

TOWN OF PORT HEDLAND
STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2019

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COMMUNITY VISION

To be Australia's leading Port Town embracing community, culture and environment.

Principal place of business:
Civic Centre
McGregor St
Port Hedland WA 6721

TOWN OF PORT HEDLAND
STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2019
By Nature & Type

	Amended 2018/19 Budget	YTD Budget (a)	YTD Actual (b)	Var \$ (b)-(a)	Var % (b)-(a)/(a)
	\$	\$	\$	\$	%
Opening Funding Surplus(Deficit)	1,101,592	1,101,592	7,139,680		
Revenue from operating activities					
Rates	30,227,659	30,227,659	36,229,294	6,001,635	20%
Operating grants, subsidies and contributions	2,526,450	1,473,763	1,419,464	(54,298)	(4%)
Fees and charges	10,567,936	6,164,629	7,367,246	1,202,616	20%
Interest earnings	6,659,437	3,884,672	4,213,298	328,627	8%
Internal Revenue	-	-	152,985	152,985	N/A
Other revenue	970,112	565,899	1,490,179	924,280	163%
	50,951,594	42,316,621	50,872,466	8,555,845	
Expenditure from operating activities					
Employee costs	(18,841,532)	(10,990,894)	(9,751,182)	1,239,712	11%
Materials and contracts	(23,907,186)	(13,945,859)	(7,088,474)	6,857,384	49%
Utility charges (electricity, gas, water etc.)	(2,723,361)	(1,588,627)	(1,351,656)	236,971	15%
Depreciation on non-current assets	(14,259,481)	(8,318,031)	(8,318,031)	-	0%
Interest expense	(1,131,047)	(659,777)	(305,018)	354,760	54%
Insurance expense	(816,535)	(476,312)	(453,919)	22,393	5%
Internal expenditure	-	-	(146,732)	(146,732)	N/A
Other expenditure	(1,749,134)	(1,020,328)	(1,546,132)	(525,804)	(52%)
Loss on disposal of assets	(14,127)	(8,241)	(358,566)	(350,325)	(4,251%)
	(63,442,403)	(37,008,068)	(29,319,709)	7,688,360	
Operating activities excluded from budget					
Add back Depreciation	14,259,481	8,318,031	8,318,031	-	0%
Adjust (Profit)/Loss on Disposal	14,127	8,241	358,566	350,325	4,251%
Adjustment of WDV for land held for sale	-	-	842,194	842,194	N/A
Transfer to/(from) Non current	(924,160)	(539,093)	-	539,093	(100%)
Amount attributable to operating activities	858,639	13,095,731	31,071,548	17,133,623	
Investing activities					
Grants, Subsidies and Contributions	2,340,242	1,365,141	545,019	(820,123)	(60%)
Proceeds from Disposal of Assets	1,591,000	928,083	355,366	(572,718)	(62%)
Capital Works	(15,272,102)	(6,078,101)	(4,625,938)	1,452,163	24%
Amount attributable to investing activities	(11,340,860)	(3,784,877)	(3,725,554)	59,323	
Financing activities					
Proceeds from self supporting loans	69,006	40,254	37,688	(2,565)	6%
Transfer from Reserves	16,511,038	2,101,925	2,101,925	-	0%
Transfer to Reserves	(5,793,889)	(8,289,673)	(8,289,673)	-	0%
Repayment of Debentures	(1,119,869)	(653,257)	(556,731)	96,526	15%
Amount attributable to financing activities	9,666,286	(6,800,751)	(6,706,791)	93,961	
Closing Funding Surplus(Deficit)	285,657	3,611,695	27,778,883		

Notes:

The amended budget reflects changes adopted by Council since the original budget was adopted on 7 September 2018. The mid-year budget review will be completed in February 2019.

The budget profile for Reserves will be adjusted during mid-year review

WDV - Written down value

TOWN OF PORT HEDLAND
STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2019
By Program

