Community Centre & Pav-demolished		0.00		0.00		0.00
		421,649	71,059.03	113,600	145,417.00	(308,049)	74,357.97

Summary

	2018/19 Adopted Budget \$	June 2019 Actual \$
Profit on Asset Disposals	78,000	78,024.10
Loss on Asset Disposals	(386,049)	(3,666.13)
	<u>(308,049)</u>	<u>74,357.97</u>

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2018 TO 30 JUNE 2019

3. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-18	New Loans		Principal Repayments			Principal Outstanding			Interest Repayments		
		2018/19 Budget \$	2018/19 Actual \$	2018/19 Budget \$	2018/19 Revised Budget	2018/19 Actual \$	2018/19 Budget \$	2018/19 Revised Budget	2018/19 Actual \$	2018/19 Budget \$	2017/18 Revised Budget	2018/19 Actual \$
Education & Welfare												
Loan 120 - SSL Pingelly Cottage Homes	181,717	0	0	7,598	7,598	7,598	174,119	174,119	174,119	5,879	5,879	11,506
Recreation & Culture												
Loan 123 - Recreation and Cultural Centre	2,289,025			90,738	90,738	90,738	2,198,287	2,198,287	2,198,287	95,423	95,423	93,502
Loan 124 - Recreation and Cultural Centre			0	0	0	0	0	0	0	0	0	0
WATC Short Term Facility	500,000	700,000	700,000	0	0	0	1,200,000	1,200,000	1,200,000	28,320	28,320	26,738
	2,970,742	700,000	700,000	98,336	98,336	98,336	3,572,406	3,572,406	3,572,406	129,622	129,622	131,746

(*) Self supporting loan financed by payments from third parties.
All other loan repayments were financed by general purpose revenue.

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2018 TO 30 JUNE 2019

	2018/19 Adopted Budget \$	June 2019 Actual \$
4. RESERVES		
Cash Backed Reserves		
(a) Leave Reserve		
Opening Balance	113,223	113,223
Amount Set Aside / Transfer to Reserve	2,430	1,980
Amount Used / Transfer from Reserve	(80,000)	(80,000)
	<u>35,653</u>	<u>35,203</u>
(b) Plant Reserve		
Opening Balance	246,256	246,256
Amount Set Aside / Transfer to Reserve	5,285	4,306
Amount Used / Transfer from Reserve	(186,500)	(184,840)
	<u>65,041</u>	<u>65,722</u>
(c) Building and Recreation Reserve		
Opening Balance	31,202	31,202
Amount Set Aside / Transfer to Reserve	20,185	546
Amount Used / Transfer from Reserve	(28,000)	(28,000)
	<u>23,387</u>	<u>3,748</u>
(d) Electronic Equipment Reserve		
Opening Balance	6,280	6,280
Amount Set Aside / Transfer to Reserve	7	110
Amount Used / Transfer from Reserve	(3,200)	(3,200)
	<u>3,087</u>	<u>3,190</u>
(e) Community Bus Reserve		
Opening Balance	11,419	11,419
Amount Set Aside / Transfer to Reserve	25	200
Amount Used / Transfer from Reserve	0	0
	<u>11,444</u>	<u>11,619</u>
(f) Swimming Pool Reserve		
Opening Balance	51,095	51,095
Amount Set Aside / Transfer to Reserve	495	893
Amount Used / Transfer from Reserve	(5,000)	0
	<u>46,590</u>	<u>51,988</u>
(g) Joint Venture Housing Reserve		
Opening Balance	52,544	52,544
Amount Set Aside / Transfer to Reserve	523	919
Amount Used / Transfer from Reserve	(53,068)	0
	<u>(1)</u>	<u>53,463</u>
(h) Refuse Site Rehab/Closure Reserve		
Opening Balance	15,556	15,556
Amount Set Aside / Transfer to Reserve	46	272
Amount Used / Transfer from Reserve	0	0
	<u>15,602</u>	<u>15,828</u>
Total Cash Backed Reserves	<u>200,803</u>	<u>240,761</u>

All of the above reserve accounts are to be supported by money held in financial institutions.

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2018 TO 30 JUNE 2019

	2018/19 Adopted Budget \$	June 2019 Actual \$
4. RESERVES (Continued)		
Cash Backed Reserves (Continued)		
Summary of Transfers To Cash Backed Reserves		
Transfers to Reserves		
Leave Reserve	2,430	1,980
Plant Reserve	5,285	4,306
Building and Recreation Reserve	20,185	546
Electronic Equipment Reserve	7	110
Community Bus Reserve	25	200
Swimming Pool Reserve	495	893
Joint Venture Housing Reserve	523	919
Refuse Site Rehab/Closure Reserve	46	272
	<u>28,996</u>	<u>9,226</u>
Transfers from Reserves		
Leave Reserve	(80,000)	(80,000)
Plant Reserve	(186,500)	(184,840)
Building Reserve	(28,000)	(28,000)
Electronic Equipment Reserve	(3,200)	(3,200)
Community Bus Reserve	0	0
Swimming Pool Reserve	(5,000)	0
Joint Venture Housing Reserve	(53,068)	0
Refuse Site Rehab/Closure Reserve	0	0
	<u>(355,768)</u>	<u>(296,040)</u>
Total Transfer to/(from) Reserves	<u>(326,772)</u>	<u>(286,814)</u>

In accordance with council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Leave Reserve

- to be used to fund annual and long service leave requirements.

Plant Reserve

- to be used for the purchase of major plant.

Building and Recreation Reserve

- to be used to fund the renovation/purchase of Shire of Pingelly buildings and Recreation Infrastructure.

Electronic Equipment Reserve

- to be used to fund the purchase of administration computer system equipment.

Community Bus Reserve

- to be used to fund the change-over of the community bus.

Swimming Pool Reserve

- to be used to fund the upgrading of the swimming pool complex

Joint Venture Housing Reserve

- to be used for the future maintenance of the Joint Venture units

Refuse Site Rehab/Closure Reserve

- to be used to facilitate the rehabilitation/closure of the town refuse site.

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2018 TO 30 JUNE 2019

	2017/18 B/Fwd Per 2018/19 Budget \$	2017/18 B/Fwd Per Financial Report \$	June 2019 Actual \$
5. NET CURRENT ASSETS			
Composition of Estimated Net Current Asset Position			
CURRENT ASSETS			
Cash - Unrestricted	631,596	631,595	200,111
Cash - Restricted Unspent Grants	229,139	229,139	90,981
Cash - Restricted Unspent Loans	(314,353)	(314,353)	0
Cash - Restricted Reserves	527,575	527,575	240,760
Rates Outstanding	220,559	220,559	180,395
Sundry Debtors	100,719	100,719	24,386
Provision for Doubtful Debts	(3,519)	(3,519)	0
Gst Receivable	151,014	151,014	21,955
Loans - clubs/institutions	7,598	7,598	24,300
Accrued Income/Payments In Advance	1,958	1,958	0
Investments	0	0	0
Inventories	8,380	8,380	8,744
	<u>1,560,666</u>	<u>1,560,666</u>	<u>791,631</u>
LESS: CURRENT LIABILITIES			
Payables and Provisions (Budget Purposes Only)	0	0	0
Sundry Creditors	(113,407)	(113,407)	127
Accrued Interest On Loans	(49,507)	(49,507)	(74,614)
Accrued Salaries & Wages	(19,658)	(19,658)	(23,698)
Income In Advance	0	0	0
Gst Payable	(50,973)	(50,973)	(9,832)
Payroll Creditors	0	0	0
Accrued Expenses	(15,733)	(15,733)	(12,406)
PAYG Liability	(32,720)	(32,720)	(27,512)
Other Payables	(3,487)	(3,487)	(5,299)
Current Employee Benefits Provision	(303,871)	(303,871)	(329,149)
Current Loan Liability	(598,336)	(98,336)	(1,367,697)
	<u>(1,187,692)</u>	<u>(687,691)</u>	<u>(1,850,080)</u>
NET CURRENT ASSET POSITION	372,974	872,976	(1,058,448)
Less: Cash - Reserves - Restricted	(527,575)	(527,575)	(240,760)
Less: Cash - Unspent Grants/Loans - Fully Restricted	0	0	(0)
Less: Current Loans - Clubs / Institutions	(7,598)	(7,598)	(24,300)
Less: Investments	0	0	0
Add Back : Component of Leave Liability not Required to be Funded	303,871	303,871	329,149
Add Back : Current Loan Liability	598,336	98,336	1,367,697
Adjustment for Trust Transactions Within Muni	0	0	0
ESTIMATED SURPLUS/(DEFICIENCY) C/FWD	<u>740,010</u>	<u>740,010</u>	<u>373,337</u>

