

TOWN OF EAGLE BAY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 201Y

AASB 131

17. JOINT VENTURE

(a) Details

The Town of Eagle Bay has a joint venture arrangement with the Town of Finchly to share for the provision of a Town Planner. The only assets are a motor vehicle and miscellaneous equipment. Council's 50% share of these assets is included in Property, Plant & Equipment as follows:

(b) Current Year Transactions	201Y	201X
	\$	\$
<u>Non-Current Assets</u>		
Plant and Equipment	20,225	23,330
Less: Accumulated Depreciation	<u>(3,300)</u>	<u>(3,105)</u>
	<u>16,925</u>	<u>20,225</u>

FMR r. 37

18. TRUST FUNDS

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

	Balance 1 Jul 201Y	Amounts Received	Amounts Paid	Balance 30 Jun 201X
	\$	\$	(\$)	\$
Hire Bonds	2,747	0	0	2,747
Town Planning Development Bonds	56,959	38,610	(7,313)	88,256
Caravan Park Lease Bonds	37,290	2,245	0	39,535
Recreation Grounds Bonds	398	0	(398)	0
Fundraising	34,500	76,100	(81,200)	29,400
Builder Reg. Board Levy	34	16,190	(16,224)	0
	<u>131,928</u>	<u>133,145</u>	<u>(105,135)</u>	<u>159,938</u>

AASB 1052.11(a)(ii)

19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	201Y	201X
	Actual	Actual
	\$	\$
Governance	0	0
General Purpose Funding	165,155	239,540
Law, Order, Public Safety	1,371,084	1,344,063
Health	91,970	85,454
Education and Welfare	2,907,970	2,764,888
Housing	520	460
Community Amenities	1,705,536	1,455,109
Recreation and Culture	20,457,453	20,279,432
Transport	188,499,647	186,026,364
Economic Services	218,058	289,481
Other Property and Services	4,313,403	2,430,821
Unallocated	<u>6,583,830</u>	<u>7,517,534</u>
	<u>226,314,626</u>	<u>222,433,146</u>

Note 20

Commentary – Acquisition of Assets

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Acquisition of Assets

While the statutory requirements of AASB 116 are dealt with in notes 7 and 8, it is often useful to have this extra note describing the acquisition of assets by program and by type. This allows for easy reconciliation with the budget and with other statements such as the Statement of Cash Flows and Rate Setting Statement.

Note 21

Commentary – Disposals of Assets

FMR r. 36(1)(e)

In regards to the disposal of assets, the FMR requires the following disclosure:

“

in relation to the disposal of a class of assets —

- (i) the net book value of that class of assets;
- (ii) the sale price of that class of assets; and
- (iii) the profit or loss on the sale of that class of assets; ”

Local governments may wish to disclose asset disposals by class and by program.

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LGA S 6.2(4)(a)

20. ACQUISITION OF ASSETS	201Y Actual \$	201X Budget \$
<u>By Program</u>		
<u>Governance</u>		
Land & Buildings	54,500	354,500
Furniture & Equipment	46,798	0
Plant & Equipment	55,000	55,000
<u>Law, Order, Public Safety</u>		
FESA Replacement Tender	112,000	112,000
<u>Health</u>		
EHO Vehicle	28,000	28,000
<u>Education and Welfare</u>		
Land & Buildings	50,000	50,000
<u>Community Amenities</u>		
Land & Buildings	250,000	500,000
<u>Recreation and Culture</u>		
Land & Buildings	100,174	700,479
Plant & Equipment	155,000	160,000
<u>Transport</u>		
Land & Buildings	205,511	182,500
Plant & Equipment	1,331,457	1,600,000
Infrastructure Assets	6,186,340	10,704,824
<u>Economic Services</u>		
Plant & Equipment	70,000	75,000
<u>Other Property and Services</u>		
Plant & Equipment	280,000	656,903
	8,924,780	15,179,206
<u>By Class</u>		
Land and Buildings	660,185	1,787,479
Infrastructure Assets - Roads	6,186,340	10,704,824
Plant and Equipment	2,031,457	2,686,903
Furniture and Equipment	46,798	0
	8,924,780	15,179,206

21. DISPOSAL OF ASSETS - 201Y FINANCIAL YEAR

FMR r. 36(1)(e)

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Land Held for Resale	0	2,316,055	0	4,434,621	0	2,118,566
Land & Buildings	0	141,804	0	280,000	0	138,196
Plant & Equipment	3,428	0	407	0	(3,021)	0
Furniture & Equipment	24,099	15,000	2	5,000	(24,097)	(10,000)
Motor Vehicles	401,799	764,246	330,592	725,091	(71,207)	(39,155)
Plant & Machinery	384,380	383,026	428,428	460,000	44,048	76,974
	813,706	3,620,131	759,429	5,904,712	(54,277)	2,284,581

	201Y Actual \$	201Y Budget \$	201X Actual \$
Summary			
Profit on Asset Disposals	44,048	2,333,736	96,518
Loss on Asset Disposals	(98,325)	(49,155)	(43,985)
	(54,277)	2,284,581	52,533

[Note that new financial ratios apply for the financial year ending 30 June 2013. Guideline 18 and this manual will be updated in 2012 to explain these further].

These statutory ratios are prescribed in Regulation 50 of the FMR.

FMR r. 50

Financial information by ratio

- (1) The annual financial report is to include, for the financial year covered by the annual financial report and the 2 preceding financial years —
- (a) the current ratio;
 - (b) the debt ratio;
 - (c) the debt service ratio;
 - (d) the rate coverage ratio;
 - (e) the outstanding rates ratio;
 - (f) the gross debt to revenue ratio;
 - (g) the untied cash to trade creditors ratio; and
 - (h) the gross debt to economically realisable assets ratio.

Definitions

available operating revenue means the operating revenue –

- (a) plus any contributions towards the repayment of money borrowed which have not been included in the operating revenue; and
- (b) minus specific purpose grants, contributions and donations of a capital nature

current assets means the total current assets as shown in the balance sheet;

debt service cost means all principal and interest expenses for borrowings under section 6.20;

economically realisable assets means total assets other than infrastructure assets;

gross debt includes all borrowings under section 6.20 and all utilised overdrafts;

infrastructure assets means all tangible assets of economic value that are not economically realisable and includes roads, bridges, drains and recreational facilities;

net rate revenue means the revenue from all rates and money paid in lieu of rates on non-rateable land –

- (a) plus interest for late payment and interest and additional charges on instalments;
- (b) minus discounts and concessions granted and money written off;

rates collectable means the amount of –

- (a) all rates, interim rates, back rates, interim minimum payments, back minimum payments;
- (b) interest and additional charges payable on the rates and payments referred to in paragraph (a); and
- (c) arrears brought forward from a previous financial year of the amounts referred to in paragraphs (a) and (b);

rates outstanding means unpaid rates collectable;

total assets means all current and non-current assets as shown in the balance sheet;

total liabilities means all current and non-current liabilities as shown in the balance sheet;

total revenue means the total operating revenue excluding all specific purpose grants, contributions and donations that are used for asset development and acquisition;

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operating revenue means revenue that is operating revenue including non-operating grants, subsidies and contributions and profit on disposal of assets.

total revenue means the total operating revenue excluding all specific purpose grants, subsidies and contributions that are used for the development of assets.

restricted asset means an asset, the use of which is restricted, wholly or partly, by a law made or a requirement imposed outside of the control of the local government, or where the local government has placed funds in specific purpose reserves.

Note: Restricted assets typically comprise those assets which are committed or set aside for a specific purpose such as unspent grants, unspent loans, and cash reserves.

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		201Y	201X	201W
<i>FMR r. 50</i>	22. FINANCIAL RATIOS			
	Current Ratio	1.03	3.12	1.38
	Untied Cash to Unpaid Trade Creditors Ratio	0.05	1.02	0.85
	Debt Ratio	0.02	0.01	0.01
	Debt Service Ratio	0.01	0.01	0.01
	Gross Debt to Revenue Ratio	0.14	0.03	0.03
	Gross Debt to Economically Realisable Assets Ratio	0.06	0.01	0.01
	Rate Coverage Ratio	0.38	0.35	0.34
	Outstanding Rates Ratio	0.02	0.03	0.03

The above ratios are calculated as follows:

Current Ratio		$\frac{\text{current assets minus restricted current assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Untied Cash to Unpaid Trade Creditors Ratio		$\frac{\text{untied cash}}{\text{unpaid trade creditors}}$
Debt Ratio		$\frac{\text{total liabilities}}{\text{total assets}}$
Debt Service Ratio		$\frac{\text{debt service cost}}{\text{available operating revenue}}$
Gross Debt to Revenue Ratio		$\frac{\text{gross debt}}{\text{total revenue}}$
Gross Debt to Economically Realisable Assets Ratio		$\frac{\text{gross debt}}{\text{economically realisable assets}}$
Rate Coverage Ratio		$\frac{\text{net rate revenue}}{\text{operating revenue}}$
Outstanding Rates Ratio		$\frac{\text{rates outstanding}}{\text{rates collectable}}$

Commentary – Financial Ratios (continued)

Calculation of Ratios – Examples

CURRENT RATIO

	Current Assets	8,156,143			
Less	Total Restricted Current Assets	6,728,955	=	1,427,188	
	Reserve Funds	+	(5,162,318)
	Unspent Grants	+		1,566,637	
	Unspent Loans	+		0	
				↑	
				=	= $\frac{1,427,188}{1,389,530} = 1.03$

	Current Liabilities	2,033,690			
Less	Total Liabs Assoc with Rest Curr Assets	640,160	=	1,389,530	
	Cash Backed Reserves	+	(644,160)
	Other	+		0	
				↑	

UNTIED CASH TO UNPAID CREDITORS RATIO

	United Cash			52,895	
				=	= $\frac{52,895}{986,730} = 0.05$
	United Trade Creditors			986,730	

DEBT RATIO

	Total Liabilities			4,851,182	
				=	= $\frac{4,851,182}{227,381,263} = 0.02$
	Total Assets			227,381,263	

DEBT SERVICE COST

	Debt Service Cost			166,854	
	Principal Repayments on Loans	+	(70,597)
	Interest Repayments on Loans	+		96,257	
	Interest Repayments on Overdraft	+		0	
				↑	
				=	= $\frac{166,854}{17,237,675} = 0.01$
	Available Operating Revenue			17,237,675	
	Operating Revenue	+	(20,707,319)
	Principal Contributions to SS Loans	+		24,393	
	Specific Purpose Grants	-		3,494,037	
	Specific Purpose Contributions/Subs	-		0	

Note 22
(continued)

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Commentary – Financial Ratios (continued)

Calculation of Ratios – Examples

GROSS DEBT TO REVENUE RATIO

Gross Debt					
Loans Current	+	(83,612)	↑		
Loans Non-current	+	(2,358,215)	↑		
Overdraft in use	+	(0)	↑		
					2,441,827
					$= \frac{2,441,827}{17,213,282} = \mathbf{0.14}$
Total Revenue					
Operating Revenue	+	(20,707,319)	↑		
Specific Purpose Grants	-	(3,494,037)	↑		
Specific Purpose Contributions/Subs	-	(0)	↑		
					17,213,282

GROSS DEBT TO ECONOMICALLY REALISABLE ASSETS REVENUE RATIO

Gross Debt					
Loans Current	+	(83,612)	↑		
Loans Non-current	+	(2,358,215)	↑		
Overdraft in use	+	(0)	↑		
					2,441,827
					$= \frac{2,441,827}{44,155,049} = \mathbf{0.06}$
Economically Realisable Assets					
Total Assets	+	(227,381,263)	↑		
Infrastructure Assets	-	(183,226,214)	↑		
Other	-	(0)	↑		
					44,155,049

RATE COVERAGE RATIO

Net Rate Revenue					
Gross Rate Revenue	+	(8,116,582)	↑		
Interest & Charges on Instalments	+	(62,055)	↑		
Discounts, Concessions, Write-offs	-	(295,762)	↑		
					7,882,875
					$= \frac{7,882,875}{20,707,319} = \mathbf{0.38}$
Operating Revenue					20,707,319

