

TOWN OF PORT HEDLAND
STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 May 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 May 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)	7,139,680	7,139,680	7,139,680		
Revenue from operating activities					
Rates	45,034,806	45,034,806	45,027,821	(6,984)	(0%)
Operating grants, subsidies and contributions	2,786,100	2,553,925	1,848,935	(704,990)	(28%)
Fees and charges	10,606,647	9,722,760	9,805,810	83,050	1%
Interest earnings	6,699,437	6,141,151	6,518,730	377,580	6%
Internal Revenue	-	-	17,323	17,323	0%
Other revenue	2,520,091	2,310,083	2,199,884	(110,199)	(5%)
Profit on disposal of assets	15,262	13,990	-	(13,990)	(100%)
	67,662,343	65,776,715	65,418,504	(358,210)	
Expenditure from operating activities					
Employee costs	(18,557,081)	(17,010,658)	(16,818,739)	191,919	1%
Materials and contracts	(15,023,028)	(13,771,109)	(12,085,073)	1,686,036	12%
Utility charges (electricity, gas, water etc.)	(2,892,351)	(2,651,322)	(2,256,452)	394,869	15%
Depreciation on non-current assets	(6,382,795)	(5,850,895)	(5,850,895)	-	0%
Interest expense	(4,656,927)	(4,268,850)	(667,633)	3,601,217	84%
Insurance expense	(816,536)	(748,491)	(717,178)	31,313	4%
Other expenditure	(4,425,097)	(4,056,339)	(3,957,346)	98,993	2%
Profit/Loss on disposal of assets	-	-	(230,567)	(230,567)	N/A
	(52,753,815)	(48,357,663)	(42,583,883)	5,773,780	
Operating activities excluded from budget					
Add back Depreciation	6,382,795	5,850,895	5,850,895	-	0%
Adjust (Profit)/Loss on Disposal	(15,262)	(13,990)	230,567	244,558	(1,748%)
Adjustment of WDV for land held for sale	-	-	1,029,286	1,029,286	N/A
Transfer to/(from) Non current	(924,160)	(847,147)	-	847,147	100%
Amount attributable to operating activities	20,351,901	22,408,810	29,945,370	7,536,560	
Investing activities					
Grants, Subsidies and Contributions	2,322,880	2,129,307	1,669,648	(459,659)	(22%)
Proceeds from Disposal of Assets	761,454	697,999	551,280	(146,719)	(21%)
Capital Works	(12,765,102)	(11,219,890)	(7,382,113)	3,837,777	34%
Amount attributable to investing activities	(9,680,768)	(8,392,584)	(5,161,186)	3,231,399	
Financing activities					
Proceeds from self supporting loans	69,006	63,256	54,946	(8,310)	13%
Transfer from Reserves	29,237,823	3,170,088	3,170,088	-	0%
Transfer to Reserves	(24,033,895)	(8,498,173)	(8,498,173)	-	0%
Repayment of Debentures	(21,550,884)	(19,754,977)	(927,131)	18,827,846	95%
Amount attributable to financing activities	(16,277,950)	(25,019,806)	(6,200,270)	18,819,537	
Closing Funding Surplus(Deficit)	1,532,862	(3,863,901)	25,723,595		

Notes:

