



# Council Agenda

17 Queen Street, Pingelly  
Western Australia 6308  
Telephone: 9887 1066  
[admin@pingelly.wa.gov.au](mailto:admin@pingelly.wa.gov.au)

## Shire of Pingelly Ordinary Council Meeting 17 March 2021

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### **MISSION STATEMENT**

*To enhance the quality of life for the people of Pingelly through the provision of leadership, services and infrastructure.*



# **Shire of Pingelly**

## **Notice of Meeting**

Notice is given that a meeting of the Council will be held in the Council Chambers, 17 Queen Street, Pingelly on 17 March 2021, commencing at 2.00pm.

Your attendance is respectfully requested.

## **Disclaimer**

The recommendations contained in this agenda are officers' recommendations only and should not be acted upon until Council has resolved to adopt those recommendations. The resolutions of Council should be confirmed by perusing the minutes of the Council meeting at which these recommendations were considered. Members of the public should also note that they act at their own risk if they enact any resolution prior to receiving official written notification of Councils decision.

A handwritten signature in black ink, appearing to read 'Julie Burton', written over a horizontal line.

**Julie Burton**  
**Chief Executive Officer**

# PUBLIC QUESTION TIME INFORMATION

The Shire of Pingelly welcomes community participation during public question time. This document is to be read in conjunction with the *Shire of Pingelly Standing Orders Local Law 2017* and the *Local Government Act 1995* and the *Local Government (Administration) Regulations 1996*.

1. A member of the public who raises a question during question time must:
  - a. be in attendance at the meeting;
  - b. first state their name and address;
  - c. direct the question to the Presiding Member;
  - d. ask the question briefly and concisely;
  - e. limit any preamble to matters directly relevant to the question; and
  - f. ensure that the question is not accompanied by any expression of opinion, statement of fact or other comment, except where necessary to explain the question.
2. Each member of the public with a question is entitled to ask up to 3 questions before other members of the public will be invited to ask their questions.
3. Where a member of the public seeks a written response to their questions to be tabled at a meeting, the member of the public must submit their questions to Council by no later than 12 noon on the day prior to the meeting date of which the response is to be tabled.
4. Where a member of the public submits their questions after 12 noon on the day prior to the meeting date of which the response is to be tabled, a written response may be provided at the discretion of the presiding member.
5. Where a member of the public submits a written question after 12 noon the day prior to the meeting at which they are to be tabled, a verbal response may be provided at the meeting.
6. A member of the public may ask questions without notice at a meeting, provided they present a written copy of their questions to Council prior to the commencement of the meeting.

Questions may be submitted by e-mail to [admin@pingelly.wa.gov.au](mailto:admin@pingelly.wa.gov.au).

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## **1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS**

The Chairman to declare the meeting open.

## **2. 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, present and emerging.

## **3. ANNOUNCEMENTS BY THE PRESIDING MEMBER**

### **3.1 Council Agenda Reports**

Please note that all elected members have been provided with the relevant information pertaining to each Officers reports within today's Agenda and the Officer Recommendations are based on Council Policy and or State Acts and Legislation.

## **4. RECORD OF ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE**

Nil

## **5. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

Nil

## **6. PUBLIC QUESTION TIME**

## **7. APPLICATIONS FOR LEAVE OF ABSENCE**

## **8. DISCLOSURES OF INTEREST**

## **9. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**

### **9.1 Ordinary Meeting – 17 February 2021**

#### **Statutory Environment:**

Section 5.22 of the *Local Government Act* provides that minutes of all meetings are 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

#### **Recommendation:**

**That the Minutes of the Ordinary Meeting of the Council of the Shire of Pingelly held in the Council Chambers on 17 February 2021 be confirmed.**

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_

### **9.2 Special Meeting – 11 February 2021 (Tender Memorial Park and Annual Financial Report)**

#### **Statutory Environment:**

Section 5.22 of the *Local Government Act* provides that minutes of all meetings are 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

**12955 Moved: Insert Councillor Name                      Seconded: Insert Councillor Name**

**Recommendation and Council Decision:**

**That the Minutes of the Special Meeting of the Council of the Shire of Pingelly held in the Council Chambers on 11 February 2021 be confirmed.**

**9.3 Special Meeting – 3 March 2021 (Building Better Regions Fund – grant application)**

**Statutory Environment:**

Section 5.22 of the *Local Government Act* provides that minutes of all meetings are 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

**12955 Moved: Insert Councillor Name                      Seconded: Insert Councillor Name**

**Recommendation and Council Decision:**

**That the Minutes of the Special Meeting of the Council of the Shire of Pingelly held in the Council Chambers on 3 March 2021 be confirmed.**

## **10. PETITIONS / DEPUTATIONS / PRESENTATIONS / SUBMISSIONS**

### **11. REPORTS OF COMMITTEES OF COUNCIL**

- Audit Committee Full Council
- Pingelly Recreation & Cultural Committee Member – Shire President  
Deputy – Deputy President
- Bushfire Advisory Committee Member – Cr Freebairn  
Deputy – Cr Hotham
- Chief Executive Officer Performance Review Committee Member – Shire President  
Member – Deputy President  
Member – Cr Hastings

### **12. REPORTS OF COUNCIL DELEGATES ON EXTERNAL COMMITTEES**

- Central Country Zone of WALGA Delegate – Shire President  
Delegate – Deputy President  
Deputy – Cr Wood
- Hotham-Dale Regional Road Sub-Group Delegate – Shire President  
Deputy – Cr Oliveri
- Development Assessment Panel Delegate – Shire President  
Delegate – Cr Wood  
Deputy – Cr McBurney  
Deputy – Cr Hotham
- Pingelly Tourism Group Delegate – Cr Hotham  
Deputy – Cr Oliveri
- Regional Waste Group Delegate – Cr Mulroney  
Deputy – Cr Wood
- Shires of Pingelly and Wandering Joint Local Emergency Management Committee Delegate – Shire President  
Deputy – Cr Freebairn
- Pingelly Youth Network Delegate – Cr Hastings  
Deputy – Cr McBurney
- Pingelly Somerset Alliance Delegate – Shire President  
Deputy – Cr McBurney
- Pingelly Early Years Network Delegate – Cr Hastings

## **13. REPORTS FROM COUNCILLORS**

### **Cr William Mulronev (President)**

#### **Meetings attended**

#### **February**

- 18<sup>th</sup> Town Hall Reference Group- review Draft concept Plans
- 22<sup>nd</sup> Radio Interview -101FM\* Events held and ongoing in the Pingelly Shire
- 23<sup>rd</sup> Annual Planning session for future of the Shire
- 24<sup>th</sup> Annual Planning session for the future of the Shire
- 26<sup>th</sup> Central Country Zone meeting – John Higgins Centre Narrogin. With CEO

#### **March**

- 3<sup>rd</sup> Special Council meeting to adopt the application for funding from BBR Federal Grant Round for alteration to Town Hall Stage 1A
- 4<sup>th</sup> Pingelly Somerset Alliance monthly meeting.
- 10<sup>th</sup> CEO President, Deputy President meeting and agenda briefing.
- 10<sup>th</sup> Gathering of key personnel to meet Commissioner for Mental Health and Lunch sponsored by CRC.
- 10<sup>th</sup> PRACC Board monthly meeting.
- 11<sup>th</sup> Town Hall Reference Group meeting referencing alteration Draft concept plans.
- 12<sup>th</sup> Regional Road South Group meeting Wickopin. Update of RRG Grants and works.
- 16<sup>th</sup> Pingelly -Wandering LEMC meeting at Wandering. General Business.
- 17<sup>th</sup> March Ordinary Council meeting.



## **14 OFFICE OF THE CHIEF EXECUTIVE OFFICER**

### **14.1 Lease Proposal – 13 Balfour Street Pingelly**

**File Reference:** A9174  
**Location:** 13 Balfour Street Pingelly  
**Applicant:** N/A  
**Author:** Chief Executive Officer  
**Disclosure of Interest:** Nil  
**Attachments:** Nil  
**Previous Reference:** Nil

#### **Summary**

Council to consider the options available for the tenure of 13 Balfour Street Pingelly, following an initial lease period of 10 years, which expired in August 2020.

#### **Background**

In 2010, a lease was granted to the Shire of Pingelly over Lot 807 on Deposited Plan 163367 (13 Balfour Street Pingelly), for the purpose of *'development and subdivision for residential, and construction of services and other works in accordance with the approved Deposited Plan and all approvals obtained from relevant statutory authorities'*.



Following subdivision and development of the land, the lease included an option for the Shire to purchase. Construction and operation were intended to have commenced within 10 years from the Commencement Date of the Lease (i.e. by the 2 August 2020), however, there has been no development to date.

The Department of Planning Lands and Heritage (DPLH) initially requested confirmation as to whether the Shire has an interest in continuing to lease this land for the same purpose (develop and subdivide), or whether it has a different interest in the land. Following confirmation that the Shire wishes to continue leasing the land for the same purpose, the DPLH further advised that there is not support for this direction due to:

- The land was not used for the purpose expressly stated in its previous lease.
- The Shire does not appear to be in a position to purchase the land, as per the option to purchase provided in its previous lease.

It was suggested by the DPLH that the creation of a crown reserve takes place, (to be managed by the Shire) for purposes in line with the current use of the land. It was noted that this would not stop the Shire from applying to purchase the land at a later date.

### Comment

Following additional discussions with the DPLH, further advice has been received, presenting an alternative option.

*It was previously advised that the lease would not be renewed due to the fact the land was not used for the purpose stated in Lease L442989 and that the Shire does not appear to be the position to purchase the land, as per the option in the previous lease.*

*Following further discussions, this Department will consider a new lease if the Shire can demonstrate that it intends to develop and/or subdivide Lot 807 within the term of the future lease. This Department would only be willing to offer a lease for a term of five years. A further five year term could be added to the lease on the discretion of the State.*

*If the Shire do not have any intention to subdivide and develop the land within the five year period, this Department believes creating a crown reserve with a management order to the Shire. It should be noted that:*

- 1. The Shire would incur no costs as a result of the State creating a crown reserve and/or issuing them a management order.*
- 2. If the Shire was to be issued a management order this Department would be required, under legislation, to obtain the Shire's consent before it made any amendments to the reserve.*
- 3. This would not stop the Shire from applying to purchase the land in the future.*

*This Department will advise further once the Shire confirms how they wish to proceed with the proposal.*

Council has three options to consider:

Option	Advantages	Disadvantages
1. Accept a management order over the land	<ul style="list-style-type: none"> <li>- Control the land use for the defined Reserve purpose (e.g. recreation)</li> <li>- Eligible for Mitigation Access Funding to reduce risk of fire</li> <li>- No lease payments</li> </ul>	<ul style="list-style-type: none"> <li>- Responsible for maintenance of the land (e.g. access tracks)</li> <li>- Would need to go through process to approve purchase of land if desired in the future</li> </ul>
2. Accept a 5 year lease over the land	<ul style="list-style-type: none"> <li>- Retain control of land for a specific purpose</li> <li>- Buys time to consider whole of life costings and feasibility of development</li> </ul>	<ul style="list-style-type: none"> <li>- Allocation of financial resources (lease payments) for the control of land which may not ultimately be used</li> <li>- Credibility damage with DPLH if subdivision does not proceed</li> </ul>
3. Relinquish control to the State	<ul style="list-style-type: none"> <li>- No financial costs (lease and maintenance)</li> <li>- Fire mitigation works will be the responsibility of the State.</li> </ul>	<ul style="list-style-type: none"> <li>- No control</li> </ul>

The recommendation to proceed with option 2, is predominantly based on the opportunity to consider the feasibility of the development.

### Consultation

Nil

### Statutory Environment

Pursuant to Section 3.54 of the Local Government Act 1995, Council may consider accepting the management, care and control of a Reserve.

Pursuant to Section 46 of the Land Administration Act 1995, the minister of lands may place management, care and control of a Reserve for the same purpose as vesting and ancillary or beneficial to the location.

### Policy Implications

Nil

### Financial Implications

Under option 1, the Shire will save \$500 per annum which previously was payable under the lease arrangement.

### Strategic Implications

Goal 3	Built Environment
Outcome 3.2	New development (including commercial) is of a high quality and contributes positively to the character and appearance of the town.
Strategy 3.2.1	Encourage new developments to be designed and built in a way that reduces pressure on and demand for resources (e.g. energy efficiency and water conservation) and gives priority to development/ infill of currently zoned land.

### Risk Implications

Risk	Risks include: A lack of financial capacity to develop the land. An inability to provide for future residential land development needs.
Risk Rating (Prior to Treatment or Control)	Low (4)
Principal Risk Theme	Reputational, Financial.
Risk Action Plan (Controls or Treatment Proposed)	Nil

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)

### Voting Requirements

Simple Majority

### Recommendation

**That Council approves its preference of a lease for a period of five (5) years, for the land being Lot 807 on Deposited Plan 163367, 13 Balfour Street Pingelly.**

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_

## **14.2 WA Local Government Convention 2021**

**File Reference:** ADM0088  
**Location:** Not Applicable  
**Applicant:** Not Applicable  
**Author:** Chief Executive Officer  
**Disclosure of Interest:** Nil  
**Attachments:** Nil  
**Previous Reference:** Item 14.1 OCM February 2021

### **Summary**

For Council to consider an additional nomination of a Councillor representative at the Annual Local Government Convention (19-21 September 2021).

### **Background**

The 2021 WA Local Government Convention & Trade Exhibition (Local Government Week) will be held Monday and Tuesday 20 -21 September 2021 at the Crown Perth, with the Opening Welcome Reception being held on the evening of Sunday 19 September 2021.

In accordance with previous Local Government Weeks, WALGA will hold its Annual General Meeting, to discuss and consider local government industry issues during the Convention.

At the February 2021 Ordinary Council Meeting, Cr's Mulroney, Hastings were approved as Councils voting delegates, and Cr Freebairn was approved as an additional attendee for the Convention component.

### **Comment**

Following the February Council meeting, Cr Hotham also expressed an interest in attending the Convention.

Attendance at the annual WA Local Government Convention is open to all Councillors. Registration fees, travel and accommodation expenses will be paid by the Shire for any Elected Member(s) attending the WA Local Government Convention.

### **Consultation**

Nil

### **Statutory Environment**

Nil

### **Policy Implications**

Policy 4.10 Councillor Training Policy notes that WALGA training is an eligible training activity for Councillors.

### **Financial Implications**

Anticipated costs are approximately \$2,500 per delegate comprising registration of \$1,750; accommodation of approximately \$600 per delegate, plus meals and other miscellaneous expenses.

Total costs, should Cr Hotham's request be approved will be approximately \$10,000.