OUTSTANDING RATES RATIO

Rates Outstanding - Current					
					173,545
					$= \frac{173,545}{8,178,637} = \mathbf{0.02}$
Rates Collectable					
Gross Rate Revenue	+	(8,116,582)	↑		
Interest & Charges on Instalments	+	(62,055)	↑		
					8,178,637

Disclosure in regards to borrowings is covered under Regulation 48 of the FMR. The Regulation states that the annual financial report is to include:

"

- (a) details of the unspent balance of money borrowed in a previous financial year including:
 - (i) the amount brought forward on 1 July;
 - (ii) the purpose for which the money was borrowed;
 - (iii) the year in which the money was borrowed;
 - (iv) the amount expended during the financial year; and
 - (v) the amount remaining unspent at 30 June;

- (b) in relation to a principal amount carried forward by way of overdrawings on current account ("**the overdraft**") from the previous financial year, details of any overdraft including:
 - (i) the amount brought forward on 1 July;
 - (ii) the purpose for which the overdraft was established;
 - (iii) the year in which the overdraft was first established;
 - (iv) the amount by which the overdraft was increased or decreased during the financial year; and
 - (v) the amount of overdraft remaining at 30 June;

- (c) where, in the financial year to which the annual financial report relates, all or part of any existing borrowings were applied to a purpose other than that for which the money was borrowed, details of:
 - (i) the amount so applied;
 - (ii) the purpose for which the money was borrowed;
 - (iii) the purpose to which the money was applied; and
 - (iv) the objects of, and reasons for, the application of the money to that purpose;

- (d) where, in the financial year to which the budget relates, the power to borrow under section 6.20 was exercised:
 - (i) the amount borrowed;
 - (ii) the purpose for which the money was borrowed;
 - (iii) the person from whom the money was borrowed;
 - (iv) the nature of the financial accommodation;
 - (v) the term of the repayment;
 - (vi) the interest and other charges payable;
 - (vii) the amount of the borrowings used during the financial year;
 - (viii) the amount remaining unused at 30 June;

AASB 101.10(e)
AASB 101.112

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23. INFORMATION ON BORROWINGS

FMR r. 48(f)
FMR r. 36(2)(d)

(a) **Debenture Repayments**

Particulars	Borrowing Institution	Interest Rate %	Principal 1 Jul 201X \$	New Loans \$	Principal Repayments		Principal 30 Jun 201Y		Interest Repayments	
					Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Education & Welfare										
Age Care Facility	WATC	6.51	80,833	1,100,000	22,100	22,100	1,158,733	1,158,733	37,282	37,655
Recreation & Culture										
Loan 112 - Surf Club *	WATC	7.52	248,596	0	8,825	8,825	239,771	239,771	16,187	16,135
Loan 113 - Speed Way *	WATC	6.65	118,247	0	7,926	7,926	110,321	110,321	4,904	4,665
Loan 114 - Yacht Club *	WATC	8.95	37,104	0	7,642	7,642	29,462	29,462	2,531	2,532
Other Property & Services										
Loan 228 - Lester Sub-division	WATC	6.45		927,644	24,104	24,104	903,540	1,231,455	35,353	338,454
			484,780	2,027,644	70,597	70,597	2,441,827	2,769,742	96,257	399,441

Funding of Borrowings

Self-Supporting Loan

WATC = WA Treasury Corporation

All loan repayments were funded by general purpose income.

* Those loans denoted with "*" are subject of a repayment agreement that secured the reimbursement from a community organisation of all costs associated with the loan.

FMR r. 48

- (e) where, in the financial year to which the annual financial report relates, the power to borrow under section 6.20 was exercised for the purpose of re-financing existing borrowings, in lieu of the details set forth in paragraph (d), details of:
- (i) the amount refinanced;
 - (ii) the person from whom the money was borrowed;
 - (iii) where the principal sum under the new loan will be different from the principal sum under the existing loan, details of the amount of the difference and of the objects of, and reasons for, the refinancing; and
 - (iv) the changes to the original terms of the borrowing resulting from the refinancing; and
- (f) in relation to the repayments of money borrowed, details, by program, of:
- (i) the unpaid principal sum brought forward on 1 July;
 - (ii) the total interest and other charges incurred during the year;
 - (iii) the total expense incurred in the reduction of the principal sum during the financial year;
 - (iv) the principal liability remaining at 30 June; and
 - (v) the amount funded other than by revenue from general purpose grants, rates, service charges, fees or charges. "

The total amount of interest repayments should agrees with Interest Expenses - Debentures under note 2(a).

AASB 101.10(e)
AASB 101.112

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23. INFORMATION ON BORROWINGS (continued)

FMR r. 48(d)
FMR r. 36(2)(d)

(b) **New Debentures**

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Age Care Facility	1,100,000	1,100,000	WATC	Debenture	10	103,546	6.51	1,100,000	1,100,000	0
Loan 228 - Lester Subdivision	927,644	1,088,452	WATC	Debenture	10	141,670	6.45	927,644	1,088,452	0
	2,027,644	2,188,452				245,216		2,027,644	2,188,452	

FMR r. 48(a)

(c) **Unspent Debentures**

Particulars	Date Borrowed	Balance 1-Jul-10 \$	Borrowed During Year \$	Expended During Year \$	Balance 30-Jun-11 \$
		0	0	0	0

FMR r. 48(b)

(d) **Overdraft**

Council established an overdraft facility of \$400,000 in 2000 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 201X and 30 June 201Y was \$Nil.

Note 24(a)

FMR r. 39

Commentary – Rating Information

Disclosure in regard to rating information is specified under Regulation 39 of the FMR. Local Governments are required to disclose in their annual financial report: "

- (a) the total revenue from all general rates;
- (b) for each general rate —
 - (i) the rate in the dollar;
 - (ii) whether the basis for the rate was the gross rental value or the unimproved value of land;
 - (iii) the number of properties to which the rate was applied;
 - (iv) the total rateable values of the properties referred to in subparagraph (iii);
 - (v) the amount of revenue from —
 - (1) the rate;
 - (2) interim rates; and
 - (3) back rates;
- (c) for each differential general rate, the characteristics which formed the basis for the imposition of the rate;
- (d) in relation to each minimum payment —
 - (i) the amount of the minimum payment;
 - (ii) the total rateable values of the properties to which the minimum payment applied;
 - (iii) the total number of properties to which the minimum payment applied; and
 - (iv) the amount of revenue from —
 - (1) the minimum payment;
 - (2) interim minimum payments; and
 - (3) back minimum payments; and
- (e) for each specified area rate —
 - (i) the purpose of the rate;
 - (ii) a brief description identifying the area within which the rate was imposed;
 - (iii) the rate in the dollar;
 - (iv) whether the basis for the rate was the gross rental value or the unimproved value of land;
 - (v) the total rateable values of the properties referred to in subparagraph (iv);
 - (vi) the amount of revenue from —
 - (1) the rate;
 - (2) interim rates; and
 - (3) back rates;and
 - (vii) how the proceeds of the rate were applied including —
 - (1) the amount applied;
 - (2) the amount set aside in a reserve account; and
 - (3) the application of money in the reserve account. "

Note 25

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Rate totals are derived as follows:

- 1 Sub Total after discount is the total that will appear on the Rate Setting Statement (excludes specified area rates).
- 2 Total rates, including specified area rates, is the total that will appear on the Statement of Comprehensive Income by Nature or Type.

AASB 101.10(e)
AASB 101.51
AASB 101.112

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24(a). RATING INFORMATION - 201Y FINANCIAL YEAR

FMR r. 39(a) - (d)

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
General Rate											
GRV - Residential	8.3516	3,173	27,129,698	2,265,764	65,421	2,580	2,333,765	2,265,764	20,000	-	2,285,764
GRV - Comm/Industrial	8.3516	390	13,595,551	1,135,446	7,749	169	1,143,364	1,135,446	20,000	-	1,155,446
GRV - Regional Townships	8.3516	140	845,382	70,603	-	-	70,603	12,668	-	-	12,668
UV - Rural	1.2042	1,231	316,588,000	3,812,353	5,103	-	3,817,456	3,812,079	10,000	-	3,822,079
UV - Mining	1.2042	5	496,093	5,974	18	332	6,324	5,974	-	-	5,974
UV - Commercial Industrial	1.2042	5	472,000	5,684	-	-	5,684	5,684	-	-	5,684
Sub-Totals		4,944	359,126,724	7,295,823	78,291	3,081	7,377,195	7,237,615	50,000	-	7,287,615
Minimum Rates	Minimum \$										
GRV - Residential	521	1,602	7,664,588	834,642	87,710	(332)	922,020	857,524	-	-	857,524
GRV - Comm/Industrial	521	91	408,716	47,411	(3,647)	(452)	43,312	47,411	-	-	47,411
GRV - Regional Townships	521	60	585,566	31,260	(434)	-	30,826	93,259	-	-	93,259
UV - Rural	260	15	36,720	3,900	2,860	-	6,760	3,900	-	-	3,900
UV - Mining	260	59	378,737	15,340	7,871	2,068	25,279	15,340	-	-	15,340
UV - Commercial Industrial	260	2	8,500	520	-	-	520	520	-	-	520
Sub-Totals		1,829	9,082,827	933,073	94,360	1,284	1,028,717	1,017,954	-	-	1,017,954
		6,773		8,228,896	172,651		8,405,912				8,305,569
Discounts (refer Note 27)							(289,330)				(280,000)
							8,116,582				8,025,569
Specified Area Rate (refer Note 25)							49,261				48,900
Totals							8,165,843				8,074,469

Note 24(b)

Commentary – Information on Surplus/Deficit B/Fwd

This note has been added as a tool to ensuring that finance officers are aware of opening and closing balances when compiling Annual Budgets and Annual Financial Statements.

The Surplus/(Deficit) C/Fwd from the previous financial year should be the same as the B/Fwd figure in the current financial year. If this is not the case then the variance should be identified and explained either on the Rate Setting Statement or included in this Note.

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24(b). SURPLUS/(DEFICIT) B/Fwd AND C/Fwd	201Y (30 June 201Y Actual Carried Forward) \$	201X (1 July 201X Actual Brought Forward) \$
Current Assets		
Cash - Unrestricted	52,895	850,416
Cash - Restricted Reserves	5,162,318	3,530,196
Cash - Restricted Unspent Grants (refer Note 2(d))	1,066,637	1,013,295
Cash - Restricted Unspent Grants to future year	500,000	611,797
Cash - Restricted Unspent Loans	0	0
Cash - Restricted Investments	190,000	0
Rates - Current	166,908	227,758
Sundry Debtors	240,499	277,002
GST Receivable	120,573	90,154
Inventories		
- Fuel and Materials	231,742	192,636
- Land Held for Resale	424,571	398,216
	<u>8,156,143</u>	<u>7,191,470</u>
Current Liabilities		
Sundry Creditors	(986,730)	(805,447)
Accrued Interest on Debentures	(71,652)	(32,191)
Accrued Salaries and Wages	(67,913)	(55,666)
Current Employee Benefits Provision	(823,783)	(924,356)
Current Loan Liability	(83,612)	(64,886)
	<u>(2,033,690)</u>	<u>(1,882,546)</u>
Less:		
Reserves - Restricted Cash	(5,162,318)	(3,530,196)
Reserves - Restricted Muni	(500,000)	(611,797)
Self Supporting Loan Principal Repayments	(24,393)	(48,098)
Add Back:		
Current Loan Liability	83,612	64,886
Cash Back Employee Provisions	644,160	657,330
	<u>1,163,514</u>	<u>1,841,049</u>
Surplus/(Deficit)	<u><u>1,163,514</u></u>	<u><u>1,841,049</u></u>

Note 26**Commentary – Service Charges**

FMR r. 54

FMR r. 54 details what service charges can be imposed under Section 6.38(1) of the *Local Government Act 1995*.

These charges are:

- (a) television and radio rebroadcasting;
- (b) underground electricity;
- (c) property surveillance and security; and
- (d) water.

