

TOWN OF PORT HEDLAND

STATEMENT OF FINANCIAL ACTIVITY

For the Period Ended 28 February 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 28 February 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)	7,140,521	7,140,521	7,139,680		
Revenue from operating activities					
Rates	36,125,390	36,125,390	36,210,440	85,050	0%
Operating grants, subsidies and contributions	2,617,011	1,744,674	1,521,122	(223,552)	(13%)
Fees and charges	10,975,736	7,317,158	7,955,911	638,753	9%
Interest earnings	6,699,437	4,466,291	4,825,902	359,610	8%
Internal Revenue	-	-	17,053	17,053	N/A
Other revenue	2,520,091	1,680,061	1,765,938	85,877	5%
Profit on disposal of assets	15,262	10,175	-	(10,175)	0%
	58,952,927	51,343,748	52,296,365	952,617	
Expenditure from operating activities					
Employee costs	(19,357,081)	(12,904,721)	(11,294,292)	1,610,429	12%
Materials and contracts	(15,214,877)	(10,143,251)	(7,928,888)	2,214,363	22%
Utility charges (electricity, gas, water etc.)	(2,892,351)	(1,928,234)	(1,672,431)	255,803	13%
Depreciation on non-current assets	(6,382,795)	(4,255,197)	(4,205,390)	49,807	1%
Interest expense	(1,136,759)	(757,839)	(603,684)	154,155	20%
Insurance expense	(816,535)	(544,357)	(463,101)	81,255	15%
Other expenditure	(4,425,097)	(2,950,065)	(1,822,661)	1,127,404	38%
Profit/Loss on disposal of assets	-	-	(342,470)	(352,645)	3,466%
	(50,225,495)	(33,483,663)	(28,332,918)	5,140,571	
Operating activities excluded from budget					
Add back Depreciation	6,382,795	4,255,197	4,205,390	(49,807)	(1%)
Adjust (Profit)/Loss on Disposal	(15,262)	(10,175)	342,470	352,645	(3,466%)
Adjustment of WDV for land held for sale	-	-	842,194	842,194	N/A
Transfer to/(from) Non current	(924,160)	(616,107)	-	616,107	100%
Amount attributable to operating activities	14,170,805	21,489,000	29,353,502	7,012,133	
Investing activities					
Grants, Subsidies and Contributions	2,550,242	1,700,161	1,029,185	(670,976)	(39%)
Proceeds from Disposal of Assets	761,454	507,636	359,377	(148,259)	(29%)
Capital Works	(15,428,026)	(9,147,179)	(5,098,491)	4,048,688	44%
Amount attributable to investing activities	(12,116,330)	(6,939,382)	(3,709,929)	3,229,453	
Financing activities					
Proceeds from self supporting loans	69,006	46,004	41,969	(4,035)	9%
Transfer from Reserves	5,559,046	2,101,925	2,101,925	-	0%
Transfer to Reserves	(13,203,595)	(8,289,673)	(8,289,673)	-	0%
Repayment of Debentures	(1,119,869)	(746,579)	(847,760)	(101,181)	(14%)
Amount attributable to financing activities	(8,695,412)	(6,888,323)	(6,993,540)	(105,216)	
Closing Funding Surplus(Deficit)	499,584	14,801,816	25,789,713		

Notes:

WDV - Written down value

TOWN OF PORT HEDLAND
STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019
By Program