### **Strategic Implications**

Goal 5	Innovation Leadership and Governance
Outcome 5.8	A strong corporate governance framework is maintained
Strategy 5.8.2	Ensure compliance with legislative requirements and excellence in business performance

## Risk Implications

Risk	Risks relevant to this decision of Council are relatively low, and include the financial impact of the convention, and the associated reputational reflections.
Risk Rating (Prior to Treatment or Control)	Low (4)
Principal Risk Theme	Financial, Reputational
Risk Action Plan (Controls or Treatment Proposed)	Nil

Consequence Likelihood		Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 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)

## Voting Requirements

Simple Majority

## Recommendation

**That Council endorse Councillor Hotham, in addition to the Councillors already nominated at the February 2021 Ordinary Council Meeting, to attend the 2021 Western Australian Local Government Convention.**

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_

### **14.3 Pingelly Museum – removal of timber entry structure**

<b>File Reference:</b>	<b>ADM0034</b>
<b>Location:</b>	<b>Not Applicable</b>
<b>Applicant:</b>	<b>Not Applicable</b>
<b>Author:</b>	<b>Chief Executive Officer</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>
<b>Attachments:</b>	<b>Pingelly Museum – timber entry structure</b>
<b>Previous Reference:</b>	<b>Nil</b>

#### **Summary**

Council is requested to consider and approve the removal of the timber entry structure at the front of the Pingelly Museum (Old Courthouse).

#### **Background**

As a part of the Drought Communities Project, a small amount of funding was allocated for repairs to the current Museum building.

To inform the scope of these works, Councillors viewed the building in February 2021, with particular focus on the timber entry structure, including the potential for its removal due to deterioration and the high levels of maintenance required.

#### **Comment**

The Museum building is in relatively good condition, however, a number of maintenance activities are needed to bring the building into a state that it is suitable for public visitation and display, especially considering a potentially higher use when the Memorial Park project is complete.

During the course of undertaking an inspection of the building to determine the extent of works, the timber entrance structure was assessed. This structure is not part of the original building, is deteriorating and will require ongoing painting and maintenance due to the timber construction. It is proposed to remove this structure entirely, and potentially replace it with a roof only in the future. This will allow a clear view into and out of the building, and provide easier access. It will also decrease the maintenance and renewal requirement.

It is ultimately intended to create a roof structure on the northern and potentially western side of the building, however, the timing of this will be dependent on the funding available.

A number of other maintenance activities are also proposed:

- Sand and oil flooring
- Sand and oil all timber surfaces
- Repaint all interior
- Repaint interior and exterior window frames
- Relocate exterior air conditioning unit approximately 2m higher – to allow unrestricted access on the western side of the building

#### **Consultation**

The current Museum curator has been consulted to gauge the opinion around the works proposed, and in particular, the removal of the timber structure. Support was indicated for the works proposed, noting that the structure does keep the rain and wind off the front door. This could be achieved either with an additional screen protection door on the outside, or a verandah/roof structure.

#### **Statutory Environment**

Nil

#### **Policy Implications**

Nil

**Financial Implications**

There are no implications on the current Budget from the proposal, as the works are fully funded through the Drought Communities Program.

There will be a positive impact on future budgets, as the works will address some of the renewal requirements of the building, as well as removing some elements which require ongoing maintenance.

**Strategic Implications**

Goal 1	Economy
Outcome 1.3	The right resources and infrastructure are in place to support business development, including an increase in visitors and visitor spend in the Shire.
Strategy 1.3.1	Support local tourism infrastructure development.

**Risk Implications**

Risk	Inability for Council to be able to allocate funding required to support the project.
Risk Rating (Prior to Treatment or Control)	Medium (6)
Principal Risk Theme	Financial
Risk Action Plan (Controls or Treatment Proposed)	Nil

Consequence Likelihood		Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 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)

**Voting Requirements**

Simple Majority

**Recommendation**

**That Council endorse the removal of the timber entry structure to the Pingelly Museum Building, as indicated in the attachment.**

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_



## Pingelly Museum Building (Old Courthouse)





## **15. DIRECTORATE OF CORPORATE AND COMMUNITY SERVICES**

### **15.1 Monthly Statement of Financial Activity – February 2021**

<b>File Reference:</b>	<b>ADM0075</b>
<b>Location:</b>	<b>Not Applicable</b>
<b>Applicant:</b>	<b>Not Applicable</b>
<b>Author:</b>	<b>Executive Manager Corporate Services</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>
<b>Attachments:</b>	<b>Monthly Statements of Financial Activity for the period 1 February 2021 to 28 February 2021</b>
<b>Previous Reference:</b>	<b>Nil</b>

#### **Summary**

In Accordance with the *Local Government Act 1995* Section 5.25 (1) and *Local Government (Financial Management) Regulations 1996*, Monthly Financial Statements are required to be presented to Council, in order to ensure that income and expenditure is in keeping with budget forecasts.

The Monthly Statements of Financial Activity for the month of February 2021 are attached for Council consideration and adoption. This report now incorporates new Australian Accounting Standards Board (AASB) requirements effective from 1 July 2019. AASB 15 Revenue from Contracts with Customers (IFRS 15), AASB 1058 Income for Not-for Profit Entities, AASB 16 Lease replaces AASB 117 (IFRS 16).

#### **Background**

In order to prepare the monthly statements, the following reconciliations have been completed and verified:

- Reconciliation of assets, payroll and taxation services;
- Reconciliation of all shire's bank accounts, including term deposits;
- Reconciliation of Rates, including outstanding debtors;
- Reconciliation of Sundry Creditors and Debtors;

#### **Comment**

The Monthly Financial report has been prepared in accordance with statutory requirements and provides council with their financial position as at 28 February 2021.

#### **Consultation**

Nil

#### **Statutory Environment**

*Local Government Act 1995*;

*Local Government (Financial Management) Regulations 1996*

Section 34: Financial Reports to be Prepared

(1) A local government is to prepare each month a statement of financial activity reporting on the sources and applications of funds, as set out in the annual budget under regulation 22(1)(d), for that month in the following detail -

- (a) Annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1) (b) or (c);
- (b) Budget estimates to the end of the month to which the statement relates;
- (c) Actual amounts of expenditure, revenue and income to the end of the month to which the statement relates;
- (d) Material variances between the comparable amounts referred to in paragraphs (b) and (c); and
- (e) The net current assets at the end of the month to which the statement relates.

(2) Each statement of financial activity is to be accompanied by documents containing -

- (a) An explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets;
- (b) An explanation of each of the material variances referred to in sub regulation (1) (d); and
- (c) Such other supporting information as is considered relevant by the local government.

(3) The information in a statement of financial activity may be shown -

- (a) According to nature and type classification;
- (b) By program; or
- (c) By business unit.

(4) A statement of financial activity, and the accompanying documents referred to in sub regulation (2), is to be -

- (a) Presented to the council -
  - (i) At the next ordinary meeting of the council following the end of the month to which the statement relates; or
  - (ii) if the statement is not prepared in time to present it to the meeting referred to in subparagraph (i), to the next ordinary meeting of the council after that meeting; and
- (b) Recorded in the minutes of the meeting at which it is presented.

(5) Each financial year, a local government is to adopt a percentage or value, calculated in accordance with AAS 5, to be used in statements of financial activity for reporting material variances.

### Policy Implications

There are no policy implications.

### Financial Implications

There are no significant trends or issues to be reported. The report and officer recommendation is consistent with Council's adopted Budget 2020/21.

### Strategic Implications

Goal 5	Innovation Leadership and Governance
Outcome 5.6	Financial systems are effectively managed
Strategy 5.6.1	Financial management and reporting systems are able to deliver on all administrative and management functions (including reporting) and long-term financial planning requirements

### Risk Implications

Risk		Failure to monitor the Shire's ongoing financial performance would increase the risk of a negative impact on the Shire's financial position. As the monthly report is a legislative requirement, non-compliance may result in a qualified audit.				
Risk Rating (Prior to Treatment or Control)		Low (2)				
Principal Risk Theme		Reputational / Legislative				
Risk Action Plan (Controls or Treatment Proposed)		Nil				
Consequence Likelihood		Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 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)

**Voting Requirements**

Simple Majority

**Recommendation**

**That with respect to the Monthly Statements of Financial Activity for the month ending 28 February 2021 be accepted and material variances be noted.**

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_



**SHIRE OF PINGELLY**  
**MONTHLY STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 FEBRUARY 2021 TO 28 FEBRUARY 2021**

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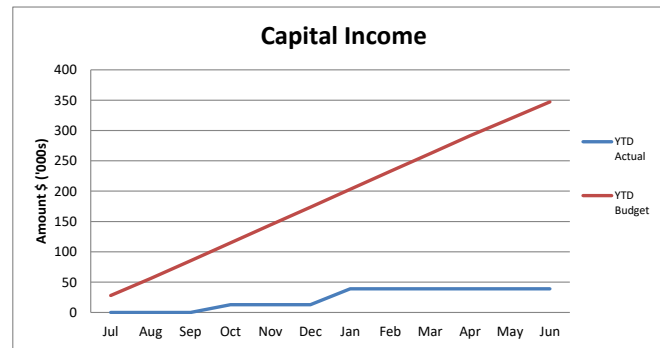
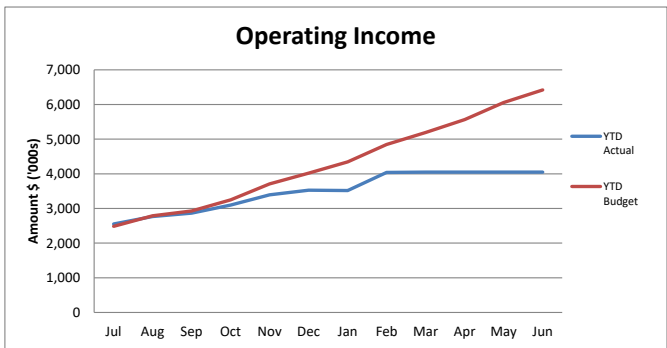
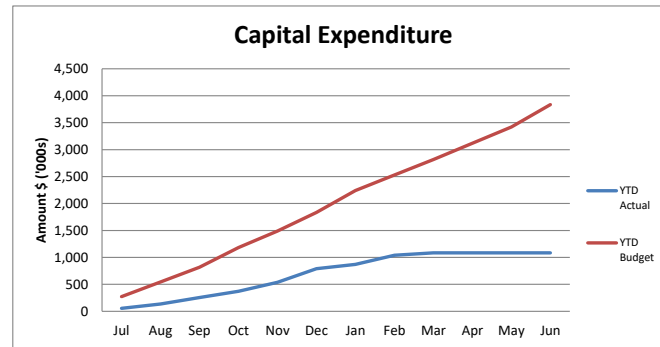
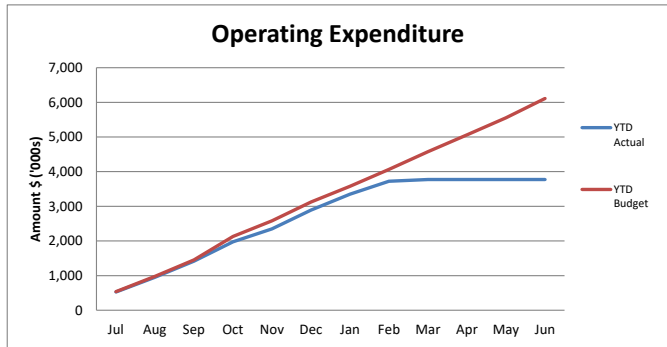
Statement of Financial Activity

Report on Significant Variances

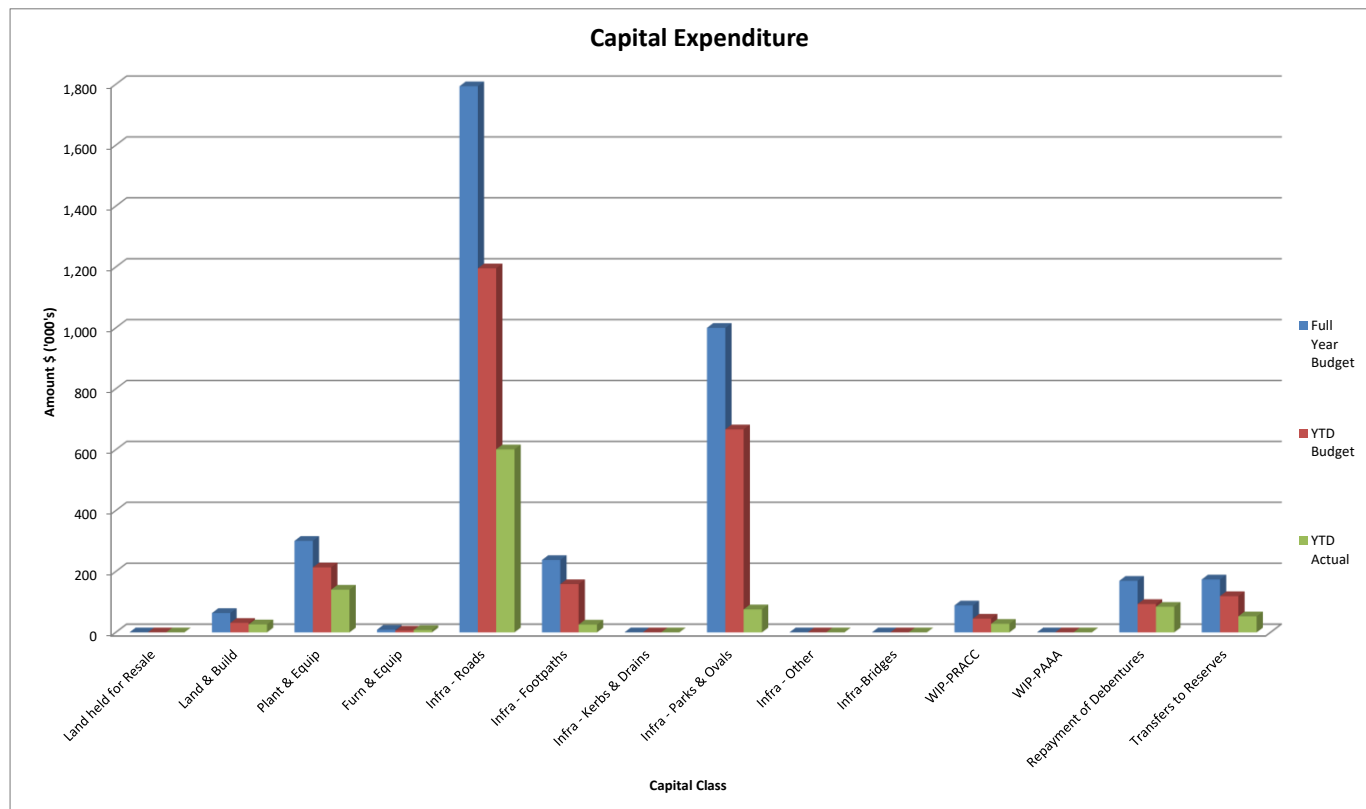
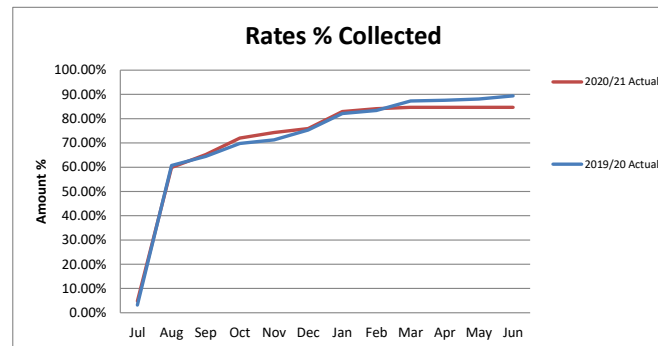
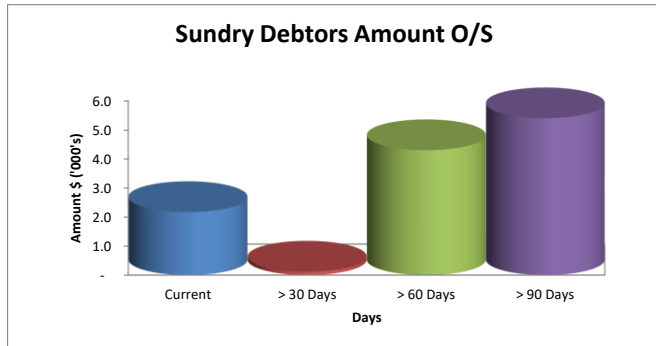
Notes to and Forming Part of the Statement