FMR r. 40

FMR r. 40 requires the following disclosure in the annual financial report:

- (a) the nature of the service for which the service charge was imposed;
- (b) if the service charge was imposed on land in a defined part of the district, a brief description identifying the area within which the service charge was imposed;
- (c) the amount of each service charge;
- (d) the total amount of revenue from the service charge; and
- (e) how the proceeds of the service charge were applied including:
 - (i) the amount applied;
 - (ii) the amount set aside in a reserve account; and
 - (iii) the amount applied from the reserve account.

The Town has not imposed any service charges, the table opposite is only provided to illustrate the recommended reporting format.

Note 27**Commentary – Discounts, Incentives, Concessions, and Write-Offs**

FMR r. 42

FMR r. 42(1) requires local governments to disclose:

- (a) the amount and circumstances in which a discount was granted;
- (b) description of incentives scheme and how that incentive was claimed;
- (c) description of waiver and concession, circumstances in which it was granted, details of class of person it was available to, and objects of, and reasons for, the waiver or concession.

42(2) also requires the annual financial report to include separately in relation to all general rates, each specified area rate, each service charge and all fees and charges imposed under the Act or any other written law details of:

- (a) the total amount of the discounts granted;
- (b) the total cost to the local government of each incentive scheme;
- (c) the total cost, or reduction of revenue, to the local government of the waiver or grant of a concession; and
- (d) the total amount of money written off.

TOWN OF EAGLE BAY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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25. SPECIFIED AREA RATE - 201Y FINANCIAL YEAR

FMR r. 39(e)

	Rate in \$	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
Eagle Bay Water Scheme							
- Rate	0.0110	UV	4,426,242	49,261	48,900	55,753	48,900
- Interim Rate				0	0	0	0
- Back Rate				0	0	0	0
				49,261	48,900	55,753	48,900

The specified are rate for the Eagle Bay Water Scheme is for those properties in the Eagle Bay locality which are connected to the scheme and is levied on the gross rental value of affected properties.

The proceeds of the rate are applied in full to the maintenance of the scheme which includes loan repayments. As such, no transfer to or from reserve accounts will occur.

26. SERVICE CHARGES - 201Y FINANCIAL YEAR

FMR r. 40

	Amount of Charge \$	Revenue Raised \$	Budget Revenue \$	Applied to Service Costs \$	Budget Applied to Costs \$
		0	0	0	0

**27. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 201Y FINANCIAL YEAR**

FMR r. 42

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
(a) Discounts				
General Rates	Discount	5	289,330	280,000
Minimum Rate	Discount	0	0	0
			289,330	280,000

A discount on rates is granted to all who pay their rates in full within 35 days of the date of service appearing on the rate notice.

(b) Write-Offs

	Total Cost/Value	Budget Cost/Value
General Debtors	391	0
Rate Assessment	6,432	0
	6,823	0

(c) Waivers

A waiver of rates in relation to commercial leases entered into with tenants of the Museum Village Park has been granted. This waiver is granted as part of a tenancy lease negotiated with each tenant.

(d) Concessions

The Council offers those residents who hold a current valid seniors concession card, a concession in respect of the following services:

- (I) Rubbish Collection Services, 50% of the normal fee applicable
- (II) Dog registration fees, 50% of the normal fee applicable
- (III) User charges at the Bay of Eagle Leisure Centre, 30% of admission fee

Note 28**Commentary – Interest Charges and Instalments**

FMR r. 43

FMR regulation 43 requires the annual financial report to include in relation to:

- (a) interest charged for the late payment of a rate or service charge —
 - (i) the rate of interest; and
 - (ii) the amount of revenue from the imposition of the interest;
- (b) interest under section 6.13 for the late payment of any amount of money —
 - (i) the rate of interest; and
 - (ii) the amount of revenue from the imposition of the interest;and
- (c) the instalment options of the local government under section 6.45 —
 - (i) a brief description of the options;
 - (ii) the rate of interest;
 - (iii) the additional charge; and
 - (iv) the total amount of revenue from the imposition of the interest and additional charge.

Note 29**Commentary – Fees and Charges**

FMR r. 41

Local governments are to disclose information on the fees and charges imposed in relation to each program.

The total fees and charges should agree back to the total fees and charges disclosed in the Statement of Comprehensive Income By Nature or Type.

Note 30**Commentary – Grant, Subsidies and Contributions**

AASB 1052.11(b)(i)

Disclose income from grants attributable to related function/activity.

Total grant revenue in this note should be equal to the amount of total operating and non-operating grants and subsidies disclosed in the Statement of Comprehensive Income By Nature or Type.

TOWN OF EAGLE BAY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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28. INTEREST CHARGES AND INSTALMENTS - 201Y FINANCIAL YEAR

FMR r. 43

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	9.00	-	25,683	19,000
Interest on Instalments Plan	5.50	-	26,572	27,000
Charges on Instalment Plan	-	-	9,800	10,000
			62,055	56,000

Ratepayers had the option of paying rates in four equal instalments, due on 22nd September 201Y, 24th November 201Y, 2nd February 201Z and 6th April 201Z. Administration charges and interest applied to the final three instalments.

FMR r. 41

29. FEES & CHARGES

	201Y Actual \$	201Y Budget	201X Actual \$
Governance	14,115	14,700	14,620
General Purpose Funding	784	1,100	738
Law, Order, Public Safety	229,958	233,470	232,183
Health	98,247	80,720	74,008
Education & Welfare	278,472	264,266	251,890
Housing	520	600	460
Community Amenities	1,424,141	1,279,600	1,270,895
Recreation & Culture	921,370	873,470	894,054
Transport	811,692	737,900	748,781
Economic Services	445,437	384,760	343,901
Other Property & Services	774,981	382,900	334,122
	4,999,717	4,253,486	4,165,652

There were no changes during the year to the amount of the fees and charges detailed in the original budget.

AASB 1052.11(b)(i)

30. GRANTS, SUBSIDIES & CONTRIBUTIONS

Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:

(a) By Nature or Type:

Operating Grants, Subsidies and Contributions	6,987,595	5,609,425
Non-Operating Grants, Subsidies and Contributions	3,494,037	4,933,510
	10,481,632	10,542,935

(b) By Program:

General Purpose Funding	3,183,750	3,146,834
Law, Order, Public Safety	418,319	298,195
Education & Welfare	1,650,000	1,263,220
Community Amenities	46,559	38,189
Recreation and Culture	247,102	277,075
Transport **	4,766,131	5,392,811
Economic Services	28,775	11,868
Other Property & Services	140,996	114,743
	10,481,632	10,542,935

Note 32

Commentary – Councillor’s Remuneration

FMR r. 44

The provisions regarding disclosure of fees paid to councillors contained in regulation 44 of the FMR are:

“ In relation to fees, expenses and allowances paid to council members, the mayor or the president the annual financial report is to include —

- (a) the nature of the fee, expense or allowance; and
- (b) the total amount or value of each class of fee, expense or allowance. ”

General guidance regarding meeting fees, allowances and expenses are provided in the Department’s *Local Government Operational Guideline Number 15 - Meeting Fees, Allowances and Expenses for Elected Members*.

Note 33

Commentary – Employee Remuneration

LG Administration Regs
r. 19B

Regulation 19B of the *Local Government (Administration) Regulations 1996* prescribes the disclosure requirements for payments made to employees as required by s. 5.53(2)(g) of the *Local Government Act 1995*;

The number of employees of the local government entitled to an annual salary of \$100,000 or more are to be disclosed in bands of \$10,000 over \$100,000.

Annual Salary is the gross cash component (before tax) of an employee’s remuneration package.

Note: Employee Remuneration is required to be reported in the Annual Report but is not required to be reported in the Annual Financial Report.

AASB 101.10(e)
AASB 101.51
AASB 101.112

TOWN OF EAGLE BAY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 201Y

31. EMPLOYEE NUMBERS

AASB 101.38

	201Y	201X	201W
The number of full-time equivalent Employees at balance date	172	159	155

FMR r. 44

32. ELECTED MEMBERS REMUNERATION

The following fees, expenses and allowances were paid to council members and/or the mayor and deputy mayor.

	201Y \$	201Y Budget \$	201X \$
Meeting Fees	49,000	49,000	49,000
Mayor's Allowance	14,000	14,000	14,000
Deputy Mayor's Allowance	3,500	3,500	3,500
Travelling Expenses	9,450	14,000	11,336
Telecommunications Allowance	18,575	16,500	16,432
	94,525	97,000	94,268

33. EMPLOYEES REMUNERATION

AdminReg 19B

Set out below, in bands of \$10,000, is the number of employees of the Town entitled to an annual salary of \$100,000 or more.

Details	Salary Range \$	201Y	201X
Administration Regulations 19B	100,000 - 109,999	1	1
	110,000 - 119,999		
	120,000 - 129,999		
	130,000 - 139,999		
	140,000 - 149,999	1	1

Note 34

F & G Regs
r. 7 and 8A

Commentary – Major Land Transactions

Regulations 7 and 8A of the *Local Government (Functions and General) Regulations 1996* (F & G Regs), define the requirements for a land transaction to be a major land transaction.

7. Term used: major regional centre

(1) In this Part —

major regional centre means a local government the district of which —
(a) is not in the metropolitan area; and
(b) has more than 20 000 inhabitants.

(2) Section 2.4(6) of the Act applies to determine the number of inhabitants of a district for the purposes of the definition of **major regional centre**.

8A. Major land transactions and exempt land transactions — s. 3.59

(1) The amount prescribed for the purposes of the definition of **major land transaction** in section 3.59(1) of the Act is —

(a) if the land transaction is entered into by a local government the district of which is in the metropolitan area or a major regional centre, the amount that is the lesser of —
(i) \$10 000 000; or
(ii) 10% of the operating expenditure incurred by the local government from its municipal fund in the last completed financial year;

or

(b) if the land transaction is entered into by any other local government, the amount that is the lesser of —
(i) \$2 000 000; or
(ii) 10% of the operating expenditure incurred by the local government from its municipal fund in the last completed financial year.

(2) A land transaction is an exempt land transaction for the purposes of section 3.59 of the Act if —

(a) the total value of —
(i) the consideration under the transaction; and
(ii) anything done by the local government for achieving the purpose of the transaction, is more, or is worth more, than the amount prescribed under subregulation (1); and
(b) the Minister has, in writing, declared the transaction to be an exempt transaction because the Minister is satisfied that the amount by which the total value exceeds the amount prescribed under subregulation (1) is not significant taking into account —
(i) the total value of the transaction; or
(ii) variations throughout the State in the value of land.

FMR r. 46

Regulation 46 of the FMR prescribes the disclosure requirement for a major land transaction in accordance to nature or type classification:

- (a) all income and expenditure;
- (b) details of assets and liabilities at 30 June;
- (c) such other information as is necessary to provide full and complete information on the transaction; and
- (d) if the transaction is to span more than one financial year, a brief statement showing the cash flows expected during the term of the transaction or the period covered by the plan for principal activities, whichever is the lesser.

FMR r. 47

Regulation 47 requires the following information to be disclosed when a major land transaction is completed during the financial year:

- (a) details of the total income and expenditure for the transaction from the date of commencement to the date of completion;
- (b) details of the amount or value of any surplus of money or assets distributed to the local government or any other person;
- (c) the amount or value of any loss and the resources used to cover the loss; and
- (d) a comparison of the outcomes over the life of each transaction with expected outcomes in the business plan prepared, and explaining the benefits to the local government and the community.

AASB 101.10(e)
AASB 101.51
AASB 101.112
LGA s. 5.39
F&G r. 7
FMR r. 46-47

TOWN OF EAGLE BAY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 201Y

34. MAJOR LAND TRANSACTIONS

Lester Residential Subdivision

(a) Details

The council owns land, freehold at East Location 18, Lot 3 which is bounded by Chester Road and Owen Street. During the 2006/07 year council created 30 blocks from part of Lot 3. These blocks were sold at auction and the profit transferred into a cash reserve established for land development. The council is planning to develop 90 lots after stage 2 of the development and intends to sell lots over the next 2-3 financial years. The council has developed a Business Plan in relation to this development, a copy of which is available on request from the council administration office.

