

SHIRE OF LEONORA
MONTHLY STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2010 TO 28 FEBRUARY 2011

TABLE OF CONTENTS

Statement of Financial Activity	2
Notes to and Forming Part of the Statement	3 to 18
Supplementary Information	

The Chief Executive Officer
Shire of Leonora
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COMPILATION REPORT TO THE SHIRE OF LEONORA

We have compiled the accompanying Local Government special purpose financial statements of the Shire of Leonora, which comprise the Statement of Financial Activity, a summary of significant accounting policies and other explanatory notes for the period ending 28 February 2011. The financial statements have been compiled to meet compliance with the Local Government Act 1995 and associated Regulations.

The Responsibility of the Shire of Leonora

The Shire of Leonora are solely responsible for the information contained in the special purpose financial statements and are responsible for the maintenance of an appropriate accounting system in accordance with the relevant legislation.

Our Responsibility

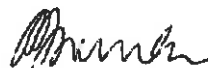
On the basis of information provided by the Shire of Leonora we have compiled the accompanying special purpose financial statements in accordance with the requirements of the Local Government Act 1995, associated Regulations and APES 315 *Compilation of Financial Information*.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Shire of Leonora provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The Local Government special purpose financial statements were compiled exclusively for the benefit of the Shire of Leonora. We do not accept responsibility to any other person for the contents of the special purpose financial statements.



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08 March 2011

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SHIRE OF LEONORA

STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2010 TO 28 FEBRUARY 2011

	NOTE	28 Feb 2011 Actual \$	28 Feb 2011 Y-T-D Budget \$	2010/11 Amended Budget \$	Variance Budget to Actual Y-T-D %
<u>Operating</u>					
Revenues					
	1,2				
Governance		1,254	41,160	41,660	(96.95%)
General Purpose Funding		771,678	617,027	823,451	25.06%
Law, Order, Public Safety		14,353	28,898	43,350	(50.33%)
Health		9,068	11,148	16,720	(18.66%)
Education and Welfare		93,736	227,190	270,790	(58.74%)
Housing		27,377	27,672	41,520	(1.07%)
Community Amenities		77,048	309,955	498,315	(75.14%)
Recreation and Culture		103,820	670,472	719,516	(84.52%)
Transport		605,880	953,608	1,058,944	(36.46%)
Economic Services		193,327	139,602	380,150	38.48%
Other Property and Services		759,301	89,468	141,700	748.68%
		<u>2,856,842</u>	<u>3,116,200</u>	<u>4,036,116</u>	<u>(14.74%)</u>
(Expenses)					
	1,2				
Governance		(122,871)	(188,254)	(285,998)	34.73%
General Purpose Funding		(246,502)	(245,887)	(368,831)	(0.25%)
Law, Order, Public Safety		(80,936)	(116,139)	(174,211)	30.31%
Health		(312,288)	(334,080)	(438,712)	6.52%
Education and Welfare		(121,602)	(184,664)	(282,000)	34.15%
Housing		0	0	0	0.00%
Community Amenities		(140,099)	(194,426)	(291,638)	27.94%
Recreation & Culture		(523,979)	(801,358)	(1,157,018)	34.61%
Transport		(2,126,007)	(2,477,252)	(3,524,856)	14.18%
Economic Services		(545,709)	(615,794)	(1,229,954)	11.38%
Other Property and Services		(640,374)	(46,660)	(70,000)	(1272.43%)
		<u>(4,860,367)</u>	<u>(5,204,514)</u>	<u>(7,823,218)</u>	<u>6.61%</u>
<u>Adjustments for Non-Cash</u>					
<u>(Revenue) and Expenditure</u>					
(Profit)/Loss on Asset Disposals	4	49,911	(266,585)	(433,637)	118.72%
Depreciation on Assets		931,469	946,004	1,419,000	1.54%
<u>Capital Revenue and (Expenditure)</u>					
Purchase Land Held for Resale	3	0	0	0	0.00%
Purchase Land and Buildings	3	(1,271,747)	(2,369,449)	(3,554,173)	46.33%
Purchase Infrastructure Assets - Roads	3	(4,574)	(215,495)	(323,243)	97.88%
Purchase Infrastructure Assets - Other	3	(644,333)	0	0	100.00%
Purchase Plant and Equipment	3	(329,149)	(490,939)	(736,408)	32.96%
Purchase Furniture and Equipment	3	(10,148)	(13,333)	(20,000)	23.89%
Proceeds from Disposal of Assets	4	181,364	622,425	933,637	70.86%
Transfers to Reserves (Restricted Assets)	6	(42,264)	(1,333)	(2,000)	(3069.80%)
Transfers from Reserves (Restricted Assets)	6	3,323	666,667	1,000,000	99.50%
ADD Net Current Assets July 1 B/Fwd	7	696,535	866,861	866,861	19.65%
LESS Net Current Assets Year to Date	7	2,012,275	2,174,629	(118,944)	7.47%
Amount Raised from Rates	8	<u>(4,655,413)</u>	<u>(4,518,121)</u>	<u>(4,518,121)</u>	