	Amended 2018/19 Budget	YTD Budget (a)	YTD Actual (b)	Var \$ (b)-(a)	Var % (b)-(a)/(a)
	\$	\$	\$	\$	%
Opening Funding Surplus(Deficit)	7,140,521	7,140,521	7,139,680		
Revenue from operating activities					
General Purpose Funding - Rates	35,825,559	35,825,559	36,210,440	384,881	1%
General Purpose Funding - Other	9,234,058	6,255,983	4,691,718	(1,564,265)	(25%)
Law, Order, Public Safety	412,776	275,184	404,317	129,133	47%
Health	468,051	312,034	258,041	(53,993)	(17%)
Education and Welfare	179,872	119,915	176,084	56,169	47%
Housing	368,454	245,636	726,745	481,109	196%
Community amenities	7,747,230	5,164,820	6,471,641	1,306,821	25%
Recreation and Culture	2,125,696	1,417,131	1,550,906	133,775	9%
Transport	300,640	200,427	190,357	(10,070)	(5%)
Economic Services	1,679,799	1,119,866	1,251,631	131,765	12%
Other Property and Services	610,792	407,195	364,486	(42,708)	(10%)
	58,952,927	51,343,748	52,296,365	952,617	
Expenditure from operating activities					
Governance	(3,257,652)	(2,171,768)	(1,930,279)	241,489	11%
General Purpose Funding	(420,217)	(280,145)	(512,882)	(232,737)	(83%)
Law, Order, Public Safety	(2,292,520)	(1,528,347)	(1,027,520)	500,827	33%
Health	(1,166,664)	(777,776)	(510,406)	267,370	34%
Education and Welfare	(3,071,609)	(2,047,740)	(1,216,393)	831,346	41%
Housing	(796,625)	(531,083)	(431,070)	100,014	19%
Community amenities	(8,735,623)	(5,823,749)	(4,386,428)	1,437,321	25%
Recreation and Culture	(19,238,986)	(12,825,991)	(10,069,761)	2,756,229	21%
Transport	(7,054,939)	(4,703,293)	(5,612,204)	(908,911)	(19%)
Economic Services	(3,169,275)	(2,112,850)	(1,160,782)	952,068	45%
Other Property and Services	(1,021,384)	(680,923)	(1,475,193)	(794,271)	(117%)
	(50,225,494)	(33,483,663)	(28,332,918)	5,150,746	
Operating activities excluded from budget					
Add back Depreciation	6,382,795	4,255,197	4,205,390	(49,807)	(1%)
Adjust (Profit)/Loss on Disposal	(15,262)	(10,175)	342,470	352,645	(3,466%)
Adjustment of WDV for land held for sale	-	-	842,194	842,194	N/A
Transfer to/(from) Non current	(924,160)	(616,107)	-	616,107	100%
Amount attributable to operating activities	14,170,806	21,489,000	29,353,502	7,022,307	
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Grants, Subsidies and Contributions	2,550,242	1,700,161	1,029,185	(670,976)	(39%)
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Financing activities					
Proceeds from self supporting loans	69,006	46,004	41,969	(4,035)	9%
Transfer from Reserves	5,559,046	2,101,925	2,101,925	-	0%
Transfer to Reserves	(13,203,595)	(8,289,673)	(8,289,673)	-	0%
Repayment of Debentures	(1,119,869)	(746,579)	(847,760)	(101,181)	(14%)
Amount attributable to financing activities	(8,695,412)	(6,888,323)	(6,993,540)	(105,216)	
Closing Funding Surplus(Deficit)	499,584	14,801,816	25,789,713		

Notes:

WDV - Written down value

TOWN OF PORT HEDLAND
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 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 28 February 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 28 February 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 operat

TOWN OF PORT HEDLAND
STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

NOTE 2 - NET CURRENT ASSETS

Net Current Assets	30 June 2018	YTD 28 February 2019
	\$	\$
Current Assets		
Municipal	-	11,448,951
Reserves	232,734,813	238,922,561
Receivables - Rates	4,242,803	9,233,872
Receivables - Other	7,010,091	6,338,226
Inventories	661,441	661,441
Land held for resale	1,181,052	375,961
	245,830,200	266,981,012
Less: Current Liabilities		
Payables	(4,932,607)	(2,177,123)
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	25,789,713

The 30 June 2018 position is per the audited financial statement endorsed by Council on 13 February 2019.