FMR r. 15(3)

	201Y \$	201X \$
(b) Current year transactions		
Operating Income		
No Operating Income	0	0
	0	0
Operating Expense		
Materials and Contracts	(2,400)	(1,760)
Interest Expenses	(35,353)	(338,454)
Other	(104,658)	(63,999)
	(142,411)	(404,213)
Total	(142,411)	(404,213)
Capital Income		
Land Sales	0	0
New Borrowings	927,644	0
Transfer from Land Development Reserve	202,701	603,400
Capital Expenditure		
Purchase Land	(2,056,759)	(702,227)
Drainage and other works	(202,701)	(603,400)
Repayment of Borrowings	(24,104)	0
Transfer to Land Development Reserve	(781,352)	(887,775)
Total	(1,934,571)	(1,590,002)

(c) Expected Future Cash Flows

	201Y \$	201Z \$	201A \$	201B \$	Total \$
Cash Inflows					
Loan Borrowings	927,644	0	0	0	927,644
Land Sales	0	1,700,000	2,000,000	4,000,000	7,700,000
Transfer from Land Development Reserve	202,701	480,957	480,957	485,957	1,650,572
	1,130,345	2,180,957	2,480,957	4,485,957	10,278,216
Cash Outflows					
Printing & Stationery	(400)	(500)	(500)	(500)	(1,900)
Selling Costs	0	(5,000)	(5,000)	(10,000)	(20,000)
Interest on					
of Borrowings	(35,353)	(34,254)	(35,967)	(37,765)	(143,338)
Development Expenses	(2,000)	(3,000)	(3,000)	(3,000)	(11,000)
Engineering Allocation	(12,500)	(13,000)	(13,000)	(13,000)	(51,500)
Administration Allocation	(92,158)	(100,000)	(100,000)	(100,000)	(392,158)
Transfer to Land Development Reserve	(781,352)	(2,060,000)	(2,000,000)	(4,000,000)	(8,841,352)
Repayment of Borrowings	(24,104)	(25,203)	(23,490)	(21,692)	(94,490)
Drainage and other works	(202,701)	(300,000)	(300,000)	(300,000)	(1,102,701)
Purchase Land	(2,056,759)	(3,421,373)	0	0	(5,478,132)
	(3,207,327)	(5,962,330)	(2,480,957)	(4,485,957)	(16,136,571)
Net Cash Flows	(2,076,982)	(3,781,373)	0	0	(5,858,355)

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AASB 101.10(e)
AASB 101.51
AASB 101.112
LGA s. 5.39
F&G r. 7
FMR r. 46-47

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 201Y**

34. MAJOR LAND TRANSACTIONS (continued)

Lester Residential Subdivision (continued)

(c) Financial Position	201Y	201X
	\$	\$
CURRENT ASSETS		
Cash and Cash Equivalents	0	0
Trade and Other Receivables	0	0
TOTAL CURRENT ASSETS	0	0
NON-CURRENT ASSETS		
Property Plant & Equipment	2,758,986	702,227
Infrastructure	806,101	603,400
TOTAL NON-CURRENT ASSETS	3,565,087	1,305,627
TOTAL ASSETS	3,565,087	1,305,627
CURRENT LIABILITIES		
Trade and Other Payables	125,000	0
Long Term Borrowings	24,104	10,031
TOTAL CURRENT LIABILITIES	149,104	10,031
NON-CURRENT LIABILITIES		
Long Term Borrowings	903,540	0
TOTAL NON-CURRENT LIABILITIES	903,540	0
TOTAL LIABILITIES	1,052,644	10,031
NET ASSETS	2,512,443	1,295,596
EQUITY		
Accumulated Surplus	1,349,417	711,221
Reserves - Cash Backed	1,163,026	584,375
TOTAL EQUITY	2,512,443	1,295,596

Commentary – Trading Undertakings and Major Trading Undertakings

Note 35

LGA s 3.59

Section 3.59(1) of the Act defines 'trading undertaking'. Note that it includes "... an activity carried on by a local government with a view to producing profit to it ..."

F & G Regs r.9

Regulation 9 of the *Local Government (Functions & General) Regulations 1996* defines the requirements for a trading undertaking to be a major trading undertaking.

- " (1) The amount prescribed for the purposes of the definition of **major trading undertaking** in section 3.59(1) of the Act is —
- (a) if the trading undertaking is entered into by a local government the district of which is in the metropolitan area or a major regional centre, the amount that is the lesser of —
 - (i) \$5 000 000; or
 - (ii) 10% of the lowest operating expenditure described in subregulation (2);
 - or
 - (b) if the trading undertaking is entered into by any other local government, the amount that is the lesser of —
 - (i) \$2 000 000; or
 - (ii) 10% of the lowest operating expenditure described in subregulation (2).
- (2) The lowest operating expenditure referred to in subregulation (1) is the lowest of —
- (a) the operating expenditure incurred by the local government from its municipal fund in the last completed financial year;
 - (b) the operating expenditure likely to be incurred by the local government from its municipal fund in the current financial year; and
 - (c) the operating expenditure likely to be incurred by the local government from its municipal fund in the financial year after the current financial year."

FMR r. 45

Regulation 45 of the FMR prescribes the disclosure requirements for a trading undertaking or a major trading undertaking.

"The annual financial report is to include the following —

- (a) separately, in relation to each **trading undertaking** —
 - (i) an income statement;
 - (ii) a balance sheet;
 - (iii) such other information as is necessary to provide full and complete information on the undertaking;
- (b) in relation to each **major trading undertaking**, in addition to the information required by paragraph (a), a statement setting out all other revenue and expenditure which is not included in the income statement referred to in paragraph (a)(i) but which has been used in the pricing structure for goods or services to be provided by the undertaking. "

DLG

Note: Not all airports or other undertakings run by local governments are major trading undertakings if not carried on by the local government with a view to producing profit to it.

TOWN OF EAGLE BAY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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FMR r. 45

35. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

ABC Aerodrome

Council's objective is to maintain a safe landing airstrip and functional airport amenities conducive to the promotion of the district as a tourist and business destination. Operating costs are met by landing fees charged. Annual surpluses are transferred to reserve funds in the next financial year to finance future improvements to the facility.

	201Y Actual \$	201Y Budget \$	201X Actual \$
(a) Income Statement			
Operating Revenues			
Passenger Landing Fees	569,423	500,000	525,271
Commissions Fuel Agency	15,277	14,800	12,684
Rental	12,542	13,000	11,738
Identification Charges	182	0	4,581
Other Sundry Income	420	2,040	1,879
Grants & Subsidies	319,164	339,367	100,000
Gain on Disposal of Asset	3,545	0	0
Reimbursement Operating Expenses	<u>8,042</u>	<u>3,100</u>	<u>4,975</u>
	928,595	872,307	661,128
Less Operating Expenses			
Employee Expenses	(171,650)	(169,138)	(109,008)
Insurance	(17,776)	(16,130)	(16,312)
Building Expenses	(16,827)	(10,584)	(15,300)
Grounds & Strip Maintenance	(64,130)	(51,742)	(50,300)
Fuel Agency Expense	(4,216)	(5,500)	(3,943)
Marketing	(7,393)	(5,000)	(1,813)
Airport Identification Expenses	(271)	(1,500)	(5,388)
Administration Overheads	(29,618)	(27,458)	(23,284)
Depreciation	(96,793)	(85,051)	(85,856)
Other	<u>(41,043)</u>	<u>(33,450)</u>	<u>(24,592)</u>
	(449,717)	(405,553)	(335,796)
Operating Result	<u>478,878</u>	<u>466,754</u>	<u>325,332</u>
(b) Non-Operating Income & Expenditure			
Capital Revenue			
Proceeds on Disposal	24,545	24,546	26,211
Transfer From Reserve Fund	<u>695,230</u>	<u>405,210</u>	<u>206,600</u>
	719,775	429,756	232,811
Less Capital Expenditure			
Land & Buildings	(25,560)	(28,956)	(53,636)
Infrastructure	(43,836)	(46,575)	(86,277)
Runway Extension	(175,874)	(229,644)	0
Plant & Equipment	(5,855)	(15,000)	(3,230)
Motor Vehicles	(30,617)	(30,354)	0
Transfers to Cash Reserves	<u>(624,110)</u>	<u>(215,000)</u>	<u>(200,000)</u>
	(905,852)	(565,529)	(343,143)
Non-Operating Result	<u>(186,077)</u>	<u>(135,773)</u>	<u>(110,332)</u>
TOTAL NET TRADING UNDERTAKING	<u>292,801</u>	<u>330,981</u>	<u>215,000</u>

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TOWN OF EAGLE BAY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 201Y

FMR r. 45

35. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS (continued)

(c) Financial Position

	201Y	201X
	Actual	Actual
	\$	\$
CURRENT ASSETS		
Cash Assets	212,605	27,156
Receivables	150,869	46,728
TOTAL CURRENT ASSETS	<u>363,474</u>	<u>73,884</u>
NON-CURRENT ASSETS		
Property Plant & Equipment	1,111,548	1,050,074
Infrastructure	1,934,045	1,776,115
TOTAL NON-CURRENT ASSETS	<u>3,045,593</u>	<u>2,826,189</u>
TOTAL ASSETS	<u>3,409,067</u>	<u>2,900,073</u>
CURRENT LIABILITIES		
Payables (Creditors & Wages Payable)	68,910	34,990
Provisions (Employee Entitlements)	9,036	10,031
TOTAL CURRENT LIABILITIES	<u>77,946</u>	<u>45,021</u>
NON-CURRENT LIABILITIES		
Provisions (Employee Entitlements)	16,810	19,619
TOTAL NON-CURRENT LIABILITIES	<u>16,810</u>	<u>19,619</u>
TOTAL LIABILITIES	<u>94,756</u>	<u>64,640</u>
NET ASSETS	<u>3,314,311</u>	<u>2,835,433</u>
EQUITY		
Accumulated Surplus	3,254,521	2,585,433
Reserves - Cash Backed	59,790	250,000
TOTAL EQUITY	<u>3,314,311</u>	<u>2,835,433</u>

Note 36

AASB 7.3

Commentary – Financial Risk Management

Accounting standard for presentation and disclosure of financial instruments

AASB 7 Financial Instruments: Disclosures is applicable to annual reporting periods beginning on or after 1 January 2007. It applies to all reporting entities and to all types of financial instruments except:

- (a) those interests in subsidiaries, associates, and joint ventures that are accounted for under *AASB 127 Consolidated and Separate Financial Statements*; *AASB 128 Investments in Associates*; or *AASB 131 Interests in Joint Ventures*. However, entities shall apply AASB 7 to an interest in a subsidiary, associate, or joint venture that according to AASB 127, AASB 128 or AASB 131 is accounted for under *AASB 139 Financial Instruments: Recognition and Measurement*. In these cases, entities shall apply the disclosure requirements in AASB 127, AASB 128, and AASB 131 in addition to those in AASB 7. Entities shall also apply AASB 7 to all derivatives on interests in subsidiaries, associates or joint ventures.
- (b) employers' rights and obligations under employee benefit plans, to which *AASB 119 Employee Benefits* applies.
- (c) contracts for contingent consideration in a business combination (refer to *AASB 3 Business Combinations*). This exemption applies only to the acquirer.
- (d) insurance contracts as defined in *AASB 4 Insurance Contracts*. However, AASB 7 applies to derivatives that are embedded in insurance contracts if AASB 139 requires the entity to account for them separately. It also applies to financial guarantee contracts if the issuer applies AASB 139 in recognising and measuring the contracts, but not if the issuer elects to apply *AASB 1023 General Insurance Contracts* (must provide disclosures under AASB 1023 instead).
- (e) financial instruments, contracts and obligations under share-based payment transactions to which *AASB 2 Share-based Payment* applies, except for contracts within the scope of paragraphs 5 - 7 of AASB 139 which must be disclosed under AASB 7.