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

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2010 TO 28 FEBRUARY 2011

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

(b) The Local Government Reporting Entity

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

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

Council currently hold no funds on behalf of other entities.

(c) Rounding Off Figures

All figures shown in this statement, other than a rate in the dollar, are rounded to the nearest dollar.

(d) Rates, Grants, Donations and Other Contributions

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

(e) Goods and Services Tax

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

(f) Cash and Cash Equivalents

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

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities.

(g) Trade and Other Receivables

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

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

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2010 TO 28 FEBRUARY 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Inventories

General

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

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

Land Held for Resale

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

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

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

(i) Fixed Assets

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Municipality includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

(j) Depreciation of Non-Current Assets

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

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

Buildings	30 to 50 years
Furniture and Equipment	2 to 15 years
Plant and Equipment	5 to 15 years
Infrastructure	10 to 40 years

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2010 TO 28 FEBRUARY 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Impairment

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 "Impairment of Assets" and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

At the time of preparing this report, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2011.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on the Monthly Statement of Financial Position from a budgetary perspective.

(l) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Employee Benefits

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

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

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

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

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

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2010 TO 28 FEBRUARY 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) **Interest-bearing Loans and Borrowings**

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

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

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

Borrowing Costs

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

(o) **Provisions**

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

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

(p) **Current and Non-Current Classification**

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

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY FOR THE PERIOD 1 JULY 2010 TO 28 FEBRUARY 2011

2. STATEMENT OF OBJECTIVE

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

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

GOVERNANCE

Includes costs and revenues associated with the President and Councillors in the exercise of their obligations as a governing body. Items of expenditure include conference, travel, meeting attendance fees, presidential allowance, receptions, donations, subscriptions and phone rentals. Costs of advertising and conducting elections are also included. Revenues include election nomination fees and reimbursements by members for private expenses.

An administration cost is also allocated which enables staff to process Council Meeting procedures, implement all government decisions and conduct Council meetings. Cost of conducting audit of Council books of accounts and procedures is also include under this heading.

GENERAL PURPOSE FUNDING

1 Rates

- (a) GRV (gross rental value) refers to property rates for Leonora, Gwalia, Leinster and Agnew town sites and operational mines and associated infrastructure.
- (b) UV (unimproved value) refers to mining properties and tenements (other than mines and other associated infrastructure) and includes prospecting licences, exploration licences and mining leases. It also refers to broad acre rural pastoral properties.
- (c) Additional rates and rates written back refer mainly to mining rates where tenements are granted or surrendered following the adoption of the budget.
- (d) Administration charge refers to the charge levied on ratepayers electing to make payment of rates on the offered instalment plan and is based on the actual cost involved in administering this process
- (e) Administration costs allocated are the costs of maintaining records, levying and collecting all rates.