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## Income and Expenditure Graphs to 28 February 2021



### Other Graphs to 28 February 2021



## SHIRE OF PINGELLY

## STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 FEBRUARY 2021 TO 28 FEBRUARY 2021

	NOTE	2020/21 Adopted Budget \$	February 2021 Y-T-D Budget \$	February 2021 Actual \$	Variences Actuals to Budget \$	Variences Actual Budget to Y-T-D %	
<b>Operating</b>							
<b>Revenues/Sources</b>							
General Purpose Funding		639,371	479,797	494,162	14,365	3%	
Governance		38,685	25,632	41,020	15,388	60%	▲
Law, Order, Public Safety		59,829	32,054	58,038	25,984	81%	▲
Health		1,636	1,080	1,135	55	5%	
Education and Welfare		13,713	8,913	17,520	8,607	97%	▲
Housing		0	0	0	0	0%	
Community Amenities		199,740	187,296	193,586	6,290	3%	
Recreation and Culture		1,030,290	683,688	53,872	(629,816)	-92%	▼
Transport		2,049,122	1,231,738	1,023,715	(208,023)	-17%	▼
Economic Services		45,550	30,352	24,251	(6,101)	-20%	▼
Other Property and Services		40,227	26,800	41,214	14,414	54%	▲
		<u>4,118,163</u>	<u>2,707,350</u>	<u>1,948,513</u>	<u>(758,837)</u>	<u>-28%</u>	
<b>(Expenses)/(Applications)</b>							
General Purpose Funding		(149,696)	(97,816)	(100,442)	(2,626)	-3%	
Governance		(519,278)	(358,107)	(356,052)	2,055	1%	
Law, Order, Public Safety		(204,950)	(149,364)	(142,257)	7,107	5%	
Health		(144,759)	(80,424)	(109,877)	(29,453)	-37%	▲
Education and Welfare		(49,310)	(32,691)	(45,572)	(12,881)	-39%	▲
Housing		0	0	0	0	0%	
Community Amenities		(379,875)	(244,605)	(233,928)	10,677	4%	
Recreation & Culture		(1,295,110)	(909,718)	(940,211)	(30,493)	-3%	
Transport		(2,870,996)	(1,925,446)	(1,493,439)	432,007	22%	▼
Economic Services		(286,465)	(191,552)	(155,887)	35,665	19%	▼
Other Property and Services		(17,446)	(39,887)	(143,378)	(103,491)	-259%	▲
		<u>(5,917,885)</u>	<u>(4,029,610)</u>	<u>(3,721,043)</u>	<u>308,567</u>	<u>-8%</u>	
<b>Net Operating Result Excluding Rates</b>		<b>(1,799,722)</b>	<b>(1,322,260)</b>	<b>(1,772,530)</b>	<b>(450,270)</b>	<b>34%</b>	
<b>Adjustments for Non-Cash (Revenue) and Expenditure</b>							
(Profit)/Loss on Asset Disposals	2	(36,500)	(17,206)	3,351	20,557	119%	▼
Movement in Deferred Pensioner Rates/ESL		0	0	0	0	0%	
Movement in Employee Benefit Provisions		0	0	0	0	0%	
Changes in Accounting Policy		0	0	0	0	0%	
Adjustments in Fixed Assets		0	0	0	0	0%	
Rounding		0	0	0	0	0%	
Depreciation on Assets		2,577,232	1,718,128	1,719,587	1,459	0%	
<b>Capital Revenue and (Expenditure)</b>							
Purchase Land Held for Resale	1	0	0	0	0	0%	
Purchase of Land and Buildings	1	(30,000)	(20,000)	(26,275)	(6,275)	-31%	▲
Purchase of Furniture & Equipment	1	(34,081)	(5,800)	(7,729)	(1,929)	-33%	▲
Purchase of Right of Use Asset - Furniture & Equipment	1	(40,187)	(26,784)	(45,749)	(18,965)	-71%	▲
Purchase of Right of Use Asset - Plant & Equipment	1	(337,468)	(224,976)	0	224,976	100%	▼
Purchase of Right of Use Asset - Buildings	1	(21,279)	(14,184)	0	14,184	100%	▼
Purchase of Plant & Equipment	1	(294,500)	(213,292)	(140,145)	73,147	34%	▼
Purchase of WIP - PP & E	1	0	0	0	0	0%	
Purchase of Infrastructure Assets - Roads	1	(1,793,554)	(1,195,600)	(600,996)	594,604	50%	▼
Purchase of Infrastructure Assets - Footpaths	1	(237,673)	(158,432)	(25,590)	132,842	84%	▼
Purchase of Infrastructure Assets - Kerbs & Drains	1	0	0	0	0	0%	
Purchase of Infrastructure Assets - Parks & Ovals	1	(1,000,000)	(666,664)	(75,467)	591,197	89%	▼
Purchase of Infrastructure Assets - Bridges	1	0	0	0	0	0%	
Purchase of Infrastructure Assets - Other	1	0	0	0	0	0%	
Purchase of WIP Recreation and Culture	1	(88,443)	(45,143)	(28,137)	17,006	38%	▼
Purchase of WIP Aged Accommodation	1	0	0	0	0	0%	
Proceeds from Disposal of Assets	2	195,000	131,000	39,002	(91,998)	-70%	▼
Repayment of Debentures	3	(169,320)	(93,166)	(83,954)	9,212	10%	
Proceeds from New Debentures	3	0	0	0	0	0%	
Proceeds from new Lease Liabilities	3	398,934	265,944	0	(265,944)	-100%	▼
Repayment of Leases	3	(96,540)	(63,016)	(13,509)	49,507	-79%	▼
Advances to Community Groups		0	0	0	0	0%	
Self-Supporting Loan Principal Income		17,539	8,769	8,630	(139)	-2%	
Transfer from Restricted Asset - Unspent Loans		0	0	0	0	0%	
Transfers to Restricted Assets (Reserves)	4	(173,803)	(119,000)	(52,651)	66,349	56%	▼
Transfers from Restricted Asset (Reserves)	4	152,200	101,464	0	(101,464)	-100%	▼
Transfers to Restricted Assets (Other)		0	0	0	0	0%	
Transfers from Restricted Asset (Other)		0	0	0	0	0%	
ADD Net Current Assets July 1 B/Fwd	5	718,609	718,609	718,609	0	0%	
Net Current Assets - Unspent Grants		0	0	0	0	0%	
LESS Net Current Assets Year to Date	5	<u>0</u>	<u>852,040</u>	<u>1,750,463</u>	<u>898,423</u>	<u>-105%</u>	▼
<b>Amount Raised from Rates</b>		<u>(2,093,556)</u>	<u>(2,093,649)</u>	<u>(2,134,017)</u>	<u>(40,368)</u>	<u>2%</u>	

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

**Material Variances Symbol**  
 Above Budget Expectations  
 Below Budget Expectations

Greater than 10% and \$5,000  
 Less than 10% and \$5,000

▲  
 ▼

**SHIRE OF PINGELLY**  
**FOR THE PERIOD 1 FEBRUARY 2021 TO 28 FEBRUARY 2021**  
**Report on Significant variances Greater than 10% and \$5,000**

**Purpose**

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date. The material variance adopted by Council for the current year is an Actual Variance exceeding 10% and a value greater than \$5,000.

**REPORTABLE OPERATING REVENUE VARIATIONS**

<b>Governance</b>	15,388	60% ▲
The variance relates to increased rental revenue webb street units and increase in reimbursements		
<b>Law Order and Public Safety</b>	25,984	81% ▲
ESL SES and BFB grants YTD higher than budget due to timing difference		
<b>Education and Welfare</b>	8,607	97% ▲
The main variance relates to increased reimbursements from Pingelly Somerset Alliance		
<b>Recreation and Culture</b>	(629,816)	-92% ▼
There are a number of factors relating to the variance with the main driver being the Community Development Grant - Memorial Park Redevelopment due to timing difference		
<b>Transport</b>	(208,023)	-17% ▼
There are a number of factors that relate to this variance with the main drivers being funding for Roads to Recovery and Main Roads Special Funding due to timing issue and profit on disposal of assets, not yet completed		
<b>Economic Services</b>	(6,101)	-20% ▼
The variance relates to revenue for standpipe due to timing issue		
<b>Other Property and Services</b>	14,414	54% ▲
The variance relates to reimbursement of salary & Wages for Workers Compensation claim and increased Private Works		

**REPORTABLE OPERATING EXPENSE VARIATIONS**

<b>Health</b>	( 29,453)	-37% ▲
The variance relates to Contract Health Services, due to budget profiling		
<b>Education and Welfare</b>	(12,881)	-39% ▲
The variance relates to Depreciation for 2020/21 underallocated, to be reviewed		
<b>Transport</b>	432,007	22% ▼
There are a number of factors that relate to the variance with the main drivers being road maintenance program less than YTD budget due to budget profiling and asset disposal not yet completed		
<b>Economic Services</b>	35,665	19% ▼
Major variance relates to the Boyagin development not yet commenced		
<b>Other Property and Services</b>	( 103,491)	-259% ▲
There are a number of factors which relate to this variance with the main drivers being Salaries and Wages under budget due to Works Supervisor position vacant for part of the financial year along with Plant Operating Costs and Public Works Overheads, which are currently being monitored		

**REPORTABLE NON-CASH VARIATIONS**

<b>(Profit)/Loss on Asset Disposals</b>	20,557	119% ▼
Plant replacement program not yet substantially commenced		

**REPORTABLE CAPITAL EXPENDITURE VARIATIONS**

<b>Purchase of Land &amp; Buildings</b>	-6,275	-31% ▲
The variance relates to budget profiling on the purchase of Lot 856 - 2 Stone St Pingelly - Mensshed		
<b>Purchase of Right of Use Asset - Furniture &amp; Equipment</b>	-18965	-71% ▲
Purchase of ROU Furniture & Equipment YTD Actuals less than YTD Budget , due to budget profiling		
<b>Purchase of Plant &amp; Equipment</b>	73,147	34% ▼
Purchase of Plant & Equipment YTD Actuals less than YTD Budget . Plant items on order, but not yet received		
<b>Purchase of Road Infrastructure Assets</b>	594,604	50% ▼
Road Infrastructure YTD Actuals less than YTD Budget due to program not yet substantially commenced		
<b>Purchase of Infrastructure Assets - Footpaths</b>	132,842	84% ▼
Program for 20/21 not yet substantially commenced		
<b>Purchase of Infrastructure Assets - Parks &amp; Ovals</b>	591,197	89% ▼
Memorial Park Re-Development not yet substantially commenced		
<b>Purchase of WIP Recreation and Culture</b>	17,006	38% ▼
The driver which relates to the variance is the PRACC carpark -not yet commenced		
<b>Proceeds from Disposal of Assets</b>	-91,998	-70% ▼
The variance relates to a timing issue on the disposal of plant		
<b>Repayment of Leases</b>	49,507	-79% ▼
The variance relates to the Server and Grader Lease not yet entered into along with budget profiling		

**REPORTABLE CAPITAL REVENUE VARIATIONS**

<b>Transfers to Restricted Assets (Reserves)</b>	66,349	56% ▼
A portion of reserves was transferred at the TDA maturity (31/12/20) with the remainder to occur at the end of the year		
<b>Transfers from Restricted Assets (Reserves)</b>	(101,464)	-100% ▼
Transfers to occur at TDA maturity - 30th June 2021		



**SHIRE OF PINGELLY**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 FEBRUARY 2021 TO 28 FEBRUARY 2021**

1. ACQUISITION OF ASSETS	2020/21 Adopted Budget \$	2020/21 YTD Budget \$	February 2021 YTD Actual \$
The following assets have been acquired during the period under review:			
<b><u>By Program</u></b>			
<b>Governance</b>			
<u>Members</u>			
Furniture & Equipment - Schedule 4 Members	25,381	0	0
<u>Administration</u>			
Furniture And Equipment	8,700	5,800	7729
Right Of Use Asset - F & E	40,187	26,784	45749
Right Of Use Asset - Buildings	21,279	14,184	13900
Capex - Admin Plant Purchases	90,000	90,000	80499
<b>Law, Order &amp; Public Safety</b>			
<u>Fire Prevention</u>			
Plant Purchase - Schedule 5 Bfb	0	5,800	5800
<u>Other Recreation &amp; Sport</u>			
Capex - Infra Parks & Ovals	1,000,000	666,664	75467
Capex - Gardener Vehicle	33,500	33,500	0
<u>Works in Progress - Recreation Centre</u>			
Capex - Praac Building Construction	14,500	8,700	14300
Capex - Pracc Landscaping Soft & Hard	0	0	5093
Capex - Pracc Bowling Green	20,000	13,328	7902

## SHIRE OF PINGELLY

## NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 FEBRUARY 2021 TO 28 FEBRUARY 2021

1. ACQUISITION OF ASSETS (Continued)	2020/21 Adopted Budget \$	2020/21 YTD Budget \$	February 2021 Actual \$
<b>Transport</b>			
<i>Construction - Roads, Bridges, Depots</i>			
<b>Roads Construction</b>			
Various Road Resheeting	267,597	178,392	0
York - Williams Road - Rtr	89,320	59,536	0
Pasture Street - Council Constr	30,624	20,400	0
Bullaring Road	158,611	105,728	0
Capex - Milton Road	263,069	175,352	264002
Capex - Rrg Wickepin Pingelly Slk 7.9-9.0	229,221	152,800	56
Capex - Wickepin Pingelly Road - Crsf Funding	708,956	472,632	336938
Review Street - Rtr	46,156	30,760	0
<b>Footpath Construction</b>			
Footpaths - Construction	237,673	158,432	25590
<i>Road Plant Purchases</i>			
8Kva Genset	8,500	5,664	6800
Capex - Pt15 Upgrade Truck Tip Tray	45,000	0	47046
Capex - Light Truck	115,000	76,664	0
Capex - Fuel Pods	2,500	1,664	0
Right Of Use Asset - P & E	337,468	224,976	0
<b>Economic Services</b>			
<i>Other Economic Services</i>			
Capex - Purchase Of Land	30,000	20,000	26275
	<u>3,877,185</u>	<u>2,570,875</u>	<u>963988</u>
<b>By Class</b>			
Land	30,000	20,000	26275
Furniture & Equipment	34,081	5,800	7729
Right of Use Asset - F & E	40,187	26,784	45749
Right of Use Asset - P & E	337,468	224,976	0
Right of Use Asset - Buildings	21,279	14,184	13900
Plant & Equipment	294,500	213,292	140145
Infrastructure - Roads	1,793,554	1,195,600	600996
Infrastructure - Footpaths	237,673	158,432	25590
Infrastructure - Parks & Ovals	1,000,000	666,664	75467
Works in Progress - Recreation Centre	88,443	45,143	28137
	<u>3,877,185</u>	<u>2,570,875</u>	<u>963988</u>