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2018 TO 30 JUNE 2019

6. RATING INFORMATION

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2018/19 Rate Revenue \$	2018/19 Interim Rates \$	2018/19 Back Rates \$	2018/19 Total Revenue \$	2018/19 Budget \$
General Rate								
GRV - Residential	0.130220	321	3,135,172	408,262	5,053	53	413,368	407,247
GRV - Rural Residential	0.130220	69	719,124	93,644	535	53	94,233	93,644
GRV - Commercial/Industrial	0.130220	33	463,424	60,249	13	3	60,266	60,249
GRV - Townsites	0.130220	12	128,440	16,725	900	814	18,440	16,725
UV - Broadacre Rural	0.010469	250	123,477,000	1,292,681	(1,484)	0	1,291,196	1,292,478
Sub-Totals		685	127,923,160	1,871,562	5,017	924	1,877,503	1,870,343
Minimum Rates	Minimum \$							
GRV - Residential	900	58	121,945	52,200	0	0	52,200	52,200
GRV - Rural Residential	900	20	69,600	18,000	0	0	18,000	18,000
GRV - Commercial/Industrial	900	8	28,385	7,200	0	0	7,200	7,200
GRV - Townsites	900	7	20,270	6,300	0	0	6,300	6,300
UV - Broadacre Rural	900	45	2,709,500	40,500	0	0	40,500	40,500
Sub-Totals		138	2,949,700	124,200	0	0	124,200	124,200
Ex Gratia Rates Movement in Excess Rates							2,001,703	1,994,543
							233	241
							(18,790)	0
Total Amount of General Rates Specified Area Rates							1,983,146	1,994,784
							0	0
Total Rates							1,983,146	1,994,784

All land except exempt land in the Shire of Pingelly is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire.

The general rates detailed above for the 2018/19 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also bearing considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of the Local Government services/facilities.

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2018 TO 30 JUNE 2019

7. TRUST FUNDS

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

Detail	Balance 01-Jul-18 \$	Amounts Received \$	Amounts Paid (\$)	Balance \$
Transport Licensing	0	434,462	(434,462)	0
BCITF Levy	0	0	0	0
Rates	0	0	0	0
Funds Held on Behalf of Groups	40	0	0	40
Unclaimed Monies	100	952	0	1,052
Builders Registration Board	0	0	0	0
Social Club	0	0	0	0
Nomination Deposits	80	0	(80)	0
Bond Monies (Including Key Deposits)	4,040	7,410	(4,300)	7,150
	<u>4,260</u>	<u>442,824</u>	<u>(438,842)</u>	<u>8,242</u>

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2018 TO 30 JUNE 2019

8. OPERATING STATEMENT

	June 2019 Actual	2018/19 Revised Budget	2018/19 Adopted Budget	2017/18 Actual
	\$	\$	\$	\$
OPERATING REVENUES				
Governance	73,947	85,669	85,669	105,617
General Purpose Funding	3,307,592	2,691,085	2,691,085	3,174,924
Law, Order, Public Safety	94,360	65,902	65,902	454,910
Health	1,526	6,936	6,936	8,283
Education and Welfare	12,737	11,175	11,175	635,719
Housing	0	0	0	0
Community Amenities	210,008	343,650	343,650	174,268
Recreation and Culture	735,338	712,454	712,454	4,055,949
Transport	938,651	1,118,892	1,118,892	1,188,399
Economic Services	25,394	24,050	24,050	43,885
Other Property and Services	48,273	77,750	77,750	108,329
TOTAL OPERATING REVENUE	5,447,826	5,137,563	5,137,563	9,950,283
OPERATING EXPENSES				
Governance	544,118	677,507	677,507	556,517
General Purpose Funding	174,790	225,373	225,373	176,753
Law, Order, Public Safety	232,566	207,056	207,056	200,344
Health	102,673	121,072	121,072	109,345
Education and Welfare	67,615	119,003	119,003	42,882
Housing	0	0	0	0
Community Amenities	365,509	408,119	408,119	370,813
Recreation & Culture	1,310,318	1,338,540	1,338,540	949,218
Transport	2,904,188	2,225,141	2,225,141	1,796,546
Economic Services	237,135	264,077	264,077	231,661
Other Property and Services	114,281	40,738	40,738	87,172
TOTAL OPERATING EXPENSE	6,053,193	5,626,626	5,626,626	4,521,251
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	<u>(605,367)</u>	<u>(489,063)</u>	<u>(489,063)</u>	<u>5,429,032</u>

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2018 TO 30 JUNE 2019

9. STATEMENT OF FINANCIAL POSITION

	June 2019 Actual \$	2017/18 Actual \$
CURRENT ASSETS		
Cash and Cash Equivalents	531,852	1,073,956
Investments Current	5,000	5,000
Trade and Other Receivables	251,036	478,330
Inventories	8,744	8,380
Trust at Bank	8,242	4,260
TOTAL CURRENT ASSETS	<u>804,874</u>	<u>1,569,926</u>
NON-CURRENT ASSETS		
Other Receivables	219,278	231,478
Inventories	0	0
Property, Plant and Equipment	20,141,783	18,436,371
Infrastructure	67,433,529	68,425,477
Investments Non Current	46,400	46,400
TOTAL NON-CURRENT ASSETS	<u>87,840,990</u>	<u>87,139,726</u>
TOTAL ASSETS	<u>88,645,864</u>	<u>88,709,652</u>
CURRENT LIABILITIES		
Trade and Other Payables	153,234	285,484
Long Term Borrowings	1,367,697	98,336
Provisions	329,149	303,871
Trust Liability	8,242	4,260
TOTAL CURRENT LIABILITIES	<u>1,858,322</u>	<u>691,951</u>
NON-CURRENT LIABILITIES		
Trade and Other Payables	0	0
Long Term Borrowings	2,204,709	2,872,406
Provisions	96,091	53,186
TOTAL NON-CURRENT LIABILITIES	<u>2,300,800</u>	<u>2,925,592</u>
TOTAL LIABILITIES	<u>4,159,122</u>	<u>3,617,543</u>
NET ASSETS	<u>84,486,742</u>	<u>85,092,109</u>
EQUITY		
Retained Surplus	32,622,176	32,940,728
Reserves - Cash Backed	240,760	527,575
Revaluation Surplus	51,623,806	51,623,806
TOTAL EQUITY	<u>84,486,742</u>	<u>85,092,109</u>

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2018 TO 30 JUNE 2019

10. FINANCIAL RATIOS

	2019 YTD	2018	2017	2016
Current Ratio	0.31	4.05	2.03	1.05
Operating Surplus Ratio	(0.72)	(0.26)	(0.60)	(0.72)

The above ratios are calculated as follows:

Current Ratio
$$\frac{(\text{Current Assets MINUS Restricted Assets})}{(\text{Current Liabilities MINUS Liabilities Associated with Restricted Assets})}$$

Purpose:

This is a modified commercial ratio designed to focus on the liquidity position of a local government that has arisen from past year's transactions.

Standards:

The standard is not met if the ratio is lower than 1:1 (less than 100%)

The standard is met if the ratio is greater than 1:1 (100% or greater)

A ratio less than 1:1 means that a local government does not have sufficient assets that can be quickly converted into cash to meet its immediate cash commitments. This may arise from a budget deficit from the past year, a Council decision to operate an overdraft or a decision to fund leave entitlements from next year's revenues.

Below Std

Std met

NB: Ratio is currently affected by \$1.2M Short Term Borrowing recorded as a current liability.

Adjusted Current Ratio adjusting for this figure is:

**

2.93

Operating Surplus Ratio

$$\frac{(\text{Operating Revenue MINUS Operating Expense})}{(\text{Own Source Operating Revenue})}$$

Purpose:

This ratio is a measure of a local government's ability to cover its operational costs and have revenues available for capital funding or other purposes.

Standards:

Basic Standard is not met less than < 1% (< 0.01)

Basic Standard between 1% and 15% (0.01 and 0.15)

Advanced Standard greater than > 15% (>0.15).