WDV - Written down value

*Amended 2018/19 Budget is the budget approved by council on 27 February 2019

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

	Amended 2018/19 Budget	YTD Budget (a)	YTD Actual (b)	Var \$ (b)-(a)	Var % (b)-(a)/(a)
	\$	\$	\$	\$	%
Opening Funding Surplus(Deficit)	7,139,680	7,139,680	7,139,680		
Revenue from operating activities					
General Purpose Funding - Rates	44,734,975	44,734,975	45,027,821	292,846	1%
General Purpose Funding - Other	9,234,058	8,489,539	6,173,454	(2,316,085)	(27%)
Law, Order, Public Safety	412,776	378,378	439,096	60,718	16%
Health	468,051	429,047	335,193	(93,853)	(22%)
Education and Welfare	179,872	164,883	232,589	67,706	41%
Housing	368,454	337,749	919,301	581,551	172%
Community amenities	7,747,230	7,101,628	7,887,220	785,593	11%
Recreation and Culture	1,956,607	1,793,557	2,177,757	384,200	21%
Transport	269,729	247,252	192,689	(54,562)	(22%)
Economic Services	1,679,799	1,539,816	1,616,864	77,048	5%
Other Property and Services	610,792	559,893	416,521	(143,372)	(26%)
	67,662,343	65,776,715	65,418,504	(358,210)	
Expenditure from operating activities					
Governance	(3,257,652)	(2,986,181)	(2,637,898)	348,283	12%
General Purpose Funding	(3,940,385)	(3,612,020)	(1,586,572)	2,025,447	56%
Law, Order, Public Safety	(2,257,520)	(2,069,393)	(1,460,619)	608,774	29%
Health	(1,166,664)	(1,069,442)	(753,595)	315,847	30%
Education and Welfare	(3,071,609)	(2,815,642)	(1,728,004)	1,087,638	39%
Housing	(781,625)	(716,490)	(667,691)	48,799	7%
Community amenities	(8,620,623)	(7,902,238)	(7,263,672)	638,565	8%
Recreation and Culture	(19,224,751)	(17,622,688)	(14,550,200)	3,072,489	17%
Transport	(6,879,327)	(6,306,050)	(7,810,167)	(1,504,117)	(24%)
Economic Services	(3,144,275)	(2,882,252)	(1,641,736)	1,240,516	43%
Other Property and Services	(409,384)	(375,268)	(2,483,730)	(2,108,462)	(562%)
	(52,753,815)	(48,357,663)	(42,583,883)	5,773,780	
Operating activities excluded from budget					
Add back Depreciation	6,382,795	5,850,895	5,850,895	-	0%
Adjust (Profit)/Loss on Disposal	(15,262)	(13,990)	230,567	244,558	(1,748%)
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TOWN OF PORT HEDLAND
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 May 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 May 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 May 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 31 May 2019

NOTE 2 - NET CURRENT ASSETS

Net Current Assets	30 June 2018	YTD 31 May 2019
	\$	\$
Current Assets		
Municipal	-	9,913,928
Reserves	232,734,813	238,062,898
Receivables - Rates	4,242,803	12,127,348
Receivables - Other	7,010,091	5,325,990
Inventories	661,441	661,441
Land held for resale	1,181,052	167,104
	245,830,200	266,258,707
Less: Current Liabilities		
Payables	(4,932,607)	(2,610,060)
Loan Liability - Current	(1,119,869)	(1,119,869)
Provisions	(16,558,964)	(16,420,281)
Less: Cash Reserves	(232,734,813)	(238,062,898)
Less: Self supporting loan receivable	(77,321)	(69,006)
Less: Land held for resale	(1,181,052)	(167,104)
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	25,723,595