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 FEBRUARY 2021 TO 28 FEBRUARY 2021

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)	
		2020/21	February 2021	2020/21	February 2021	2020/21	February 2021
		Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$
PDOC8	<b>Governance</b> DCCS Vehicle PN761	15,000	15,978	12,000	12,727	(3,000)	(3,251)
OE11	Admin Server - Zenien & Dell	0	100	0	0	0	(100)
PC13	<b>Recreation &amp; Culture</b> PC13 - Parks & Gardener Ute PN172	0	0	7,000	0	7,000	0
PG6	<b>Transport</b> 2008 120M Motor Grader - PN398	60,000	0	110,000	0	50,000	0
PMOW12	2015 Mitsub Triton WS PN01	20,000	0	15,000	0	(5,000)	0
PT17	2010 Isuzu Crew Cab Tray Top PN483	19,000	0	14,000	0	(5,000)	0
PT15	2008 Isuzu Tip Truck PN66	14,500	0	7,000	0	(7,500)	0
	<b>Economic Services</b> Lot 856 (2) Stone Street Pingelly	30,000	26,275	30,000	26,275	0	0
		158,500	42,353	195,000	39,002	36,500	(3,351)

Asset No	By Class of Asset	Written Down Value		Sale Proceeds		Profit(Loss)	
		2020/21	February 2021	2020/21	February 2021	2020/21	February 2021
		Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$
PDOC8	<b>Plant &amp; Equipment</b> DCCS Vehicle PN761	15,000	15,978	12,000	12,727	(3,000)	(3,251)
PC13	PC13 - Parks & Gardener Ute PN172	0	0	7,000	0	7,000	0
PG6	2008 120M Motor Grader - PN398	60,000	0	110,000	0	50,000	0
PMOW12	2015 Mitsub Triton WS PN01	20,000	0	15,000	0	(5,000)	0
PT17	2010 Isuzu Crew Cab Tray Top PN483	19,000	0	14,000	0	(5,000)	0
PT15	2008 Isuzu Tip Truck PN66	14,500	0	7,000	0	(7,500)	0
OE11	<b>Furniture &amp; Equipment</b> Admin Server - Zenien & Dell	0	100	0	0	0	(100)
0	<b>Land &amp; Buildings</b> Lot 856 (2) Stone Street Pingelly	30,000	26,275	30,000	26,275	0	0.00
		158,500	42,353	195,000	39,002	36,500	(3,351)

**Summary**

Profit on Asset Disposals  
Loss on Asset Disposals

2020/21 Adopted Budget \$	February 2021 Actual \$
57,000	0
(20,500)	(3,351)
36,500	(3,351)

## SHIRE OF PINGELLY

## NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 FEBRUARY 2021 TO 28 FEBRUARY 2021

## 3. INFORMATION ON BORROWINGS

## (a) Debenture Repayments

Particulars	Principal 1-Jul-20	New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
		2020/21 Budget \$	2020/21 Actual \$	2020/21 Budget \$	2020/21 Actual \$	2020/21 Budget \$	2020/21 Actual \$	2020/21 Budget \$	2020/21 Actual \$
<b>Education &amp; Welfare</b>									
Loan 120 - SSL Pingelly Cottage Homes *	149,819	0	0	17,539	8,630	132,280	141,189	9,414	4,794
<b>Recreation &amp; Culture</b>									
Loan 123 - Recreation and Cultural Centre	2,054,890	0	0	100,699	49,825	1,954,191	2,005,065	85,462	43,020
Loan 124 - Recreation and Cultural Centre	1,200,000	0	0	51,082	25,499	1,148,918	1,174,501	7,757	3,792
	3,404,709	0	0	169,320	83,954	3,235,389	3,320,755	102,633	51,606

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

## 3. INFORMATION ON LEASES

## (b) Lease Repayments

Particulars	Principal 1-Jul-20	New Lease		Lease Principal Repayments		Lease Principal Outstanding		Lease Interest Repayments	
		2020/21 Budget \$	2020/21 Actual \$	2020/21 Budget \$	2020/21 Actual \$	2020/21 Budget \$	2020/21 Actual \$	2020/21 Budget \$	2020/21 Actual \$
<b>Administration</b>									
Photocopier Lease	57,502	0	0	20,366	13,509	37,136	43,993	1,442	1,029
Solar System-Admin Office	0	21,279	0	5,084	959	16,195	20,320	580	154
Server Lease	0	40,187	0	7,566	2,572	32,621	37,615	1,117	0
Grader Lease	0	337,468	0	63,524	0	273,944	337,468	9,224	0
	57,502	398,934	0	96,540	17,040	359,896	439,396	12,363	1,183

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 FEBRUARY 2021 TO 28 FEBRUARY 2021

	2020/21 Adopted Budget \$	February 2021 Actual \$
<b>4. RESERVES</b>		
<b>Cash Backed Reserves</b>		
<b>(a) Leave Reserve</b>		
Opening Balance	36,061	36,061
Amount Set Aside / Transfer to Reserve	799	144
Amount Used / Transfer from Reserve	<u>(10,000)</u>	<u>0</u>
	<u>26,860</u>	<u>36,205</u>
<b>(b) Plant Reserve</b>		
Opening Balance	48,977	48,977
Amount Set Aside / Transfer to Reserve	120,085	196
Amount Used / Transfer from Reserve	<u>(133,500)</u>	<u>0</u>
	<u>35,562</u>	<u>49,173</u>
<b>(c) Building and Recreation Reserve</b>		
Opening Balance	23,808	23,808
Amount Set Aside / Transfer to Reserve	348	95
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>
	<u>24,156</u>	<u>23,903</u>
<b>(d) Electronic Equipment Reserve</b>		
Opening Balance	3,242	3,242
Amount Set Aside / Transfer to Reserve	35,006	35,013
Amount Used / Transfer from Reserve	<u>(8,700)</u>	<u>0</u>
	<u>29,548</u>	<u>38,255</u>
<b>(e) Community Bus Reserve</b>		
Opening Balance	11,807	11,807
Amount Set Aside / Transfer to Reserve	12,086	12,047
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>
	<u>23,893</u>	<u>23,854</u>
<b>(f) Swimming Pool Reserve</b>		
Opening Balance	22,835	22,835
Amount Set Aside / Transfer to Reserve	5,320	5,091
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>
	<u>28,155</u>	<u>27,926</u>
<b>(g) Refuse Site Rehab/Closure Reserve</b>		
Opening Balance	16,086	16,086
Amount Set Aside / Transfer to Reserve	159	64
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>
	<u>16,245</u>	<u>16,150</u>
<b>Total Cash Backed Reserves</b>	<u><u>184,419</u></u>	<u><u>215,466</u></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 FEBRUARY 2021 TO 28 FEBRUARY 2021**

	<b>2020/21 Adopted Budget \$</b>	<b>February 2021 Actual \$</b>
<b>4. RESERVES (Continued)</b>		
<b>Cash Backed Reserves (Continued)</b>		
<b>Summary of Transfers To Cash Backed Reserves</b>		
<b>Transfers to Reserves</b>		
Leave Reserve	799	144
Plant Reserve	120,085	196
Building and Recreation Reserve	348	95
Electronic Equipment Reserve	35,006	35,013
Community Bus Reserve	12,086	12,047
Swimming Pool Reserve	5,320	5,091
Refuse Site Rehab/Closure Reserve	159	64
	<u><u>173,803</u></u>	<u><u>52,650</u></u>
<b>Transfers from Reserves</b>		
Leave Reserve	(10,000)	0
Plant Reserve	(133,500)	0
Building Reserve	0	0
Electronic Equipment Reserve	(8,700)	0
Community Bus Reserve	0	0
Swimming Pool Reserve	0	0
Refuse Site Rehab/Closure Reserve	0	0
	<u><u>(152,200)</u></u>	<u><u>0</u></u>
<b>Total Transfer to/(from) Reserves</b>	<u><u>21,603</u></u>	<u><u>52,650</u></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 FEBRUARY 2021 TO 28 FEBRUARY 2021

	2019/20 B/Fwd Per 2020/21 Budget \$	2019/20 B/Fwd Per Financial Report \$	February 2021 Actual \$
<b>5. NET CURRENT ASSETS</b>			
<b>Composition of Estimated Net Current Asset Position</b>			
<b>CURRENT ASSETS</b>			
Cash - Unrestricted	698,429	698,429	1,495,649
Cash - Restricted Unspent Grants			795,395
Cash - Restricted Unspent Loans	0	0	(0)
Cash - Restricted Bonds & Deposits	6,692	6,692	11,541
Cash - Restricted Reserves	162,817	162,817	215,468
Receivables (Budget Purposes Only)	0	0	0
Rates Outstanding	203,378	203,378	339,770
Sundry Debtors	66,182	66,182	20,054
Provision for Doubtful Debts	(990)	(990)	(990)
Gst Receivable	24,008	24,008	13,633
Contract Asset	180,445	180,445	0
Loans - clubs/institutions	17,538	17,538	8,909
Accrued Income/Payments In Advance	11,489	11,489	0
Investments	5,000	5,000	5,000
Inventories	3,704	3,704	8,271
	<u>1,378,691</u>	<u>1,378,691</u>	<u>2,912,700</u>
<b>LESS: CURRENT LIABILITIES</b>			
Payables and Provisions (Budget Purposes Only)	0	0	-
Sundry Creditors	(31,374)	(31,374)	(44,575)
Accrued Interest On Loans	(417)	(417)	-
Accrued Salaries & Wages	(15,193)	(15,193)	-
Bonds & Deposits Held	(6,692)	(6,692)	(10,526)
Income In Advance	0	0	(16,500)
Gst Payable	(5,656)	(5,656)	(33,979)
Payroll Creditors	0	0	-
Contract Liabilities	0	0	-
Performance Obligation Liability	(331,831)	(331,831)	(778,895)
Prepaid Rates Liability	(29,830)	(29,830)	(20,478)
Current Lease Liability	0	0	(9,664)
Accrued Expenses	(20,772)	(20,772)	-
PAYG Liability	(29,082)	(29,082)	(27,064)
Other Payables	(3,881)	(3,881)	(843)
Current Employee Benefits Provision	(374,554)	(374,554)	(374,554)
Current Loan Liability	(169,320)	(169,320)	(85,365)
	<u>(1,018,601)</u>	<u>(1,018,601)</u>	<u>(1,402,444)</u>
<b>NET CURRENT ASSET POSITION</b>	<b>360,090</b>	<b>360,090</b>	<b>1,510,256</b>
Less: Cash - Reserves - Restricted	(162,817)	(162,817)	(215,468)
Less: Cash - Unspent Grants/Loans - Fully Restricted	0	0	0
Less: Current Loans - Clubs / Institutions	(17,538)	(17,538)	(8,909)
Less: Investments	(5,000)	(5,000)	(5,000)
Add Back : Component of Leave Liability not Required to be Funded	374,554	374,554	374,554
Add Back : Current Loan Liability	169,320	169,320	85,365
Add Back : Current Lease Liability	0	0	9,664
Adjustment in Accounting policies	0	0	0
Adjustment for Trust Transactions Within Muni	0	0	1,016
<b>ESTIMATED SURPLUS/(DEFICIENCY) C/FWD</b>	<u><b>718,609</b></u>	<u><b>718,609</b></u>	<u><b>1,750,463</b></u>

**SHIRE OF PINGELLY**

**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**

**FOR THE PERIOD 1 FEBRUARY 2021 TO 28 FEBRUARY 2021**

**6. RATING INFORMATION**

<b>RATE TYPE</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>Rateable Value \$</b>	<b>2020/21 Rate Revenue \$</b>	<b>2020/21 Interim Rates \$</b>	<b>2020/21 Back Rates \$</b>	<b>2020/21 Total Revenue \$</b>	<b>2020/21 Budget \$</b>
<b>General Rate</b>								
GRV - Residential	0.121390	316	3,592,992	436,153	962	5	437,120	438,868
GRV - Rural Residential	0.121390	66	817,596	99,248	1,709	0	100,957	99,248
GRV - Commercial/Industrial	0.121390	29	412,252	50,043	(572)	(723)	48,747	50,043
GRV - Townsites	0.121390	12	144,560	17,548	0	0	17,548	17,548
UV - Broadacre Rural	0.009704	244	138,100,000	1,340,122	(345)	(154)	1,339,623	1,340,122
Non Rateable								
<b>Sub-Totals</b>		667	143,067,400	1,943,114	1,754	(872)	1,943,996	1,945,829
<b>Minimum Rates</b>	<b>Minimum \$</b>							
GRV - Residential	900	62	96,900	55,800	0	0	55,800	55,800
GRV - Rural Residential	900	24	52,909	21,600	0	0	21,600	21,600
GRV - Commercial/Industrial	900	11	36,200	9,900	0	0	9,900	9,900
GRV - Townsites	900	8	44,160	7,200	0	0	7,200	7,200
UV - Broadacre Rural	900	59	2,753,000	53,100	0	0	53,100	53,100
<b>Sub-Totals</b>		164	2,983,169	147,600	0	0	147,600	147,600
Ex Gratia Rates							2,091,596	2,093,429
Movement in Excess Rates							217	0
							0	0
<b>Total Amount of General Rates</b>							2,091,813	2,093,429
Specified Area Rates							0	0
Ex Gratia Rates							0	220
<b>Total Rates</b>							2,091,813	2,093,649

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 2020/21 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 FEBRUARY 2021 TO 28 FEBRUARY 2021

## 7. OPERATING STATEMENT

	February 2021 Actual \$	2020/21 Adopted Budget \$	2019/20 Actual \$
<b>OPERATING REVENUES</b>			
Governance	41,020	38,685	90,759
General Purpose Funding	2,585,975	2,732,800	3,462,546
Law, Order, Public Safety	58,038	59,829	42,604
Health	1,135	1,636	1,776
Education and Welfare	17,520	13,713	22,338
Housing	0	0	0
Community Amenities	193,586	199,740	197,523
Recreation and Culture	53,872	1,030,290	50,563
Transport	1,023,715	2,049,122	1,326,421
Economic Services	24,251	45,550	52,250
Other Property and Services	41,214	40,227	38,383
<b>TOTAL OPERATING REVENUE</b>	<b>4,040,326</b>	<b>6,211,592</b>	<b>5,285,161</b>
<b>OPERATING EXPENSES</b>			
Governance	356,052	519,278	639,695
General Purpose Funding	100,442	149,696	196,491
Law, Order, Public Safety	142,257	204,950	236,514
Health	109,877	144,759	141,730
Education and Welfare	45,572	49,310	133,366
Housing	0	0	0
Community Amenities	233,928	379,875	392,607
Recreation & Culture	940,211	1,295,110	1,480,401
Transport	1,493,439	2,870,996	2,764,104
Economic Services	155,887	286,465	301,461
Other Property and Services	143,378	17,446	26,851
<b>TOTAL OPERATING EXPENSE</b>	<b>3,721,043</b>	<b>5,917,885</b>	<b>6,313,219</b>
<b>CHANGE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>319,283</b>	<b>293,707</b>	<b>(1,028,057)</b>

**SHIRE OF PINGELLY**

**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**

**FOR THE PERIOD 1 FEBRUARY 2021 TO 28 FEBRUARY 2021**

**8. STATEMENT OF FINANCIAL POSITION**

	<b>February 2021 Actual \$</b>	<b>2019/20 Actual \$</b>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	2,506,512	861,246
Investments Current	5,000	5,000
Trade and Other Receivables	381,376	502,050
Inventories	8,271	3,704
Restricted Cash - Bonds & Deposits	11,541	6,692
<b>TOTAL CURRENT ASSETS</b>	<b>2,912,700</b>	<b>1,378,692</b>
<b>NON-CURRENT ASSETS</b>		
Other Receivables	198,513	198,513
Inventories	0	0
Property, Plant and Equipment	19,207,017	19,375,392
Infrastructure	66,063,031	66,692,594
Investments Non Current	53,416	53,416
<b>TOTAL NON-CURRENT ASSETS</b>	<b>85,521,977</b>	<b>86,319,915</b>
<b>TOTAL ASSETS</b>	<b>88,434,677</b>	<b>87,698,607</b>
<b>CURRENT LIABILITIES</b>		
Trade and Other Payables	931,999	488,401
Long Term Borrowings	85,365	169,320
Provisions	374,554	374,554
Bonds & Deposits Liability	10,526	6,692
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,402,444</b>	<b>1,038,967</b>
<b>NON-CURRENT LIABILITIES</b>		
Trade and Other Payables	90,447	37,137
Long Term Borrowings	3,235,390	3,235,390
Provisions	82,901	82,901
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>3,408,738</b>	<b>3,355,428</b>
<b>TOTAL LIABILITIES</b>	<b>4,811,182</b>	<b>4,394,395</b>
<b>NET ASSETS</b>	<b>83,623,495</b>	<b>83,304,212</b>
<b>EQUITY</b>		
Retained Surplus	31,790,219	31,523,589
Reserves - Cash Backed	215,468	162,817
Revaluation Surplus	51,617,806	51,617,806
<b>TOTAL EQUITY</b>	<b>83,623,493</b>	<b>83,304,212</b>

**SHIRE OF PINGELLY**

**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**

**FOR THE PERIOD 1 FEBRUARY 2021 TO 28 FEBRUARY 2021**

**9. FINANCIAL RATIOS**

	<b>2020 YTD</b>	<b>2019</b>
Current Ratio	1.85	0.52
Operating Surplus Ratio	(0.18)	(0.52)

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%)

Below Std  
Std met

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.