AASB 101.36

Comparatives

AASB 1.136(c)

When AASB 7 is first applied, comparatives will need to be provided for all disclosures. An exemption from providing such comparative information was only available where the entity had adopted AASB 7 in its first AIFRS financial report and before 1 January 2006.

AASB 7.6,

Classes of financial instruments

(B1) - (B3)

Where AASB 7 requires disclosures by class of financial instrument, the entity shall group its financial instruments into classes that are appropriate to the nature of the information disclosed and that take into account the characteristics of those financial instruments. The entity shall provide sufficient information to permit reconciliation to the line items presented in the balance sheet. Guidance on classes of financial instruments and the level of required disclosures is provided in Appendix B of AASB 7.

AASB 7.34(a)

Level of detail and selection of assumptions – information through eyes of management

The disclosures in relation to the financial risk management of an entity should reflect the information provided internally to key management personnel.

AASB 7.31–32

Nature and extent of risks arising from financial instruments

The financial report shall include qualitative and quantitative disclosures that enable users to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the reporting date. These risks typically include, but are not limited to, credit risk, liquidity risk and interest rate risk.

36. FINANCIAL RISK MANAGEMENT

Council's activities expose it to a variety of financial risk including price risk, credit risk, liquidity risk and interest rate risk. The council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the council.

Council is prohibited by regulations from engaging in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the council. Council held the following financial instruments at balance date.

	Note	Carrying Value		Fair Value	
		201Y	201X	201Y	201X
		\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	3	6,781,850	5,903,851	6,781,850	5,903,851
Receivables (current & non-current)	5	1,003,335	1,056,583	1,003,335	1,056,583
Financial assets at fair value through profit or loss	4	190,000	0	190,000	0
Available for sale financial assets		0	0	0	0
Held to maturity investments		0	0	0	0
		<u>7,975,185</u>	<u>6,960,434</u>	<u>7,975,185</u>	<u>6,960,434</u>
Financial Liabilities					
Payables	9	1,126,295	883,953	1,126,295	883,953
Borrowings (current & non-current)	10	<u>2,441,827</u>	<u>484,780</u>	<u>2,400,000</u>	<u>475,000</u>
		<u>3,568,122</u>	<u>1,368,733</u>	<u>3,526,295</u>	<u>1,358,953</u>

Fair value is determined as follows:

- ▶ Cash and Cash Equivalents, Receivables, Payables - estimated to be the carrying value which approximates net market value.
- ▶ Borrowings, Held-to-Maturity Investments - estimated future cash flows discounted by the current market interest rate applicable to assets and liabilities with similar risk profiles.
- ▶ Financial Assets at Fair Value through profit and loss, Available for Sale Financial Assets - based on quoted market prices at the reporting date or independent valuation.

(a) Cash and Cash Equivalents

Financial assets at fair value through profit and loss

Available-for-sale financial assets

Held-to-maturity investments

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The Finance Section manages the cash and investments portfolio with the assistance of independent advisers. Council has an investment policy which complies with the relevant legislations. The policy is regularly reviewed by council and an Investment Report provided to council monthly setting out the make-up and performance of the portfolio.

The major risk associated with investments is price risk - the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk - the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to council.

Note 36

AASB 7.33

Commentary – Financial Risk Management (continued)**Qualitative disclosures**

The qualitative disclosures shall discuss for each type of risk:

- (a) the exposures to the risk and how they arise;
- (b) the entity's objectives, policies and processes for managing the risk and the methods used to measure the risk, and
- (c) any changes in (a) or (b) from the previous period.

AASB 7.34(a) (c)

Quantitative disclosures

An entity shall provide for each type of risk, summary quantitative data on risk exposure at the reporting date, based on information provided internally to key management personnel and any concentrations of risk. This information can be presented in narrative form. Alternatively, entities could provide the data in a table which sets out the impact of each major risk on each type of financial instrument.

Credit risk

For each class of financial instrument, the entity shall disclose:

- (a) the maximum exposure to credit risk and any related collateral held,
- (b) information about the credit quality of financial assets that are neither past due nor impaired,
- (c) the carrying amount of financial assets that would otherwise be past due or impaired whose terms have been negotiated,
- (d) an analysis of the age of financial assets that are past due but not impaired, and
- (e) an analysis of financial assets that are individually determined to be impaired.

Liquidity risk

IFRS 7 IG 31

In describing how liquidity risk is being managed, an entity should consider discussing, for example, whether it:

- (a) expects some of its liabilities to be paid later than the earliest date on which the entity can be required to pay (e.g. customer deposits placed with a bank),
- (b) expects some of its undrawn loan commitments not to be drawn,
- (c) holds financial assets for which there is a liquid market and that are readily saleable to meet liquidity needs,
- (d) has committed borrowing facilities or other lines of credit that it can access to meet liquidity needs,
- (e) holds financial assets for which there is not a liquid market, but which are expected to generate cash inflows (principal or interest) that will be available to meet cash outflows on liabilities,
- (f) holds deposits at central banks to meet liquidity needs,
- (g) has very diverse funding sources, or
- (h) has significant concentrations of liquidity risk in either its assets or its funding sources.

AASB 107.50(a)

AASB 7.39(b)

While the explicit requirement to disclose details of an entity's credit standby arrangements and a summary of used and unused loan facilities has been removed from AASB 132 with *AASB 2007-4 Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments* (issued April 2007), *AASB 107 Cash Flow Statements* also recommends disclosure of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments, indicating any restrictions on the use of these facilities. Furthermore, *AASB 7 Financial Instruments: Disclosures* requires the entity to describe how it manages liquidity risk and report summary quantitative data based on the information provided internally to key management personnel. This would normally include information about the entity's financing arrangements.

The disclosures in relation to the financial risk management of an entity should reflect the information provided internally to key management personnel.

36. FINANCIAL RISK MANAGEMENT (continued)

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees in accordance with investment restrictions prescribed in the *Local Government (Financial Management) Regulations 1996*. Council also seeks advice from its independent advisers before placing any cash and investments.

	30-Jun-1Y \$	30-Jun-1X \$
Impact of a 10% (1) movement in price of investments		
→ Equity	25,000	30,000
→ Statement of Comprehensive Income	(2) 25,000	30,000
Impact of a 10% (1) movement in interest rates on cash and investments		
→ Equity	70,000	50,000
→ Statement of Comprehensive Income	70,000	50,000

Notes:

1. Sensitivity percentages based on management's expectation of future possible market movements. (Price movements calculated on investments subject to fair value adjustments. Interest rate movements calculated on cash, cash equivalents and managed funds.)

2. Maximum impact.

(b) Receivables

Council's major receivables comprise rates and annual charges and user charges and fees. the major risk associated with these receivables is credit risk - the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing stringent debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of Council to recover these debts as a secured charge over the land - that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Council's credit risk at balance date was:

	30-Jun-1Y %	30-Jun-1X %
Percentage of Rates and Annual Charges		
→ Current	96%	97%
→ Overdue	4%	3%
Percentage of Other Receivables		
→ Current	85%	90%
→ Overdue	15%	10%

Note 36**Commentary – Financial Risk Management (continued)**

AASB 7.40(b)

Market risk

Entities shall disclose a sensitivity analysis for each type of market risk (currency, interest rate and other price risk) to which an entity is exposed at the reporting date, showing how profit or loss and equity would have been affected by 'reasonably possible' changes in the relevant risk variable, as well as the methods and assumptions used in preparing such an analysis.

AASB 7.40(c)

If there have been any changes in methods and assumptions from the previous period, this must be disclosed together with the reasons for such a change.

AASB 7.31

Terms and conditions of financial instruments

Entities shall disclose sufficient information that enables users of its financial report to evaluate the significance of financial instruments for its financial position and performance and the nature and extent of risks arising from these financial instruments. However, the intention of AASB 7 was to decrease the potentially voluminous disclosures that were required by AASB 132 and replace them with shorter but more meaningful information. Under normal circumstances entities will therefore no longer need to disclose the significant terms and conditions for each of their major borrowings. Having said that, if an entity has a borrowing (or other financial instrument) with unusual terms and conditions, then some information should be provided to enable users to assess the nature and extent of risks associated with these instruments.

AASB 7.25,29

Fair value disclosures

An entity shall disclose the fair value for each class of financial assets and financial liabilities in a way that permits it to be compared with its carrying amount. Fair values do not need to be disclosed for the following:

- (a) where the carrying amount is a reasonable approximation of fair value,
- (b) investments in equity instruments (and derivatives linked to such equity instruments) that do not have a quoted market price and that are measured at cost in accordance with AASB 139 because their fair value cannot be measured reliably,
- (c) a contract containing a discretionary participation feature (as described in *AASB 4 Insurance Contracts*) where the fair value of that feature cannot be measured reliably.

The information about the fair values can be provided either in a combined financial instruments note or in the individual notes. However, fair values must be separately disclosed for each class of financial instrument which means that each line item in the table would have to be broken down into individual classes.

AASB 7.27

In relation to fair values, an entity shall disclose:

- (a) the methods and assumptions applied in determining fair values,
- (b) whether fair values are determined, in whole or in part, directly by reference to published price quotations in an active market or are estimated using a valuation technique, and
- (c) if a valuation technique is used that is based on assumptions that are not supported by prices from observable current market transactions in the same instrument:
 - (i) for all fair values (recognised or disclosed) - that fact, and
 - (ii) for recognised fair values also the impact of a change in the assumptions (where this would change the fair value significantly) and the total amount of the change in fair value that was recognised in profit or loss during the period.

TOWN OF EAGLE BAY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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AASB 7

36. FINANCIAL RISK MANAGEMENT (Continued)

**(c) Payables
Borrowings**

Payables and borrowings are both subject to liquidity risk - that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. Council managers this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon in extenuating circumstances.

The contractual undiscounted cash flows of Council's Payables and Borrowings are set out in the Liquidity Sensitivity Table Below:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>201Y</u>	-				
Payables	986,730	0	0	986,730	986,730
Borrowings	2,286,453	390,814	302,475	2,979,742	2,979,742
	<u>3,273,183</u>	<u>390,814</u>	<u>302,475</u>	<u>3,966,472</u>	<u>3,966,472</u>
<u>201X</u>	-				
Payables	830,526	0	0	830,526	830,526
Borrowings	0	159,547	325,233	484,780	484,780
	<u>830,526</u>	<u>159,547</u>	<u>325,233</u>	<u>1,315,306</u>	<u>1,315,306</u>

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. Council manages this risk by borrowing long term and fixing the interest rate on a basis that is most suitable for the circumstance. Council officers regularly review interest rate movements to determine if it would be advantages to refinance or re-negotiate part of all of the loan portfolio.

The following interest rates were applicable to the Council's borrowing at balance date:

	30 Jun 201Y		30 Jun 201X	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Overdraft	0	0	0	0
Bank Loans - Fixed - Variable	6.65	2,979,742	6.90	484,780

Note:

1. The interest rate risk applicable to Variable Rate Bank Loan is not considered significant.

Note 36

AASB 7.30

Commentary – Financial Risk Management (continued)

If the fair value of investments in unquoted equity instruments, derivatives linked to such equity instruments or a contract containing a discretionary participation feature (as described in *AASB 4 Insurance Contracts*) cannot be measured reliably the entity must disclose:

- (a) the fact that fair value information has not been disclosed because it cannot be measured reliably,
- (b) a description of the financial instruments, their carrying amount and an explanation of why fair value cannot be measured reliably,
- (c) information about the market for the instruments,
- (d) information about whether and how the entity intends to dispose of the financial instruments, and
- (e) if the instruments are subsequently de-recognised, that fact, their carrying amount at the time of de-recognition and the amount of gain or loss recognised.

The disclosures in relation to the financial risk management of an entity should reflect the information provided internally to key management personnel.

AASB 7.35,42

Additional information where quantitative data about risk exposure is unrepresentative

If the quantitative data disclosed is unrepresentative of the entity's exposure to risk during the period, the entity shall provide further information that is representative. If the sensitivity analyses are unrepresentative of a risk inherent in a financial instrument (e.g. where the year-end exposure does not reflect the exposure during the year), the entity shall disclose that fact and the reason why the sensitivity analyses are unrepresentative.