Below Std

Basic Std

Adv Std

SHIRE OF PINGELLY RESTRICTED CASH RECONCILIATION 30 June 2019								
Restricted Grants/Funds Received	Projects	GL/Job Account	Total Restricted Funds	Actual Expenditure previous year 2015/16	Actual Expenditure previous year 2016/17	Actual Expenditure current year 2017/18	Actual Expenditure current year 2018/19	Restricted Funds Remaining
WDC Community Chest Funding-Sensory Garden	Aged Approp Accom Units	0861	10,000.00	0.00	0.00	0.00	10,000.00	0.00
Lotterywest Grant-Aged Sensory Space	Aged Approp Accom Units	PAA02	50,000.00	0.00	0.00	8,861.32	41,138.68	0.00
National Stronger Regions Funds claim 2+Interest	Recreation & Cultural Centre	11PR/PR01	1,473,653.35	0.00	0.00	1,472,140.88	1,512.47	0.00
Community Crime Prevention Funds	Pingelly Reach Program	GR001	19,500.00	0.00	0.00	0.00	19,500.00	0.00
Mental Health Grant	Mental Health Commission	GR001	2,870.00	0.00	0.00	0.00	2,870.00	0.00
National Stronger Regions Funds - final claim 4	Recreation & Cultural Centre	11PR/PR01	353,289.00	0.00	0.00	0.00	353,289.00	0.00
Dept of Sport & Rec \$350,000 - final claim 3 25%	Recreation & Cultural Centre	11PR/PR03	87,500.00	0.00	0.00	0.00	87,500.00	0.00
Bendigo Bank-Pingelly Community Financial Services	Recreation & Cultural Centre	11PR/PR04	150,000.00	0.00	0.00	100,000.00	50,000.00	0.00
CBH Contribution Grass Roots Fund -playground	Recreation & Cultural Centre	11PR/PR11	10,000.00	0.00	0.00	0.00	10,000.00	0.00
DSR CSRFF Grant Bowling Rink	Recreation & Cultural Centre	11PR/PR03	144,367.00	0.00	0.00	0.00	144,367.00	0.00
Pingelly Bowling Club contribution Bowling Rink	Recreation & Cultural Centre	11PR/PR10	70,000.00	0.00	0.00	0.00	70,000.00	0.00
WATC S/T Loan Facility PRACC claim 2-Bowls	Recreation & Cultural Centre	1704	200,000.00	0.00	0.00	0.00	200,000.00	0.00
WATC S/T Loan Facility PRACC claim 2-PRACC	Recreation & Cultural Centre	1704	500,000.00	0.00	0.00	314,353.36	185,646.64	0.00
Harper St Bodey St State Blackspot SBS01	Transport	1235	20,533.20	0.00	0.00	0.00	0.00	20,533.20
Yenellin Road Upgrade RRG09	Transport	1230	69,386.00	0.00	0.00	0.00	14,400.00	54,986.00
Main Roads Bullaring rd Bridge Funding 18/19 c/fwd	Transport	1250	168,000.00	0.00	0.00	0.00	152,538.58	15,461.42
Sub Total								90,980.63
Total Restricted Grant Funds								90,980.63
Available Cash								Balance
Municipal Bank	Muni Fund Bank	0111	Variable	Ongoing	N.A.			290,341.58
Municipal Bank	Till Float SES	0112						50.00
Municipal Bank	Till Float	0113						200.00
Municipal Bank	Petty Cash on hand	0114						500.00
Total Cash								291,091.58
Less Restricted Cash								(90,980.63)
Total Unrestricted Cash								200,110.95

Attachment 3

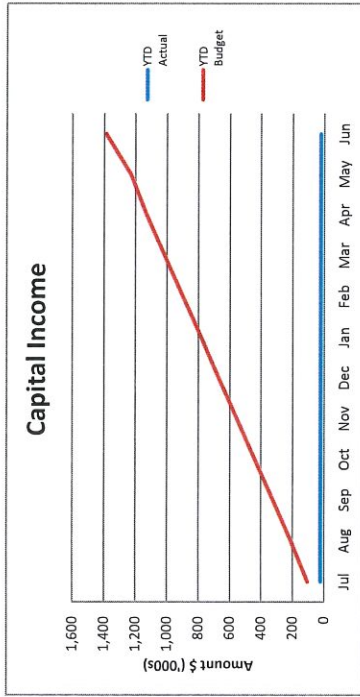
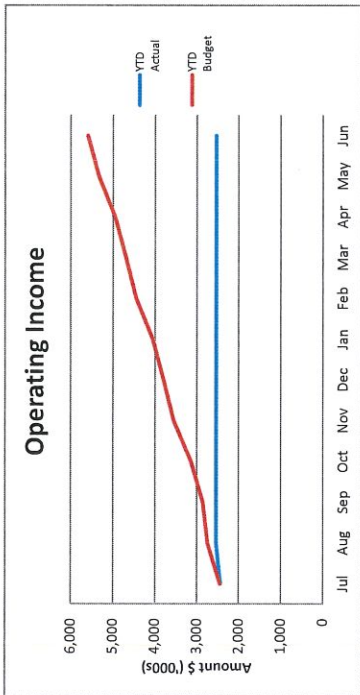
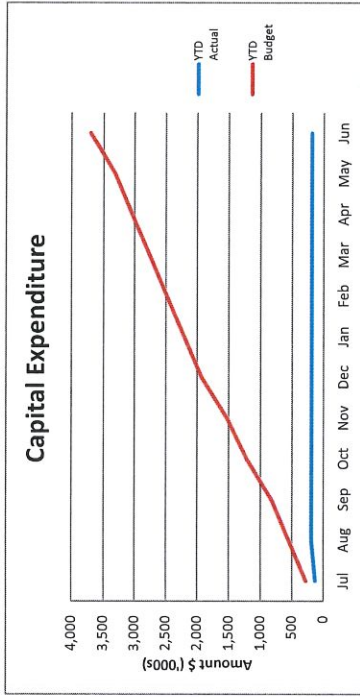
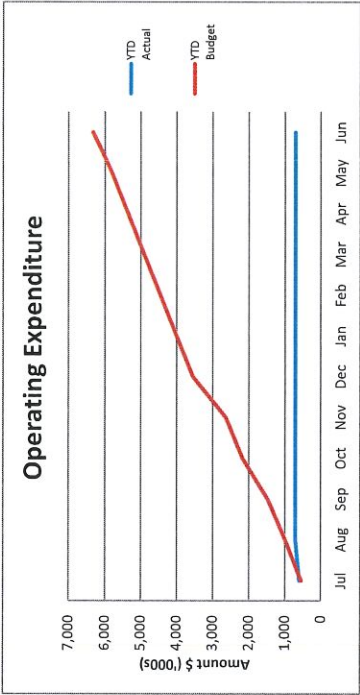


SHIRE OF PINGELLY
MONTHLY STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2019 TO 31 JULY 2019

