

**Strathbogie Shire Council  
STANDARD STATEMENTS  
For the Year Ended 30 June 2013**

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## **Notes to the Standard Statements**

### **1 Basis of preparation of Standard Statements**

Council is required to prepare and include audited Standard Statements within its Annual Report. Four statements are required - Standard Income Statement, Standard Balance Sheet, Standard Cash Flow Statement and a Standard Capital Works Statement, together with explanatory notes.

These statements and supporting notes form a special purpose financial report prepared to meet the requirements of the Local Government Act 1989 and Local Government (Finance and Reporting) Regulations 2004.

The Standard Statements have been prepared on an accounting basis consistent with those used for General Purpose Financial Report and the Budget. The result reported in these statements are consistent with those reported in the General Purpose Financial Report.

The Standard Statements are not a substitute for the General Purpose Financial Report, which are included in the Annual Report immediately following these Standard Statements. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

The Standard Statements compare council's financial plan, expressed through its budget, with actual performance. The Local Government Act 1989 requires explanation of any material variances. The Council has adopted a materiality threshold of 10 per cent or \$100,000. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures included in the Standard Statements are those adopted by Council on the 10 July 2012. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet Council plan and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not predictable.

Detailed information on the actual financial results are contained in the General Purpose Financial report which can be found immediately following these Standard Statements. The detailed budget can be obtained by contacting council or through the council's website. The Standard Statements must be read with reference to these documents.

**Standard Income Statement  
For the Year ended 30 June 2013**

	Budget	Actuals	Variances		Note
	2012/2013	2012/2013			
	\$	\$	\$	%	
<b>Income</b>					
Rates and charges	14,064,000	13,990,810	(73,190)	(0.5)	
Statutory fees and fines	277,000	273,629	(3,371)	(1.2)	
User fees	1,148,000	1,317,306	169,306	14.7	1
Contributions - Cash	90,000	-	(90,000)	(100.0)	
Grants Operating (recurrent)	3,701,000	6,032,729	2,331,729	63.0	2
Grants Operating (non-recurrent)	250,000	181,420	(68,580)	(27.4)	
Grants Capital (recurrent)	2,247,000	2,049,509	(197,491)	(8.8)	
Grants Capital (non-recurrent)	2,648,000	763,778	(1,884,222)	(71.2)	3
Net gain(loss) on disposal of property, plant and equipment	-	(99,531)	(99,531)	(100.0)	
Share of income of associates and joint ventures	-	15,478	15,478	100.0	
Other income	315,000	739,092	424,092	134.6	4
<b>Total income</b>	<b>24,740,000</b>	<b>25,264,219</b>	<b>524,219</b>		
<b>Expenses</b>					
Employee costs	(9,485,000)	(9,133,869)	351,131	3.7	
Materials and services	(9,463,000)	(8,647,568)	815,432	8.6	
Bad and doubtful debts	(2,000)	(9,245)	(7,245)	(362.3)	
Depreciation and amortisation	(4,434,000)	(4,533,994)	(99,994)	(2.3)	
Finance costs	(227,000)	(176,076)	50,924	22.4	
Other expenses	(183,000)	(258,959)	(75,959)	(41.5)	
Written down value of infrastructure renewed	(529,000)	(655,001)	(126,001)	(23.8)	5
<b>Total expenses</b>	<b>(24,323,000)</b>	<b>(23,414,712)</b>	<b>908,288</b>		
<b>Surplus(deficit)</b>	<b>417,000</b>	<b>1,849,507</b>	<b>1,432,507</b>		

## Standard Income Statement - Variance Explanation Report For the Year ended 30 June 2013

Note	Item	Explanation
1	User Fees	Home Care services revenue increased by \$118,000. Unbudgeted Private Works Income \$94,000.
2	Grants Operating (recurrent)	Includes first half of 2013/14 Grants Commission paid in advance \$2,363,000.
3	Grants Operating (non-recurrent)	Grants not realised include Sevens Creek Park \$769,000, Saleyards Roof \$500,000, Rockys Bridge \$140,000 and Violet Town Library \$380,000 which were all unsuccessful.
4	Other income	Unbudgeted fringe benefits tax refund \$122,000. Greater than anticipated return on investments \$118,000. Unbudgeted insurance recoveries \$138,000.
5	Written down value of infrastructure renewed	Written down value of infrastructure renewed impacted by Flood restoration works.