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6.6 Cross Reference Guide

CROSS REFERENCE GUIDE

REFERENCE	BALANCE WITH	DESCRIPTION
Statement of Comprehensive Income by Nature or Type (SCI - N or T)		
Rates	Note 24	Total Rates including Specified Area Rates
Operating Grants, Subsidies and Contributions	Note 30(a)	By Nature or Type – Operating Grants, Subsidies and Contributions
Fees and Charges	Note 29	Total Fees & Charges
Service Charges	Note 26	Revenue Raised
Interest Earnings	Note 2(a)(ii)	Interest Earnings
Interest Expenses	Note 2(a)(i) Note 23(a)	Interest Expenses (Finance Costs) Interest Repayments on Borrowings
Depreciation	Note 2(a)(i) Note 14(b)	Depreciation Depreciation
Non-Operating Grants, Subsidies and Contributions	SCI - Program SCF Note 14(b) Note 30(a)	Non-Operating Grants, Subs and Contributions Non-Operating Grants, Subs and Contributions Non-Operating Grants, Subs and Contributions By Nature or Type – Operating Grants, Subsidies and Contributions
Fair Value Adjustments to financial assets at fair value	Note 2(a)(i) Note 14(b)	Significant Expense Write-down Fair Value
Profit on Asset Disposals Loss on Asset Disposals	SCI - Program Note 21 Note 21	Profit/(Loss) on Disposal of Assets Summary – Profit on Asset Disposal Summary – Loss on Asset Disposal
Net Result	SCI - Program SCE Note 14(b)	Net Result Net Result Net Result
Change on revaluation of non-current assets	SCI - Program Note 13	Change on revaluation of non-current assets Revaluation Increment/(Decrement)
Total Comprehensive Income	SCI - Program	Total Comprehensive Income
Statement of Comprehensive Income by Program (SCI - Program)		
Non-Operating Grants, Subsidies and Contributions	SCI - N or T SCF Note 14(b) Note 30(a)	Non-Operating Grants, Subs and Contributions Non-Operating Grants, Subs and Contributions Non-Operating Grants, Subs and Contributions By Nature or Type – Operating Grants, Subsidies and Contributions
Profit/(Loss) on Asset Disposals	SCI - N or T Note 21	Profit and Loss Totals Summary - Profit/(Loss) on Asset Disposal
Net Result	SCI - N or T Note 14(b)	Net Result Net Result
Changes on revaluation of non-current assets	SCI – N or T Note 13	Change in revaluation of non-current assets Revaluation Increment/(Decrement)
Total Comprehensive Income	SCI – N or T SFP	Total Comprehensive Income Increase/(Decrease) in Total Equity
Statement on Financial Position (SFP)		
Cash and Cash Equivalents	SCF Note 3 Note 14(a)	Cash and Cash Equivalents and the End of the Year Total Unrestricted & Restricted Cash Cash and Cash Equivalents
Investments	Note 4	Investments
Trade and Other Receivables	Note 5	Total Current and Non-Current Trade and Other Receivables
Inventories	Note 6	Total Current and Non-Current Inventories
Property, Plant and Equipment	Note 7(a)	Total Property, Plant and Equipment
Infrastructure	Note 8(a)	Total Infrastructure
Total Assets	Note 19	Total Assets Classified by Function and Activity
Trade and Other Payables	Note 9	Total Current Trade and Other Payables

CROSS REFERENCE GUIDE

REFERENCE	BALANCE WITH	DESCRIPTION
Long Term Borrowings	Note 10 Note 14(c)	Total Current and Non-Current Long Term Borrowings Loan Facilities - Current and Non-Current
Provisions	Note 11	Total Current and Non-Current Provisions
Reserves – Cash/Investment Backed	SCE Note 12	Transfer to/from Reserves Total Reserves
Reserves – Asset Revaluation	SCE Note 13	Total Other Comprehensive Income/Asset Revaluation Total Asset Revaluation Reserves
Net Assets	SCE	Total Equity
Total Equity Increase/(Decrease)	SCI – N or T SCI – Program	Total Comprehensive Income Total Comprehensive Income
Statement of Changes in Equity (SCE)		
Total Equity	SFP	Net Assets
Net Result	SCI - N or T SCI - Program	Net Result Net Result
Reserve Transfers	Note 12	Total Net Transfers To/(From) Reserves
Reserves - Asset Revaluation	Note 13	Total Asset Revaluation Reserves
Statement of Cash Flows (SCF)		
Net Cash provided by Operating Activities	Note 14(b)	Net Cash From Operating Activities
Payments for Development of Land Held for Resale	Note 7(b) Note 20	Total Additions for Resale Acquisition of Assets
Payments for Purchase of Property, Plant and Equipment	Note 7(b) Note 20	Total Additions (Renewal and New) Acquisition of Assets
Payments for Construction Infrastructure	Note 8(b) Note 20	Total Additions (Renewal and New) Acquisition of Assets
Non-Operating Grants, Subsidies and Contributions	SCI – N or T SCI - Program Note 14(b) Note 30(a)	Non-Operating Grants, Subsidies and Contributions Non-Operating Grants, Subsidies and Contributions Reconciliation of Net Cash By Nature or Type
Proceeds from Disposal of Assets	RSS Note 21	Proceeds from Disposal of Assets Actual Sale Price
Repayment of Debentures	RSS Note 23(a)	Repayment of Debentures Actual Principal Repayments
Proceeds from SS Loans	RSS Note 23(a)	SS Loans Principal Income Principal Repayments (*)
Proceeds from New Loans	RSS Note 23(b)	Proceeds from New Debentures Actual Amount Borrowed
Cash at Beginning of Year	Note 3 Note 14(a)	Prior Year Total Cash Prior Year Cash and Cash Equivalents
Cash and Cash Equivalents at End of the Year	SFP Note 3 Note 14(a)	Cash and Cash Equivalents Total Unrestricted & Restricted Cash Cash and Cash Equivalents
Rate Setting Statement (RSS)		
(Profit)/Loss on Asset Disposals	Note 14(b) Note 21	Reconciliation of Net Cash Summary Total on Asset Disposals
Depreciation on Assets	SCI – N or T Note 2(a)(i) Note 14(b)	Depreciation Total Depreciation Reconciliation of Net Cash
Purchase of Land Held for Resale	SCF Note 7(b) Note 20	Payments for Development of Land Held for Resale Additions - Land for Resale Acquisition of Assets by Class

CROSS REFERENCE GUIDE

REFERENCE	BALANCE WITH	DESCRIPTION
Purchase of Land and Buildings	SCF Note 7(b) Note 20	Payments Property, Plant and Equipment Additions - Land and Buildings Acquisition of Assets by Class
Purchase Plant and Equipment Purchase Furn and Equipment	SCF Note 7(b) Note 20	Payments Property, Plant and Equipment Additions - Plant and Equipment Acquisition of Assets by Class
Infrastructure Assets	SCF Note 7(b) Note 20	Payments for Construction of Infrastructure Additions - Infrastructure Acquisition of Assets by Class
Repayment of Debentures	SCF Note 23(a)	Repayment of Debentures Actual Principal Repayments
Proceeds from Disposal of Assets	SCF Note 21	Proceeds from Disposal of Assets Actual Sale Price
Proceeds from New Debentures	SCF Note 23(b)	Proceeds from New Debentures Actual Amount Borrowed
SS Loan Principal Income	SCF Note 23(a)	Proceeds from SS Loans Principal Repayments (*)
Transfer to Reserves Transfer from Reserves	Note 12 Note 12	Summary of Transfer Reserves - TO Summary of Transfer Reserves - FROM
Surplus/(Deficit) 1 July B/F Surplus/(Deficit) 30 June C/F	Annual Statements Annual Statements	Prior 30 June Carried Forward Figure This Year 30 June Carried Forward figure
Amount Required to be Raised from Rates	Note 24	Total rates including discounts but excluding specified area rates
Note 2 Operating Revenues and Expenses		
(a) Net Result Expenses - Net Result	SCI – N or T SCI – N or T RSS Note 14(b) SCI – N or T Note 23(a) SCI – N or T	Fair Value Adjustments to Financial Assets Depreciation Depreciation Written Back Reconciliation of Net Cash Interest Expenses Interest Repayments on Borrowings Interest Earnings
(d) Conditions over Grants, Subsidies and Contributions	Note 3	Restricted Cash – Unspent Grants
Note 3 - Cash and Cash Equivalents		
	SFP SCF Note 2(d) Note 12 Note 14(a) Note 23(c)	Cash and Cash Equivalents Cash at End of Year Total Unspent Grants, Subsidies and Contributions - Reserves Reconciliation of Cash Unspent Loans
Note 4 - Investments		
	SFP	Financial Assets at fair value through profit and loss
Note 5 - Trade and Other Receivables		
	SFP	Current Assets and Non-Current Receivables
Note 6 - Inventories		
Inventories	SFP	Current and Non-Current Assets - Inventories
Note 7 - Property, Plant and Equipment		
(a) Property, Plant and Equipment	SFP	Non-Current Assets - Property, Plant and Equipment
(b) Property, Plant and Equipment	SFP SCF RSS Note 2(a)(i) Note 20 Note 21	Non-Current Assets - Property, Plant and Equipment Payments for Property, Plant and Equipment Payments for Property, Plant and Equipment Depreciation Acquisition of Assets Disposal of Assets

CROSS REFERENCE GUIDE

REFERENCE	BALANCE WITH	DESCRIPTION
Note 8 - Infrastructure		
(a) Infrastructure	SFP	Non-Current Assets - Infrastructure
(b) Infrastructure	SFP	Non-Current Assets - Infrastructure
	SCF	Payments for Infrastructure
	RSS	Payments for Infrastructure
	Note 2(a)(i)	Depreciation
	Note 20	Acquisition of Assets
	Note 21	Disposal of Assets
Note 9 - Trade and Other Payables		
	SFP	Current and Non-Current Liabilities
Note 10 - Long Term Borrowings		
	SFP	Current and Non-Current Liabilities
	Note 14(c)	Loan Facilities - Current and Non-Current
	Note 23	Information on Borrowings
Note 11 - Provisions		
	SFP	Current and Non-Current Liabilities
Note 12 - Reserves - Cash/Investment Backed		
	SFP	Equity Summary
	SCE	Reserve Transfers
	RSS	Transfer to Reserves
	RSS	Transfer from Reserves
Note 13 - Reserves - Asset Revaluation		
	SCI – N or T	Changes on revaluation of non-current assets
	SCI - Program	Changes on revaluation of non-current assets
	SFP	Reserves – Asset Revaluation
	SCE	Total Other Comprehensive Income/Asset Revaluation
Note 14 - Notes to the Statement of Cash Flows		
(a) Reconciliation of Cash	SFP	Cash and Cash Equivalents
	SCF	Cash and Cash Equivalents and the End of the Year
	Note 3	Total Unrestricted and Restricted Cash
(b) - Reconciliation of Net Cash Provided by Operating Activities to Net Result	SCI – N or T	Net Result
	SCI – N or T	Fair Value Adjustments to financial assets at fair value
	SCI – N or T	Depreciation
	SCI – N or T	Profit/(Loss) on Asset Disposals
	SCI – N or T	Non-Operating Grants, Subsidies and Contributions
	SCI – N or T	Net Result
	SCI - Program	Profit/(Loss) on Asset Disposals
	SCI - Program	Non-Operating Grants, Subsidies and Contributions
	SCI - Program	Non-Operating Grants, Subsidies and Contributions
	SCF	Non-Operating Grants, Subsidies and Contributions
	SCF	Net Cash provided by Operating activities
	RSS	Depreciation
	RSS	(Profit)/Loss on Asset Disposals written back
Note 2(a)(i)	Depreciation	
Note 2(a)(i)	Significant Expense	
Note 21	Summary Profit/(Loss) on Asset Disposals By Nature or Type – Operating and Non-Operating	
Note 30(a)	Grants, Subsidies and Contributions	
(c) - Undrawn Borrowing Facilities	SFP	Current and Non-Current Liabilities –
	Note 10	Long Term Borrowings Total Current and Non-Current Long Term Borrowings