2 Grants

- (a) Grants Commission - a general purpose grant allocated annually by the Federal Government to all local governments. The amount is determined by various formulae devised by the Grants Commission, with a significant component being based on population.
- (b) Roads Grant - An untied road grant allocated by the Federal Government and again distributed by the Grants Commission utilising a pre-determined formula.
- (c) Administration costs allocated to grants refers to the costs associated in collection of Federal Government grants including provision and updating of data used in grants commission formula.

3 Interest from Investments

Includes interest received on surplus funds invested throughout the year from both operating and reserve accounts.

LAW, ORDER, PUBLIC SAFETY

Costs and revenues associated with animal control within the Shire and also includes fire insurance, dog control and registration.

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2010 TO 28 FEBRUARY 2011

2. STATEMENT OF OBJECTIVE (Continued)

HEALTH

Costs and revenues associated with compliance with the Health Act including inspections and approvals, food quality control, mosquito control, septic tank inspection/control, food hygiene inspection/control, contribution to doctors expenses, Royal Flying Doctor donation and notification of disease.

EDUCATION AND WELFARE

Provision of support for education and aged and disabled facilities within the district for the betterment of the residents.

HOUSING

Costs of maintaining Council owned accommodation units and collection of rentals paid by staff for use of those buildings. Costs that can be accurately attributed to other programs are allocated. Revenue associated with a State Government owned house by way of loan repayments to Council are also included.

Accommodation units include 3 houses, 2 duplexes and a single persons quarters.

COMMUNITY AMENITIES

Costs of collection and disposal of domestic and commercial refuse for town site of Leonora and Gwalia and maintenance of the landfill refuse site. Revenue collection by way of an annual fee for this service which is included on rate assessment notices.

Costs associated with review and administration of Council's Town Planning Scheme.

Provision of Christmas decorations in Leonora Town site.

Operation of the Leonora Cemetery.

RECREATION AND CULTURE

Provision and maintenance of Council owned parks, gardens and grassed oval/recreation ground at Leonora and a contribution to similar facilities within Leinster town site.

Costs of operation and maintenance of a purpose built recreation centre which includes indoor basketball court, two squash courts, kitchen, gymnasium and associated facilities and revenues collected from the public for use of these facilities.

Costs of maintenance of Council owned and provided television and radio re-transmission service which includes GWN, WIN and SBS television and WAFM and ABC fine music radio.

Costs and revenues associated with the operation and maintenance of library facilities at Leonora in conjunction with the Library Board of Western Australia.

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2010 TO 28 FEBRUARY 2011

2. STATEMENT OF OBJECTIVE (Continued)

TRANSPORT

Maintenance and improvements of 1,300 kilometres of Council controlled unsealed roads, town site footpaths and streets, drainage control, street cleaning and provision and maintenance of street trees. Costs of providing electricity for steel lights in the Leonora/Gwalia town sites and maintenance of Council's works depot and associated infrastructure.

Operation, maintenance and management of Leonora Aerodrome including runways, runway lighting, tarmac and terminal building and gardens. Purchase of aviation fuel for resale to aircraft operators.

Revenues by way of landing fees and Head Tax charges charged to all aircraft with the exception of the Royal Flying Doctors Service, lease/renting of building to all users of facilities and charges for fuel supplied to aircraft.

ECONOMIC SERVICES

Costs associated with tourism promotion throughout the Shire including employment of a Curator/Promotion Officer at the Gwalia Museum and historic precinct.

Contribution to employment of a Goldfields/Esperance Development Officer operating from Shire Offices - Leonora.

Costs and revenues associated with building control under building regulations, including inspections and issuing building permits.

OTHER PROPERTY & SERVICES

Costs and revenues for private hire of Council machinery and operators for completion of private works for ratepayers and others.

Costing allocation pools including administration, overheads, plant operation costs and salaries and wages which are all individually detailed and then allocated throughout all previously mentioned operating activities, works and services.