**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  
28 February 2021**

Restricted Grants/Funds Received	Projects	GL/Job Account	Total Restricted Funds	Actual Expenditure previous year 2016/17	Actual Expenditure current year 2017/18	Actual Expenditure current year 2018/19	Actual Expenditure current year 2019/20	Actual Expenditure current year 2020/21	Restricted Funds Remaining
Wickepin Pingelly Road 0156 - RRG05 and R2R	Transport	1230	106,515.00	0.00	0.00	0.00	40,779.72	56.45	65,678.83
Wickepin Pingelly Road CRSF5	Transport	1231	295,240.00	0.00	0.00	0.00	29,144.48	266,095.52	0.00
Wickepin Pingelly Road 0156 - R2R	Transport	1232	55,485.00	0.00	0.00	0.00	0.00	0.00	55,485.00
Harper Street Bodey Street (R2R Funding)	Transport	1232	35,449.00	0.00	0.00	0.00	0.00	0.00	35,449.00
Milton Road (R2F Funding)	Transport	1232	72,023.00	0.00	0.00	0.00	0.00	72,023.00	0.00
Memorial Park Project	Recreation & Culture	111P	500,000.00	0.00	0.00	0.00	0.00	10,674.56	489,325.44
PRACC Carpark	Recreation & Culture	11PW	133,799.00	0.00	0.00	0.00	0.00	842.05	132,956.95
Pingelly Astrofest	Recreation & Culture	1130	5,000.00	0.00	0.00	0.00	0.00	0.00	5,000.00
Live & Local Music	Recreation & Culture	1180	13,000.00	0.00	0.00	0.00	0.00	1,500.00	11,500.00
National Australia Day Council	Recreation & Culture	1175	20,000.00	0.00	0.00	0.00	0.00	20,000.00	0.00
<b>Sub Total</b>									795,395.22
<b>Total Restricted Grant Funds</b>									<b>795,395.22</b>
<b>Available Cash</b>		<b>GL/Job Account</b>	<b>Interest Rate</b>	<b>Maturing</b>					<b>Balance</b>
Municipal Bank	Muni Fund Bank	0111	0	N/A					727,957.98
Municipal Bank	Muni Fund Interest Bearing A/C	0111	0.05%	N/A					670,049.85
Municipal Bank - TDA	Muni Fund Bank TDA	0111	0.25%	26-Apr-21					892,486.25
Municipal Bank	Till Float SES	0112							50.00
Municipal Bank	Till Float	0113							200.00
Municipal Bank	Petty Cash on hand	0114							300.00
Total Cash									2,291,044.08
Less Restricted Cash									(795,395.22)
<b>Total Unrestricted Cash</b>									<b>1,495,648.86</b>

## **15.2 Accounts Paid by Authority – February 2021**

<b>File Reference:</b>	<b>ADM0066</b>
<b>Location:</b>	<b>Not Applicable</b>
<b>Applicant:</b>	<b>Not Applicable</b>
<b>Author:</b>	<b>Finance Officer</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>
<b>Attachments:</b>	<b>List of Accounts</b>
<b>Previous Reference:</b>	<b>Nil</b>

### **Summary**

Council endorsement is required for accounts paid by authority for the month of February 2021.

### **Background**

In accordance with *Local Government (Financial Management) Regulations 1996 Clause 13 (1)* schedules of all payments made through Council's bank accounts are presented to the Committee and to Council.

### **Comment**

Unless otherwise identified, all payments have been made in accordance with Council's adopted 2020/21 Budget.

### **Consultation**

Nil

### **Statutory Environment**

Regulation 12 of the *Local Government (Financial Management) Regulations* provides that:

- (1) A payment may only be made from the municipal fund or the trust fund —
  - (a) if the local government has delegated to the CEO the exercise of its power to make payments from those funds — by the CEO; or
  - (b) otherwise, if the payment is authorised in advance by a resolution of the council.
- (2) The council must not authorise a payment from those funds until a list prepared under regulation 13(2) containing details of the accounts to be paid has been presented to the council.

Regulation 13 of the *Local Government (Financial Management) Regulations* provides that:

- (1) If the local government has delegated to the CEO the exercise of its power to make payments from the municipal fund or the trust fund, a list of accounts paid by the CEO is to be prepared each month showing for each account paid since the last such list was prepared —
  - (a) the payee's name;
  - (b) the amount of the payment;
  - (c) the date of the payment; and
  - (d) sufficient information to identify the transaction.
- (2) A list of accounts for approval to be paid is to be prepared each month showing —
  - (a) for each account which requires council authorisation in that month —
    - (i) the payee's name;
    - (ii) the amount of the payment; and
    - (iii) sufficient information to identify the transaction; and
  - (b) the date of the meeting of the Council to which the list is to be presented.
- (3) A list prepared under sub regulation (1) or (2) is to be —
  - (a) presented to the Council at the next ordinary meeting of the council after the list is prepared; and
  - (b) recorded in the minutes of that meeting.

### Policy Implications

There are no policy implications arising from this amendment.

### Financial Implications

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

### Strategic Implications

Goal 5	Innovation Leadership and Governance
Outcome 5.6	Financial systems are effectively managed
Strategy 5.6.1	Financial management and reporting systems are able to deliver on all administrative and management functions (including reporting) and long-term financial planning requirements

### Risk Implications

Risk	Failure to present a detailed listing of payments in the prescribed form would result in non-compliance with the Local Government (Financial Management) Regulations 1996, which may result in a qualified audit.
Risk Rating (Prior to Treatment or Control)	Low (2)
Principal Risk Theme	Reputational / Legislative
Risk Action Plan (Controls or Treatment Proposed)	Nil

Consequence Likelihood		Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 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)

### Voting Requirements

Simple Majority

### Recommendation

**That Council endorse the Accounts for Payments for February 2021 as authorised under delegated authority and in accordance with the Local Government (Financial Management) Regulations 1996:**

To 28 February 2021:

Municipal Account	\$221,704.25
Trust Account	\$80.00
Trust Licensing Account	\$35,952.35

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_

### **15.3 2020/21 Annual Budget Review**

**File Reference:** ADM0067  
**Location:** Not Applicable  
**Applicant:** Not Applicable  
**Author:** Executive Manager Corporate Services  
**Disclosure of Interest:** Nil  
**Attachments:** 2020/21 Budget Review  
**Previous Reference:**

#### **Summary**

To consider and adopt the Budget Review as attached for the period 1 July 2020 to 28 February 2021.

#### **Background**

In accordance with Local Government (Financial Management) Regulations, Council is required to carry out a review of its annual budget for that year by 31 March. This requirement recognises the dynamic nature of local government activities and the need to continually reassess projects competing for limited funds, to ensure that community benefit from available funding is maximised.

#### **Comment**

The mid-year review of the Shire's financial accounts as at 28 February 2021 has been conducted and areas identified that require amendments to initial budget allocations. Wherever possible, service areas seeking additional funds to what was originally approved in the budget are encouraged to generate funding or to find offsetting savings in their own areas. These amendments have been detailed in the document for Council's review. A commentary is provided where expenditure or income has a variance of more than \$5,000.

In reviewing the 2020/21 Budget and incorporating the amendments and the audited surplus for the 2020/21 financial year, the changes made to the various accounts have resulted in a positive change in the revised estimated closing balance of \$48,109 to 30 June 2021.

The budget review process has identified items requiring adjustment which are self-balancing, where increased expenditure is offset by corresponding decreases elsewhere within the program, or additional associated revenue. A copy of the 2020/21 Budget Review report is attached which details the items that have a major effect on the closing position. Changes over \$5,000 include:

#### **Revenue**

- Increase in roads financial assistance grant \$ 5,886
- Increase in rental revenue Webb Street units \$10,000
- Increase revenue - reimbursement insurance, ESL and rubbish  
Pingelly Somerset Alliance \$ 7,266
- WANDRRA storm damage income higher than budget expectations \$ 9,250
- An overall decrease in fleet trade in values (offset by decreased  
expenditure) \$38,131
- Reimbursement of workers compensation claim \$15,200

#### **Expenditure**

- IT Vision software - procurement module \$ 6,425
- Increase in projected legal expenses due to prosecution \$10,000
- Overall savings on acquisition of vehicles \$ 9,000
- Increase in expenditure recycling collection \$10,775
- Shade Sails (insurance claim) \$ 6,800

- General maintenance - Pingelly Swimming Pool \$ 7,700
- Chemical – Pingelly Swimming Pool \$ 5,000
- Increase in expenditure garden lighting PRACC (carried forward from 2019/20) \$ 5,100
- Projected savings fleet purchases \$53,788
- Expenditure savings Depot Fire Pump \$ 6,000
- Reduced expenditure grader lease \$35,534

As part of the 2020/21 Budget process \$25,000 discretionary funds were set aside to enable Council to consider the allocation of projects following the completion of the 2019/20 audit. To date, these funds have been allocated to the appointment of a Community Emergency Services Manager, and the remaining \$6,381 for repairs to the administration steps. As funds are likely to be available after the administration step repairs are completed, it is proposed to renew the Pingelly entry statements, by way of replacing the timber logs and associated signage.

As part of the Budget Review process it is proposed an expenditure allocation of \$6,425 be included for the IT Vision procurement module. Regulation 17 was conducted in November 2020 with gaps identified in the Risk Management area, this included an improvement opportunity for electronic purchase orders to be linked to budget allocations to avoid budget overspends. The need for greater transparency for all stages of the procurement process is increasing to ensure the organisation is fulfilling their compliance obligations. The module will allow Council to align with the Records and Information Management Procedure with the intention of moving across to the digital environment and electronic workflow in the near future. This proposal also aligns with the need to ultimately transition to a new software system, due to the current system having a finite life. A module by module approach is an achievable option for the Shire to manage, both from a financial and workforce perspective. The procurement module is considered to be a high priority from a risk and audit approach, and represents a small and manageable financial investment.

Through the Budget Review process, the potential reduction in Roads to Recovery funding has been identified. This has arisen from a previous management decision to budget for an accelerated payment (in year 1) from year 5, of \$90,934. A payment of \$41,173 has been received in 20/21, with a potential deficit of \$49,221. The Roads to Recovery guidelines previously allowed accelerated payments to Local Governments where they had higher upfront cash flow needs for capital road works, however, the Federal Government are no longer automatically approving accelerated payments, and therefore the original budget of \$321,714 may be reduced to the annual allocation of \$272,493. A conservative approach has been recommended to Council for the 2020/21 financial year, with the Budget Review containing an adequate surplus to cover this potential impact.

### Reserves

This budget review has an overall negative impact on the estimated closing balance of Shire Reserves as at 30 June 2021 of \$1,303, due to a decrease in expected interest.

### **Consultation**

No external consultation is required for this item.

### **Statutory Environment**

*Local Government Act 1995* Section 6.2 Municipal Budget.

*Local Government (Financial Management) Regulations 1996.*

Regulation 33A Review of Budget

- (1) Between 1 January and 31 March in each year a local government is to carry out a review of its annual budget for that year.
- (2) Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the council.



- (3) A council is to consider a review submitted to it and is to determine whether or not to adopt the review, any parts of the review or any recommendations made in the review.
- (4) Within 30 days after a council has made a determination, a copy of the review and determination is to be provided to the Department of Local Government, Sport & Cultural Industries.

### Policy Implications

There are no policy implications.

### Financial Implications

The changes as a result of the Budget review result in an estimated surplus of \$48,109 as at 30 June 2021.

### Strategic Implications

Goal 5	Innovation Leadership and Governance
Outcome 5.6	Financial systems are effectively managed
Strategy 5.6.1	Financial management and reporting systems are able to deliver on all administrative and management functions (including reporting) and long-term financial planning requirements

### Risk Implications

Risk	Failure to present a detailed budget review in the prescribed form or closing date would result in non-compliance with the Local Government (Financial Management) Regulations 1996, which may result in a qualified audit.
Risk Rating (Prior to Treatment or Control)	Low (4)
Principal Risk Theme	Reputational / Legislative
Risk Action Plan (Controls or Treatment Proposed)	Nil

Consequence Likelihood		Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 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)

### Voting Requirements

Absolute Majority

### Recommendation:

1. That Council adopts the 2020/21 Budget Review for the period ending 28 February 2021 as attached.
2. Approves the remaining amount within the \$25,000 discretionary expenditure budget to be allocated to the Pingelly Entry Statement renewal works.