CROSS REFERENCE GUIDE

REFERENCE	BALANCE WITH	DESCRIPTION
Note 20 - Total Assets Classified by Function and Activity		
	SFP	Total Assets
Note 21 - Acquisition of Assets		
	SCF	Purchase Assets
	RSS	Purchase Land Held for Resale
	RSS	Purchase of Land and Buildings
	RSS	Purchase Infrastructure Assets
	RSS	Purchase of Plant and Equipment
	RSS	Purchase of Furniture and Equipment
Note 22 - Disposal of Assets		
	SCI – N or T	Profit and Loss on Asset Disposals
	SCI – Program	Profit and Loss on Asset Disposals
	SCF	Proceeds from Disposal of Assets
	RSS	(Profit)/Loss on Asset Disposal written back
	RSS	Proceeds from Disposal of Assets
Note 23 - Information on Borrowings		
(a) Debenture Repayments	SCI - N or T	Interest Expenses
	SCF	Repayment of Debentures
	SCF	Proceeds from New Debentures
	RSS	Repayment of Debentures
	RSS	Proceeds from SS Loans
	RSS	Proceeds from New Debentures
	Note 2(a)(i)	Interest Expenses
(b) New Debentures	SCF	Proceeds from New Debentures
	RSS	Proceeds from New Debentures
(c) Unspent Debentures	Note 3	Restricted Cash – Unspent Loans
	Note 14(c)	Undrawn Borrowing Facilities
Note 24 - Rating Information		
	SCI – N or T	Rates (includes specified area rates)
	RSS	Amount Required to be Raised from Rates (excludes specified area rates)
	Note 25	Specified Area Rates
	Note 27	Discounts
Note 25 - Specified Area Rates		
	Note 24	Specified Area Rates
Note 26 - Service Charges		
	SCI – N or T	Service Charges
Note 27 - Discounts, Incentives, Concessions and Write-offs		
	Note 24	Discounts
Note 28 - Interest Charges and Instalments		
	Note 2(a)(ii)	Other Interest Revenue
Note 29 - Fees and Charges		
	SCI – N or T	Fees and Charges
Note 30 - Grants, Subsidies and Contributions		
	SCI – N or T	Operating and Non-Operating Grants, Subsidies
	SCI - Program	and Contributions
	SCF	Non-Operating Grants, Subsidies and Contributions
	Note 14(b)	Grants/Contributions for the Development of Assets

6.7 Model Monthly Financial Report

Compliance and Reporting Summary

LGA s. 6.4(1)(2)	Financial report
FMR r. 34(1) to (6)	Financial activity statement report. In the preparation of this report the local government is to have regard to the sources and applications of funds as set out in the annual budget under regulation 22(1)(d) for that month.
AASB 1031	Materiality - This standard applies to each entity preparing financial statements in accordance with Australian Accounting Standards.

□ 6.7.1 Introduction

Since 1 July 2005, FMR r. 34 has required local governments to prepare a statement of financial activity reporting on revenue and expenditure each month and to present the report to council.

□ 6.7.2 Statement Contents

When preparing the content of the monthly financial report a local government should take into account the following:

- Public accountability and corporate governance - to allow elected members to monitor and review the allocation of resources against the adopted budget and to undertake their role in overseeing these allocations in accordance with LGA s. 2.7 and 2.10;
- Financial management – to ensure ongoing financial management and performance of the accounting systems, the monthly report provides a summary of the organisation’s liquidity;
- Relevance and materiality – to ensure that the level of information does not overload an inexperienced user. The format should be clear and presented in a logical and easy way. Consider using graphs and summaries to enhance the presentation.

The statement is to contain the following detail:

- annual budget estimates, taking into account any expenditure incurred for an additional purpose under LGA s. 6.8(1)(b) or (c);
- budget estimates to the end of the month;
- actual amounts of expenditure, revenue and income to the end of the month;
- material variances between the comparable amounts;
- the net current assets at the end of the month.

The statement is to be accompanied by documents containing the following detail:

- an explanation of the composition of the net current assets LESS committed assets and restricted assets;
- an explanation of each of the material variances;
- such other supporting information as is considered relevant by the local government which could include;
 - details on rates and debtor collections
 - cash investments
 - details of the current surplus/deficit and reasons for any anomalies. How it compares with the same period last year
 - details of large expenditure items including the trend in employee costs.

The information in the statement of financial activity may be shown:

- according to nature and type classification; or
- by program; or
- by business unit.

The statement of financial activity and the accompanying documents are to be presented to council within two ordinary meetings following the end of the month to which the statement relates. The statement of financial activity must also be recorded in the minutes of the meeting to which it is presented.

Each financial year a local government is to adopt a percentage or value, calculated in accordance with AASB 1031 to be used in statements of financial activity for reporting material variances.

6.7.3 Checklist

FMR

- r. 34(1) Prepare the statement of financial activity
- r. 34(1)(a) Annual budget estimates
- r. 34(1)(b) Budget estimates to the end of the month
- r. 34(1)(c) Actual amounts of revenue and expenditure to end of the month
- r. 34(1)(d) Material variances
- r. 34(1)(e) Net current assets at the end of the month
- r. 34(2)(a) Explanation of the composition of the net current assets, LESS committed assets and restricted assets
- r. 34(2)(b) Explanation of material variances
- r. 34(2)(c) Any other relevant supporting information
- r. 34(3)(a-c) Decision on how to show the statement
- r. 34(4)(a) Statement presented to council within two months
- r. 34(4)(b) Statement recorded in minutes
- r. 34(5) Apply percentage or value adopted for material variances
- r. 34(1A) Committed asset means revenue unspent but set aside in the annual budget for a specific purpose
- r. 3 Restricted asset means an asset the use of which is restricted, wholly or partially, by a law or a requirement imposed outside of the control of the local government, where the restriction is relevant to assessing the performance, financial position or financing and investment of the local government.

□ 6.7.4 Examples Monthly Statement of Financial Activity

**SURPLUS/(DEFICIT)
BY PROGRAM**

Note	Action	Result Adopted Budget	Result Revised Budget	Result YTD Budget	Result YTD Actual
(a)	This total is the sum of operating revenue, operating expenditure, capital income and capital expenditure, including rates.	(15,655,736)	(15,651,458)	(13,347,012)	(13,352,756)
(b)	Add back all non cash items	4,985,276	4,958,605	2,676,552	2,649,881
(c)	Add surplus/(deficit) July 1 brought forward	2,644,891	2,644,891	2,644,891	2,644,891
(d)	Deduct surplus/(deficit) June 30 carried forward	0	(17,607)	0	(7,585)
(e)	Sum (a), (b) and (c), deduct amount at (d). Total is amount of rates to be levied.	(8,025,569)	(8,065,569)	(8,025,569)	(8,065,569)

TOWN OF EAGLE BAY
STATEMENT OF FINANCIAL ACTIVITY
BY PROGRAM
FOR THE PERIOD ENDING 28 FEBRUARY 201Y

Operating Income	Note	Adopted Budget (a)	Revised Budget (b)	YTD Budget (c)	YTD Actual (d)	YTD Variance (d) - (c)	Var %
General Purpose Funding		3,970,416	3,970,416	3,294,438	3,294,438	0	0.00
Governance		93,221	93,221	61,500	62,147	647	1.05
Law, Order and Public Safety		556,802	526,848	381,186	351,232	-29,954	-7.86
Health		176,240	176,240	120,240	117,493	-2,747	-2.28
Education and Welfare		1,416,806	1,416,806	945,000	944,537	-463	-0.05
Housing		600	600	400	400	0	0.00
Community Amenities		1,603,650	1,597,515	1,071,145	1,065,010	-6,135	-0.57
Recreation and Culture		1,371,562	1,371,562	910,000	914,375	4,375	0.48
Transport		4,760,367	4,760,367	3,170,000	3,173,578	3,578	0.11
Economic Services		387,060	286,551	291,543	191,034	-100,509	-34.47
Other Property and Services		4,116,478	4,116,478	2,744,600	2,744,319	-281	-0.01
		<u>18,453,202</u>	<u>18,316,604</u>	<u>12,990,052</u>	<u>12,858,563</u>	<u>-131,489</u>	
Operating Expenditure							
General Purpose Funding		(158,077)	(158,077)	(105,000)	(105,385)	-385	0.37
Governance		(908,185)	(922,880)	(600,558)	(615,253)	-14,695	2.45
Law, Order and Public Safety		(1,349,794)	(1,376,351)	(891,010)	(917,567)	-26,557	2.98
Health		(331,717)	(331,717)	(222,000)	(221,145)	855	-0.39
Education and Welfare		(1,682,025)	(1,682,025)	(1,120,000)	(1,121,350)	-1,350	0.12
Housing		(1,500)	(1,500)	(1,000)	(1,000)	0	0.00
Community Amenities		(3,057,906)	(3,057,906)	(2,035,000)	(2,038,604)	-3,604	0.18
Recreation and Culture		(4,243,523)	(4,201,272)	(2,843,099)	(2,800,848)	42,251	-1.49
Transport		(8,380,666)	(8,380,666)	(5,585,111)	(5,587,111)	-2,000	0.04
Economic Services		(598,183)	(490,118)	(434,810)	(326,745)	108,065	-24.85
Other Property and Services		(1,133,922)	(1,014,972)	(795,598)	(676,648)	118,950	-14.95
		<u>(21,845,498)</u>	<u>(21,617,484)</u>	<u>(14,633,186)</u>	<u>(14,411,656)</u>	<u>221,530</u>	
Capital Income							
Proceeds from Disposal of Assets		4,380,437	4,361,687	2,378,118	2,382,093	3,975	0.17
New Borrowings		2,188,452	2,188,452	1,190,000	1,188,452	-1,548	-0.13
Self Supporting Loan Principal		24,393	24,393	24,393	5,643	-18,750	-76.87
Transfer from Reserve		2,447,854	2,457,631	5,000	14,777	9,777	195.54
		<u>9,041,136</u>	<u>9,032,163</u>	<u>3,597,511</u>	<u>3,590,965</u>	<u>-6,546</u>	
Capital Expenditure							
Purchase of Land Held for Resale		(4,076,189)	(4,076,189)	(3,045,000)	(3,045,189)	-189	0.01
Land & Buildings		(1,787,479)	(1,842,969)	(1,787,205)	(1,842,695)	-55,490	3.10
Infrastructure		(10,704,824)	(10,669,434)	(7,583,733)	(7,548,343)	35,390	-0.47
Plant & Equipment		(2,686,903)	(2,636,903)	(2,285,000)	(2,235,000)	50,000	-2.19
Advances to Community Groups		(500,000)	(500,000)	(500,000)	(500,000)	0	0.00
Repayment of Debentures		(70,597)	(70,597)	(46,051)	(46,051)	0	0.00
Transfer to Reserves		(1,478,584)	(1,586,649)	(54,400)	(173,350)	-118,950	218.66
		<u>(21,304,576)</u>	<u>(21,382,741)</u>	<u>(15,301,389)</u>	<u>(15,390,628)</u>	<u>(89,239)</u>	
Total Operating and Non Operating	(a)	<u>(15,655,736)</u>	<u>(15,651,458)</u>	<u>(13,347,012)</u>	<u>(13,352,756)</u>	<u>-5,744</u>	
ADJUST- NON CASH ITEMS							
Depreciation		7,100,000	7,081,020	4,754,206	4,735,226	-18,980	-0.40
Provisions/Other Accruals		169,857	169,857	0	0	0	
(Profit)/Loss on Sale of Assets		(2,284,581)	(2,292,272)	(2,077,654)	(2,085,345)	-7,691	0.37
	(b)	<u>4,985,276</u>	<u>4,958,605</u>	<u>2,676,552</u>	<u>2,649,881</u>		
ADD Surplus/(Deficit) July 1 B/F	(c)	2,644,891	2,644,891	2,644,891	2,644,891	0	
LESS Surplus/(Deficit) June 30 C/F	(d)	0	17,607	0	7,585	7,585	
Amount Required from Rates	(e)	<u>(8,025,569)</u>	<u>(8,065,569)</u>	<u>(8,025,569)</u>	<u>(8,065,569)</u>	<u>(40,000)</u>	