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2010 TO 28 FEBRUARY 2011

		28 Feb 2011 Actual \$	2010/11 Amended Budget \$
3. ACQUISITION OF ASSETS			
The following assets have been acquired during the period under review:			
<u>By Program</u>			
Law, Order, Public Safety			
Ranger Vehicle	PE	36,852	35,000
Health			
Health Vehicle	PE	42,271	42,271
Doctor Vehicle	PE	42,271	42,271
Education and Welfare			
Youth Centre Refurbishment	LB	13,225	150,000
Utility Youth Officer	PE	21,082	30,000
Housing			
1260 Fitzgerald St - Shed	LB	6,644	32,000
1260 Fitzgerald St - furniture	FE	1,430	0
Community Amenities			
Izuzu Garbage Truck	PE	0	0
Cemetery Entrance	LB	0	75,000
Underground Power Industrial Subdivision	IO	644,333	970,000
Caravan Toilet Dump	LB	0	40,000
Recreation and Culture			
Oval Sports Facility	FE	8,718	20,000
Leonora Lawn Bowling Field	LB	1,236,525	2,277,173
Oval Caretakers Residence/fence	LB	15,353	10,000
Transport			
Leonora Nambi Seal	IR	4,574	323,243
Manager Works Vehicle	PE	50,784	50,784
Ford Ranger	PE	0	35,000
Cat Grader	PE	7,955	410,000
Airport Fuel Facility	IO	0	0
Other Property and Services			
Ford Ranger	PE	36,852	0
CEO Vehicle	PE	48,811	48,811
DCEO Vehicle	PE	42,271	42,271
		<u>2,259,951</u>	<u>4,633,824</u>

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2010 TO 28 FEBRUARY 2011

3. ACQUISITION OF ASSETS (Continued)	28 Feb 2011 Actual \$	2010/11 Amended Budget \$
 <u>By Class</u>		
Land for Resale	LR 0	0
Land and Buildings	LB 1,271,747	3,554,173
Infrastructure Assets - Roads	IR 4,574	323,243
Infrastructure Assets - Other	IO 644,333	0
Plant and Equipment	PE 329,149	736,408
Furniture and Equipment	FE 10,148	20,000
	<u>2,259,951</u>	<u>4,633,824</u>

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2010 TO 28 FEBRUARY 2011

4. DISPOSALS OF ASSETS

<u>By Program</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	28 Feb 2011 Actual \$	28 Feb 2011 Actual \$	28 Feb 2011 Actual \$
Health			
Health Vehicle	33,588	27,273	(6,315)
Doctor Vehicle	33,159	29,091	(4,068)
Transport			
Manager Works Vehicle	33,931	22,727	(11,204)
Ford Ranger	27,878	20,000	(7,878)
Ford Ranger	27,916	20,000	(7,916)
Other Property & Services			
CEO Vehicle	41,470	35,000	(6,470)
DCEO Vehicle	33,333	27,273	(6,060)
	231,275	181,364	(49,911)

<u>By Class</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	28 Feb 2011 Actual \$	28 Feb 2011 Actual \$	28 Feb 2011 Actual \$
Plant & Equipment			
Health Vehicle	33,588	27,273	(6,315)
Manager Works Vehicle	33,931	22,727	(11,204)
Ford Ranger	27,878	20,000	(7,878)
Ford Ranger	27,916	20,000	(7,916)
CEO Vehicle	41,470	35,000	(6,470)
Doctor Vehicle	33,159	29,091	(4,068)
DCEO Vehicle	33,333	27,273	(6,060)
	231,275	181,364	(49,911)

<u>Summary</u>	2010/11 \$
Profit on Asset Disposals	0
Loss on Asset Disposals	(49,911)
	<u>(49,911)</u>

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2010 TO 28 FEBRUARY 2011

5. INFORMATION ON BORROWINGS

(a) **Debenture Repayments**

The Shire of Leonora has no borrowings.