**Standard Balance Sheet  
For the Year ended 30 June 2013**

	Budget 2012/2013 \$	Actuals 2012/2013 \$	Variances		Note
			\$	%	
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	2,762,000	7,587,352	4,825,352	174.7	6
Trade and other receivables	1,705,000	1,175,144	(529,856)	(31.1)	7
Inventories	120,000	7,208	(112,792)	(94.0)	8
Other Assets	193,000	184,403	(8,597)	(4.5)	
<b>Total current assets</b>	<b>4,780,000</b>	<b>8,954,107</b>	<b>4,174,107</b>		
<b>Non-current assets</b>					
Financial assets	2,000	2,032	32	1.6	
Investments in regional library corporation	123,000	212,251	89,251	72.6	
Property, infrastructure, plant and equipment	201,910,000	225,496,982	23,586,982	11.68	9
<b>Total non-current assets</b>	<b>202,035,000</b>	<b>225,711,265</b>	<b>23,676,265</b>		
<b>Total assets</b>	<b>206,815,000</b>	<b>234,665,372</b>	<b>27,850,372</b>		
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	1,480,000	701,280	778,720	52.6	10
Trust funds and deposits	307,000	502,818	(195,818)	(63.8)	11
Provisions	1,846,000	2,559,217	(713,217)	(38.6)	12
Interest-bearing loans and borrowings	566,000	468,565	97,435	17.2	
<b>Total current liabilities</b>	<b>4,199,000</b>	<b>4,231,880</b>	<b>(32,880)</b>		
<b>Non-current liabilities</b>					
Trust funds and deposits	68,000	67,980	20	0.0	
Provisions	202,000	581,543	(379,543)	(187.9)	12
Interest-bearing loans and borrowings	2,422,000	1,948,076	473,924	19.6	13
<b>Total non-current liabilities</b>	<b>2,692,000</b>	<b>2,597,599</b>	<b>94,401</b>		
<b>Total liabilities</b>	<b>6,891,000</b>	<b>6,829,479</b>	<b>61,521</b>		
<b>Net Assets</b>	<b>199,924,000</b>	<b>227,835,893</b>	<b>27,911,893</b>		
<b>Equity</b>					
Accumulated surplus	70,640,000	73,635,941	2,995,941	4.2	
Reserves	129,284,000	154,199,952	24,915,952	19.3	14
<b>Total Equity</b>	<b>199,924,000</b>	<b>227,835,893</b>	<b>27,911,893</b>		

**Standard Balance Sheet - Variance Explanation Report  
For the Year ended 30 June 2013**

Note	Item	
6	Cash and cash equivalents	Higher cash balances due in part to the early receipt of Grants Commission funding in June 2013 and 2013 Capital Works program being reduced.
7	Trade and other receivables	Timing difference between budget and grant funds received.
8	Inventories	Inventories were used in the delivery of Capital works Program 2012/13.
9	Property, infrastructure, plant and equipment	Revaluation of Infrastructure in 2011/12 resulted in a higher asset base by \$21,570,608. Major Culverts were revalued in 2012/13 resulting in a \$3,380,428 revaluation increase. These increases were offset by current year road impairments of \$655,001 and asset disposals of \$496,103.
10	Trade and other payables	Lower balance due to payment of entire balance of Vision Defined Benefits Superannuation call.
11	Trust funds and deposits	Increase in trust funds due to retention requirements of Reseal Contract - Capital Works Contracts in 2012/13, Private Works Prepayment \$52,330 and recognition of Local Government Act Recovered Funds from Land Sale held in trust \$ 98,310.
12	Provisions	Budget figure for 2012/13 did not include significant provision for LSL at 30 June 2013.
13	Interest-bearing loans and borrowings	Proposed borrowing of \$600,000 for rehabilitation of Violet Town landfill deferred pending further EPA advice.
14	Reserves	The budget figure for Reserves 2012/13 did not include revaluations in 2011/12 and 2012/13 as set out in Note 9.