	Amended 2018/19 Budget	YTD Budget (a)	YTD Actual (b)	Var \$ (b)-(a)	Var % (b)-(a)/(a)
	\$	\$	\$	\$	%
Opening Funding Surplus(Deficit)	1,101,592	1,101,592	7,139,680		
Revenue from operating activities					
General Purpose Funding - Rates	30,227,659	30,227,659	36,229,294	6,001,635	20%
General Purpose Funding - Other	9,234,058	5,386,534	3,912,365	(1,474,168)	(27%)
Law, Order, Public Safety	370,832	216,319	399,031	182,712	84%
Health	468,051	273,030	229,463	(43,567)	(16%)
Education and Welfare	169,872	99,092	153,819	54,727	55%
Housing	19,000	11,083	718,462	707,379	6,382%
Community amenities	7,747,230	4,519,218	6,201,778	1,682,560	37%
Recreation and Culture	1,688,791	985,128	1,480,939	495,811	50%
Transport	374,090	218,219	172,448	(45,771)	(21%)
Economic Services	234,641	136,874	1,042,012	905,138	661%
Other Property and Services	417,370	243,466	332,855	89,389	37%
	50,951,594	42,316,621	50,872,466	8,555,845	
Expenditure from operating activities					
Governance	(3,321,152)	(1,937,339)	(1,699,738)	237,601	12%
General Purpose Funding	(237,812)	(138,724)	(489,251)	(350,528)	(253%)
Law, Order, Public Safety	(2,375,642)	(1,385,791)	(895,145)	490,646	35%
Health	(1,165,664)	(679,971)	(448,766)	231,204	34%
Education and Welfare	(2,780,184)	(1,621,774)	(1,011,607)	610,167	38%
Housing	(796,873)	(464,843)	(366,472)	98,370	21%
Community amenities	(8,203,066)	(4,785,122)	(4,073,467)	711,655	15%
Recreation and Culture	(20,838,986)	(12,156,075)	(10,255,822)	1,900,253	16%
Transport	(22,561,866)	(13,161,089)	(7,938,742)	5,222,346	40%
Economic Services	(776,509)	(452,964)	(991,109)	(538,145)	(119%)
Other Property and Services	(384,649)	(224,379)	(1,149,588)	(925,209)	(412%)
	(63,442,403)	(37,008,068)	(29,319,709)	7,688,360	
Operating activities excluded from budget					
Add back Depreciation	14,259,481	8,318,031	8,318,031	-	0%
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TOWN OF PORT HEDLAND
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2019

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

This statement comprises a special purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this statement are presented below and have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Critical Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

(b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in this statement. In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated. All monies held in the Trust Fund are excluded from the statement, but a separate statement of those monies appears at Note 11.

(c) Rounding Off Figures

All figures shown in this statement are rounded to the nearest dollar.

(d) Rates, Grants, Donations and Other Contributions

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

(e) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other

short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

(g) Trade and Other Receivables

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

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

(h) Inventories

General

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

Land Held for Resale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed. Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point. Land held for sale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

(i) Fixed Assets

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the local government includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead. Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

(j) Depreciation of Non-Current Assets

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

TOWN OF PORT HEDLAND
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2019

Note 1 (j) (Continued)

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

Asset	Years
Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets – formation depreciated	not
- pavement	50 years
Seal - bituminous seals	20 years
- asphalt surfaces	25 years
Gravel Roads - formation	not depreciated
- pavement	50 years
- gravel sheet	12 years
Formed roads - formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply & drainage systems	75 years

(k) Trade and Other Payables

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

(l) Employee Benefits

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

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

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

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

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

(m) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

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

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

(n) Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one of item included in the same class of obligations may be small.

(o) Current and Non-Current Classification

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

(p) Nature or Type

Classifications Rates

All rates levied under the Local Government Act 1995. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Exclude administration fees, interest on instalments, interest on arrears and service charges.

Operating Grants, Subsidies and Contributions

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

Non-Operating Grants, Subsidies and Contributions

Amounts received specifically for the acquisition, construction of new or the upgrading of noncurrent assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

Profit on Asset Disposal

Profit on the disposal of assets including gains on the disposal of long term investments.

Losses are disclosed under the expenditure classifications.

TOWN OF PORT HEDLAND
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2019

Note 1 (p) (Continued)

Fees and Charges

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

Service Charges

Service charges imposed under Division 6 of Part 6 of the Local Government Act 1995. Regulation 54 of the Local Government (Financial Management) Regulations 1996 identifies the These are television and radio broadcasting, underground electricity and neighbourhood surveillance services. Exclude rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

Interest Earnings

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

Other Revenue / Income

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates etc.

Employee Costs

All costs associate with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

Materials and Contracts

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

Utilities (Gas, Electricity, Water, etc.)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

Insurance

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

Loss on asset disposal

Loss on the disposal of fixed assets.

Depreciation on non-current assets

Depreciation expense raised on all classes of assets.

Interest expenses

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

Other expenditure

Statutory fees, taxes, provision for bad debts, member's fees or levies including WA Fire Brigade Levy and State taxes. Donations and subsidies made to community groups.

(r) Program Classifications

(Function/Activity) Governance

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

General Purpose Funding

Rates, general purpose government grants and interest revenue.

Law, Order, Public Safety

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

Health

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

Education and Welfare

Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.

Housing

Provision and maintenance of elderly residents housing.

Community Amenities

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

Recreation and Culture

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

Transport

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

Economic Services

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.