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 31 May 2019

NOTE 3 - Capital Acquisitions

Summary Capital Acquisitions	Note	Amended 2018/19 Budget	YTD Budget	YTD Actual Total	Variance (Under)/Over
		\$	\$	\$	\$
Land and Buildings		3,176,415	2,453,363	1,803,262	650,101
Furniture and Equipment		903,375	805,145	245,087	560,058
Plant and Equipment		1,498,000	1,373,152	805,095	568,057
Infrastructure		7,187,312	6,588,230	4,528,670	2,059,560
Capital Expenditure Totals		12,765,102	11,219,890	7,382,113	3,837,777
New					
Land and Buildings		579,718	531,399	30,116	501,283
Furniture and Equipment		583,375	534,743	86,562	448,182
Plant and Equipment		-	-	-	-
Infrastructure		275,843	252,846	155,145	97,701
New Total		1,438,936	1,318,988	271,822	1,047,166
Upgrade					
Land and Buildings		414,700	380,138	93,116	287,023
Furniture and Equipment		140,000	128,326	112,617	15,709
Plant and Equipment		-	-	-	-
Infrastructure		1,967,185	1,803,230	1,199,080	604,150
Upgrade Total		2,521,885	2,311,694	1,404,813	906,881
Renewal					
Land and Buildings		2,181,997	2,000,152	1,680,030	320,122
Furniture and Equipment		180,000	164,989	45,908	119,081
Plant and Equipment		1,498,000	1,373,152	805,095	568,057
Infrastructure		4,944,285	4,532,154	3,174,345	1,357,809
Renewal Total		8,804,282	8,070,447	5,705,378	2,365,069

TOWN OF PORT HEDLAND
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For the Period Ended 31 May 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	529,280	-	(152,567)	1,118,766	1,179,000	9,766	-
Other Property and services	100,000	22,000	-	(78,000)	416,361	410,865	5,496	-
	781,847	551,280	-	(230,567)	1,535,127	1,589,865	15,262	-
By Class								
Land and Buildings	681,847	529,280	-	(152,567)	1,188,766	1,179,000	9,766	-
Plant and Equipment	100,000	22,000	-	(78,000)	416,361	410,865	5,496	-
	781,847	551,280	-	(230,567)	1,605,127	1,589,865	15,262	-

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

NOTE 4 - Cash and Investments

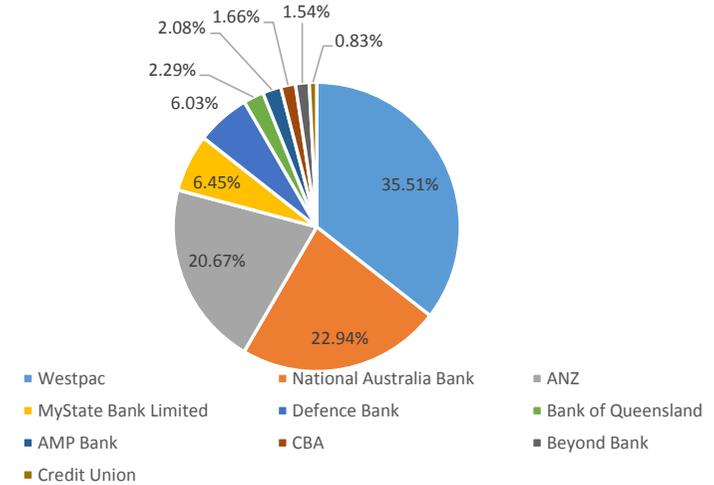
Bank Accounts	Note	Municipal	Reserves	Trust	Total
(a) Cash Deposits					
Municipal account		965,066			965,066
Other cash					-
At Call		7,160,000			7,160,000
Cash on Hand		8,515			8,515
Trust Fund Bank				556,388	556,388
Cash Restricted: Reserve Fund		(482,892)			(482,892)
					-
(b) Term Deposits					
Funds Invested: Airport Lease Proceeds	4a		168,026,137		168,026,137
Funds Invested: Pooled	4a	2,263,239	70,036,761		72,300,000
Total		9,913,928	238,062,898	556,388	248,533,214

Please refer to Note 4a for further detail

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

NOTE 4a - Cash and Investments

Term Deposits	Amount	% of portfolio	Average Int rate
Westpac	85,339,148	35.51%	2.68%
National Australia Bank	55,121,944	22.94%	2.73%
ANZ	49,665,045	20.67%	2.57%
MyState Bank Limited	15,500,000	6.45%	2.83%
Defence Bank	14,500,000	6.03%	2.86%
Bank of Queensland	5,500,000	2.29%	2.78%
AMP Bank	5,000,000	2.08%	2.80%
CBA	4,000,000	1.66%	2.69%
Beyond Bank	3,700,000	1.54%	2.80%
Credit Union	2,000,000	0.83%	2.80%
Total	240,326,137	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 May 2019**