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_

**SHIRE OF PINGELLY  
BUDGET REVIEW REPORT  
FOR THE PERIOD ENDED 28 FEBRUARY 2021**

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

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(NATURE OR TYPE)  
FOR THE PERIOD ENDED 28 FEBRUARY 2021

	Note	Budget v Actual		Predicted		Material Variance
		Annual Budget (a)	YTD Actual (b)	Variance Permanent (c)	Year End (a)+(c)+(d)	
		\$	\$	\$	\$	
<b>OPERATING ACTIVITIES</b>						
Net current assets at start of financial year surplus/(deficit)		718,609	718,609	124	718,733	▲
<b>Revenue from operating activities (excluding rates)</b>						
Operating grants, subsidies and contributions	4.1.3	743,227	563,178	291,398	1,034,625	▲
Profit on asset disposals	4.1.1	57,000	0	(32,750)	24,250	▼
Fees and charges	4.1.2	319,818	255,087	49,966	369,784	▲
Interest earnings	4.1.7	36,447	15,820	(3,853)	32,594	▼
Other revenue	4.1.8	54,004	75,493	73,124	127,128	▲
		1,210,496	909,577	377,885	1,588,381	
<b>Expenditure from operating activities</b>						
Employee costs	4.2.1	(1,701,628)	(730,618)	63,316	(1,638,312)	▼
Materials and contracts	4.2.2	(1,084,488)	(533,270)	(139,403)	(1,223,891)	▲
Utility charges	4.2.3	(147,800)	(64,444)	(2,350)	(150,150)	▲
Depreciation on non-current assets	4.2.4	(2,577,232)	(1,300,755)	0	(2,577,232)	
Interest expenses	4.2.5	(114,996)	(52,457)	0	(114,996)	
Insurance expenses	4.2.6	(165,661)	(167,200)	(1,210)	(166,871)	▲
Loss on asset disposals	4.2.7	(20,500)	(3,251)	(4,654)	(25,154)	▲
Other expenditure	4.2.8	(105,580)	(36,033)	(4,954)	(110,534)	▲
		(5,917,885)	(2,888,027)	(89,255)	(6,007,140)	
Non-cash amounts excluded from operating activities		2,540,732	1,304,006	37,404	2,578,136	▲
<b>Amount attributable to operating activities</b>		(1,448,048)	44,165	326,158	(1,121,890)	
<b>INVESTING ACTIVITIES</b>						
Non-operating grants, subsidies and contributions	4.3.1	2,907,667	619,992	(267,597)	2,640,070	▼
Purchase land and buildings	4.4.2	(30,000)	(23,422)	0	(30,000)	
Purchase property, plant and equipment	4.4.3	(294,500)	(87,299)	66,064	(228,436)	▼
Purchase furniture and equipment	4.4.4	(34,081)	(6,989)	(2,700)	(36,781)	▲
Purchase Right of Use Asset - Furniture & Equipment	4.4.13	(40,187)	0	(26,719)	(66,906)	▲
Purchase Right of Use Asset - Plant & Equipment	4.4.14	(337,468)	0	27,468	(310,000)	▼
Purchase Right of Use Asset - Buildings	4.4.15	(21,279)	0	7,379	(13,900)	▼
Purchase and construction of infrastructure-roads	4.4.5	(1,793,554)	(473,822)	267,597	(1,525,957)	▼
Purchase and construction of infrastructure-footpaths	4.4.16	(237,673)	0	0	(237,673)	
Purchase and construction of infrastructure - Parks & Gardens	4.4.17	(1,000,000)	(36,765)	(64,792)	(1,064,792)	▲
Purchase of WIP - Recreation & Culture	4.4.11	(88,443)	(27,295)	(272,697)	(361,140)	▲
Proceeds from disposal of assets	4.3.2	195,000	12,727	(37,404)	157,596	▼
Proceeds from New Lease Liability	4.3.8	398,934	0	(8,128)	390,806	▼
<b>Amount attributable to investing activities</b>		(375,584)	(22,873)	(311,529)	(687,113)	
<b>FINANCING ACTIVITIES</b>						
Repayment of debentures	4.4.8	(169,320)	(83,954)	0	(169,320)	
Repayment of Leases	4.4.12	(96,540)	(10,053)	38,008	(58,532)	▼
Proceeds from self supporting loans	4.3.6	17,539	0	0	17,539	
Transfers to cash backed reserves (restricted assets)	4.5.10	(173,803)	(52,651)	1,303	(172,500)	▼
Transfers from cash backed reserves (restricted assets)	4.5.11	152,200	0	(2,695)	149,505	▼
<b>Amount attributable to financing activities</b>		(269,924)	(146,658)	36,616	(233,308)	
<b>Budget deficiency before general rates</b>		(2,093,556)	(125,366)	51,245	(2,042,311)	
<b>Estimated amount to be raised from general rates</b>		2,093,556	2,090,420	(3,136)	2,090,420	▼
<b>Closing funding surplus(deficit)</b>	3	0	1,965,054	48,109	48,109	▲

**(STATUTORY REPORTING PROGRAM)  
FOR THE PERIOD ENDED 28 FEBRUARY 2021**

	Budget v Actual		Predicted		Material Variance	
	Adopted Annual Budget (a)	YTD Actual (b)	Variance Permanent (c)	Year End (a)+(c)+(d)		
Note	\$	\$	\$	\$		
<b>OPERATING ACTIVITIES</b>						
Net current assets at start of financial year surplus/(deficit)	718,609	718,609	124	718,733	▲	
<b>Revenue from operating activities (excluding rates)</b>						
Governance	38,685	34,919	18,634	57,319	▲	
General purpose funding	639,371	333,721	8,898	648,269	▲	
Law, order, public safety	59,829	39,630	7,300	67,129	▲	
Health	1,636	451	0	1,636	▲	
Education and welfare	13,713	10,128	9,100	22,813	▲	
Community amenities	199,740	187,409	0	199,740	▲	
Recreation and culture	30,290	154,241	31,392	61,682	▲	
Transport	141,455	91,455	246,847	388,302	▲	
Economic services	45,550	18,350	514	46,064	▲	
Other property and services	40,227	39,272	55,200	95,427	▲	
	1,210,496	909,575	377,885	1,588,381		
<b>Expenditure from operating activities</b>						
Governance	(519,278)	(280,476)	(30,216)	(549,494)	▲	
General purpose funding	(149,696)	(77,872)	(4,900)	(154,596)	▲	
Law, order, public safety	(204,950)	(120,836)	(1,400)	(206,350)	▲	
Health	(144,759)	(79,953)	1,950	(142,809)	▼	
Education and welfare	(49,310)	(36,206)	361	(48,949)	▼	
Community amenities	(379,875)	(181,074)	(13,775)	(393,650)	▲	
Recreation and culture	(1,295,110)	(711,989)	(43,946)	(1,339,056)	▲	
Transport	(2,870,996)	(1,140,046)	(5,381)	(2,876,377)	▲	
Economic services	(286,465)	(111,657)	(13,514)	(299,979)	▲	
Other property and services	(17,446)	(147,917)	21,566	4,120	▼	
	(5,917,885)	(2,888,026)	(89,255)	(6,007,140)		
Non-cash amounts excluded from operating activities	2,540,732	1,304,006	37,404	2,578,136	▲	
<b>Amount attributable to operating activities</b>	<b>(1,448,048)</b>	<b>44,164</b>	<b>326,158</b>	<b>(1,121,890)</b>		
<b>INVESTING ACTIVITIES</b>						
Non-operating grants, subsidies and contributions	4.3.1	2,907,667	619,992	(267,597)	2,640,070	▲
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Purchase Right of Use Asset - Buildings	4.4.15	(21,279)	0	7,379	(13,900)	▼
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<b>FINANCING ACTIVITIES</b>						
Repayment of borrowings	4.4.8	(169,320)	(83,954)	0	(169,320)	▼
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<b>Amount attributable to financing activities</b>		<b>(269,924)</b>	<b>(146,658)</b>	<b>36,616</b>	<b>(233,308)</b>	
<b>Budget deficiency before general rates</b>		<b>(2,093,556)</b>	<b>(125,366)</b>	<b>51,245</b>	<b>(2,042,311)</b>	
<b>Estimated amount to be raised from general rates</b>		<b>2,093,556</b>	<b>2,090,420</b>	<b>(3,136)</b>	<b>2,090,420</b>	
<b>Closing Funding Surplus/(Deficit)</b>	<b>3</b>	<b>0</b>	<b>1,965,054</b>	<b>48,109</b>	<b>48,109</b>	<b>▲</b>

**SHIRE OF PINGELLY**  
**NOTES TO AND FORMING PART OF THE BUDGET REVIEW REPORT**  
**FOR THE PERIOD ENDED 28 FEBRUARY 2021**

**1. BASIS OF PREPARATION**

The budget review report has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this budget review report are presented below and have been consistently applied unless stated otherwise.

The report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

**THE LOCAL GOVERNMENT REPORTING ENTITY**

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

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

**CRITICAL ACCOUNTING ESTIMATES**

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

**2020-21 ACTUAL BALANCES**

Balances shown in this budget review report as 2020-21 Actual are as forecast at the time of budget review preparation and are subject to final adjustments.

**ROUNDING OFF FIGURES**

All figures shown in this budget review report are rounded to the nearest dollar.

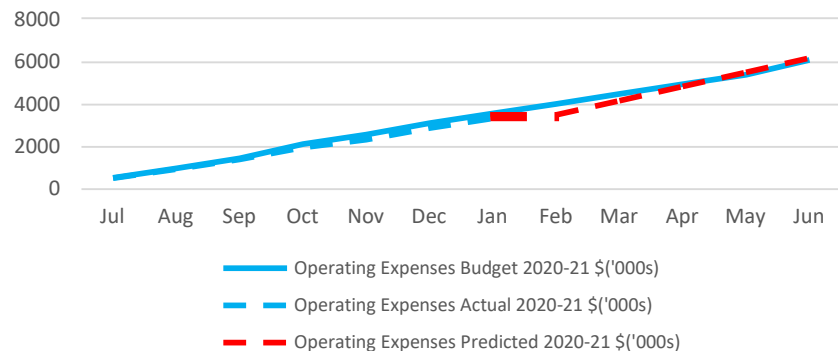
**BUDGET COMPARATIVE FIGURES**

Unless otherwise stated, the budget comparative figures shown in this budget review report relate to the original budget estimate for the relevant item of disclosure.

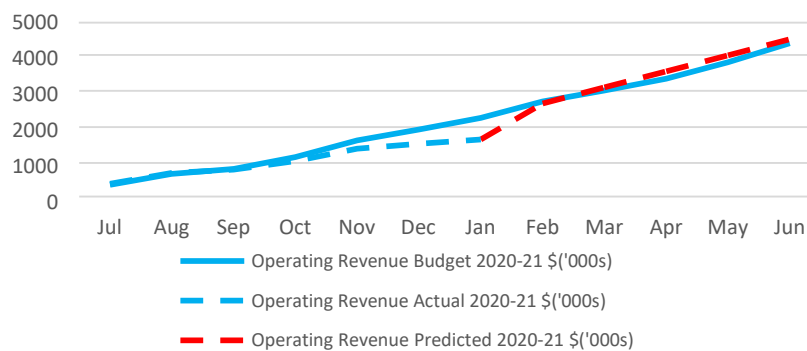
**SHIRE OF PINGELLY  
SUMMARY GRAPHS - BUDGET REVIEW  
FOR THE PERIOD ENDED 28 FEBRUARY 2021**

**2. SUMMARY GRAPHS - BUDGET REVIEW**

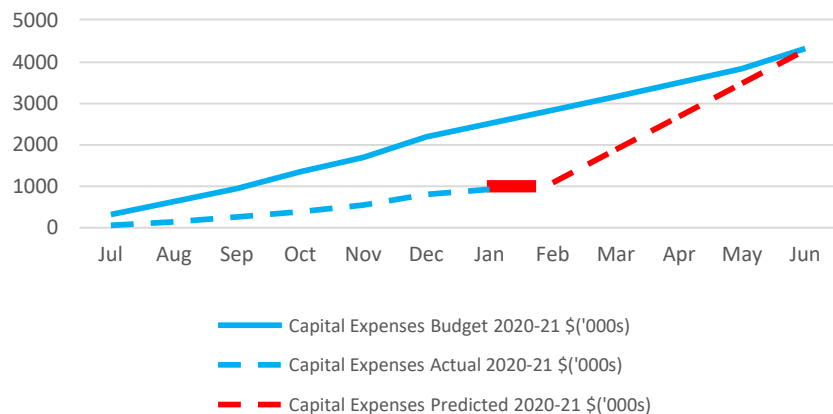
**Operating Expenses**



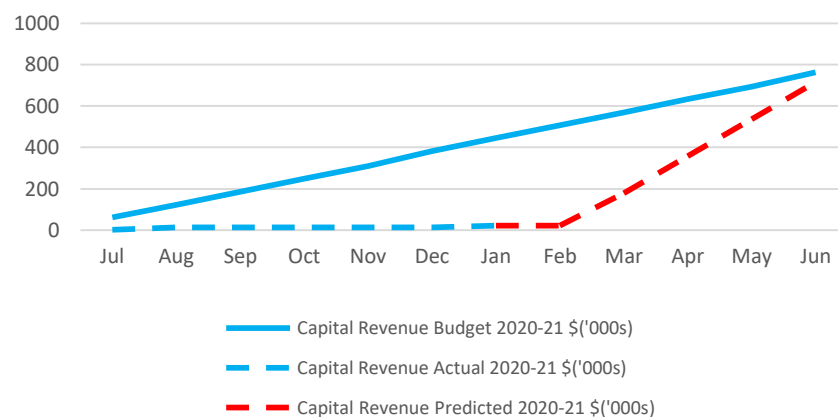
**Operating Revenue**



**Capital Expenditure**



**Capital Revenue**



This information is to be read in conjunction with the accompanying financial statements and notes.

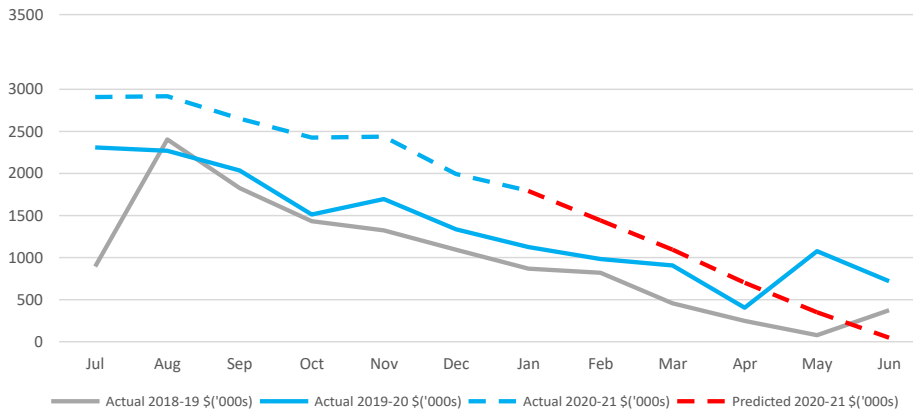
**SHIRE OF PINGELLY**  
**NOTES TO THE BUDGET REVIEW REPORT**  
**FOR THE PERIOD ENDED 28 FEBRUARY 2021**

Note	2020-21		
	This Period	Last Period	Same Period Last Year
	\$	\$	\$
<b>Current assets</b>			
Cash unrestricted	1,433,357	1,868,794	1,041,628
Cash restricted	215,468	162,817	189,396
Receivables - rates and rubbish	547,432	586,956	555,340
Receivables - other	211,657	225,259	140,815
Inventories	2,995	11,004	4,974
	2,410,909	2,854,830	1,932,153
<b>Less: current liabilities</b>			
Payables	(287,122)	(425,690)	(1,665,017)
Provisions	(374,554)	(374,554)	(282,570)
	(661,676)	(800,244)	(1,947,587)
<b>Less: cash restricted Reserves</b>	(215,468)	(162,817)	(189,396)
<b>Adjustments for trust</b>	0	0	0
<b>Add back: Current Loan liability</b>	85,365	169,320	1,257,157
<b>Add back: Provisions</b>	374,554	374,554	282,570
	1,993,684	2,435,643	1,334,897

**3A. NET CURRENT FUNDING POSITION -EXPLANATION OF AMOUNTS EXCLUDED FROM OPERATING ACTIVITIES**

	Annual Budget (a)	YTD Actual (b)
	\$	\$
Depreciation on non-current assets	2,577,232	1,300,755
Loss on asset disposals	20,500	3,251
Profit on asset disposals	(57,000)	0
<b>Non-cash amounts excluded from operating activities</b>	2,540,732	1,304,006

**Liquidity Over the Year**



**SHIRE OF PINGELLY  
NOTES TO THE BUDGET REVIEW REPORT  
FOR THE PERIOD ENDED 28 FEBRUARY 2021**

**SIGNIFICANT ACCOUNTING POLICIES**

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Bank overdrafts are shown as short term borrowings in current liabilities in Note 2 Net Current Assets of the budget.