Other Property and Services

Private works operation, plant repair and operation costs and engineering operation co

TOWN OF PORT HEDLAND
STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2019

NOTE 2 - NET CURRENT ASSETS

Net Current Assets	30 June 2018	YTD 31 January 2019
	\$	\$
Current Assets		
Municipal	-	11,787,479
Reserves	232,734,813	238,922,561
Receivables - Rates	4,242,803	10,819,567
Receivables - Other	7,010,091	6,147,290
Inventories	661,441	661,441
Land held for resale	1,181,052	375,961
	245,830,200	268,714,297
Less: Current Liabilities		
Payables	(4,932,607)	(1,921,238)
Loan Liability - Current	(1,119,869)	(1,119,869)
Provisions	(16,558,964)	(16,432,570)
Less: Cash Reserves	(232,734,813)	(238,922,561)
Less: Self supporting loan receivable	(77,321)	(77,321)
Less: Land held for resale	(1,181,052)	(375,961)
Add: Current loan liability	1,119,869	1,119,869
Add: Premium PHIA prepaid	924,160	924,160
Add: Provisions employee cash backed	875,612	875,612
Add: Airport major works	14,994,465	14,994,465
Net Current Funding Position	7,139,680	27,778,883

TOWN OF PORT HEDLAND
STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2019

NOTE 3 - Capital Acquisitions

Summary Capital Acquisitions	Note	Amended 2018/19 Budget	YTD Budget	YTD Actual Total	Variance (Under)/Over
		\$	\$	\$	\$
Land and Buildings		2,218,824	867,099	793,137	73,962
Furniture and Equipment		2,006,201	457,063	157,018	300,045
Plant and Equipment		1,425,318	427,798	399,420	28,378
Infrastructure		9,621,760	4,326,141	3,276,363	1,049,778
Capital Expenditure Totals		15,272,103	6,078,101	4,625,938	1,452,163
New					
Land and Buildings		50,000	8,333	-	8,333
Furniture and Equipment		561,201	118,329	82,237	36,092
Plant and Equipment		44,318	7,386	-	7,386
Infrastructure		875,000	229,167	134,646	94,521
New Total		1,530,519	363,215	216,883	146,332
Upgrade					
Land and Buildings		170,000	11,662	480	11,182
Furniture and Equipment		485,000	89,162	-	89,162
Plant and Equipment		-	-	-	-
Infrastructure		1,990,185	1,149,019	1,124,267	24,752
Upgrade Total		2,645,185	1,249,843	1,124,747	125,096
Renewal					
Land and Buildings		1,998,824	847,104	792,657	54,447
Furniture and Equipment		960,000	249,572	74,781	174,791
Plant and Equipment		1,381,000	420,412	399,420	20,992
Infrastructure		6,756,575	2,947,955	2,017,451	930,504
Renewal Total		11,096,399	4,465,043	3,284,309	1,180,734

TOWN OF PORT HEDLAND
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For the Period Ended 31 January 2019

NOTE 3a - Capital Disposals

Asset description	YTD Actual				Adopted Budget			
	Net Book Value	Proceeds	Profit	(Loss)	Net Book Value	Proceeds	Profit	(Loss)
		\$	\$	\$		\$	\$	\$
By Program								
Economic Services	693,932	349,454	-	(344,478)	1,118,766	1,179,000	-	(9,766)
Other Property and services	20,000	5,912	-	(14,088)	416,361	412,000	-	(4,361)
	713,932	355,366	-	(358,566)	1,535,127	1,591,000	-	(14,127)
By Class								
Land and Buildings	693,932	349,454	-	(344,478)	188,766	1,179,000	-	(9,766)
Plant and Equipment	20,000	5,912	-	(14,088)	416,361	412,000	-	(4,361)
	713,932	355,366	-	(358,566)	605,127	1,591,000	-	(14,127)