TOWN OF PORT HEDLAND
STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

NOTE 3 - Capital Acquisitions

Summary Capital Acquisitions	Note	Amended 2018/19 Budget	YTD Budget	YTD Actual Total	Variance (Under)/Over
		\$	\$	\$	\$
Land and Buildings		3,484,024	2,100,214	1,027,306	1,072,908
Furniture and Equipment		1,166,201	501,896	142,582	359,314
Plant and Equipment		1,542,318	1,013,428	437,202	576,226
Infrastructure		9,235,483	5,531,641	3,491,401	2,040,240
Capital Expenditure Totals		15,428,026	9,147,179	5,098,491	4,048,688
New					
Land and Buildings		85,000	56,664	-	56,664
Furniture and Equipment		546,201	196,906	82,237	114,669
Plant and Equipment		44,318	14,772	-	14,772
Infrastructure		655,000	285,000	135,706	149,294
New Total		1,330,519	553,342	217,943	335,399
Upgrade					
Land and Buildings		710,200	373,464	57,745	315,720
Furniture and Equipment		425,000	148,328	-	148,328
Plant and Equipment		-	-	-	-
Infrastructure		2,465,185	1,477,511	1,146,819	330,692
Upgrade Total		3,600,385	1,999,303	1,204,564	794,739
Renewal					
Land and Buildings		2,688,824	1,670,086	969,562	700,524
Furniture and Equipment		195,000	156,662	60,345	96,317
Plant and Equipment		1,498,000	998,656	437,202	561,454
Infrastructure		6,115,298	3,769,130	2,208,876	1,560,254
Renewal Total		10,497,122	6,594,534	3,675,984	2,918,550

TOWN OF PORT HEDLAND
STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 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	681,847	353,465	-	(328,382)	1,118,766	1,179,000	-	(9,766)
Other Property and services	20,000	5,912	-	(14,088)	416,361	410,865	-	(5,496)
	701,847	359,377	-	(342,470)	1,535,127	1,589,865	-	(15,262)
By Class								
Land and Buildings	681,847	353,465	-	(328,382)	188,766	1,179,000	-	(9,766)
Plant and Equipment	20,000	5,912	-	(14,088)	416,361	410,865	-	(5,496)
	701,847	359,377	-	(342,470)	605,127	1,589,865	-	(15,262)

TOWN OF PORT HEDLAND
STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

NOTE 4 - Cash and Investments

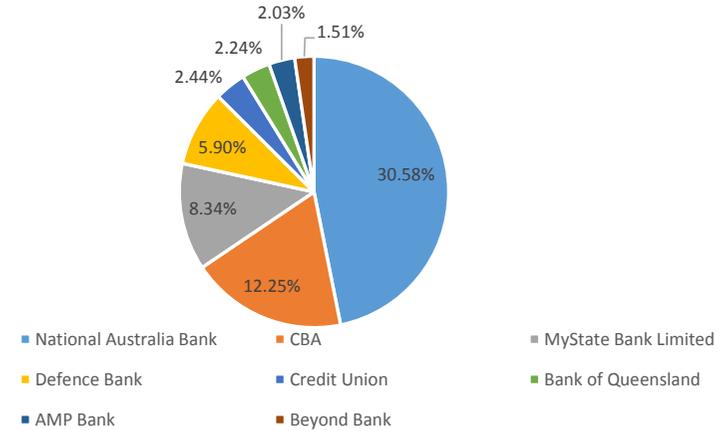
Bank Accounts	Note	Municipal	Reserves	Trust	Total
(a) Cash Deposits					
Municipal account		830,100			830,100
Other cash					-
At Call		3,710,000			3,710,000
Cash on Hand		4,275			4,275
Trust Fund Bank				178,974	178,974
Cash Restricted: Reserve Fund		1,000			1,000
					-
(b) Term Deposits					
Funds 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		11,448,951	238,922,561	178,974	250,550,486

Please refer to Note 4a for further detail

**TOWN OF PORT HEDLAND
STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 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	20,500,000	8.34%	2.83%
Defence Bank	14,500,000	5.90%	2.86%
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%
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 28 February 2019**