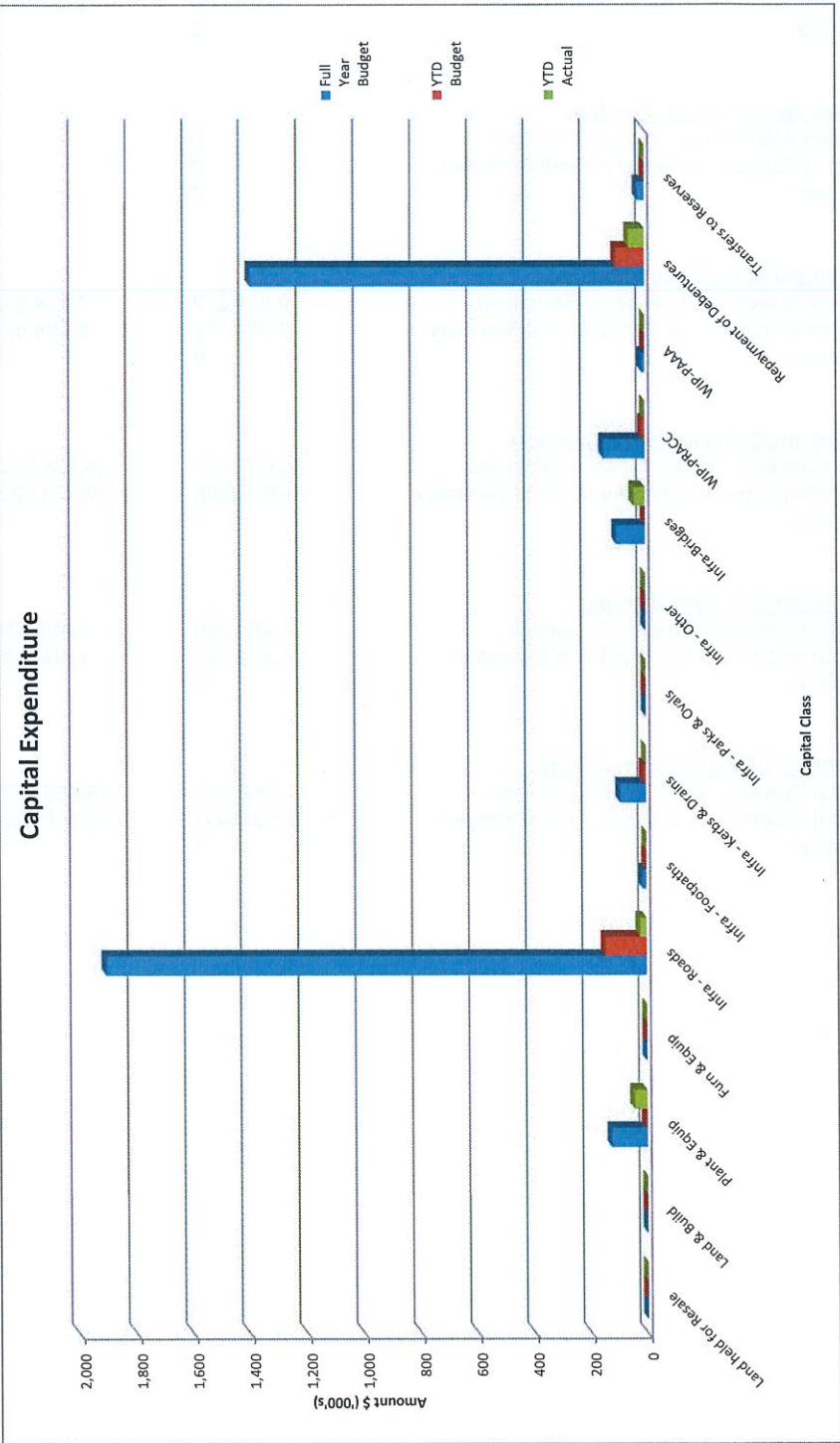
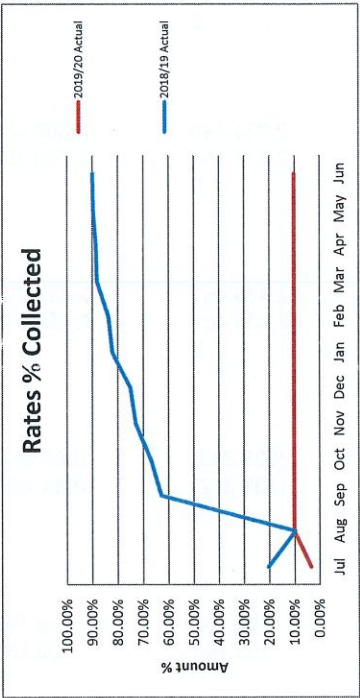
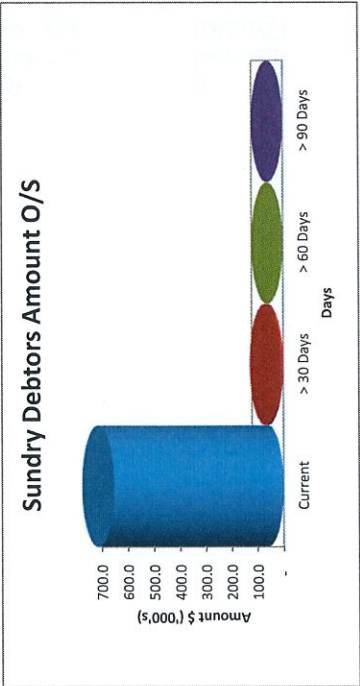
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Income and Expenditure Graphs to 31 July 2019



Other Graphs to 31 July 2019



SHIRE OF PINGELLY

Summary of Balancing Contained Within The Monthly Reports

	2019/20 Adopted Budget \$	2019/20 Revised Budget \$	July 2019 Y-T-D Budget \$	July 2019 Actual \$
Finance Statement				
<u>Balancing to Rating Note</u>				
Rates Balance per Finance Statement	2,084,538	2,084,538	2,084,816	2,093,217
Balance per Note 6 (Rating Information)	2,084,538	2,084,538	2,084,816	2,093,219
Variance	0	0	0	(2)
<u>Balancing of Closing Position</u>				
Closing Balance per Finance Statement	0	0	2,311,146	2,308,488
Closing Balance per General Fund Summary	0	0	2,311,146	2,308,488
Variance	0	0	0	0
<u>Balancing of Operating Income</u>				
Operating Income per Finance Statement	5,584,572	5,584,572	2,438,461	2,429,966
Operating Income per General Fund Summary	5,584,572	5,584,572	2,438,461	2,429,965
Variance	0	0	0	1
<u>Balancing of Operating Expenditure</u>				
Operating Expense per Finance Statement	(6,325,500)	(6,325,500)	(539,352)	(589,167)
Operating Expense per General Fund Summary	(6,325,500)	(6,325,500)	(539,352)	(589,168)
Variance	0	0	0	1
<u>Balancing of Capital Income</u>				
Capital Income per Finance Statement	1,409,380	1,409,380	102,702	30,197
Capital Income per General Fund Summary	1,409,380	1,409,380	102,702	30,196
Variance	0	0	0	0
<u>Balancing of Capital Expenditure</u>				
Capital Expense per Finance Statement	(3,808,527)	(3,808,527)	(270,796)	(162,149)
Capital Expense per General Fund Summary	(3,808,527)	(3,808,527)	(270,796)	(162,149)
Variance	0	0	0	(0)

SHIRE OF PINGELLY

STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2019 TO 31 JULY 2019

	NOTE	2019/20 Adopted Budget \$	2019/20 Revised Budget \$	July 2019 Y-T-D Budget \$	July 2019 Actual \$	Variances Actuals to Budget \$	Variances Actual Budget to Y-T-D %	
Operating								
Revenues/Sources								
Governance		38,385	38,385	3,179	3,960	781	24.57%	
General Purpose Funding		657,707	657,707	5,821	(23,510)	(29,331)	(503.88%)	▼
Law, Order, Public Safety		70,802	70,802	304	(1,409)	(1,713)	(563.49%)	
Health		1,636	1,636	135	0	(135)	(100.00%)	
Education and Welfare		28,425	28,425	2,280	5,633	3,373	149.25%	
Housing		0	0	0	0	0	0.00%	
Community Amenities		211,850	211,850	166,840	166,799	(41)	(0.02%)	
Recreation and Culture		57,285	57,285	2,650	30	(2,620)	(98.87%)	
Transport		2,336,897	2,336,897	164,374	149,279	(15,095)	(9.18%)	
Economic Services		45,820	45,820	3,816	26,160	22,344	585.53%	▲
Other Property and Services		51,227	51,227	4,266	9,805	5,539	129.84%	▲
		3,500,034	3,500,034	353,645	336,747	(16,898)	(4.78%)	
(Expenses)/(Applications)								
Governance		(669,607)	(669,607)	(41,156)	(52,599)	(11,443)	(27.80%)	▲
General Purpose Funding		(198,531)	(198,531)	(16,295)	(16,208)	87	0.53%	
Law, Order, Public Safety		(236,557)	(236,557)	(27,419)	(42,661)	(15,242)	(55.59%)	▲
Health		(140,955)	(140,955)	(12,103)	(4,139)	7,964	65.80%	▼
Education and Welfare		(119,363)	(119,363)	(10,059)	(7,369)	2,690	26.74%	
Community Amenities		(417,533)	(417,533)	(29,526)	(36,259)	(6,733)	(22.80%)	▲
Recreation & Culture		(1,383,936)	(1,383,936)	(97,488)	(82,368)	15,120	15.51%	▼
Transport		(2,817,866)	(2,817,866)	(246,889)	(224,421)	22,468	9.10%	
Economic Services		(314,988)	(314,988)	(24,403)	(31,477)	(7,074)	(28.99%)	▲
Other Property and Services		(26,164)	(26,164)	(34,014)	(91,666)	(57,652)	(169%)	▲
		(6,325,500)	(6,325,500)	(539,352)	(589,167)	(49,815)	9.24%	
Net Operating Result Excluding Rates		(2,825,466)	(2,825,466)	(185,707)	(252,420)	(66,713)	35.92%	
Adjustments for Non-Cash								
(Revenue) and Expenditure								
(Profit)/Loss on Asset Disposals	2	385,719	385,719	797	10,388	9,591	(1203.39%)	▲
Movement in Deferred Pensioner Rates/ESL		0	0	0	0	0	0.00%	
Movement in Employee Benefit Provisions		0	0	0	0	0	0.00%	
Adjustments in Fixed Assets		0	0	0	0	0	0.00%	
Rounding		0	0	0	0	0	0.00%	
Depreciation on Assets		2,472,000	2,472,000	205,997	215,918	9,921	(4.82%)	
Capital Revenue and (Expenditure)								
Purchase Land Held for Resale	1	0	0	0	0	0	0.00%	
Purchase of Land and Buildings	1	0	0	0	0	0	0.00%	
Purchase of Furniture & Equipment	1	0	0	0	0	0	0.00%	
Purchase of Plant & Equipment	1	(126,900)	(126,900)	(3,908)	(44,826)	(40,918)	(1047.03%)	▲
Purchase of WIP - PP & E	1	0	0	0	0	0	0.00%	
Purchase of Infrastructure Assets - Roads	1	(1,903,851)	(1,903,851)	(148,123)	(22,656)	125,465	84.70%	▼
Purchase of Infrastructure Assets - Footpaths	1	(12,000)	(12,000)	(1,000)	0	1,000	100.00%	
Purchase of Infrastructure Assets - Kerbs & Drains	1	(91,588)	(91,588)	(7,630)	0	7,630	100.00%	▼
Purchase of Infrastructure Assets - Parks & Ovals	1	0	0	0	0	0	0.00%	
Purchase of Infrastructure Assets - Bridges	1	(101,888)	(101,888)	0	(38,797)	(38,797)	0.00%	
Purchase of Infrastructure Assets - Other	1	0	0	0	0	0	0.00%	
Purchase of WIP Recreation and Culture	1	(148,464)	(148,464)	(8,158)	(1,217)	6,941	85.08%	▼
Purchase of WIP Aged Accommodation	1	(10,000)	(10,000)	(129)	0	129	100.00%	
Proceeds from Disposal of Assets	2	120,430	120,430	1,869	22,353	20,484	1095.99%	▲
Repayment of Debentures	3	(1,389,880)	(1,389,880)	(101,848)	(54,651)	47,197	46.34%	▼
Proceeds from New Debentures	3	1,200,000	1,200,000	100,000	0	(100,000)	(100.00%)	▼
Advances to Community Groups		0	0	0	0	0	0.00%	
Self-Supporting Loan Principal Income		24,300	24,300	0	7,844	7,844	0.00%	
Transfer from Restricted Asset - Unspent Loans		0	0	0	0	0	0.00%	
Transfers to Restricted Assets (Reserves)	4	(23,956)	(23,956)	0	0	0	0.00%	
Transfers from Restricted Asset (Reserves)	4	64,650	64,650	833	0	(833)	(100.00%)	
Transfers to Restricted Assets (Other)		0	0	0	0	0	0.00%	
Transfers from Restricted Asset (Other)		0	0	0	0	0	0.00%	
ADD Net Current Assets July 1 B/Fwd	5	282,356	282,356	373,337	373,337	90,981	0.00%	
Net Current Assets - Unspent Grants		0	0	0	0	0		
LESS Net Current Assets Year to Date	5	0	0	2,311,146	2,308,488	(2,658)	0.12%	
Amount Raised from Rates		(2,084,538)	(2,084,538)	(2,084,816)	(2,093,217)	(8,401)	0.40%	