TOWN OF PORT HEDLAND
STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2019

NOTE 4 - Cash and Investments

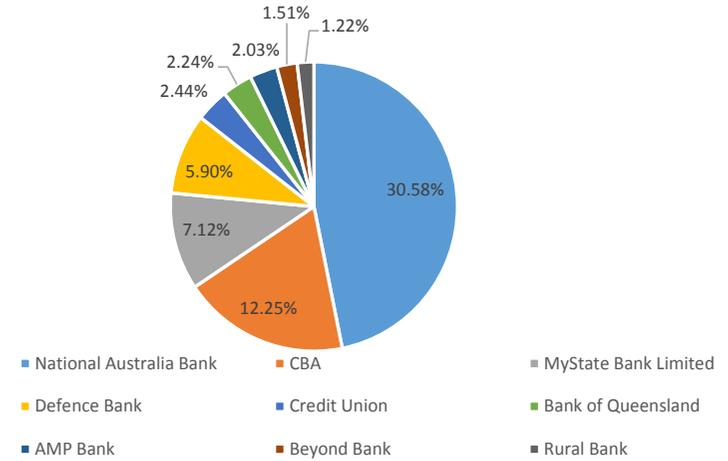
Bank Accounts	Note	Municipal	Reserves	Trust	Total
(a) Cash Deposits					
Municipal account		1,168,627			1,168,627
Other cash					-
At Call		3,710,000			3,710,000
Cash on Hand		4,275			4,275
Trust Fund Bank				183,410	183,410
Cash Restricted: Reserve Fund		1,000			1,000
					-
(b) Term Deposits					
Funds Invested: Airport Lease Proceeds	4a		168,026,138		168,026,138
Funds Invested: Pooled	4a	6,903,577	70,896,423		77,800,000
Total		11,787,479	238,922,561	183,410	250,893,449

Please refer to Note 4a for further detail

**TOWN OF PORT HEDLAND
STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2019**

NOTE 4a - Cash and Investments

Term Deposits	Amount	% of portfolio	Average Int rate
Westpac	85,339,148	34.72%	2.76%
National Australia Bank	75,162,056	30.58%	2.75%
CBA	30,124,933	12.25%	2.67%
MyState Bank Limited	17,500,000	7.12%	2.83%
Defence Bank	14,500,000	5.90%	2.83%
Credit Union	6,000,000	2.44%	2.85%
Bank of Queensland	5,500,000	2.24%	2.78%
AMP Bank	5,000,000	2.03%	2.80%
Beyond Bank	3,700,000	1.51%	2.80%
Rural Bank	3,000,000	1.22%	2.80%
Total	245,826,138	100%	



Local Government (Financial Management) Regulations 1996, Part 2 s. 6.10 Regulation 8 (3) states that money from different accounts may be placed in a common investment authorised by the Act. The *Town of Port Hedland Investment Policy* stipulates that direct investments with "A-1+" ratings can be a maximum of 100% of the portfolio. For "A-1" rated Authorised Deposit Institutions (ADI), the maximum that can be invested is 60% of the portfolio while "A-2" rated ADI, the maximum that can be invested is 20% of the portfolio.

**TOWN OF PORT HEDLAND
STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2019**

NOTE 4a - Cash and Investments

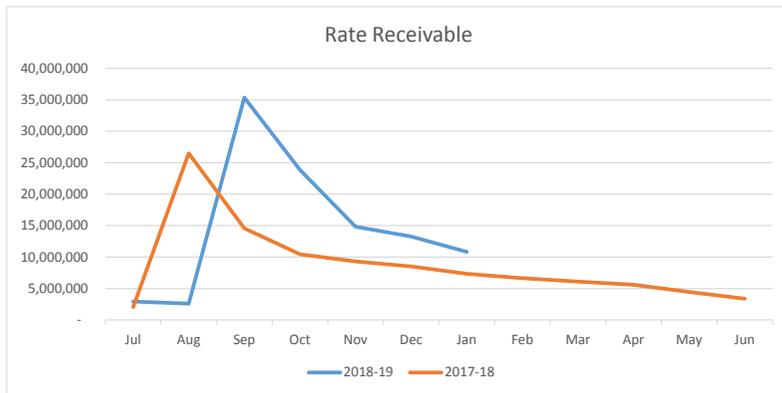
Bank accounts	Credit Rating	Principal	Interest Rate	Term	Maturity date	Interest on Maturity	% Portfolio
Rural Bank	A-2	3,000,000	2.80%	271	4/02/2019	62,367	1%
Beyond Bank	A-2	1,900,000	2.80%	184	8/02/2019	26,819	1%
Defence Bank	A-2	3,500,000	2.65%	365	27/02/2019	92,750	1%
MyState Bank Limited	A-2	5,000,000	2.83%	273	5/03/2019	105,834	2%
Credit Union	A-2	4,000,000	2.90%	243	6/03/2019	77,227	2%
National Australia Bank	A1+	2,000,000	2.80%	274	14/03/2019	42,038	1%
CBA	A1+	4,000,000	2.69%	275	6/06/2019	81,068	2%
National Australia Bank	A1+	4,000,000	2.72%	271	17/06/2019	80,780	2%
Bank of Queensland	A-2	5,500,000	2.78%	182	24/07/2019	76,241	2%
Defence Bank	A-2	5,000,000	2.85%	365	26/07/2019	142,500	2%
AMP Bank	A-1	1,500,000	2.85%	364	26/07/2019	42,633	1%
Credit Union	A-2	2,000,000	2.80%	243	20/08/2019	37,282	1%
National Australia Bank	A1+	4,000,000	2.72%	365	2/10/2019	108,800	2%
National Australia Bank	A1+	8,000,000	2.74%	365	11/10/2019	219,200	3%
National Australia Bank	A1+	7,400,000	2.75%	365	15/10/2019	203,500	3%
MyState Bank Limited	A-2	5,000,000	2.80%	364	4/11/2019	139,616	2%
National Australia Bank	A1+	5,000,000	2.72%	364	4/11/2019	135,627	2%
MyState Bank Limited	A-2	3,000,000	2.82%	365	13/11/2019	84,600	1%
Beyond Bank	A-2	1,800,000	2.80%	365	29/11/2019	50,400	1%
National Australia Bank	A1+	1,200,000	2.70%	365	29/11/2019	32,400	0%
Defence Bank	A-2	1,000,000	2.90%	365	10/12/2019	29,000	0%
PHA Westpac	A1+	21,012,403	2.74%	90	7/03/2019	141,963	9%
PHA National Australia Bank	A1+	5,175,536	2.80%	273	12/03/2019	108,388	2%
PHA National Australia Bank	A1+	12,864,576	2.80%	273	12/03/2019	269,416	5%
PHA CBA	A1+	26,124,933	2.65%	365	15/03/2019	692,311	11%
PHA Westpac	A1+	64,326,745	2.78%	121	11/04/2019	592,828	26%
PHA AMP Bank	A-1	3,500,000	2.75%	240	9/08/2018	63,551	1%
PHA National Australia Bank	A1+	25,521,944	2.73%	274	11/09/2019	523,039	10%
PHA Defence Bank	A-2	5,000,000	2.90%	365	10/12/2019	71,904	2%
PHA MyState Bank Limited	A-2	4,500,000	2.85%	365	11/12/2019	63,949	2%
Total		245,826,138				4,334,085	