(b) **New Debentures 2010/11**

No new debentures were raised during the reporting period.

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2010 TO 28 FEBRUARY 2011

	28 Feb 2011 Actual \$	2010/11 Amended Budget \$
6. RESERVES		
Cash Backed Reserves		
(a) Long Service Leave Reserve		
Opening Balance	123,196	123,196
Amount Set Aside / Transfer to Reserve	3,831	0
Amount Used / Transfer from Reserve	0	0
	<u>127,027</u>	<u>123,196</u>
(b) Fire Disaster Reserve		
Opening Balance	12,115	12,115
Amount Set Aside / Transfer to Reserve	3,699	2,000
Amount Used / Transfer from Reserve	(3,323)	0
	<u>12,491</u>	<u>14,115</u>
(c) Plant Purchase Reserve		
Opening Balance	992	992
Amount Set Aside / Transfer to Reserve	0	0
Amount Used / Transfer from Reserve	0	0
	<u>992</u>	<u>992</u>
(d) Bowling Green Reserve		
Opening Balance	1,001,642	1,001,642
Amount Set Aside / Transfer to Reserve	31,144	0
Amount Used / Transfer from Reserve	0	(1,000,000)
	<u>1,032,786</u>	<u>1,642</u>
(e) Annual Leave Capital Reserve		
Opening Balance	115,482	115,482
Amount Set Aside / Transfer to Reserve	3,590	0
Amount Used / Transfer from Reserve	0	0
	<u>119,072</u>	<u>115,482</u>
Total Reserves	<u>1,292,368</u>	<u>255,427</u>

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

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2010 TO 28 FEBRUARY 2011

	28 Feb 2011 Actual \$	2010/11 Amended Budget \$
6. RESERVES (Continued)		
Summary of Transfers To Cash Backed Reserves		
Transfers to Reserves		
Long Service Leave Reserve	3,831	0
Fire Disaster Reserve	3,699	2,000
Plant Purchase Reserve	0	0
Bowling Green Reserve	31,144	0
Annual Leave Reserve	3,590	0
	<u>42,264</u>	<u>2,000</u>
Transfers from Reserves		
Long Service Leave Reserve	0	0
Fire Disaster Reserve	(3,323)	0
Plant Purchase Reserve	0	0
Bowling Green Reserve	0	(1,000,000)
Annual Leave Reserve	0	0
	<u>(3,323)</u>	<u>(1,000,000)</u>
Total Transfer to/(from) Reserves	<u>38,941</u>	<u>(998,000)</u>

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

Long Service Leave Reserve

- This reserve is to offset Council's leave liability to it's employees.

Fire Disaster Reserve

- This reserve will assist in the provision of emergency contingencies in the case of fire disaster.

Plant Replacement Reserve

- to be used for the purchase of major plant.

Bowling Green Reserve

- to be used for the maintenance of the bowling green.

Annual Leave Reserve

- This reserve is to offset Council's annual leave liability to it's employees.

None of the above reserves are expected to be used within a set period as further transfers to the reserve accounts are expected before funds are utilised.

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2010 TO 28 FEBRUARY 2011

	28 Feb 2011 Actual \$	Brought Forward 1-Jul \$
7. NET CURRENT ASSETS		
Composition of Estimated Net Current Asset Position		
CURRENT ASSETS		
Cash - Unrestricted	1,636,044	505,432
Cash - Restricted	1,292,368	1,253,427
Receivables	537,269	368,413
Inventories	59,020	40,645
	<u>3,524,701</u>	<u>2,167,917</u>
LESS: CURRENT LIABILITIES		
Payables and Provisions	<u>(220,058)</u>	<u>(217,955)</u>
NET CURRENT ASSET POSITION	3,304,643	1,949,962
Less: Cash - Reserves - Restricted	(1,292,368)	(1,253,427)
NET CURRENT ASSET POSITION	<u>2,012,275</u>	<u>696,535</u>