**TRADE AND OTHER RECEIVABLES**

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

**INVENTORIES**

**General**

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**CURRENT AND NON-CURRENT CLASSIFICATION**

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

**LOANS AND RECEIVABLES**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss. Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

**TRADE AND OTHER PAYABLES**

Trade and other payables represent liabilities for goods and services provided to the Shire of Pingelly prior to the end of the financial year that are unpaid and arise when the Shire of Pingelly becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

**EMPLOYEE BENEFITS**

**Short-Term Employee Benefits**

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

The Shire of Pingelly's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current of financial trade and other payables in the statement position. Shire of Pingelly's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**PROVISIONS**

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

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

**RATES, GRANTS, DONATIONS AND OTHER CONTRIBUTIONS**

Rates, grants, donations and other contributions are recognised as revenues when the Shire of Pingelly obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.



Comments/Reason for Variance

	Variance \$	
	Permanent	Timing
<b>4.1 OPERATING REVENUE (EXCLUDING RATES)</b>		
<b>4.1.1 PROFIT ON ASSET DISPOSAL</b>		
The variance relates to the following projected trade-ins		
PC13 - Parks & Gardener Ute PN172 original budget profit \$7,000 trade projected Profit \$4,250		(2,750)
PG6 2008 120M Motor Grader PN398 original budget profit \$50,000 trade projected Profit \$19,000		(31,000)
PT15 2008 Isuzu Tip Truck PN66 original budget loss \$7,500 trade projected Profit \$1,000		1,000
<b>4.1.2 FEES AND CHARGES</b>		
Increase in donation		150
Increase in rentals		10,000
Increase in reimbursement DFES & Rubbish		4,000
Increase in fees sheep sale yards		105
Increase in fees PA hire		97
Decrease in fees and charges - Fervor event cancelled		(6,400)
Fees and charges increase - Pingelly Somerset Alliance Drainage		40,000
Fines & Penalties - increase in fire infringements		1,500
Increase in fees Tutanning Reserve accommodation		514
<b>4.1.3 GRANTS, SUBSIDIES AND CONTRIBUTIONS</b>		
General purpose grant higher than Budget \$427,158 to \$433,044		5,886
Road grant higher than Budget \$166,360 to \$169,225		2,865
DFES - Depot fire pump		5,800
WANDRRA Storm Damage income more than Budget expectations		9,250
Transfer of original budget PRACC Carpark Local Roads and Community Infrastructure funding		267,597
<b>4.1.7 INTEREST EARNINGS</b>		
Interest on Muni investment lower than expected due to decrease in interest rates		(2,550)
Interest on Reserves investment lower than expected due to decrease in interest rates		(1,303)
<b>4.1.8 OTHER REVENUE</b>		
Gift card loading		20
LGIS Zurich Insurance - good driver rebate \$3,006		3,340
Reimbursement legal costs - rates		4,000
Salary sacrifice arrangement		650
Pingelly Somerset Alliance reimbursements		9,100
Reimbursement insurance claim and tenancy utilities		7,814
Live & Local Music Grant		13,000
Australia Day Grant		20,000
Reimbursement workers compensation claims		15,200
	Predicted Variances Carried Forward	377,885
	Predicted Variances Brought Forward	377,885

Comments/Reason for Variance

Variance \$  
Permanent Timing

4.2 OPERATING EXPENSES

4.2.1 EMPLOYEE COSTS

Increase in Community Works - Pony Club	(776)
Long Service Leave entitlement	(4,200)
Increase in Aged Appropriate Accommodation building maintenance	(200)
Increase in Swimming Pool building maintenance	(1,000)
Engineering salary and wages transferred to Memorial Park project	64,792
Saving on relocations expenses-governance	4,000
Transfer of original budget to repair salary & wages	12,054
Transfer from original budget parts & repair salary & wages to repair wages	(12,054)
Increase in Croquet Club - Building Maintenance	(150)
Increase in Aged Appropriate Accommodation overheads	(300)
Increase in Swimming Pool labour overheads	(1,200)
Increase in Croquet Club labour overheads	(150)
Increase in Repair Wages labour overheads	(14,465)
Decrease in Parts & Repair Wages labour overheads	14,465
Increase in Community Works - Pony Club labour overheads	(1,500)
Savings Superannuation	4,000

4.2.2 MATERIAL AND CONTRACTS

Increase in debt collection expenses	(4,000)
Rates incentive prize \$200 Matthews Realty & \$500 Keatly	(700)
Increase in Audit expenses	(1,500)
Increase conference expenses	(1,750)
Saving in consultant fees	1,000
Increase in Councillor training	(755)
Savings Refreshments/Reception	2,000
Savings - Subscriptions	1,973
Increase in IT expenses	(11,161)
Savings in staff conference expenses	2,000
Increase legal expenses property prosecution	(10,000)
Salary Sacrifice arrangement	(613)
Increase in minor equipment expenditure	(1,725)
Increase in building operations - Administration Office	(2,724)
Increase in stationery expenditure	(2,000)
Increase building operations 7A Webb Street, Pingelly	(1,776)
Increase building operations 7B Webb Street, Pingelly	(1,776)
Increase in CCTV expenses	(1,400)
Decrease in Doctor Surgery expenses	1,950
Decrease in Senior Week expenses	1,500
Increased building operations - Aged Appropriate Accommodation	(200)
Increased expenditure - Community Resource Centre	(85)
Increased expenditure - Recycle Charges	(10,775)
Increase in minor equipment - Automatic pool cleaner	(2,500)
Increased maintenance expenditure - Swimming Pool	(19,550)
Increased expenditure -Swimming Pool contract management	(4,000)
Decrease in expenditure - Fervor	7,400
Increased expenditure - International Day of People with Disability	(1,000)
Increased expenditure - Australia Day event	(21,000)
Savings Remembrance Day	50
Increased expenditure freight - Library	(746)
Increased expenditure - Live & Local Music Project	(13,000)
Increased expenditure Private Works - Drainage Pingelly Somerset Alliance	(40,000)
Savings Telecommunications	2,000
Increase in Telecommunications	(840)
Increase Refuse Site Plant Operating Costs	(3,000)
Increase Croquet Club Plant Operating Costs	(100)
Increase Pony Club Plant Operating Costs	(600)

Comments/Reason for Variance

	Variance \$	
	Permanent	Timing
<b>4.2.3 UTILITY CHARGES</b>		
Increase in Croquet Club		(350)
Increase in 9A Webb Street, Pingelly		(1,000)
Increase in 9B Webb Street, Pingelly		(1,000)
<b>4.2.4 DEPRECIATION (NON CURRENT ASSETS)</b>		
No material variance		0
<b>4.2.5 INTEREST EXPENSES</b>		
No material variance		0
<b>4.2.6 INSURANCE EXPENSES</b>		
Increase premium		(95)
7A Webb Street, Pingelly - landlord insurance		(400)
7B Webb Street, Pingelly - landlord insurance		(361)
Increase premium Aged Appropriate Accommodation		(354)
<b>4.2.7 LOSS ON ASSET DISPOSAL</b>		
PDOC8 EMCS Vehicle PN761 original budget loss \$3,000 YTD actual \$2,273		727
Increase in loss on asset disposal		
PMOW12 2015 Mitsubishi Triton WS PN01 original budget loss \$5,000 projected loss \$8,381		(3,381)
PT17 2010 Isuzu Crew Cab Tray Top PN483 original budget loss \$5,000 projected loss \$14,500		(9,500)
PT15 2008 Isuzu Tip Truck PN66 original budget loss \$7,500 projected profit \$1,000		7,500
<b>4.2.8 OTHER EXPENDITURE</b>		
Rate write off		(200)
Increase in staff training		(4,240)
Tutanning hut booking fees		(514)
<b>Predicted Variances Carried Forward</b>		<b>288,630</b>

Comments/Reason for Variance

	Variance \$	
	Permanent	Timing
Predicted Variances Brought Forward	288,630	
<b>4.3 CAPITAL REVENUE</b>		
<b>4.3.1 GRANTS, SUBSIDIES AND CONTRIBUTIONS</b>		
Transfer of original budget from road funding to PRACC Carpark Local Roads and Community Infrastructure	(267,597)	
<b>4.3.2 PROCEEDS FROM DISPOSAL OF ASSETS</b>		
Increase in proceeds of sale - EMCS vehicle PN761	727	
Decrease in overall projected trade-ins for PG6, PT17, PT15, PC13 & PMOW12	(38,131)	
<b>4.3.6 SELF-SUPPORTING LOAN PRINCIPAL</b>		
No material variance	0	
<b>4.3.8 PROCEEDS FROM NEW LEASE LIABILITIES</b>		
New lease - CCTV Server	21,157	
Increase in Admin Server lease	5,562	
Savings on solar panel lease	(7,379)	
Savings on Plant & Equipment Grader lease	(27,468)	
Predicted Variances Carried Forward	(24,499)	
Predicted Variances Brought Forward	(24,499)	

#### 4.4 CAPITAL EXPENSES

##### 4.4.1 LAND HELD FOR RESALE

No material variance

##### 4.4.2 LAND AND BUILDINGS

No material variance

##### 4.4.3 PLANT AND EQUIPMENT

Savings EMCS & EMTS vehicle changeover	9,000
Depot Fire Pump	(5,800)
Gardener Vehicle projected expenditure	2,802
Savings 8KVA Generator	1,700
Tip Tray Truck projected expenditure	(1,426)
Light Truck projected expenditure	53,788
Depot Fire Pump	6,000

##### 4.4.4 FURNITURE AND EQUIPMENT

Furniture & Equipment - Electronic Equipment	(2,700)
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##### 4.4.5 INFRASTRUCTURE ASSETS - ROADS

Various Road Resheeting transfer of original budget	267,597
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##### 4.4.8 REPAYMENT OF DEBENTURES

No material variance	0
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##### 4.4.11 WIP RECREATION AND CULTURE

Transfer of original budget expenditure to PRACC Carpark Local Roads and Community Infrastructure fun	(267,597)
Additional cost garden lighting PRACC	(5,100)

##### 4.4.12 LEASE LIABILITY CURRENT

Savings on solar panel lease principal repayments	2,484
Savings on grader lease principal repayments	35,524

##### 4.4.13 PURCHASE RIGHT OF USE ASSET

Furniture & Equipment Admin Server	(5,562)
Furniture & Equipment CCTV Server	(21,157)

##### 4.4.14 PURCHASE RIGHT OF USE ASSET

Plant & Equipment Grader	27,468
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##### 4.4.15 PURCHASE RIGHT OF USE ASSET

Buildings - Savings Solar Panels	7,379
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##### 4.4.16 INFRASTRUCTURE ASSETS - FOOTPATHS

No material variance	0
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##### 4.4.17 INFRASTRUCTURE ASSETS - PARKS AND OVALS

Project management	(64,792)
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Predicted Variances Carried Forward 15,109

Predicted Variances Brought Forward 15,109

**4.5 OTHER ITEMS**

**4.5.10 TRANSFER TO RESERVES (RESTRICTED ASSETS)**

Decrease projected interest 1,303

**4.5.11 TRANSFER FROM RESERVES (RESTRICTED ASSETS)**

Decrease in transfer from Electronic Equipment Reserve (2,695)

**4.5.1 RATE REVENUE**

No material variance 0

**4.5.2 OPENING FUNDING SURPLUS(DEFICIT)**

As a result of End of Year Audit for the annual financial statements, this has resulted in a permanent change to the balance brought forward. 124

**4.5.3 NON-CASH WRITE BACK OF PROFIT (LOSS)**

See 4.1.1 and 4.2.7 above for explanation of the change in net Profit (Loss) 37,404