PHA Investment of the proceeds from the advance payment of the 50 year lease of the Port Hedland International Airport, as per Council Resolution 201516/257.

TOWN OF PORT HEDLAND
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2019

NOTE 5 - Current Receivables

Receivables - Rates and Other Rates Receivable	YTD 31 January 2019	30 June 2018
	\$	\$
Opening Arrears Previous Years	4,242,803	2,754,662
Levied this year	36,249,730	25,771,302
<u>Less</u> rates written off	(20,437)	-
<u>Less</u> collections to date	(29,652,530)	(24,283,161)
Equals Current Outstanding	10,819,567	4,242,803
	10,819,567	4,242,803
% Collected	73%	85%



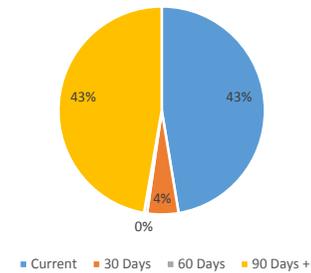
Receivables - General	Credit	Current	30 Days	60 Days	90 Days +**	Total
	\$	\$	\$	\$	\$	\$
Receivables - General*	(2,632)	1,165,141	100,720	9,792	974,964	2,247,986
Balances per Trial Balance						
Sundry Debtors						2,247,986
Prepayments						629,531
Receivables - Other						1,663,872
Accruals						2,223,317
Self Supporting Loan						77,321
Provision for Doubtful Debts						(694,737)
Total Receivables General Outstanding						6,147,290

Amounts shown above include GST (where applicable)

*Includes underground power charges

** 77% of aged debtors over 90 days relates to Mia Mia which is in Liquidation. The corresponding amount will be transferred to provision for doubtful debts.

Receivables - General*



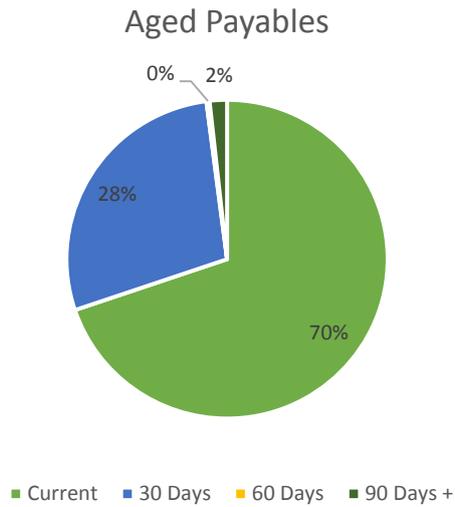
TOWN OF PORT HEDLAND
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2019