**SURPLUS/(DEFICIT)
BY NATURE OR TYPE**

Note	Action	Result Adopted Budget	Result Revised Budget	Result YTD Budget	Result YTD Actual
(a)	This total is the sum of operating revenue, operating expenditure, capital income and capital expenditure, including rates.	(7,630,167)	(7,585,889)	(5,321,443)	(5,287,187)
(b)	Add back all non cash items	4,985,276	4,958,605	2,676,552	2,649,881
(c)	Add surplus/(deficit) July 1 brought forward	2,644,891	2,644,891	2,644,891	2,644,891
(d)	Deduct surplus/(deficit) June 30 carried forward	0	(17,607)	0	(7,585)
(e)	Sum (a), (b) and (c), deduct amount at (d). Total is a control amount which must equal zero (0)	0	0	0	0

TOWN OF EAGLE BAY
STATEMENT OF FINANCIAL ACTIVITY
BY NATURE OR TYPE
FOR THE PERIOD ENDED 28 FEBRUARY 201Y

	Note	Adopted Budget (a)	Revised Budget (b)	YTD Budget (c)	YTD Actual (d)	YTD Variance (d) - (c)	Var %
Operating Income							
Rates		8,074,469	8,114,469	8,074,469	8,114,469	40,000	0.50
Operating Grants, Subsidies and Contributions		5,548,348	5,548,348	4,000,206	3,998,898	-1,308	-0.03
Grants, Subsidies and Contrib. for the Development of Assets		5,856,328	5,755,819	4,315,767	4,215,258	-100,509	-2.33
Fees and Charges		4,253,486	4,217,397	2,814,079	2,777,990	-36,089	-1.28
Service Charges		0	0	0	0	0	
Interest Earnings		385,100	385,100	239,100	240,433	1,333	0.56
Profit on Disposal of Assets		2,333,736	2,333,736	1,555,000	1,558,881	3,881	0.25
Other Revenue		27,304	27,304	17,000	18,203	1,203	7.07
		<u>26,478,771</u>	<u>26,382,173</u>	<u>21,015,621</u>	<u>20,924,132</u>	<u>-91,489</u>	
Operating Expenditure							
Employee Costs		(8,772,958)	(8,622,642)	(5,898,744)	(5,748,428)	150,316	-2.55
Materials and Contracts		(3,926,230)	(3,848,532)	(2,643,386)	(2,565,688)	77,698	-2.94
Utility Charges		(435,600)	(435,600)	(290,500)	(290,400)	100	-0.03
Depreciation		(7,100,000)	(7,100,000)	(4,734,000)	(4,733,333)	667	-0.01
Interest Expenses		(399,441)	(399,441)	(270,000)	(266,294)	3,706	-1.37
Insurance Expenses		(333,163)	(333,163)	(218,000)	(222,109)	-4,109	1.88
Loss on Disposal of Assets		(49,155)	(49,155)	(28,556)	(32,770)	-4,214	14.76
Other Expenditure		(828,951)	(828,951)	(550,000)	(552,634)	-2,634	0.48
		<u>(21,845,498)</u>	<u>(21,617,484)</u>	<u>(14,633,186)</u>	<u>(14,411,656)</u>	<u>221,530</u>	
Capital Income							
Proceeds from Disposal of Assets		4,380,437	4,361,687	2,378,118	2,382,093	3,975	0.17
New Borrowings		2,188,452	2,188,452	1,190,000	1,188,452	-1,548	-0.13
Self Supporting Loan Principal		24,393	24,393	24,393	5,643	-18,750	-76.87
Transfer from Reserve		2,447,854	2,457,631	5,000	14,777	9,777	195.54
		<u>9,041,136</u>	<u>9,032,163</u>	<u>3,597,511</u>	<u>3,590,965</u>	<u>-6,546</u>	
Capital Expenditure							
Purchase of Land Held for Resale		(4,076,189)	(4,076,189)	(3,045,000)	(3,045,189)	-189	0.01
Land & Buildings		(1,787,479)	(1,842,969)	(1,787,205)	(1,842,695)	-55,490	3.10
Infrastructure		(10,704,824)	(10,669,434)	(7,583,733)	(7,548,343)	35,390	-0.47
Plant & Equipment		(2,686,903)	(2,636,903)	(2,285,000)	(2,235,000)	50,000	-2.19
Advances to Community Groups		(500,000)	(500,000)	(500,000)	(500,000)	0	0.00
Repayment of Debentures		(70,597)	(70,597)	(46,051)	(46,051)	0	0.00
Transfer to Reserves		(1,478,584)	(1,586,649)	(54,400)	(173,350)	-118,950	218.66
		<u>(21,304,576)</u>	<u>(21,382,741)</u>	<u>(15,301,389)</u>	<u>(15,390,628)</u>	<u>(89,239)</u>	
Total Operating and Non Operating	(a)	<u>(7,630,167)</u>	<u>(7,585,889)</u>	<u>(5,321,443)</u>	<u>(5,287,187)</u>	<u>34,256</u>	
ADJUST- NON CASH ITEMS							
Depreciation		7,100,000	7,081,020	4,754,206	4,735,226	-18,980	-0.40
Provisions/Other Accruals		169,857	169,857	0	0	0	
(Profit)/Loss on Sale of Assets		(2,284,581)	(2,292,272)	(2,077,654)	(2,085,345)	-7,691	0.37
	(b)	<u>4,985,276</u>	<u>4,958,605</u>	<u>2,676,552</u>	<u>2,649,881</u>		
ADD Surplus/(Deficit) July 1 b/f	(c)	2,644,891	2,644,891	2,644,891	2,644,891		
LESS Surplus/(Deficit) June 30 c/f	(d)	0	17,607	0	7,585		
Control = 0	(e)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		

**SURPLUS/(DEFICIT)
BY BUSINESS UNIT**

Note	Action	Result Adopted Budget	Result Revised Budget	Result YTD Budget	Result YTD Actual
(a)	This total is the sum of operating revenue, operating expenditure, capital income and capital expenditure, including rates.	(7,630,167)	(7,585,889)	(5,321,443)	(5,287,187)
(b)	Add back all non cash items	4,985,276	4,958,605	2,676,552	2,649,881
(c)	Add surplus/(deficit) July 1 brought forward	2,644,891	2,644,891	2,644,891	2,644,891
(d)	Deduct surplus/(deficit) June 30 carried forward	0	(17,607)	0	(7,585)
(e)	Sum (a), (b) and (c), deduct amount at (d). Total is a control amount which must equal zero (0)	0	0	0	0

TOWN OF EAGLE BAY
STATEMENT OF FINANCIAL ACTIVITY
BY BUSINESS UNIT
FOR THE PERIOD ENDED 28 FEBRUARY 201Y

Operating Income	Note	Adopted Budget (a)	Revised Budget (b)	YTD Budget (c)	YTD Actual (d)	YTD Variance (d) - (c)	Var %
Office of the Chief Executive Officer		393,221	393,221	260,000	262,147	2,147	0.83
Operational Services		4,169,993	4,133,904	2,871,962	2,835,873	-36,089	-1.26
Community Development		5,588,558	5,488,049	3,866,214	3,765,705	-100,509	-2.60
Corporate Services		11,995,985	12,035,985	11,130,008	11,170,008	40,000	0.36
Development Services		4,331,014	4,331,014	2,887,437	2,890,398	2,961	0.10
		<u>26,478,771</u>	<u>26,382,173</u>	<u>21,015,621</u>	<u>20,924,132</u>	<u>-91,489</u>	
Operating Expenditure							
Office of the Chief Executive Officer		(908,185)	(922,880)	(600,558)	(615,253)	-14,695	2.45
Operational Services		(1,681,511)	(1,708,068)	(1,112,155)	(1,138,712)	-26,557	2.39
Community Development		(9,581,637)	(9,431,321)	(6,437,863)	(6,287,547)	150,316	-2.33
Corporate Services		(158,077)	(158,077)	(98,901)	(105,385)	-6,484	6.56
Development Services		(9,516,088)	(9,397,138)	(6,383,709)	(6,264,759)	118,950	-1.86
		<u>(21,845,498)</u>	<u>(21,617,484)</u>	<u>(14,633,186)</u>	<u>(14,411,656)</u>	<u>221,530</u>	
Capital Income							
Proceeds from Disposal of Assets		4,380,437	4,361,687	2,378,118	2,382,093	3,975	0.17
New Borrowings		2,188,452	2,188,452	1,190,000	1,188,452	-1,548	-0.13
Self Supporting Loan Principal		24,393	24,393	24,393	5,643	-18,750	-76.87
Transfer from Reserve		2,447,854	2,457,631	5,000	14,777	9,777	195.54
		<u>9,041,136</u>	<u>9,032,163</u>	<u>3,597,511</u>	<u>3,590,965</u>	<u>-6,546</u>	
Capital Expenditure							
Purchase of Land Held for Resale		(4,076,189)	(4,076,189)	(3,045,000)	(3,045,189)	-189	0.01
Land & Buildings		(1,787,479)	(1,842,969)	(1,787,205)	(1,842,695)	-55,490	3.10
Infrastructure		(10,704,824)	(10,669,434)	(7,583,733)	(7,548,343)	35,390	-0.47
Plant & Equipment		(2,686,903)	(2,636,903)	(2,285,000)	(2,235,000)	50,000	-2.19
Advances to Community Groups		(500,000)	(500,000)	(500,000)	(500,000)	0	0.00
Repayment of Debentures		(70,597)	(70,597)	(46,051)	(46,051)	0	0.00
Transfer to Reserves		(1,478,584)	(1,586,649)	(54,400)	(173,350)	-118,950	218.66
		<u>(21,304,576)</u>	<u>(21,382,741)</u>	<u>(15,301,389)</u>	<u>(15,390,628)</u>	<u>(89,239)</u>	
Total Operating and Non Operating	(a)	<u>(7,630,167)</u>	<u>(7,585,889)</u>	<u>(5,321,443)</u>	<u>(5,287,187)</u>	<u>34,256</u>	
ADJUST- NON CASH ITEMS							
Depreciation		7,100,000	7,081,020	4,754,206	4,735,226	-18,980	-0.40
Provisions/Other Accruals		169,857	169,857	0	0	0	
(Profit)/Loss on Sale of Assets		(2,284,581)	(2,292,272)	(2,077,654)	(2,085,345)	-7,691	0.37
	(b)	<u>4,985,276</u>	<u>4,958,605</u>	<u>2,676,552</u>	<u>2,649,881</u>	<u>(26,671)</u>	
ADD Surplus/(Deficit) July 1 B/F	(c)	2,644,891	2,644,891	2,644,891	2,644,891	0	
LESS Surplus/(Deficit) June 30 C/F	(d)	0	17,607	0	7,585	7,585	
Control = 0	(e)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	

CLOSING FUNDS AND BUDGET AMENDMENTS

Note	Action	Result Adopted Budget	Result YTD Budget	Result YTD Actual
(a)	This net current assets total should agree with the statement of financial position in the annual statements or with the budgeted net current assets note.	1,901,867	2,035,586	2,043,171
(b)	Deduct restricted reserve and restricted municipal (usually unspent grants) amounts.	(2,560,926)	(2,670,099)	(2,670,099)
(c)	Add back loan repayments as they represent a current liability for payments to be made over the next 12 months already reflected as expenditure.	70,597	46,051	46,051
(d)	Add back cash backed leave reserve. This figure must only be the cash backed amount and not the provision amount if that amount is greater. If the provision amount is less than the cash backed amount then only use the provision amount.	588,462	588,462	588,462
(e)	Closing Funds	0	0	7,585
(f)	The budget amendments table should open with the YTD budget closing fund amount.		0	
(g)	The YTD closing fund amount should be the closing figure in the YTD actual column.		7,585	