NOTE 4a - Cash and Investments

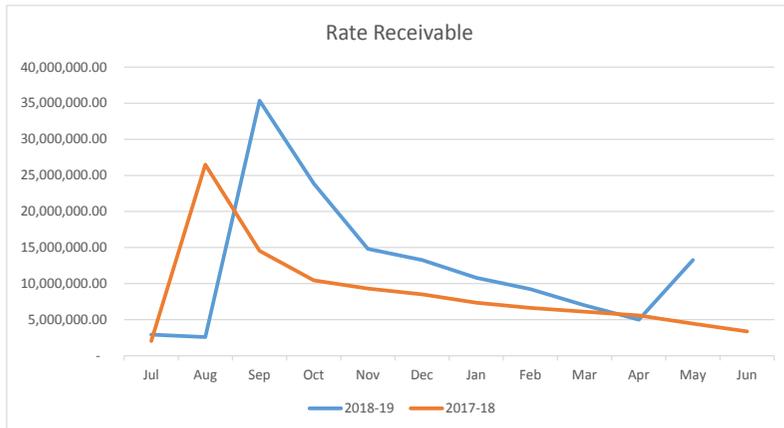
Bank accounts	Credit Rating	Principal	Interest Rate	Term	Maturity date	Interest on Maturity	% Portfolio
ANZ	A1+	5,500,000	2.55%	91	5/06/2019	34,966	2%
CBA	A1+	4,000,000	2.69%	275	6/06/2019	81,068	2%
National Australia Bank	A1+	4,000,000	2.72%	271	17/06/2019	80,780	2%
Bank of Queensland	A-2	5,500,000	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-2	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	11/02/2020	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	2.71%	91	6/06/2019	141,969	9%
PHA ANZ	A1+	18,040,112	2.55%	90	10/06/2019	113,430	8%
PHA AMP Bank	A-2	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	11%
PHA ANZ	A1+	26,124,933	2.60%	185	16/09/2019	344,277	11%
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%
PHA Westpac	A1+	64,326,745	2.64%	277	13/01/2020	1,288,791	27%
Total		240,326,137				4,303,358	

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 May 2019

NOTE 5 - Current Receivables

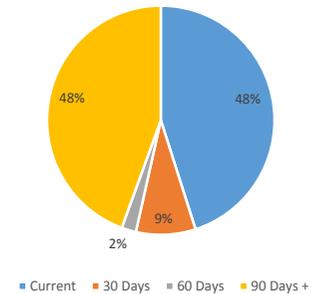
Receivables - Rates and Other Rates Receivable	YTD 31 May 2019	30 June 2018
	\$	\$
Opening Arrears Previous Years	4,242,803	2,754,662
Levied this year	45,048,258	25,771,302
<u>Less</u> rates written off	(20,437)	-
<u>Less</u> collections to date	(37,143,276)	(24,283,161)
Provision for doubtful debts (rate specific)	(1,130,760)	
Equals Current Outstanding	12,127,348	4,242,803
	12,127,348	4,242,803
% Collected	75%	85%



Receivables - General	Credit	Current	30 Days	60 Days	90 Days +**	Total
	\$	\$	\$	\$	\$	\$
Receivables - General*	(13,437)	802,367	176,043	42,937	937,572	1,945,480
Balances per Trial Balance						
Sundry Debtors						1,945,480
Prepayments						197,777
Receivables - Other (including Emergency Service Levy)						1,803,382
Accruals						2,132,089
Self Supporting Loan						69,006
Provision for Doubtful Debts						(821,745)
Total Receivables General Outstanding						5,325,990
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 has been transferred to provision for doubtful debts. The remaining underground power charges are currently under review with an expectation to provision the balance.