**Standard Cash Flow Statement  
For the Year ended 30 June 2013**

	Budget	Actuals	Variances		Note
	2012/2013	2012/2013	\$	%	
	\$	\$	\$	%	
<b>Cash flows from operating activities</b>					
Rates and charges	14,064,000	13,988,486	(75,514)	(0.5)	
Statutory fees and fines	277,000	273,689	(3,311)	(1.2)	
User fees	1,148,000	1,727,545	579,545	50.5	15
Contributions	90,000	-	(90,000)	(100.0)	
Grants - operating	4,336,000	6,264,149	1,928,149	44.5	16
Grants - capital	4,993,000	2,763,287	(2,229,713)	(44.7)	17
Other receipts (inclusive of GST)	117,000	465,292	348,292	297.7	18
Interest	198,000	229,115	31,115	15.7	
Net GST refund/payment	2,367,000	1,230,709	(1,136,291)	(48.0)	19
Employee costs	(9,485,000)	(10,547,125)	(1,062,125)	(11.2)	20
Materials and consumables	(11,713,000)	(10,226,420)	1,486,580	12.7	21
Other payments	(185,000)	(284,855)	(99,855)	(54.0)	
<b>Net cash provided by (used in) operating activities</b>	<b>6,207,000</b>	<b>5,883,872</b>	<b>(323,128)</b>		
<b>Cash flows from investing activities</b>					
Payments for property, infrastructure, plant and equipment	(8,839,000)	(6,405,458)	2,433,542	27.5	22
Proceeds from sale of property, infrastructure, plant, equipment	500,000	396,572	(103,428)	(20.7)	23
Trust funds and deposits	-	82,879	82,879	100.0	
Payment for remediation of landfill site	(519,000)	-	519,000	(100.0)	24
<b>Net cash provided by (used in) investing activities</b>	<b>(8,858,000)</b>	<b>(5,926,007)</b>	<b>2,931,993</b>		
<b>Cash flows from financing activities</b>					
Finance costs	(227,000)	(176,076)	50,924	22.4	
Proceeds from borrowings	575,000	-	(575,000)	100.0	25
Repayment of borrowings	(929,000)	(505,365)	423,635	45.6	26
<b>Net cash provided by (used in) financing activities</b>	<b>(581,000)</b>	<b>(681,441)</b>	<b>(100,441)</b>		
Net increase (decrease) in cash and cash equivalents	(3,232,000)	(723,576)	2,508,424	(77.6)	
Cash and cash equivalents at the beginning of the financial year	5,994,000	8,310,928	2,316,928	38.7	
<b>Cash and cash equivalents at the end of the financial year</b>	<b>2,762,000</b>	<b>7,587,352</b>	<b>4,825,352</b>		



## Standard Cash Flow Statement - Variance Explanation Report For the Year ended 30 June 2013

Note	Item	
15	User Charges	The favourable variance is primarily due to the movement in user fees receivables across multiple financial years. Private works recognised for footpaths, CFA Boho Fire restoration works and increased fees in HACC services.
16	Grants - operating	Timing differences with Grants Commission funds received in June 2013.
17	Grants - capital	Budget included Capital Grants expected for Sevens Creek Park \$769,000, Saleyards Roof \$ 500,000, Rockys Bridge \$140,000 and Violet Town Library \$ 380,000 which were unsuccessful.
18	Other receipts (inclusive of GST)	Primarily related to insurance recoveries not provided in budget.
19	Net GST refund/payment	The unfavourable variance is primarily due to the lower level of capital works completed during the financial year and other Council operational variances.
20	Employee costs	Unfavourable variance due to Vision Super Defined Benefit Superannuation call payment.
21	Materials and Consumables	Includes Euroa Memorial Oval works not commenced \$390,000 and Waste Management Landfill works \$400,000.
22	Payments for property, infrastructure, plant and equipment	The unfavourable variance is primarily due to the lower level of capital works completed during the financial year.
23	Proceeds from sale of property, infrastructure, plant, equipment	This cash flow variance is due to lower proceeds from Sale of Property - Lily St and motor vehicles.
24	Payment for remediation of landfill site.	Remediation works at the Violet Town Landfill have not been completed due to ongoing monitoring and audit per EPA requirements.
25	Proceeds from borrowings	see note 24.
26	Repayment of borrowings.	see note 13.