NOTE 6 - Current Payables

Payables	Credit	Current	30 Days	60 Days	90 Days +	Total
	\$					
Payables - General		328,164	132,114	(1,509)	8,198	466,968
Balances per Trial Balance						
Sundry Payables						466,968
Payables - Other						
Other Payables*						1,026,019
Income Received in Advance						924,160
ATO Liability						(512,987)
Sundry Suspense						17,078
Total Payables - Other						1,454,271
Total Payables						1,921,238

Amounts shown above include GST (where applicable)

*This amount is attributed to ESL levy



TOWN OF PORT HEDLAND
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2019

NOTE 7 - Cash backed reserves

Reserves	Actual Opening Balance	Adpoted Budget Transfers in (+)	Adopted Budget Transfers Out (-)	Adopted Budget Closing Balance	Actual Transfers in (+)	Actual Transfers Out (-)	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$
Financial Risk Reserve	-	3,000,000	-	3,000,000	3,000,000	-	3,000,000
Asset Management - Community Facilities and Infrastructure Reserve	2,099,467	2,179,000	(1,209,073)	3,069,394	730,843	(401,049)	2,429,261
Staff Housing Reserve	276,354	-	(276,354)	0.15	349,454	(214,999)	410,809
Employee Leave Reserve	875,612	-	-	875,612	-	-	875,612
Plant Reserve	2,454,835	612,039	(1,013,318)	2,053,556	-	(399,362)	2,055,472
Unfinished Works & Committed Works Reserve	1,463,995	-	(1,336,377)	127,618	-	(100,012)	1,363,982
Insurance Reserve	123,826	-	(123,826)	0.14	-	-	123,826
Developer Contributions - Car Parking and Public Open Space Reserve	259,269	-	-	259,269	-	-	259,269
Airport Reserve	14,975,559	-	(10,684,795)	4,290,764	-	(181,311)	14,794,248
Spoilbank Reserve	37,568,502	-	(110,000)	37,458,502	-	(47,114)	37,521,388
GP Housing	184,728	-	-	184,728	-	-	184,728
Waste Management Reserve	7,652,244	-	(1,445,000)	6,207,244	-	(748,077)	6,904,167
Strategic Reserve	499,645	-	-	499,645	-	-	499,645
Unspent Grants, Loans & Contributions Reserve	392,486	-	(13,000)	379,486	-	(10,000)	382,486
PHIA Long Term Lease Proceeds Reserve	168,026,137	-	-	168,026,137	-	-	168,026,137
Cyclone Emergency Support Response	80,410	-	-	80,410	-	-	80,410
Historical Reserve	11,123	2,850	-	13,973	-	-	11,123
Unallocated Internal Overdraft Facility	(4,209,376)	-	-	-	4,209,376	-	-
Total	232,734,813	5,793,889	(16,211,743)	226,526,335	8,289,673	(2,101,925)	238,922,561

TOWN OF PORT HEDLAND
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2019

NOTE 8 - Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	YTD Actual			Amended Budget			Total Budgeted Revenue	
				Rate revenue	Interim Rates	Back Rates	Rate revenue	Interim rates	Back rates		
	\$		\$	\$	\$	\$	\$	\$	\$	\$	
Differential Rate											
GRV Residential	9.3483	4,475	110,260,608	10,307,492	-	-	10,307,492	10,307,492	50,000	-	10,357,492
Commercial / Industrial	9.3483	497	48,284,976	4,513,824	-	-	4,513,824	4,513,824	-	-	4,513,824
Commercial / Industrial - Vacant	14.0225	11	564,830	79,203	-	-	79,203	79,203	-	-	79,203
Mass Accommodation	32.6058	8	10,753,600	3,506,297	-	-	3,506,297	3,506,297	-	-	3,506,297
Tourist Accommodation	22.3154	10	3,687,760	822,938	-	-	822,938	822,938	-	-	822,938
UV Pastoral	10.7558	9	1,118,424	120,295	-	-	120,295	120,295	-	-	120,295
Mining	37.1665	331	3,612,363	1,342,589	-	-	1,342,589	1,342,589	-	-	1,342,589
Other	19.1760	24	34,529,500	6,621,377	5,791,955	-	12,413,332	6,621,377	-	-	6,621,377
Sub-Totals		5,365	212,812,061	27,314,015	5,791,955	-	33,105,970	27,314,015	50,000	-	27,364,015
											-
Minimum											
Minimum payment	\$										-
GRV Residential	1,300	1,422	17,353,702	1,848,600	-	-	1,848,600	1,848,600	-	-	1,848,600
Residential - Vacant	1,900	454	856,733	862,600	-	-	862,600	862,600	-	-	862,600
Commercial / Industrial	1,900	117	1,501,862	222,300	-	-	222,300	222,300	-	-	222,300
Commercial / Industrial - Vacant	1,900	90	171,000	171,000	-	-	171,000	171,000	-	-	171,000
Mass Accommodation	1,900	-	-	-	-	-	-	0	-	-	-
Tourist Accommodation	1,900	-	-	-	-	-	-	0	-	-	-
UV Pastoral	1,900	1	17,000	1,900	-	-	1,900	1,900	-	-	1,900
Mining	270	68	34,569	18,360	-	-	18,360	18,360	45,900	-	64,260
Other	1,900	10	4,047	19,000	-	-	19,000	19,000	-	-	19,000
Sub-Totals		2,162	19,938,913	3,143,760	-	-	3,143,760	3,143,760	45,900	-	3,189,660
											-
											7,527
											232,750,974
											30,457,775
											5,791,955
											-
											36,249,730
											30,457,775
											95,900
											-
											30,553,675
Discounts/concessions (Refer note 1(h))											(309,516.00)
Pensioner Cap Gap											(16,500.00)
Total amount raised from general rates											36,249,730
Rates Written off											(20,437)
Total rates											36,229,294