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

Material Variances Symbol

Above Budget Expectations Greater than 10% and \$5,000 ▲

Below Budget Expectations Less than 10% and \$5,000 ▼

SHIRE OF PINGELLY
FOR THE PERIOD 1 JULY 2019 TO 31 JULY 2019
Report on Significant variances Greater than 10% and \$5,000

Purpose

The purpose of the Monthly Variance Report is to highlight circumstances where there is a major variance from the YTD Monthly Budget and YTD Actual figures. These variances can occur because of a change in timing of the activity, circumstances change (e.g. a grants were budgeted for but was not received) or changes to the original budget projections. The Report is designed to highlight these issues and explain the reason for the variance.

REPORTABLE OPERATING REVENUE VARIATIONS

General Purpose Funding - variance below budget expectations		(29,331)
Movement in Excess Rates - YTD Budget nil compared to YTD Actual (Permanent Difference) EOY adj	(26,037)	
Economic Services - variance below budget expectations		22,344
Other Income YTD Budget Higher than YTD Actual (Timing Difference)	22,850	
Other Property and Services - variance below budget expectations		5,539
Reimbursement Drum Muster and Rebates - More than anticipated for this reporting period, fencing	2,870	

REPORTABLE OPERATING EXPENSE VARIATIONS

Governance - variance above budget expectations		(11,443)
Administration Allocated YTD actual less than YTD budget (Timing Difference)	7,208	
Members subscriptions actual YTD higher than YTD budget (Timing Difference)	(4,945)	
Admin Salaries and Wages actual YTD less than budget YTD (Timing Difference)	7,128	
Law, Order, Public Safety - variance below budget expectations		(15,242)
Fire Fighting Expenditure - YTD actual more than YTD budget (Timing Difference)	(15,077)	
Health - variance below budget expectations		7,964
Other Health - Contract Health Services YTD actual less than YTD Budget (Timing difference).	6,666	
Community Amenities - variance below budget expectations		(6,733)
Refuse site maintenance YTD actual more than YTD budget (Timing difference)	(6,193)	
Recreation and Culture - variance below budget expectations		15,120
Linear Park Grounds Mtce YTD Actual higher than YTD Budget (Permanent Difference)	1,253	
Other Town Parks and Gardens Mtce YTD Actuals less than YTD Budget (Timing Difference)	1,593	
Library - Management Fee YTD Actuals less than YTD Budget	(3,228)	
Other Culture - Depreciation YTD actual more than budget YTD (Timing difference)	(15,495)	
Economic Services - variance below budget expectations		(7,074)
Tourism and Area Promotion - YTD actual less than YTD budget (Timing Difference)	2,033	
Other Property and Services - variance below budget expectations		(57,652)
Public Works O/heads - Allocated to Works & Svcs - YTD actuals more than YTD budget under allocated YTD (Timing Difference)	(79,862)	
Plant Op Costs - Allocated to Works & Services - YTD Actual more than YTD Budget under allocated (Timing Difference)	(11,190)	
Plant Op Costs - Fuel and Oil YTD Actuals less than YTD Budget (Timing Difference)	6,001	
Salaries & Wages - Gross Salaries and Wages - YTD Actual more than YTD Budget (Timing Difference)	(15,733)	

REPORTABLE NON-CASH VARIATIONS

(Profit)/Loss on Asset Disposals - below budget expectations		
Webb St Block not sold/disposed YTD (Timing Difference)	-	9,591
Handover of CRC and Joint Venture Housing not occurred yet (Timing Difference)	-	

REPORTABLE CAPITAL EXPENDITURE VARIATIONS

Purchase of Plant & Equipment - below budget expectations		
Purchase of Plant & Equipment YTD Actuals above YTD Budget (Timing difference)	44,826	(40,918)
Purchase of Road Infrastructure Assets - below budget expectations		125,465
Road Infrastructure YTD Actuals less than YTD Budget (Timing Difference)		
SBS01 Capex - Sbs Bodey Street And Harper Street - YTD actual more than YTD Budget (Timing Difference)	13,914	
R2R21 Capex - 157 Bullaring Road Slk 26.618 YTD actual more than YTD Budget (Timing Difference)	8,000	
RRG05 Wickein Pingelly Slk 7.9-9.0 YTD actual more than YTD Budget (Timing Difference)	22,498	
RRG12 Capex - Rrg Bullaring Road YTD actuals less than YTD Budget (Timing Difference)	5,374	
RRG14 North Wandering Road YTD actual more than YTD Budget (Timing Difference)	(6,160)	
Capex - 10 Shaddick Rd Realine & Regravel Slk 14.0-17.5 - Crsf Funding Project YTD Actuals less than YTD Budget (Timing Difference)	20,332	
CRSF6 Capex - Wickein Pingelly Road - Crsf Funding - YTD Actual less than YTD Budget (Timing Difference)	61,507	
Purchase of Works in Progress Assets - PRACC - above budget expectations		
PRACC Project Expenditure YTD Actuals less than YTD Budget - (Timing Difference)		6,941
Repayment of Debentures - Variance below budget expectations.		
Loan repayments YTD Actual less then YTD Budget (Timing Difference)		47,197

REPORTABLE CAPITAL REVENUE VARIATIONS

Proceeds from Disposal of Assets - below budget expectations		
Proceeds from Disposal of assets YTD Actual above YTD Budget - (Timing Difference)	22,353	20,484
Proceeds from New Loans		(100,000)
New Loans for conversion of Short term PRACC loan funds programmed to be raised in Late September 2019. NB: This is a nil affect on the Rates Setting Statement (Timing Difference)	(100,000)	

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2019 TO 31 JULY 2019

	2019/20 Adopted Budget \$	2019/20 Revised Budget \$	2019/20 YTD Budget \$	July 2019 YTD Actual \$
1. ACQUISITION OF ASSETS				
The following assets have been acquired during the period under review:				
<u>By Program</u>				
Governance				
<u>Other Governance</u>				
Capex - Admin Plant Purchases	80,000	80,000	0	0.00
Education & Welfare				
<u>Other Aged & Disabled Services</u>				
Capex - Paaa Construction Community	9,000	9,000	129	0.00
Capex - Paaa Landscaping Sensory Garden	1,000	1,000	0	0.00
Recreation and Culture				
<u>Works in Progress - Recreation Centre</u>				
Capex - Pracc Architects & Consultants	4,000	4,000	0	0.00
Capex - Praac Building Construction	15,192	15,192	0	0.00
Capex - Pracc Carpark And Drainage	25,000	25,000	0	516.01
Capex - Pracc Landscaping Soft & Hard	30,000	30,000	2,104	0.00
Capex - Pracc Bowling Green	23,500	23,500	1,958	357.09
Capex - Pracc Footpaths	35,000	35,000	2,916	0.00