**Total Predicted Variances as per Annual Budget Review**

51,245 0

**NOTES TO THE BUDGET REVIEW REPORT  
FOR THE PERIOD ENDED 28 FEBRUARY 2021**

**5. BUDGET AMENDMENTS**  
Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Account Code	Description	Council Resolution	Classification	No Change - (Non Cash Items) Adjust.	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance	Comments
				\$	\$	\$	\$	
	<b>Budget Adoption</b>		Opening Surplus(Deficit)					
	Adjusted C/Fwd Surplus from Audit adjustments		Opening Surplus(Deficit)		124		124	
106910.35	Original budget Capital Furniture & Equipment transferred to CESM, Admin Front Step and Depot Fire Pump	SCM 27/07/20 7.1	Capital Expenses		25,381		25,505	
105760.03	Original budget Capital Furniture & Equipment transferred to CESM, Admin Front Step and Depot Fire Pump	SCM 27/07/20 7.1	Operating Expenses			(13,000)	12,505	
104130.03	Original budget Capital Furniture & Equipment transferred to CESM, Admin Front Step and Depot Fire Pump	OCM 18/11/20 14.1	Operating Expenses			(6,381)	6,124	
112900.35	Original budget Capital Furniture & Equipment transferred to CESM, Admin Front Step and Depot Fire Pump	OCM 18/11/20 14.1	Capital Expenses			(6,000)	124	
112750.24	Roadside Vegetation Clearing - Local Roads and Community Infrastructure Program	OCM 09/12/2014.1	Operating Revenue		175,000		175,124	
112740.03	Roadside Vegetation Clearing - Local Roads and Community Infrastructure Program	OCM 09/12/2014.1	Operating Expenses			(175,000)	124	
1111H0.35	Town Hall refurbishment project - Local Roads and Community Infrastructure Program	OCM 09/12/2014.1	Operating Revenue		33,549		33,673	
1111H0.23	Town Hall refurbishment project - Local Roads and Community Infrastructure Program	OCM 09/12/2014.1	Capital Expenses			(33,549)	124	
103170.08	Increase in small balance write off - Rates		Operating Expenses			(200)	(76)	
103420.03	Increase in Debt Collection expenses - Property seizure unpaid rates		Operating Expenses			(4,000)	(4,076)	
103480.03	Rates incentive prize 2020/21 \$200 Matthews Realty & \$500 Keatly Wool & Livestock, not listed in budget		Operating Expenses			(700)	(4,776)	
10320.24	Increase in General Purpose Grant FAGS - LGGC		Operating Revenue		5,886		1,110	
13210.23	Increase in Roads Grant FAGS - LGGC		Operating Revenue		2,865		3,975	
103180.33	Reimbursement of legal costs - offset by increased expenditure property seizure unpaid rates		Operating Revenue		4,000		7,975	
103230.22	Decrease in municipal interest due to lower than budgeted interest rates		Operating Revenue			(2,550)	5,425	
103250.22	Decrease in reserve interest due to lower than budgeted interest rates		Operating Revenue			(1,303)	4,122	
103260.50	Decrease in transfer of interest to reserves due to lower than budgeted interest rates		Capital Expenses		1,303		5,425	
106040.03	Increase audit expenses due to for additional work performed on the LG Regulations changes and the new accounting standards		Operating Expenses			(1,500)	3,925	
106060.03	Increase in conference expenses - Planning & Development session Councilors - February 2021		Operating Expenses			(1,750)	2,175	
106070.03	Savings in consultant fees - Chief Executive Officer Annual Review		Operating Expenses		1,000		3,175	
106080.03	Increase in Councillor training expenditure - WALGA Understanding Financial Reports & Budgets		Operating Expenses			(755)	2,420	
106110.05	Increase Insurance premiums		Operating Expenses			(95)	2,325	
106180.33	Savings refreshments		Operating Expenses		2,000		4,325	
106210.03	Decrease in WALGA subscriptions - Employee Relates, Governance Service, Procurement and Tax Services		Operating Expenses		1,973		6,298	
104030.03	Increase in additional IT expenditure, Microsoft 365 annual renewals, additional supports hours & IT Vision Procurement along with prorata Co		Operating Expenses			(11,161)	(4,863)	
104050.03	Savings identified Conference Expenses		Operating Expenses		2,000		(2,863)	
104110.08	Increase in staff training		Operating Expenses			(4,240)	(7,103)	
104120.03	Increase in Legal Expenses due to projected prosecution		Operating Expenses			(10,000)	(17,103)	
104170.03	Salary Sacrifice arrangement - Offset by increased revenue		Operating Expenses			(613)	(17,716)	
104170.03	Increase in Minor Equipment - Originally budgeted for in capital however under capitalisation threshold		Operating Expenses			(1,725)	(19,441)	
1041B0.03	Increase in Contract and Materials - Solar Panel deposit and Lease payment paid in error - Offset by increased revenue		Operating Expenses			(2,724)	(22,165)	
104210.03	Increase in stationery supplies		Operating Expenses			(2,000)	(24,165)	
104230.02	Savings identified in staff relocation expenses - Governance		Operating Expenses		4,000		(20,165)	
104280.13	Savings identified in superannuation		Operating Expenses		4,000		(16,165)	
104290.17	Savings identified telecommunications		Operating Expenses		2,000		(14,165)	
104390.01	Long Service Leave liability paid - Shire of Beverley		Operating Expenses			(4,200)	(18,365)	
104600.10	Decrease in loss of asset, due to increased trade PN761		Non Cash Item	727			(18,365)	
1444B0.04	Increase in utilities - 9A Webb Street, Pingelly, due to higher occupancy		Operating Expenses			(1,000)	(19,365)	
1444B0.17	Increase in Communication Expenses 9A Webb Street, Pingelly not listed in budget		Operating Expenses			(840)	(20,205)	
1444C0.04	Increase in utilities - 9B Webb Street, Pingelly - partially offset by increased revenue		Operating Expenses			(1,000)	(21,205)	
1449B0.03	Increase in Contracts & Materials 7A Webb Street, Pingelly - Tenancy Management Fees		Operating Expenses			(1,776)	(22,981)	
1449B0.05	Increase in Insurance due to Landlord insurance and GST on insurance premium not listed in budget - 7A Webb Street, Pingelly		Operating Expenses			(400)	(23,381)	
4449C0.03	Increase in Contracts & Materials 7B Webb Street, Pingelly - Tenancy Management Fees		Operating Expenses			(1,776)	(25,157)	
4449C0.05	Increase in Insurance due to Landlord insurance and GST on insurance premium not listed in budget - 7B Webb Street, Pingelly		Operating Expenses			(361)	(25,518)	
104700.25	Increase in donation from community not listed in budget		Operating Revenue		150		(25,368)	
104700.33	Salary Sacrifice arrangement - Offset by increased expenditure		Operating Revenue		650		(24,718)	
104750.33	Increase revenue due to reimbursement CCTV Admin Camera - Insurance Claim, water charges Webb Street units and refund of solar panel		Operating Revenue		7,814		(16,904)	
104760.25	Increase in rental revenue due to increased tenancy occupancy Webb Street units		Operating Revenue		10,000		(6,904)	
1047B0.29	Gift card loading fee not listed in budget		Operating Revenue		20		(6,884)	
104580.30	Proceeds from disposal of asset PN761 higher than budgeted		Capital Revenue		727		(6,157)	
1045E0.37	Decrease of transfer from Electronic Equipment Reserve - due to minor equipment expended		Capital Revenue			(2,695)	(8,852)	
104610.31	Realisation on Disposal of Asset PN761 - Accounting transaction only		Non Cash Item	(727)			(8,852)	
1045F0.40	Increase in proceeds of new lease to include CCTV Server, additional IT expenditure for Admin Server and savings on Solar Panels		Capital Revenue		19,340		10,488	
14AFE0.35	Decrease in expenditure due to minor equipment now expended and purchase of CCTV camera Administration Office -Partly offset by insu		Capital Expenses			(2,700)	7,788	
14APE0.35	Savings on acquisition of vehicles x 2 - Governance		Capital Expenses		9,000		16,788	
14ROS0.35	Savings on expenditure - Right of Use Asset Solar Panels		Capital Expenses		7,379		24,167	
14ROT0.35	Savings on expenditure - Right of Use Asset Grader		Capital Expenses		27,468		51,635	
14ROU0.35	Increase of expenditure - Right of Use Asset Administration Server		Capital Expenses			(5,562)	46,073	
15ROU0.35	Increase of expenditure - Right of Use Asset CCTV Server		Capital Expenses			(21,157)	24,916	
1045I0.34	Savings on repayment of lease - Solar Panels due to timing		Capital Expenses		2,484		27,400	
105360.03	Increase in expenditure CCTV monitoring and PRACC CCTV camera position not listed in budget		Operating Expenses			(1,400)	26,000	
105200.24	Increase revenue ESL operating grant for Depot Fire Pump - Offset by increased expenditure		Operating Revenue		5,800		31,800	
105580.27	Increase in Fire Infringements 2020/21		Operating Revenue		1,500		33,300	
105950.35	Increase expenditure ESL for Depot Fire Pump - Offset by increased revenue		Capital Expenses			(5,800)	27,500	

107070.03	Decrease in expenditure Materials & Contracts Doctor Surgery Room, no longer required	Operating Expenses	1,950		29,450	
108050.03	Decrease in expenditure Seniors Weeks Grant Funding not received - Offset by decrease in revenue	Operating Expenses	1,500		30,950	
108450.01	Increase in Employee Costs - Aged Appropriate Accommodation	Operating Expenses		(200)	30,750	
108450.41	Increase in Employee Costs - Aged Appropriate Accommodation	Operating Expenses		(300)	30,450	
1084B0.03	Increase in Material & Contracts expenditure - Aged Appropriate Accommodation	Operating Expenses		(200)	30,250	
1084B0.05	Increase in Insurance expenditure - Aged Appropriate Accommodation GST not listed in budget	Operating Expenses		(354)	29,896	
1830B0.03	Increase in expenditure Pingelly CRC ESL - Partially offset by increased revenue	Operating Expenses		(85)	29,811	
108630.33	Increase in revenue reimbursement insurance, ESL, Waste Collection - Pingelly Somerset Alliance	Operating Revenue	9,100		38,911	
110020.03	Increase in expenditure recycling collection	Operating Expenses		(10,775)	28,136	
110030.42	Increase in expenditure Pingelly Refuse Site - Plant operating costs	Operating Expenses		(3,000)	25,136	
1108B0.03	Increase in Minor Equipment Pingelly Swimming Pool - Automatic Pool Cleaner	Operating Expenses		(2,500)	22,636	
111080.01	Increase in Employee Costs - Pingelly Swimming Pool	Operating Expenses		(1,000)	21,636	
111080.03	Increase in expenditure shade sails Pingelly Swimming Pool - partially offset by insurance claim along with miniatous not listed in budget	Operating Expenses		(19,550)	2,086	
111080.41	Increase in Employee Costs - Pingelly Swimming Pool	Operating Expenses		(1,200)	886	
111530.03	Increase in Contract Management Fees due to increase in additional hours	Operating Expenses		(4,000)	(3,114)	
111290.03	Decrease in expenditure due to Fervor event cancelled - Offset by reduced revenue	Operating Expenses	7,400		4,286	
111290.03	Increase in expenditure - International Day of People with Disability Grant not listed in budget	Operating Expenses		(1,000)	3,286	
111CC0.01	Increase in Employee Costs - Croquet Club	Operating Expenses		(150)	3,136	
111CC0.41	Increase in Employee Costs - Croquet Club	Operating Expenses		(150)	2,986	
111CC0.42	Increase in Material & Contracts expenditure - Croquet Club	Operating Expenses		(100)	2,886	
111300.03	Increase in expenditure - National Australia Day Grant not listed in budget	Operating Expenses		(21,000)	(18,114)	
111300.03	Savings in expenditure - Remembrance Day	Operating Expenses	50		(18,064)	
111250.03	Increase in freight expenditure - Pingelly Library	Operating Expenses		(746)	(18,810)	
111500.25	Increase in revenue - reimbursement DFES & Rubbish PRACC not listed in budget	Operating Revenue	4,000		(14,810)	
111640.25	Increased revenue - Sheep Sale Yards not listed in budget	Operating Revenue	105		(14,705)	
111650.25	Increased revenue - PA hire not listed in budget	Operating Revenue	97		(14,608)	
111670.33	LGIS Zurich Insurance - good driver rebate	Operating Revenue	3,340		(11,268)	
111800.25	Decrease in revenue due to Fervor event cancelled - Offset by reduced expenditure	Operating Revenue		(7,400)	(18,668)	
111800.25	Increase in revenue International Day of People with Disability Grant	Operating Revenue	1,000		(17,668)	
111800.33	Increase in revenue - Live and Local Music Grant - Offset by increased expenditure	Operating Revenue	13,000		(4,668)	
111940.20	Decrease in profit on budget projection disposal of asset - PN172	Non Cash Item	(2,750)		(4,668)	
111750.33	Increased revenue - National Australia Day Grant not listed in budget	Operating Revenue	20,000		15,332	
111900.35	Projected savings expenditure - replacement Gardener ute	Capital Expenses	2,802		18,134	
111IP0.03	Increase capital expenditure Memorial Park project - Project Management	Capital Expenses		(64,792)	(46,658)	
111PW0.03	Transfer of original budget - LRCI funding to PRACC Carpark	Capital Expenses		(267,597)	(314,255)	
111PW0.03	Increase in expenditure Garden lighting PRACC not listed in budget	Capital Expenses		(5,100)	(319,355)	
112430.24	WANDRRA storm damage income more than budget expectations	Operating Revenue	9,250		(310,105)	
112500.24	Transfer of original grant budget from Road Funding to Other Grants - LRCI funding to PRACC Carpark	Operating Revenue	267,597		(42,508)	
112630.23	Transfer of original grant budget from Road Funding to Other Grants - LRCI funding to PRACC Carpark	Operating Revenue		(267,597)	(310,105)	
112590.20	Decrease in loss on disposal of asset Grader and PN66 original budget loss project \$1000 profit	Non Cash Item	(30,000)		(310,105)	
112000.03	Transfer of original budget - LRCI funding to PRACC Carpark	Capital Expenses	267,597		(42,508)	
112900.35	Savings on 8KVA Generator	Capital Expenses	1,700		(40,808)	
112900.35	Projected increase in expenditure - replacement of PT15 Tip Tray Truck	Capital Expenses		(1,426)	(42,234)	
112900.35	Projected savings expenditure - Light Truck	Capital Expenses	53,788		11,554	
112900.35	Savings expenditure Depot Fire Pump now funded through ESL	Capital Expenses	6,000		17,554	
112600.10	Increase in loss on disposal of assets from original budget PMOW12, PT17 & PT15	Non Cash Item	(5,381)		17,554	
112610.31	Realisation on Disposal of Asset Transport - Accounting transaction only	Non Cash Item	38,131		17,554	
112650.30	Decrease in trade-ins from original budget PC13, PG6, PMOW12, PT17 & PT15	Capital Revenue		(38,131)	(20,577)	
112690.40	Decrease in proceeds of new lease - Grader expenditure less than budgeted	Capital Revenue		(27,468)	(48,045)	
113560.08	Tutaning Reserve Hicamps commission not listed in budget	Operating Expenses		(514)	(48,559)	
113CG0.03	Increase expenditure - Live & Local Music Grant not listed in original budget	Operating Expenses		(13,000)	(61,559)	
113550.25	Tutaning Reserve accommodation revenue not listed in budget	Operating Revenue	514		(61,045)	
114000.03	Increase in Private Works expenditure due to Drainage Pingelly Somerset Alliance	Operating Expenses		(40,000)	(101,045)	
114030.01	Decrease Employee costs transferred to Memorial Park project - Project Management	Operating Expenses	64,792		(36,253)	
114330.01	Transfer of original budget Employee Costs from Parts & Repairs to Repair	Operating Expenses	12,054		(24,199)	
114330.41	Transfer of original budget Employee Costs from Parts & Repairs to Repair	Operating Expenses	14,465		(9,734)	
114360.01	Transfer of original budget Employee Costs from Parts & Repairs to Repair	Operating Expenses		(12,054)	(21,788)	
114360.41	Transfer of original budget Employee Costs from Parts & Repairs to Repair	Operating Expenses		(14,465)	(36,253)	
114660.01	Increase in Employee Costs - Pony Club not listed in budget	Operating Expenses		(776)	(37,029)	
114660.04	Increase in Utilities expenditure - Pony Club not listed in budget. Reconnection of electricity	Operating Expenses		(350)	(37,379)	
114660.41	Increase in Employee Costs - Pony Club not listed in budget	Operating Expenses		(1,500)	(38,879)	
114660.42	Increase in Material & Contracts - Pony Club	Operating Expenses		(600)	(39,479)	
114700.25	Increase in Privat Works revenue due to Drainage Pingelly Somerset Alliance	Operating Revenue	40,000		521	
114570.33	Increase in revenue - Reimbursement Workers Compensation claim	Operating Revenue	15,200		15,721	
1145H0.34	Reduced expenditure Grader lease liability budget originally 12 months, however grader expected February 2021	Capital Expenses	35,524		51,245	
			(0)	1,210,238	(1,158,993)	51,245

Amended Budget Cash Position as per Council Resolution

**Classifications Pick List**

Operating Revenue  
Operating Expenses  
Capital Revenue  
Capital Expenses  
Opening Surplus(Deficit)  
Non Cash Item



**16. DIRECTORATE OF TECHNICAL SERVICES**

Nil

**17. ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

**18. NEW BUSINESS OR URGENT BUSINESS INTRODUCED BY DECISION OF THE MEETING**

New business of an urgent nature introduced by decision of the meeting. Best practice provides that Council should only consider items that have been included on the Agenda (to allow ample time for Councillors to research prior to the meeting) and which have an Officer Report (to provide the background to the issue and a recommended decision).

**19. CLOSURE OF MEETING**

The Chairman to declare the meeting closed.