Receivables - General*

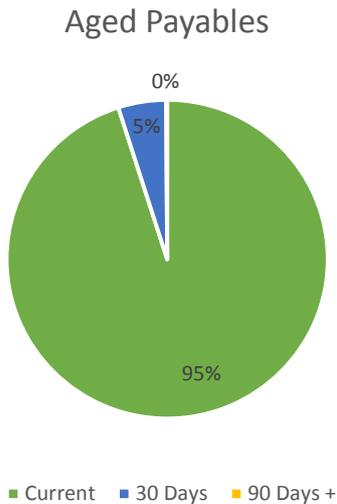


TOWN OF PORT HEDLAND
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 May 2019

NOTE 6 - Current Payables

Payables	Credit	Current	30 Days	60 Days	90 Days +	Total
	\$					
Payables - General		882,167	44,806	2,700	(939)	928,734
Balances per Trial Balance						
Sundry Payables						928,734
Payables - Other						
Other Payables (including emergency service levy)						1,026,019
Income Received in Advance						924,160
ATO Liability						(358,131)
Sundry Suspense						89,278
Total Payables - Other						1,681,326
					Total Payables	2,610,060

Amounts shown above include GST (where applicable)



TOWN OF PORT HEDLAND
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 May 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	-	17,856,416	-	17,856,416	3,000,000	-	3,000,000
Asset Management - Community Facilities and Infrastructure Reserve	2,099,467	2,135,000	(826,000)	3,408,467	915,498	(567,247)	2,447,718
Staff Housing Reserve	276,354	349,454	(276,354)	349,454	349,454	(258,066)	367,742
Employee Leave Reserve	875,612	-	-	875,612	-	-	875,612
Plant Reserve	2,454,835	612,039	(1,087,000)	1,979,874	-	(805,095)	1,649,740
Unfinished Works & Committed Works Reserve	1,463,995	2,838,170	(826,115)	3,476,050	-	(111,857)	1,352,137
Insurance Reserve	123,826	-	-	123,826.14	-	-	123,826
Developer Contributions - Car Parking and Public Open Space Reserve	259,269	-	(259,269)	-	-	(259,269)	0
Airport Reserve	14,975,559	-	(277,841)	14,697,718	-	(181,770)	14,793,789
Spoilbank Reserve	37,568,502	-	(550,000)	37,018,502	-	(50,000)	37,518,502
GP Housing	184,728	-	-	184,728	-	-	184,728
Waste Management Reserve	7,652,244	-	(1,115,606)	6,536,638	-	(924,330)	6,727,914
Strategic Reserve	499,645	-	-	499,645	-	-	499,645
Unspent Grants, Loans & Contributions Reserve	392,486	239,966	(68,455)	563,997	20,975	(12,455)	401,006
PHIA Long Term Lease Proceeds Reserve	168,026,137	-	(23,951,183)	144,074,954	-	-	168,026,137
Cyclone Emergency Support Response	80,410	-	-	80,410	-	-	80,410
Historical Reserve	11,123	2,850	-	13,973	2,870	-	13,993
Unallocated Internal Overdraft Facility	(4,209,376)	4,209,376	-	-	4,209,376	-	-
Total	232,734,813	28,243,271	(29,237,824)	231,740,261	8,498,173	(3,170,088)	238,062,898