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2019 TO 31 JULY 2019

1. ACQUISITION OF ASSETS (Continued)	2019/20 Adopted Budget \$	2019/20 Revised Budget \$	2019/20 YTD Budget \$	July 2019 Actual \$
Transport				
<i>Construction - Roads, Bridges, Depots</i>				
Bridges Purchase - Schedule 12				
Capex - Bridge - Replace Box Culverts	101,888	101,888	0	38,797.15
Roads Construction				
Capex - Sbs Bodey Street And Harper Street	167,000	167,000	13,914	0.00
Capex - Rrg Yenellin Road Upgrade	126,235	126,235	0	0.00
Capex - Rrg Bullaring Road	64,500	64,500	5,374	0.00
Capex - Aldersyde Pingelly Road - Roads	96,016	96,016	8,000	0.00
Capex - Milton Road	198,000	198,000	16,498	22,658.03
Capex - Rrg Wickopin Pingelly Slk 7.9-9.0	270,000	270,000	22,498	0.00
Capex - Wickopin Pingelly Road - Crsf	738,100	738,100	61,507	0.00
Capex - Zig Zag Road - Crsf Funding	244,000	244,000	20,332	0.00
Footpaths - Construction	12,000	12,000	1,000	0.00
Rennet Street Drainage Flume	91,588	91,588	7,630	0.00
<i>Road Plant Purchases</i>				
Capex - Fuel Pods	2,500	2,500	208	0.00
Economic Services				
<i>Other Economic Services</i>				
Plant Purchase - Schedule 13	44,400	44,400	3,700	44,826.05
	<u>2,394,691</u>	<u>2,394,691</u>	<u>168,948</u>	<u>107,498.33</u>
By Class				
Land Held for Resale - Current	0	0	0	0.00
Land Held for Resale - Non Current	0	0	0	0.00
Land	0	0	0	0.00
Buildings	0	0	0	0.00
Furniture & Equipment	0	0	0	0.00
Plant & Equipment	126,900	126,900	3,908	44,826.05
Work in Progress - PPE	0	0	0	0.00
Infrastructure - Roads	1,903,851	1,903,851	148,123	22,658.03
Infrastructure - Footpaths	12,000	12,000	1,000	0.00
Infrastructure - Kerbs & Drains	91,588	91,588	7,630	0.00
Infrastructure - Parks & Ovals	0	0	0	0.00
Infrastructure - Bridges	101,888	101,888	0	38,797.15
Infrastructure - Other	0	0	0	0.00
Works in Progress - Recreation Centre	148,464	148,464	8,158	1,217.10
Works in Progress - Aged Care Accommodation	10,000	10,000	129	0.00
	<u>2,394,691</u>	<u>2,394,691</u>	<u>168,948</u>	<u>107,498.33</u>

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2019 TO 31 JULY 2019

2. DISPOSALS OF ASSETS

The following assets have been disposed of during the period under review:

Asset No	By Program	Written Down Value		Sale Proceeds		Profit(Loss)	
		2019/20 Budget \$	July 2019 Actual \$	2019/20 Budget \$	July 2019 Actual \$	2019/20 Budget \$	July 2019 Actual \$
	Governance						
1037	5 Webb St (Land)	23,000	0.00	20,000	0.00	(3,000)	0.00
PCEO18	PCEO18 - CEO Vehicle	40,000	0.00	39,000	0.00	(1,000)	0.00
PCEO19	PCEO19 - CEO Vehicle	40,000	0.00	39,000	0.00	(1,000)	0.00
PCOM1	Community Car	32,000	32,740.77	22,430	22,352.73	(9,570)	(10,388.04)
10180	CRC Lot 2 (18) Parade Street-Spec Building	230,600.00	0.00	0	0.00	(230,600)	0.00
10191	CRC Lot 2 (18) Parade Street-Land	16,000.00	0.00	0	0.00	(16,000)	0.00
10173	Lot 602 (38) Sharow St Land	4,753	0.00	0	0.00	(4,753)	0.00
10174	Lot 603(36) Sharow St Land	4,753	0.00	0	0.00	(4,753)	0.00
10289A	Lot 602 (38) and Lot 603 (4 Units only)	115,043	0.00	0	0.00	(115,043)	0.00
		506,149	32,740.77	120,430	22,352.73	(385,719)	(10,388.04)

Asset No	By Class of Asset	Written Down Value		Sale Proceeds		Profit(Loss)	
		2019/20 Budget \$	July 2019 Actual \$	2019/20 Budget \$	July 2019 Actual \$	2019/20 Budget \$	July 2019 Actual \$
	Plant & Equipment						
PCEO18	PCEO18 - CEO Vehicle	40,000	0.00	39,000	0	(1,000)	0.00
PCEO19	PCEO19 - CEO Vehicle	40,000	0.00	39,000	0	(1,000)	0.00
PCOM1	Community Car	32,000	32,740.77	22,430	22,353	(9,570)	(10,388.04)
	Land & Buildings						
10180	CRC Lot 2 (18) Parade Street-Spec Building	230,600	0.00	0	0	(230,600)	0.00
10191	CRC Lot 2 (18) Parade Street-Land	16,000	0.00	0	0	(16,000)	0.00
10173	Lot 602 (38) Sharow St Land	4,753	0.00	0	0	(4,753)	0.00
10174	Lot 603(36) Sharow St Land	4,753	0.00	0	0	(4,753)	0.00
10289A	Lot 602 (38) and Lot 603 (4 Units only)	115,043	0.00	0	0	(115,043)	0.00
1037	5 Webb St (Land)	23,000	0.00	20,000	0.00	(3,000)	0.00
		506,149	32,740.77	120,430	22,352.73	(385,719)	(10,388.04)

Summary

Profit on Asset Disposals
Loss on Asset Disposals

2019/20 Adopted Budget \$	July 2019 Actual \$
0	0.00
(385,719)	(10,388.04)
(385,719)	(10,388.04)

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2019 TO 31 JULY 2019

3. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-19	New Loans		Principal Repayments			Principal Outstanding		Interest Repayments		
		2019/20 Budget \$	2019/20 Actual \$	2019/20 Budget \$	2018/19 Revised Budget	2019/20 Actual \$	2019/20 Budget \$	2019/20 Revised Budget	2019/20 Budget \$	2017/18 Revised Budget	2019/20 Actual \$
Education & Welfare											
Loan 120 - SSL Pingelly Cottage Homes	174,120	0	0	24,300	24,300	7,844	149,820	149,820	16,129	16,129	(59)
Recreation & Culture											
Loan 123 - Recreation and Cultural Centre	2,198,286	1,200,000	0	143,397	143,397	46,807	2,054,889	2,054,889	135,845	135,845	(246)
Loan 124 - Recreation and Cultural Centre			0	22,183	22,183	0	1,177,817	1,177,817	17,820	17,820	0
WATC Short Term Facility	1,200,000		0	1,200,000	1,200,000	0	0	0	29,440	29,440	(22,403)
	3,572,406	1,200,000	0	1,389,880	1,389,880	54,651	3,382,526	3,382,526	199,234	199,234	(22,708)

(*) Self supporting loan financed by payments from third parties.
All other loan repayments were financed by general purpose revenue.

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2019 TO 31 JULY 2019

	2019/20 Adopted Budget \$	July 2019 Actual \$
4. RESERVES		
Cash Backed Reserves		
(a) Leave Reserve		
Opening Balance	35,203	35,203
Amount Set Aside / Transfer to Reserve	515	0
Amount Used / Transfer from Reserve	(10,000)	0
	<u>25,718</u>	<u>35,203</u>
(b) Plant Reserve		
Opening Balance	65,722	65,722
Amount Set Aside / Transfer to Reserve	961	0
Amount Used / Transfer from Reserve	0	0
	<u>66,683</u>	<u>65,722</u>
(c) Building and Recreation Reserve		
Opening Balance	3,747	3,747
Amount Set Aside / Transfer to Reserve	20,006	0
Amount Used / Transfer from Reserve	0	0
	<u>23,753</u>	<u>3,747</u>
(d) Electronic Equipment Reserve		
Opening Balance	3,190	3,190
Amount Set Aside / Transfer to Reserve	4	0
Amount Used / Transfer from Reserve	0	0
	<u>3,194</u>	<u>3,190</u>
(e) Community Bus Reserve		
Opening Balance	11,618	11,618
Amount Set Aside / Transfer to Reserve	56	0
Amount Used / Transfer from Reserve	0	0
	<u>11,674</u>	<u>11,618</u>
(f) Swimming Pool Reserve		
Opening Balance	51,988	51,988
Amount Set Aside / Transfer to Reserve	1,123	0
Amount Used / Transfer from Reserve	0	0
	<u>53,111</u>	<u>51,988</u>
(g) Joint Venture Housing Reserve		
Opening Balance	53,463	53,463
Amount Set Aside / Transfer to Reserve	1,187	0
Amount Used / Transfer from Reserve	(54,650)	0
	<u>0</u>	<u>53,463</u>
(h) Refuse Site Rehab/Closure Reserve		
Opening Balance	15,829	15,829
Amount Set Aside / Transfer to Reserve	104	0
Amount Used / Transfer from Reserve	0	0
	<u>15,933</u>	<u>15,829</u>
Total Cash Backed Reserves	<u>200,066</u>	<u>240,760</u>

All of the above reserve accounts are to be supported by money held in financial institutions.