**Standard Statement of Capital Works  
For the Year ended 30 June 2013**

	Budget	Actuals	Variances		Note
	2012/2013	2012/2013	\$	%	
	\$	\$	\$	%	
<b>Capital Works Areas</b>					
Land	235,000	19,312	215,688	91.8	27
Buildings	1,923,000	458,004	1,464,996	76.2	28
Roads	4,448,000	3,806,589	641,411	14.4	29
Bridges and culverts	610,000	378,046	231,954	38.0	30
Footpaths	-	88,486	(88,486)	100.0	
Drains	126,000	174,398	(48,398)	(38.4)	
Plant and machinery	888,000	885,764	2,236	0.3	
Furniture and equipment	315,000	288,688	26,312	8.4	
Waste Management	294,000	-	294,000	100.0	30
Work in progress	-	243,775	(243,775)	100.0	32
<b>Total capital works</b>	<b>8,839,000</b>	<b>6,343,062</b>	<b>2,495,938</b>		

Represented by:

Renewal	5,295,000	5,057,576	237,424	4.5
Upgrade	609,000	264,200	344,800	56.6
New assets	2,935,000	1,021,286	1,913,714	65.2
	<b>8,839,000</b>	<b>6,343,062</b>	<b>2,495,938</b>	

**Reconciliation of movement in property, plant and equipment, infrastructure and non current assets classified as held for sale**

Total capital works	8,839,000	6,343,062	2,495,938	28.2
Asset revaluation movement	-	3,280,891	(3,280,891)	100.0
Depreciation/amortisation	(4,434,000)	(4,533,994)	99,994	(2.3)
Written down value of infrastructure assets renewed	(529,000)	(655,001)	126,001	100.0
Written down value of property, plant and equipment disposed	(500,000)	(496,103)	(3,897)	0.8
<b>Net movement in property, plant and equipment, infrastructure</b>	<b>3,376,000</b>	<b>3,938,855</b>	<b>(562,855)</b>	

## Standard Statements For the Year ended 30 June 2013

### Certification of the Standard Statements

In my opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.



C Fitzpatrick CPA  
Principal Accounting Officer

Date : 25 September, 2013

In our opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government act 1989 and the Local Government (Finance and Reporting) Regulations 2004.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the standard statements to be misleading or inaccurate.

We have been authorised by the Council on 25 September 2013 to certify the standard statements in their final form.

Councillor Debra Swan  
Councillor



Date : 25 September, 2013

Councillor Colleen Furlanetto  
Councillor



Date : 25 September, 2013

Steve Crawcour  
Chief Executive Officer



Date : 25 September, 2013

## Standard Statement of Capital Works - Variance Explanation Report For the Year ended 30 June 2013

Note	Item	
27	Land	Variance relates to the Violet Town Flood Mitigation Works \$ 105,000 and Euroa Water Scheme \$100,000 being part carried forward in 2013/14 Budget.
28	Buildings	Budget allowed for Capital Grants : Sevens Creek Park Facilities \$769,000, Saleyards Roof \$ 500,000 and Violet Town Library \$ 380,000 which were all unsuccessful.
29	Roads	The favourable variance is primarily due to the savings on the Road Reseal Program \$160,000 and Pavement Rehabilitation Program savings of \$ 214,000. Also \$87,000 works carried forward into Budget 2013/14.
30	Bridges and Culverts	The variance primarily relates to Bridge works being carried forward into 2013/14 Budget for Mitchellstown Road Bridge, Nelsons Road Bridge, Horse Gully Road Bridge and Walkers Road Bridge.
31	Waste Management	Works for the Violet Town Tip capping were recognised as works in progress see note 32.
32	Works in progress	Major projects progressing over financial years and classified as works in progress include Black Caviaer Statute \$25,000, Violet Town Flood Mitigation \$122,000, and Violet Town Tip Capping \$97,000.