TOWN OF PORT HEDLAND
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 May 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	-	58,618	58,618	1,186,087	1,186,087	47,221	58,190
Education and Welfare								
129 - JD Hardie Upgrade	1,200,156	-	30,753	62,985	1,169,403	1,137,171	27,228	71,671
136 - JD Hardie Facility Upgrade	1,197,741	-	57,112	56,841	1,140,629	1,140,900	50,566	54,805
Housing								
125 - Staff Housing - Morgans Street	1,057,687	-	33,188	67,497	1,024,499	990,190	28,957	70,274
127 - Staff Housing - Morgans Street	1,571,092	-	46,200	93,966	1,524,892	1,477,126	40,310	104,954
139 - Catamore Court	1,412,365	-	58,366	58,366	1,353,999	1,353,999	50,925	72,834
143 - Catamore Court Additional	279,655	-	23,833	31,881	255,822	247,774	20,795	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	-	862,497	1,050,863	19,318,918	19,426,701	628,805	1,081,955
Self Supporting Loans								
Recreation and culture								
126 - Yacht Club	284,788	-	31,773	34,767	253,015	250,021	16,439	19,332
128 - Yacht Club	159,340	-	14,824	16,202	144,515	143,138	7,670	10,035
138 - South Hedland Bowls/Tennis	436,454	-	18,037	18,037	418,418	418,417	14,720	25,436
	880,582	-	64,634	69,006	815,948	811,576	38,828	54,803
Total	21,358,146	-	927,131	1,119,869	20,134,866	20,238,277	667,633	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 31 May 2019

NOTE 10 - Grants and Contributions

Grant Provider	UVCODE	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 Grants, Subsidies & Contributions	Operating	840,000	-	770,000	840,000	-	840,000	358,242
Grants Commission - Formula Local Road Grant	Operating Grants, Subsidies & Contributions	Operating	730,000	-	669,167	730,000	-	730,000	342,787
Law, order, public safety									
State Emergency Services Operating Grant	Operating Grants, Subsidies & Contributions	Operating	27,479	-	25,189	27,479	-	27,479	76,690
DFES Volunteer Bush Fire Brigade - Revenue	Operating Grants, Subsidies & Contributions	Operating	12,000	-	11,000	12,000	-	12,000	12,528
Community Safety and Crime Prevention Revenue	Operating Grants, Subsidies & Contributions	Operating	250,000	-	229,167	250,000	-	250,000	250,000
Health									
Pest Control Revenue	Operating Grants, Subsidies & Contributions	Operating	2,882	-	2,642	2,882	-	2,882	2,883
Education and welfare									
JD Hardie Workshop Programs	Operating Grants, Subsidies & Contributions	Operating	-	-	-	-	-	-	13,260
Recreation and culture									
Recreation Club Development Revenue	Operating Grants, Subsidies & Contributions	Operating	-	-	-	-	-	-	20,000
Wanangkura Stadium - Contribution : FMG	Operating Grants, Subsidies & Contributions	Operating	-	-	-	-	-	-	46,031
Memberships and YMCA Spin Bike Cont.	Operating Grants, Subsidies & Contributions	Operating	26,300	-	24,108	26,300	-	26,300	24,165
Libraries - Revenue	Operating Grants, Subsidies & Contributions	Operating	3,114	-	2,855	3,114	-	3,114	3,114
Libraries - Childrens Book Week Grant	Operating Grants, Subsidies & Contributions	Operating	10,000	-	9,167	10,000	-	10,000	-
Community Youth Revenue	Operating Grants, Subsidies & Contributions	Operating	203,600	-	186,633	203,600	-	203,600	107,600
North West Festival Income	Operating Grants, Subsidies & Contributions	Operating	395,000	-	362,083	395,000	-	395,000	400,000
Sport & Recreation Programming	Operating Grants, Subsidies & Contributions	Operating	16,636	-	15,250	16,636	-	16,636	16,636
Non-Operating Revenue: SWIMMING AREAS AND BEACHES	Non-Operating Grants, Subsidies & Contributions	Non-Operating	-	-	-	-	-	-	10,000
Non-Operating Revenue: OTHER RECREATION AND SPORT	Non-Operating Grants, Subsidies & Contributions	Non-Operating	-	28,000	25,667	28,000	-	28,000	18,000
Non-Operating Revenue: OTHER LAW, ORDER & PUBLIC SAFETY	Non-Operating Grants, Subsidies & Contributions	Non-Operating	-	428,030	392,361	428,030	-	428,030	205,738
Transport									
Non-Operating Revenue: STREETS, ROADS, BRIDGES, DEPOTS	Non-Operating Grants, Subsidies & Contributions	Non-Operating	-	1,866,850	1,711,279	1,866,850	-	1,866,850	1,435,910
Infrastructure Maintenance Revenue	Operating Grants, Subsidies & Contributions	Operating	100,000	-	91,667	100,000	-	100,000	-
Infrastructure Construction - MRWA : Direct Grant	Operating Grants, Subsidies & Contributions	Operating	169,089	-	154,998	169,089	-	169,089	169,089
Economic services									
Human Resources Revenue	Operating Grants, Subsidies & Contributions	Operating	-	-	-	-	-	-	5,909
Total			2,786,100	2,322,880	4,683,232	5,108,980	-	5,108,980	3,518,583
Summary									
Operating	Operating Grants, Subsidies & Contributions		2,786,100	-	2,553,925	2,786,100	-	2,786,100	1,848,935
Operating - Tied	Tied - Operating Grants, Subsidies and Contributions		-	-	-	-	-	-	-
Non-operating	Non-Operating Grants, Subsidies & Contributions		-	2,322,880	2,129,307	2,322,880	-	2,322,880	1,669,648
Total			2,786,100	2,322,880	4,683,232	5,108,980	-	5,108,980	3,518,583