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2019 TO 31 JULY 2019

	2019/20 Adopted Budget \$	July 2019 Actual \$
4. RESERVES (Continued)		
Cash Backed Reserves (Continued)		
Summary of Transfers To Cash Backed Reserves		
Transfers to Reserves		
Leave Reserve	515	0
Plant Reserve	961	0
Building and Recreation Reserve	20,006	0
Electronic Equipment Reserve	4	0
Community Bus Reserve	56	0
Swimming Pool Reserve	1,123	0
Joint Venture Housing Reserve	1,187	0
Refuse Site Rehab/Closure Reserve	104	0
	<u>23,956</u>	<u>0</u>
Transfers from Reserves		
Leave Reserve	(10,000)	0
Plant Reserve	0	0
Building Reserve	0	0
Electronic Equipment Reserve	0	0
Community Bus Reserve	0	0
Swimming Pool Reserve	0	0
Joint Venture Housing Reserve	(54,650)	0
Refuse Site Rehab/Closure Reserve	0	0
	<u>(64,650)</u>	<u>0</u>
Total Transfer to/(from) Reserves	<u>(40,694)</u>	<u>0</u>

In accordance with council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Leave Reserve

- to be used to fund annual and long service leave requirements.

Plant Reserve

- to be used for the purchase of major plant.

Building and Recreation Reserve

- to be used to fund the renovation/purchase of Shire of Pingelly buildings and Recreation Infrastructure.

Electronic Equipment Reserve

- to be used to fund the purchase of administration computer system equipment.

Community Bus Reserve

- to be used to fund the change-over of the community bus.

Swimming Pool Reserve

- to be used to fund the upgrading of the swimming pool complex

Joint Venture Housing Reserve

- to be used for the future maintenance of the Joint Venture units

Refuse Site Rehab/Closure Reserve

- to be used to facilitate the rehabilitation/closure of the town refuse site.

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2019 TO 31 JULY 2019

	2018/19 B/Fwd Per 2019/20 Budget \$	2018/19 B/Fwd Per Financial Report \$	July 2019 Actual \$
5. NET CURRENT ASSETS			
Composition of Estimated Net Current Asset Position			
CURRENT ASSETS			
Cash - Unrestricted	191,736	191,736	(127,530)
Cash - Restricted Unspent Grants	99,356	99,356	88,370
Cash - Restricted Unspent Loans	0	0	(0)
Cash - Restricted Reserves	240,760	240,760	240,760
Receivables (Budget Purposes Only)	0	0	0
Rates Outstanding	180,395	180,395	2,358,743
Sundry Debtors	24,386	24,386	679,650
Provision for Doubtful Debts	0	0	0
Gst Receivable	21,955	21,955	30,342
Contract Asset	0	0	45,994
Loans - clubs/institutions	24,300	24,300	16,457
Accrued Income/Payments In Advance	0	0	0
Investments	0	0	0
Inventories	8,744	8,744	8,744
	<u>791,631</u>	<u>791,631</u>	<u>3,341,528</u>
LESS: CURRENT LIABILITIES			
Payables and Provisions (Budget Purposes Only)	0	0	0
Sundry Creditors	127	127	(189,172)
Accrued Interest On Loans	(74,614)	(74,614)	0
Accrued Salaries & Wages	(23,698)	(23,698)	0
Income In Advance	(90,981)	0	(75,519)
Gst Payable	(9,832)	(9,832)	(53,131)
Payroll Creditors	0	0	0
Contract Liabilities	0	0	0
Performance Obligation Liability	0	0	(497,957)
Prepaid Rates Liability	0	0	(4,375)
Accrued Expenses	(12,406)	(12,406)	0
PAYG Liability	(27,512)	(27,512)	(41,290)
Other Payables	(5,299)	(5,299)	(5,360)
Current Employee Benefits Provision	(282,570)	(282,570)	(282,570)
Current Loan Liability	(1,367,697)	(1,367,697)	(1,313,046)
	<u>(1,894,482)</u>	<u>(1,803,501)</u>	<u>(2,462,421)</u>
NET CURRENT ASSET POSITION	(1,102,851)	(1,011,870)	879,107
Less: Cash - Reserves - Restricted	(240,760)	(240,760)	(240,760)
Less: Cash - Unspent Grants/Loans - Fully Restricted	0	0	0
Less: Current Loans - Clubs / Institutions	(24,300)	(24,300)	(16,457)
Less: Investments	0	0	0
Add Back : Component of Leave Liability not Required to be Funded	282,570	282,570	282,570
Add Back : Current Loan Liability	1,367,697	1,367,697	1,313,046
Adjustment for Trust Transactions Within Muni	0	0	0
Adjustment in Accounting policies	0	0	90,981
ESTIMATED SURPLUS/(DEFICIENCY) C/FWD	<u>282,356</u>	<u>373,337</u>	<u>2,308,488</u>

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2019 TO 31 JULY 2019

6. RATING INFORMATION

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2019/20 Rate Revenue \$	2019/20 Interim Rates \$	2019/20 Back Rates \$	2019/20 Total Revenue \$	2019/20 Budget \$
General Rate								
GRV - Residential	0.120060	322	3,678,844	441,682	0	0	441,682	439,884
GRV - Rural Residential	0.120060	66	816,816	98,067	0	0	98,067	98,067
GRV - Commercial/Industrial	0.120060	29	412,252	49,495	0	0	49,495	39,744
GRV - Townsites	0.120060	12	144,560	17,356	0	0	17,356	17,356
UV - Broadacre Rural	0.010340	247	130,804,500	1,352,519	0	0	1,352,519	1,352,447
Sub-Totals		676	135,856,972	1,959,119	0	0	1,959,119	1,947,498
Minimum Rates	Minimum \$							
GRV - Residential	900	62	96,900	55,800	0	0	55,800	55,800
GRV - Rural Residential	900	23	52,909	20,700	0	0	20,700	20,700
GRV - Commercial/Industrial	900	11	36,200	9,900	0	0	9,900	12,600
GRV - Townsites	900	8	44,160	7,200	0	0	7,200	7,200
UV - Broadacre Rural	900	45	2,753,000	40,500	0	0	40,500	40,500
Sub-Totals		149	2,983,169	134,100	0	0	134,100	136,800
Ex Gratia Rates								
Movement in Excess Rates							2,093,219	2,084,298
							0	240
							(26,037)	0
Total Amount of General Rates Specified Area Rates							2,067,182	2,084,538
							0	0
Total Rates							2,067,182	2,084,538

All land except exempt land in the Shire of Pingelly is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire.

The general rates detailed above for the 2018/19 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also bearing considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of the Local Government services/facilities.