NOTE 4a - Cash and Investments

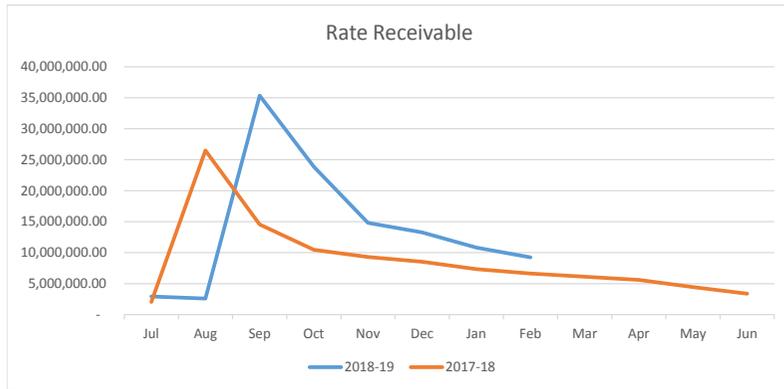
Bank accounts	Credit Rating	Principal	Interest Rate	Term	Maturity date	Interest on Maturity	% Portfolio
MyState Bank Limited	A-2	5,000,000	2.83%	273	5/03/2019	105,834	2%
Credit Union	A-2	4,000,000	2.90%	243	6/03/2019	77,227	2%
National Australia Bank	A1+	2,000,000	2.80%	274	14/03/2019	42,038	1%
CBA	A1+	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%
MyState Bank Limited	A-2	3,000,000	2.85%	182	6/08/2019	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%
Beyond Bank	A-2	1,900,000	2.80%	365	11/02/2019	53,200	1%
Defence Bank	A-2	3,500,000	2.80%	365	27/02/2020	98,000	1%
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	9/08/2019	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				4,345,982	

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 28 February 2019

NOTE 5 - Current Receivables

Receivables - Rates and Other Rates Receivable	YTD 28 February 2019	30 June 2018
	\$	\$
Opening Arrears Previous Years	4,242,803	2,754,662
Levied this year	36,230,876	25,771,302
Less rates written off	(20,437)	-
Less collections to date	(31,219,371)	(24,283,161)
Equals Current Outstanding	9,233,872	4,242,803
	9,233,872	4,242,803
% Collected	77%	85%



Receivables - General	Credit	Current	30 Days	60 Days	90 Days +**	Total
	\$	\$	\$	\$	\$	\$
Receivables - General*	(2,631)	589,717	497,464	91,325	980,309	2,156,183
Balances per Trial Balance						
Sundry Debtors						2,156,183
Prepayments						629,531
Receivables - Other						1,565,875
Accruals						2,604,053
Self Supporting Loan						77,321
Provision for Doubtful Debts						(694,737)
Total Receivables General Outstanding						6,338,226

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.

TOWN OF PORT HEDLAND
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

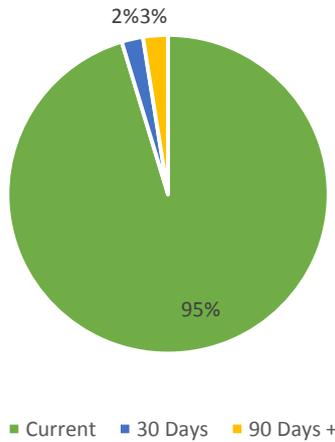
NOTE 6 - Current Payables

Payables	Credit	Current	30 Days	60 Days	90 Days +	Total
	\$					
Payables - General		340,326	7,696	-	8,940	356,962
Balances per Trial Balance						
Sundry Payables						356,962
Payables - Other						
Other Payables*						1,026,019
Income Received in Advance						924,160
ATO Liability						(179,891)
Sundry Suspense						49,873
Total Payables - Other						1,820,160
Total Payables						2,177,123

Amounts shown above include GST (where applicable)

*This amount is attributed to ESL levy

Aged Payables



TOWN OF PORT HEDLAND
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

NOTE 7 - Cash backed reserves

Reserves	Actual Opening Balance	Adopted Budget Transfers in (+)	Adopted Budget Transfers Out (-)	Adopted Budget Closing Balance	Actual Transfers in (+)	Actual Transfers Out (-)	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$
Financial Risk Reserve	-	8,947,000	-	8,947,000	3,000,000	-	3,000,000
Asset Management - Community Facilities and Infrastructure Reserve	2,099,467	2,135,000	(1,508,368)	3,069,394	730,843	(401,049)	2,429,261
Staff Housing Reserve	276,354	349,454	(276,354)	349,454	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	1,136,277	(1,336,377)	1,263,895	-	(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	20,975	(13,000)	400,461	-	(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	13,203,595	(16,511,038)	233,980,041	8,289,673	(2,101,925)	238,922,561