SHIRE OF LEONORA

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2010 TO 28 FEBRUARY 2011

8. RATING INFORMATION

<u>RATE TYPE</u>	Rate In \$	Number of Properties	Rateable Value \$	2010/11 Rate Revenue \$	2010/11 Interim Rates \$	2010/11 Back Rates \$	2010/11 Total Revenue \$	2010/11 Amended Budget \$
Differential General Rate								
GRV	0.0545	574	15,330,862	835,532	51,520	0	887,052	835,531
UV Pastoral	0.0450	26	1,239,156	55,762	0	0	55,762	56,762
UV Other	0.1200	1,185	27,581,983	3,309,838	13,512	0	3,323,350	3,443,328
Sub-Totals		1,785	44,152,001	4,201,132	65,032	0	4,266,164	4,335,621
Minimum Rates								
GRV	250	100	138,068	25,000	327	0	25,327	24,500
UV Pastoral	250	4	15,156	1,000	533	0	1,533	267,000
UV Other	250	1,028	1,160,752	257,000	22,881	0	279,881	1,000
Sub-Totals		1,132	1,313,976	283,000	23,741	0	306,741	282,500
Write-offs Totals							4,572,905	4,618,121
							(2,910)	(100,000)
							4,569,995	4,518,121

All land except exempt land in the Shire of Leonora is rated according to its Gross Rental Value (GRV) in town sites or Unimproved Value (UV) in the remainder of the Shire

The general rates detailed above for the 2010/11 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also bearing considering the extent of any increase in rating over the level adopted in the previous year.

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

SHIRE OF LEONORA
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2010 TO 28 FEBRUARY 2011

9. TRUST FUNDS

Council holds no funds on behalf of other entities

Shire of Leonora
Material Variances as at 28th February 2011

Variances 2010/11 Budget to Actual
Month Ended 28/02/2011

In accordance with your adopted policy (\$15000.00 Variance) the following accounts are reported for your information.