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2019 TO 31 JULY 2019

7. TRUST FUNDS

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

Detail	Balance 01-Jul-19 \$	Amounts Received \$	Amounts Paid (\$)	Balance \$
Transport Licensing	0	32,099	(32,099)	0
BCITF Levy	0	0	0	0
Rates	0	0	0	0
Funds Held on Behalf of Groups	40	0	0	40
Unclaimed Monies	1,052	0	0	1,052
Builders Registration Board	0	0	0	0
Social Club	0	0	0	0
Nomination Deposits	0	0	0	0
Bond Monies (Including Key Deposits)	7,150	180	0	7,330
	<u>8,242</u>	<u>32,279</u>	<u>(32,099)</u>	<u>8,422</u>

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2019 TO 31 JULY 2019

8. OPERATING STATEMENT

	July 2019 Actual \$	2019/20 Revised Budget \$	2019/20 Adopted Budget \$	2018/19 Actual \$
OPERATING REVENUES				
Governance	3,960	38,385	38,385	73,947
General Purpose Funding	2,069,709	2,742,245	2,742,245	3,307,592
Law, Order, Public Safety	(1,409)	70,802	70,802	94,360
Health	0	1,636	1,636	1,526
Education and Welfare	5,633	28,425	28,425	12,737
Housing	0	0	0	0
Community Amenities	166,799	211,850	211,850	210,008
Recreation and Culture	30	57,285	57,285	735,338
Transport	149,279	2,336,897	2,336,897	938,651
Economic Services	26,160	45,820	45,820	25,394
Other Property and Services	9,805	51,227	51,227	48,273
TOTAL OPERATING REVENUE	2,429,966	5,584,572	5,584,572	5,447,827
OPERATING EXPENSES				
Governance	52,599	669,607	669,607	544,118
General Purpose Funding	16,208	198,531	198,531	174,790
Law, Order, Public Safety	42,661	236,557	236,557	232,566
Health	4,139	140,955	140,955	102,673
Education and Welfare	7,369	119,363	119,363	67,615
Housing	0	0	0	0
Community Amenities	36,259	417,533	417,533	365,509
Recreation & Culture	82,368	1,383,936	1,383,936	1,310,318
Transport	224,421	2,817,866	2,817,866	2,904,188
Economic Services	31,477	314,988	314,988	237,135
Other Property and Services	91,666	26,164	26,164	114,281
TOTAL OPERATING EXPENSE	589,167	6,325,500	6,325,500	6,053,193
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	<u>1,840,799</u>	<u>(740,928)</u>	<u>(740,928)</u>	<u>(605,367)</u>

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2019 TO 31 JULY 2019

9. STATEMENT OF FINANCIAL POSITION

	July 2019 Actual \$	2018/19 Actual \$
CURRENT ASSETS		
Cash and Cash Equivalents	201,599	531,852
Investments Current	5,000	5,000
Trade and Other Receivables	3,131,185	251,036
Inventories	8,744	8,744
Trust at Bank	8,422	8,242
TOTAL CURRENT ASSETS	<u>3,354,950</u>	<u>804,874</u>
NON-CURRENT ASSETS		
Other Receivables	219,278	219,278
Inventories	0	0
Property, Plant and Equipment	20,106,235	20,141,783
Infrastructure	67,327,916	67,433,530
Investments Non Current	46,400	46,400
TOTAL NON-CURRENT ASSETS	<u>87,699,829</u>	<u>87,840,991</u>
TOTAL ASSETS	<u>91,054,779</u>	<u>88,645,865</u>
CURRENT LIABILITIES		
Trade and Other Payables	866,804	153,234
Long Term Borrowings	1,313,046	1,367,697
Provisions	329,149	329,149
Trust Liability	8,422	8,242
TOTAL CURRENT LIABILITIES	<u>2,517,421</u>	<u>1,858,322</u>
NON-CURRENT LIABILITIES		
Trade and Other Payables	0	0
Long Term Borrowings	2,204,709	2,204,709
Provisions	96,091	96,091
TOTAL NON-CURRENT LIABILITIES	<u>2,300,800</u>	<u>2,300,800</u>
TOTAL LIABILITIES	<u>4,818,221</u>	<u>4,159,122</u>
NET ASSETS	<u>86,236,558</u>	<u>84,486,743</u>
EQUITY		
Retained Surplus	34,371,992	32,622,177
Reserves - Cash Backed	240,760	240,760
Revaluation Surplus	51,623,806	51,623,806
TOTAL EQUITY	<u>86,236,558</u>	<u>84,486,743</u>

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2019 TO 31 JULY 2019

10. FINANCIAL RATIOS

	2019 YTD	2018	2017	2016
Current Ratio	1.38	0.53	2.03	1.05
Operating Surplus Ratio	0.79	(0.72)	(0.60)	(0.72)

The above ratios are calculated as follows:

Current Ratio
$$\frac{(\text{Current Assets MINUS Restricted Assets})}{(\text{Current Liabilities MINUS Liabilities Associated with Restricted Assets})}$$

Purpose:

This is a modified commercial ratio designed to focus on the liquidity position of a local government that has arisen from past year's transactions.

Standards:

The standard is not met if the ratio is lower than 1:1 (less than 100%)

The standard is met if the ratio is greater than 1:1 (100% or greater)

A ratio less than 1:1 means that a local government does not have sufficient assets that can be quickly converted into cash to meet its immediate cash commitments. This may arise from a budget deficit from the past year, a Council decision to operate an overdraft or a decision to fund leave entitlements from next year's revenues.

Below Std
Std met

NB: Ratio is currently affected by \$1.2M Short Term Borrowing recorded as a current liability.

Adjusted Current Ratio adjusting for this figure is:

** 3.46

Operating Surplus Ratio
$$\frac{(\text{Operating Revenue MINUS Operating Expense})}{(\text{Own Source Operating Revenue})}$$

Purpose:

This ratio is a measure of a local government's ability to cover its operational costs and have revenues available for capital funding or other purposes.

Standards:

Basic Standard is not met less than < 1% (< 0.01)

Basic Standard between 1% and 15% (0.01 and 0.15)

Advanced Standard greater than > 15% (>0.15).

Below Std
Basic Std
Adv Std

SHIRE OF PINGELLY
RESTRICTED CASH RECONCILIATION
31 July 2019

Restricted Grants/Funds Received	Projects	GL/Job Account	Total Restricted Funds	Actual Expenditure current year 2017/18	Actual Expenditure current year 2018/19	Actual Expenditure current year 2019/20	Restricted Funds Remaining
Harper St Bodey St State Blackspot SBS01	Transport	1235	20,533.20	0.00	0.00	0.00	20,533.20
Wickepin Pingelly Road RRG05	Transport	1230	0.00	0.00	0.00	0.00	0.00
Yenellin Road Upgrade RRG09	Transport	1230	69,386.00	0.00	14,400.00	0.00	54,986.00
Bullaring Road RRG12	Transport	1230	57,850.40	0.00	45,000.00	0.00	12,850.40
Milton Road RRG14	Transport	1230	0.00	0.00	0.00	0.00	0.00
Main Roads Bullaring rd Bridge Funding 18/19 c/fwd	Transport	1250	168,000.00	0.00	152,538.58	15,461.42	0.00
Sub Total							88,369.60
Total Restricted Grant Funds							88,369.60
Available Cash							Balance
Municipal Bank	Muni Fund Bank	0111	Variable				(39,910.52)
Municipal Bank	Till Float SES	0112					50.00
Municipal Bank	Till Float	0113					200.00
Municipal Bank	Petty Cash on hand	0114					500.00
Total Cash							(39,160.52)
Less Restricted Cash							(88,369.60)
Total Unrestricted Cash							(127,530.12)

Attachment 4

This attachment is confidential and is available at the Shire office for viewing.

Attachment 5



Department of
**Local Government, Sport
and Cultural Industries**

SHIRE OF PINGELLY	
FILE	ADM0497
DATE	10 JUN 2019
Our ref	SR/2018/201
Enquiries	Jenifer Collins
Phone	08 9492 9700
Email	jenifer.collins@dlgsc.wa.gov.au
Copy to	IFM19791

Mr Mart Dacombe
Chief Executive Officer
Shire of Pingelly
17 Queen St
PINGELLY WA 6308

Dear Mr Dacombe

COMMUNITY SPORTING AND RECREATION FACILITIES FUND – 2020-21 FUNDING ROUND

The State Government, through the Department of Local Government, Sport and Cultural Industries, administers the Community Sporting and Recreation Facilities Fund (CSRFF) program. The program provides financial assistance to community groups and local governments to develop basic, sustainable infrastructure for sport and recreation. It aims to increase physical activity and participation in sport and recreation to ensure the rational development of good quality, well designed and utilised facilities.

The Minister for Sport and Recreation recently approved the following changes to CSRFF policy to be implemented for future funding rounds:

- the Small Grants program is now open to projects with a total project cost of up to \$300,000 (previously \$200,000); and
- the amount of funding quarantined for female friendly facility upgrades has been increased from \$250,000 to \$500,000.

The 2020-21 Annual and Forward Planning round (for projects over \$300,000) opens on **Tuesday, 4 June 2019** with applications due to the department by **4pm, Friday, 27 September 2019**. The 2019-20 July Small Grants round (for projects \$300,000 and under) opens on **Monday, 1 July 2019** with applications due to the department by **4pm, Friday, 30 August 2019**.

Copies of the 2020-21 CSRFF policy manual, guidelines for applicants and application forms for the upcoming rounds will be sent electronically to your organisation.

Thank you for your involvement in the CSRFF process and your commitment to the provision of quality infrastructure for sport and recreation. I look forward to continuing the partnership between our organisations.

Yours sincerely

Lisa Fanciulli
Executive Director Infrastructure