TOWN OF PORT HEDLAND
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2019

NOTE 9 - INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-18	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			YTD Actual	2018/19 Budget	YTD Actual	2018/19 Budget	YTD Actual	2018/19 Budget
	\$	\$	\$	\$	\$	\$	\$	\$
Health								
135 - GP Housing	1,244,705	-	28,967	58,618	1,215,739	1,186,087	18,469	58,190
Education and Welfare								
129 - JD Hardie Upgrade	1,200,156	-	31,023	62,985	1,169,132	1,137,171	26,614	71,671
136 - JD Hardie Facility Upgrade	1,197,741	-	28,095	56,841	1,169,645	1,140,900	24,103	54,805
Housing								
125 - Staff Housing - Morgans Street	1,057,687	-	33,188	67,497	1,024,499	990,190	27,624	70,274
127 - Staff Housing - Morgans Street	1,571,092	-	46,200	93,966	1,524,892	1,477,126	38,454	104,954
139 - Catamore Court	1,412,365	-	28,808	58,366	1,383,558	1,353,999	23,978	72,834
143 - Catamore Court Additional	279,655	-	15,838	31,881	263,817	247,774	13,182	6,935
Recreation and culture								
130 - Marquee Park	642,664	-	16,612	33,727	555,133	608,937	5,637	38,379
132 - Marquee Park	3,546,075	-	87,531	177,347	3,389,999	3,368,728	29,702	182,821
133 - Wanangkura Stadium	6,247,580	-	156,076	312,456	6,091,503	5,935,124	60,321	322,099
137 - Wanangkura Stadium	2,077,844	-	46,150	97,179	2,031,694	1,980,665	17,836	98,995
	20,477,564	-	518,489	1,050,863	19,819,611	19,426,701	285,920	1,081,955
Self Supporting Loans								
Recreation and culture								
126 - Yacht Club	284,788	-	20,006	34,767	264,782	250,021	10,579	17,434
128 - Yacht Club	159,340	-	9,334	16,202	150,006	143,138	4,936	9,150
138 - South Hedland Bowls/Tennis	436,454	-	8,902	18,037	427,552	418,417	3,582	22,507
	880,582	-	38,242	69,006	842,340	811,576	19,097	49,091
Total	21,358,146	-	556,731	1,119,869	20,661,951	20,238,277	305,018	1,131,047

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

(b) New Debentures - 2018/19

The Town of Port Hedland do not plan any new debentures in 2018/19 financial year.

(c) Unspent Debentures

The Town of Port Hedland had no unspent borrowing funds as at 30 June 2018 nor is it expected to have unspent borrowing funds at 30 June 2019.

(d) 2018/19 Budget

The 2018/19 Budget reflects the full financial years budgeted loan and interest repayments.