TOWN OF PORT HEDLAND
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 May 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
	Repayment of Debentures	Item 11.1.7	Capital Expenditure	(23,951,183)			499,584
	Adjustment to opening surplus	Item 14.1				(841)	498,743
	General Purpose Funding	Item 14.1	Operating Income		8,909,416		9,408,159
	Recreation and Culture	Item 14.1	Operating Income			(169,089)	9,239,070
	Transport	Item 14.1	Operating Income			(30,911)	9,208,159
	General Purpose Funding	Item 14.1	Operating Expenditure			(3,520,168)	5,687,991
	Law, Order, Public Safety	Item 14.1	Operating Expenditure		35,000		5,722,991
	Housing	Item 14.1	Operating Expenditure		15,000		5,737,991
	Community amenities	Item 14.1	Operating Expenditure		115,000		5,852,991
	Recreation and Culture	Item 14.1	Operating Expenditure		14,235		5,867,226
	Transport	Item 14.1	Operating Expenditure		175,612		6,042,838
	Economic Services	Item 14.1	Operating Expenditure		25,000		6,067,838
	Other Property and Services	Item 14.1	Operating Expenditure		612,000		6,679,838
	Grants, Subsidies and contributions	Item 14.1	Capital Income			(227,362)	6,452,476
	Capital Works	Item 14.1	Capital Expenses		2,662,924		9,115,400
	Transfers from Reserves	Item 14.1			23,678,777		32,794,177
	Transfers to Reserves	Item 14.1				(10,830,300)	21,963,877
	Repayment of Debentures	Item 14.1	Capital Expenditure			(20,431,015)	1,532,862
Adopted Budget Cash Position as per Council Resolution				(24,070,821)	67,820,472	(66,573,267)	1,532,862

TOWN OF PORT HEDLAND
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 May 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 May 2019
	\$	\$	\$	\$
BCITF Levy	3,442	61,953	48,805	16,590
Black Rock Stakes Donations	178	-	-	178
BRB Levy	52,470	61,173	(54,082)	59,560
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	-	(3,650)	3,700
BBQ Trailer/ Bus Bonds	5,860	5,040	(10,700)	200
Nominated Election Bonds	1,920	-	(1,520)	400
Public Open Space	898	375,481	-	376,379
Matt Dann Hire Events	-	4,000	(3,500)	500
Ranger Service Bonds	4,017	2,160	(3,948)	2,229
Sports Grounds	36,296	28,630	(29,957)	34,969
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	538,438	(157,842)	556,388