ACCOUNT	NAME	ACTUAL	Year To Date BUDGET	DIFFERENCE	REASON FOR VARIATION
Income					
1030008	Rates - Additional GRV	51,842.97	0.00	\$ 51,842.97	More new assessments and valuation increases than anticipated
1030009	Rates - Additional UV	51,504.63	88,243.00	\$ (36,738.37)	Less tenement grants and valuation increases than anticipated
1030011	Rates - Mining Written Back	(17,381.18)	(88,688.00)	\$ 51,286.81	Less tenement deaths and valuation decreases than anticipated
1030022	Interest Revenue - Municipal	42,231.38	16,668.00	\$ 25,563.38	Good rate collection has contributed to higher than expected interest payments
1030023	Interest Revenue - Reserves	38,943.52	6,718.00	\$ 32,225.52	Investments not required to be called upon as early as expected (more interest)
1041430	Structural Reform Funding	0.00	40,000.00	\$ (40,000.00)	Funding not yet requested
1080008	Childcare Centre Income	22,697.60	43,332.00	\$ (20,734.40)	Fewer enrolments/placements this year. Promotional efforts undertaken to increase
1080012	Youth Centre Refurbishment Gr	50,048.38	150,000.00	\$ (99,951.62)	Some grants starting to flow through, other applications still pending
1107457	Gain on Sale Of Assets	0.00	230,492.00	\$ (230,492.00)	Garbage Truck no longer being sold, industrial land sales to occur later this year
1114482	Grant - Bowling Club (State)	30,000.00	535,000.00	\$ (505,000.00)	\$100k misallocated (A/C 1030028) remainder not yet drawn down from CLGF
1114484	Grant - Netball/Tennis Courts	0.00	37,366.00	\$ (37,366.00)	Funds not yet requested (work not yet carried out)
1116413	Grant - Telecentre Wages	0.00	32,000.00	\$ (32,000.00)	Audited statements to be forwarded to DLG prior to funds being released
1122054	Grant - RRG Improvement Old	0.00	67,557.00	\$ (67,557.00)	Recoup not yet submitted, therefore funds not yet received
1122055	Grant - RRG Improvement Leo	0.00	47,144.00	\$ (47,144.00)	Recoup not yet submitted, therefore funds not yet received
1122056	Grant - Blackspot	0.00	100,000.00	\$ (100,000.00)	Recoup not yet submitted, therefore funds not yet received
1122200	Grant - MRWA Direct	0.00	94,000.00	\$ (94,000.00)	Recoup not yet submitted, therefore funds not yet received
1122208	Kurralong St Lighting	0.00	35,000.00	\$ (35,000.00)	Subject to grant approval - e.g. Crime Prevention (submission not yet prepared)
1122300	Gain on Disposal of Assets	0.00	73,000.00	\$ (73,000.00)	Grader, other vehicles not yet purchased
1126415	Passenger Head Tax	154,270.00	133,332.00	\$ 20,938.00	Increased aircraft movements than budget estimates
1129410	Fees Landing at Airport	88,786.82	55,332.00	\$ 33,454.82	Increased aircraft movements than budget estimates
1134	Gwalia Historical Precinct	32,734.52	0.00	\$ 32,734.52	Income now processed through Shire accounts since September 2010
1136488	Cont to Gold Plant Feas Study	0.00	33,332.00	\$ (33,332.00)	Subject to grant approval - GVRDC or other source (also delay in timing of project)
1132002	Contribution Golden Gift	44,800.00	0.00	\$ 44,800.00	Income received earlier than anticipated
1136497	Land Conservation Grant	0.00	18,000.00	\$ (18,000.00)	Alteration to timing of original programme
1146500	Suspense	263,596.91	0.00	\$ 263,596.91	This item is balanced out with A/C E149939 (used for short term transactions only)
1141450	Charges - plant hire	465,866.22	66,668.00	\$ 399,198.22	More private works than budget estimate
		<u>\$ 1,299,839.54</u>	<u>\$ 1,834,516.00</u>	<u>\$(534,676.46)</u>	
Expenditure					
E041030	Conference Expenses	20,867.07	38,000.00	\$ (17,132.93)	Alteration to timing of original programme
E041187	Strategic Plan Development	0.00	60,000.00	\$ (60,000.00)	Alteration to timing of original programme
E080005	Childcare Centre Salaries	60,876.29	94,688.00	\$ (33,811.71)	Have been operating most of the year with one less staff member
E101030	Refuse site maintenance	7,870.73	33,332.00	\$ (25,461.27)	Alteration in timing of original programme
E102020	Commercial Refuse Collection	30,548.95	12,000.00	\$ 18,548.95	Investigation required to ascertain if increase in costs should be billed out
E108010	Town Planning Expenses	345.00	16,668.00	\$ (16,323.00)	Alteration to timing of original programme
E113030	Parks and Gardens	34,289.65	56,888.00	\$ (22,598.35)	Alteration to timing of original programme