TOWN OF PORT HEDLAND
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 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	-	33,790	67,497	1,023,897	990,190	30,642	70,274
127 - Staff Housing - Morgans Street	1,571,092	-	46,078	93,966	1,525,015	1,477,126	41,784	104,954
139 - Catamore Court	1,412,365	-	58,365	58,366	1,354,000	1,353,999	52,926	72,834
143 - Catamore Court Additional	279,655	-	15,359	31,881	264,296	247,774	13,928	6,935
Recreation and culture								
130 - Marquee Park	642,664	-	17,456	33,727	466,161	608,937	11,305	38,379
132 - Marquee Park	3,546,075	-	176,503	177,347	3,232,469	3,368,728	114,302	182,821
133 - Wanangkura Stadium	6,247,580	-	313,606	312,456	5,933,974	5,935,124	206,359	322,099
137 - Wanangkura Stadium	2,077,844	-	46,861	97,179	2,030,983	1,980,665	30,835	98,995
	20,477,564	-	796,104	1,050,863	19,385,311	19,426,701	571,267	1,081,955
Self Supporting Loans								
Recreation and culture								
126 - Yacht Club	284,788	-	22,924	34,767	261,864	250,021	12,067	19,332
128 - Yacht Club	159,340	-	10,696	16,202	148,644	143,138	5,630	10,035
138 - South Hedland Bowls/Tennis	436,454	-	18,037	18,037	418,418	418,417	14,720	25,436
	880,582	-	51,657	69,006	828,925	811,576	32,417	54,803
Total	21,358,146	-	847,760	1,119,869	20,214,236	20,238,277	603,684	1,136,759

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 28 February 2019

NOTE 10 - Grants and Contributions

Grant Provider	Type	Adopted budget						YTD Actual Revenue	
		Operating	Capital	YTD Budget	2018/19 Budget	Post variations	Expected		
		\$	\$	\$	\$	\$	\$	\$	
General purpose funding									
Grants Commission - General Purpose Grant	Operating	840,000	-	560,000	840,000	-	840,000	268,682	
Grants Commission - Formula Local Road Grant	Operating	730,000	-	486,667	730,000	-	730,000	257,090	
Law, order, public safety									
State Emergency Services Operating Grant	Operating	27,479	-	18,319	27,479	-	27,479	59,378	
DFES Volunteer Bush Fire Brigade - Revenue	Operating	12,000	-	8,000	12,000	-	12,000	9,637	
Community Safety and Crime Prevention Revenue	Operating	250,000	-	166,667	250,000	-	250,000	250,000	
Health									
Pest Control Revenue	Operating	2,882	-	1,921	2,882	-	2,882	2,883	
Education and welfare									
JD Hardie Workshop Programs	Operating	-	-	-	-	-	-	3,715	
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	26,300	-	17,533	26,300	-	26,300	13,957	
Libraries - Childrens Book Week Grant	Operating	3,114	-	2,076	3,114	-	3,114	3,114	
Community Youth Revenue	Operating	10,000	-	6,667	10,000	-	10,000	-	
Community Events Income	Operating	203,600	-	135,733	203,600	-	203,600	-	
North West Festival Income	Operating	395,000	-	263,333	395,000	-	395,000	395,000	
Sport & Recreation Programming	Operating	16,636	-	11,091	16,636	-	16,636	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	274,437	411,656	-	411,656	205,738	
Transport									
Non-Operating Revenue: STREETS, ROADS, BRIDGES, DEPOTS	Non-Operating	-	2,238,586	1,492,391	2,238,586	-	2,238,586	813,447	
Infrastructure Maintenance Revenue	Operating	-	-	-	-	-	-	153,717	
Infrastructure Construction - MRWA : Direct Grant	Operating	-	-	-	-	-	-	15,372	
Economic services									
Human Resources Revenue	Operating	-	-	-	-	-	-	5,909	
Total		2,517,011	2,650,242	3,444,835	5,167,253	-	5,167,253	2,550,307	
Summary									
Operating	Operating Grants, Subsidies & Contributions	2,517,011	-	1,678,007	2,517,011	-	2,517,011	1,521,122	
Operating - Tied	Tied - Operating Grants, Subsidies and Contributions	-	-	-	-	-	-	-	
Non-operating	Non-Operating Grants, Subsidies & Contributions	-	2,650,242	1,766,828	2,650,242	-	2,650,242	1,029,185	
Total		2,517,011	2,650,242	3,444,835	5,167,253	-	5,167,253	2,550,307	