TOWN OF PORT HEDLAND
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2019

NOTE 10 - Grants and Contributions

Grant Provider	Type	Adopted budget			YTD Budget	2018/19 Budget	Post variations	Expected	YTD Actual Revenue
		Operating	Capital						
		\$	\$	\$	\$	\$	\$	\$	
General purpose funding									
Grants Commission - General Purpose Grant	Operating	840,000	-	490,000	840,000	-	840,000	179,121	
Grants Commission - Formula Local Road Grant	Operating	730,000	-	425,833	730,000	-	730,000	171,394	
Law, order, public safety									
State Emergency Services Operating Grant	Operating	27,479	-	16,029	27,479	-	27,479	59,378	
DFES Volunteer Bush Fire Brigade - Revenue	Operating	12,000	-	7,000	12,000	-	12,000	9,637	
Community Safety and Crime Prevention Revenue	Operating	250,000	-	145,833	250,000	-	250,000	250,000	
Health									
Pest Control Revenue	Operating	2,882	-	1,681	2,882	-	2,882	2,883	
Recreation and culture									
Recreation Club Development Revenue	Operating	-	-	-	-	-	-	20,000	
Wanangkura Stadium - Contribution : FMG Memberships and YMCA Spin Bike Cont.	Operating	-	-	-	-	-	-	46,031	
Libraries - Revenue	Operating	15,000	-	8,750	15,000	-	15,000	13,957	
Libraries - Childrens Book Week Grant	Operating	-	-	-	-	-	-	3,114	
Community Youth Revenue	Operating	10,000	-	5,833	10,000	-	10,000	-	
Community Events Income	Operating	70,000	-	40,833	70,000	-	70,000	77,315	
North West Festival Income	Operating	400,000	-	233,333	400,000	-	400,000	395,000	
Sport & Recreation Programming	Operating	-	-	-	-	-	-	16,636	
Non-Operating Revenue: SWIMMING AREAS AND BEACHES	Non-Operating	-	-	-	-	-	-	10,000	
Non-Operating Revenue: OTHER LAW, ORDER & PUBLIC SAFETY	Non-Operating	-	411,656	240,133	411,656	-	411,656	205,738	
Transport									
Non-Operating Revenue: STREETS, ROADS, BRIDGES, DEPOTS	Non-Operating	-	1,928,586	1,125,009	1,928,586	-	1,928,586	329,281	
Infrastructure Maintenance Revenue	Operating	-	-	-	-	-	-	153,717	
Infrastructure Construction - MRWA : Direct Grant	Operating	169,089	-	98,635	169,089	-	169,089	15,372	
Economic services									
Human Resources Revenue	Operating	-	-	-	-	-	-	5,909	
Total		2,526,450	2,340,242	2,838,904	4,866,692	-	4,866,692	1,964,483	
Summary									
Operating	Operating Grants, Subsidies & Contributions	2,526,450	-	1,473,763	2,526,450	-	2,526,450	1,419,464	
Operating - Tied	Tied - Operating Grants, Subsidies and Contributions	-	-	-	-	-	-	-	
Non-operating	Non-Operating Grants, Subsidies & Contributions	-	2,340,242	1,365,141	2,340,242	-	2,340,242	545,019	
Total		2,526,450	2,340,242	2,838,904	4,866,692	-	4,866,692	1,964,483	

TOWN OF PORT HEDLAND
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2019

NOTE 11 - Budget Amendments

COA	Description	Council Resolution	Classification	No Change - (Non Cash Items) Adjust.	Increase in Available Cash	Decrease in Available Cash
				\$	\$	\$
	Opening Carried Forward Surplus (Deficit)			(10,150,568)		
	Adjustment to opening surplus					
	Community Amenities	Item 11.2.2	Operating Expenditure	(210,000)		
	Recreation and Culture	Item 14.2	Capital Expenditure	38,900		
	Recreation and Culture	Item 14.2	Capital Expenditure	(38,900)		
	Recreation and Culture	Item 14.3	Capital Expenditure	(299,295)		
	Adopted Budget Cash Position as per Council Resolution			(10,659,863)	-	-

TOWN OF PORT HEDLAND
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2019

NOTE 12 - Trust Fund

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

Description	Opening Balance			Closing Balance
	1 July 2018	Amount Received	Amount Paid	31 January 2019
	\$	\$	\$	\$
BCITF Levy	3,442	43,096	(40,111)	6,428
Black Rock Stakes Donations	178	-	-	178
BRB Levy	52,470	34,193	(25,266)	61,396
Building Bonds	22,280	-	-	22,280
Building Retention	4,616	-	-	4,616
Community Bank	960	-	-	960
DAP Levy	9,868	-	-	9,868
Garden Competition	4,850	-	-	4,850
Grants for Special Projects	2,200	-	-	2,200
Hall Hire Bonds	7,350	-	(3,150)	4,200
BBQ Trailer/ Bus Bonds	5,860	3,540	(6,620)	2,780
Nominated Election Bonds	1,920	-	(1,520)	400
Public Open Space	898	-	-	898
Matt Dann Hire Events	-	3,000	(2,000)	1,000
Ranger Service Bonds	4,017	2,040	(3,217)	2,840
Sports Grounds	36,296	19,730	(14,419)	41,607
Staff Bonds	4,593	-	(1,680)	2,913
Sundry Receipts	694	-	-	694
Technical Services Bonds	3,550	-	-	3,550
Unclaimed Money	9,751	-	-	9,751
TOTAL	175,793	105,599	(97,983)	183,410