E113050	Sporting Leonora	18,547.87	40,000.00	\$ (21,452.13)	Not all groups have fully utilised their approved grant yet
E113060	Sporting Leinster	8,262.90	40,000.00	\$ (31,737.10)	Not all groups have fully utilised their approved grant yet
E113092	Swimming Pool Maintenance	45,309.13	73,332.00	\$ (28,022.87)	Alteration to timing of original programme
E114290	Salaries and Wages (Rec Cent)	30,632.08	66,666.00	\$ (36,033.92)	Have been operating this year to date with one only employee
E114352	Tennis/netball Resurface	0.00	82,275.00	\$ (82,275.00)	Alteration to timing of original programme (work not yet carried out)
E116024	Telecentre General Expense	33,858.88	10,000.00	\$ 23,858.88	Purchasing consumables and equipment as per successful grant applications
E122043	Road Maintenance Bush Grad	153,065.45	186,666.00	\$ (33,600.55)	Alteration to timing of original programme
E122180	Street trees & watering	45,165.30	83,332.00	\$ (38,166.70)	Alteration to timing of original programme
E122189	Street Lighting Kurralong Stree	0.00	23,332.00	\$ (23,332.00)	Alteration to timing of original programme
E122202	Grant Blackspot MRWA	13,819.99	150,000.00	\$ (136,180.01)	Alteration to timing of original programme
E122203	Grant RRG-Old Agnew	0.00	101,335.00	\$ (101,335.00)	Alteration to timing of original programme
E122205	Leinster Annew Shoulder Grad	0.00	80,000.00	\$ (80,000.00)	Alteration to timing of original programme
E122298	Depreciation Expense Depot	163,875.64	133,332.00	\$ 30,543.64	Review of allocation rates required
E132041	Donation - Leonora Tourism	1,470.35	67,500.00	\$ (66,029.65)	Now funded by Shire, instead of one off payment
E134	Gwalia Historical Precinct	91,079.88	0.00	\$ 91,079.88	Now managed by Shire, A/C E132041 & E132093 will be reallocated at budget review
E132078	Leonora Golden Gift	47,725.65	0.00	\$ 47,725.65	Residual Expenses
E132076	NG Tourism Working Group	18,455.45	54,488.00	\$ (36,032.55)	Alteration to timing of original programme
E132082	Interpretative Garden Project	0.00	30,688.00	\$ (30,688.00)	Project may no longer proceed (savings to be utilised with another project)
E132080	Admin Allocation	36,804.04	69,810.00	\$ (33,005.96)	Evidence that admin allocation rate requires review
E132083	Hoover Museum - Salary Subst	33,650.53	20,000.00	\$ 13,650.53	Wages now processed through Shire, this account to be reallocated at budget review
E132095	Regional Tourism Marketing	20,872.00	0.00	\$ 20,872.00	Reallocation required to account E132075
E132097	Italian Girls - Gwalia	69,000.00	23,000.00	\$ 46,000.00	Alteration to timing of original programme (paid in one lump sum, not instalments)
E132044	Legal Fees LGHM	0.00	20,000.00	\$ (20,000.00)	Now run through Shire, expenses allocated to E134
E132064	Leonora Information Centre	35,756.94	10,500.00	\$ 25,256.94	Some reallocation required to other schedules, as well as income offset (Info Centre)
E136042	Gold Treat Feasibility Study	0.00	66,668.00	\$ (66,668.00)	Alteration to timing of original programme (grant not yet applied for)
E132094	Info Centre Wages	0.00	20,000.00	\$ (20,000.00)	Alteration to timing of original programme (allocated against other accounts)
E141010	Private Works	422,281.55	46,888.00	\$ 375,393.55	More private works than budget estimate
E142012	Annual Leave Admin	0.00	22,000.00	\$ (22,000.00)	Usually calculated and allocated at year end
E142144	Consultants Fees	31,971.96	10,000.00	\$ 21,971.96	Some reallocation required to other schedules
E143040	Insurance on Works	170,288.72	113,332.00	\$ 56,956.72	Paid in one lump sum (no instalments)
E144010	Fuels and Oils	126,431.75	108,668.00	\$ 17,763.75	Alteration to timing of original programme
E144290	Less POC Allocated to Project	(302,025.22)	(246,000.00)	\$ (56,025.22)	More reasonable after review, some further refinements still required
E148288	Depreciation Expense - Plant/E	55,921.07	80,668.00	\$ (24,746.93)	Rates are not reflective of actual depreciation cost
E148299	Less Depn Allocated to Project	(65,647.59)	(80,668.00)	\$ 15,020.41	Rates are too high and therefore not reflecting actual depreciation cost
E149999	Suspense Account	280,081.50	0.00	\$ 280,081.50	This item is balanced out with A/C E145500 (used for short term transactions only)
		<u>\$ 1,719,850.31</u>	<u>\$ 1,799,690.00</u>	<u>\$ (79,839.69)</u>	