TOWN OF PORT HEDLAND
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 2019

NOTE 11 - Budget Amendments

COA	Description	Council Resolution	Classification	No Change - (Non Cash Items) Adjust.	Increase in Available Cash	Decrease in Available Cash	Adopted Budget Running Balance
				\$	\$	\$	\$
Opening Carried Forward Surplus (Deficit)				285,657			285,657
	Community Amenities	Item 11.2.2	Operating Expenditure	(210,000)			285,657
	Community Amenities	Item 11.2.2	Operating Expenditure	210,000			285,657
	Recreation and Culture	Item 14.2	Capital Expenditure	38,900			285,657
	Recreation and Culture	Item 14.2	Capital Expenditure	(38,900)			285,657
	Recreation and Culture	Item 14.3	Capital Expenditure	(299,295)			285,657
	Other Property and Services	Item 11.3.3	Capital Expenditure	(106,000)			285,657
	Adjustment to opening surplus				6,038,929		6,324,586
	General Purpose Funding	Item 8.1.1	Operating Income		5,597,900		11,922,485
	Law, Order, Public Safety	Item 8.1.1	Operating Income		41,944		11,964,429
	Education and Welfare	Item 8.1.1	Operating Income		10,000		11,974,429
	Housing	Item 8.1.1	Operating Income		349,454		12,323,883
	Recreation and Culture	Item 8.1.1	Operating Income		436,905		12,760,788
	Transport	Item 8.1.1	Operating Income			(73,450)	12,687,338
	Economic Services	Item 8.1.1	Operating Income		1,445,158		14,132,496
	Other Property and Services	Item 8.1.1	Operating Income		193,422		14,325,918
	Governance	Item 8.1.1	Operating Expenditure		63,500		14,389,418
	General Purpose Funding	Item 8.1.1	Operating Expenditure			(182,405)	14,207,013
	Law, Order, Public Safety	Item 8.1.1	Operating Expenditure		83,122		14,290,135
	Health	Item 8.1.1	Operating Expenditure			(1,000)	14,289,135
	Education and Welfare	Item 8.1.1	Operating Expenditure			(291,425)	13,997,710
	Housing	Item 8.1.1	Operating Expenditure		248		13,997,958
	Community amenities	Item 8.1.1	Operating Expenditure			(532,557)	13,465,401
	Recreation and Culture	Item 8.1.1	Operating Expenditure		1,600,000		15,065,401
	Transport	Item 8.1.1	Operating Expenditure		15,506,927		30,572,328
	Economic Services	Item 8.1.1	Operating Expenditure			(2,392,766)	28,179,562
	Other Property and Services	Item 8.1.1	Operating Expenditure			(636,735)	27,542,827
	Add back Depreciation	Item 8.1.1	Operating Expenditure			(7,876,686)	19,666,141
	Adjust (Profit/Loss) on Disposal	Item 8.1.1	Operating Expenditure			(29,389)	19,636,752
	Grants, Subsidies and contributions	Item 8.1.1	Capital Income		210,000		19,846,752
	Proceeds from Disposal of assets	Item 8.1.1	Capital Income			(829,546)	19,017,206
	Capital Works	Item 8.1.1	Capital Expenses			(155,924)	18,861,282
	Transfers from Reserves	Item 8.1.1				(10,951,992)	7,909,290
	Transfers to Reserves	Item 8.1.1				(7,409,706)	499,584
Adopted Budget Cash Position as per Council Resolution				(119,638)	31,577,508	(31,363,581)	499,584

TOWN OF PORT HEDLAND
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 28 February 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	28 February 2019
	\$	\$	\$	\$
BCITF Levy	3,442	43,757	(43,036)	4,162
Black Rock Stakes Donations	178	-	-	178
BRB Levy	52,470	35,189	(27,646)	60,013
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	(7,120)	2,280
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	(3,604)	2,453
Sports Grounds	36,296	20,930	(15,519)	41,707
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	108,456	(105,276)	178,974