

**Strathbogie Shire Council
STANDARD STATEMENTS
For the Year Ended 30 June 2014**

Notes		Page
	Basis of preparation of Standard Statements	3
	Standard Income Statement	4
1 - 7	Standard Income Statement - Variance Explanation Report	5
	Standard Balance Sheet	6
8 - 11	Standard Balance Sheet - Variance Explanation Report	7
	Standard Cash Flows Statement	8
12 - 20	Standard Cash Flows Statement - Variance Explanation Report	9
	Standard Statement of Capital Works	10
21 - 28	Standard Statement of Capital Works - Variance Explanation Report	11
	Certification of Standard Statements	12

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 Statement of Capital Works, 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 (Planning and Reporting) Regulations 2014.

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 23 July 2013. 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 2014**

	Budget	Actuals	Variances		Note
	2013/2014	2013/2014			
	\$	\$	\$	%	
Income					
Rates and charges	15,237,000	15,117,739	(119,261)	(0.8)	
Statutory fees and fines	297,900	292,522	(5,378)	(1.8)	
User fees	1,311,400	1,276,443	(34,957)	(2.7)	
Contributions - Cash	113,330	80,000	(33,330)	(29.4)	
Contributions - non monetary assets	-	1,198,013	1,198,013	100.0	1
Grants Operating (recurrent)	3,958,970	4,164,280	205,310	5.2	2
Grants Operating (non-recurrent)	574,500	373,600	(200,900)	(35.0)	2
Grants Capital (recurrent)	2,433,200	2,543,156	109,956	4.5	
Grants Capital (non-recurrent)	1,823,000	1,001,273	(821,727)	(45.1)	3
Net gain(loss) on disposal of property, plant and equipment	(551,000)	(214,592)	336,408	(61.1)	4
Share of income of associates and joint ventures	-	11,398	11,398	100.0	
Other income	218,700	655,337	436,637	199.7	5
Total income	25,417,000	26,499,169	1,082,169		
Expenses					
Employee costs	(9,737,000)	(9,668,391)	68,609	0.7	
Materials and services	(11,048,000)	(9,372,211)	1,675,789	15.2	6
Bad and doubtful debts	(2,000)	(4,155)	(2,155)	(107.8)	
Depreciation and amortisation	(4,694,000)	(4,958,973)	(264,973)	(5.6)	
Finance costs	(150,000)	(144,711)	5,289	3.5	
Other expenses	(318,000)	(270,778)	47,222	14.8	
Written down value of infrastructure renewed	(400,000)	(771,295)	(371,295)	(92.8)	7
Total expenses	(26,349,000)	(25,190,514)	1,158,486		
Surplus(deficit)	(932,000)	1,308,655	2,240,655		

Standard Income Statement - Variance Explanation Report For the Year ended 30 June 2014

Note	Item	Explanation
1	Contributions - non monetary assets	Unbudgeted community and subdivision infrastructure assets from developers in relation to the Elloura development.
2	Grants Operating (recurrent)	The basis for determining the status of grants as recurrent or non-recurrent changed between the time of preparing the budget and the preparation of these statements. The recurrent and non-recurrent variances are offsetting.
2	Grants Operating (non-recurrent)	
3	Grants Capital (non-recurrent)	Budgeted grants not received 2013/14, projects deferred to 2014/15 - Violet Town Library Complex \$300,000, Violet Town Floodplain Management \$504,000, Nagambie Main Street \$670,000 and Saieyards improvements \$250,000. Offset by unbudgeted Natural Disaster Funding of \$911,000.
4	Net gain(loss) on disposal of property, plant and equipment	Disposal of Nagambie Old Depot site did not proceed in 2013/14, delayed sale of grader until 2014/15.
5	Other income	Higher than budgeted return on investments \$180,000, interest on outstanding rates \$24,000 and unbudgeted insurance and workcover recovered \$204,000.
6	Materials and services	Nagambie Main Street Project totalling \$900,000 and the Euroa Memorial Oval \$390,000 deferred to 2014/15.
7	Written down value of infrastructure renewed	The capital works program for 2013/14, including Roads to Recovery Grant and Country Roads and Bridges Grant focused on rehabilitation and pavement reseals, resulting in a higher written down value of infrastructure renewed, not recognised fully at preparation of budget.

**Standard Balance Sheet
For the Year ended 30 June 2014**

	Budget	Actuals	Variances		Note
	2013/2014	2013/2014	\$	%	
	\$	\$	\$	%	
Assets					
Current assets					
Cash and cash equivalents	5,123,000	9,154,431	4,031,431	78.7	8
Trade and other receivables	1,597,000	1,457,817	(139,183)	(8.7)	
Inventories	351,000	9,907	(341,093)	(97.2)	9
Other Assets	118,000	123,985	5,985	5.1	
Total current assets	7,189,000	10,746,140	3,557,140		
Non-current assets					
Financial assets	2,000	2,032	32	1.6	
Investments in regional library corporation	156,000	223,649	67,649	43.4	
Property, infrastructure, plant and equipment	224,495,000	233,428,511	8,933,511	3.98	
Total non-current assets	224,653,000	233,654,192	9,001,192		
Total assets	231,842,000	244,400,332	12,558,332		
Liabilities					
Current liabilities					
Trade and other payables	2,007,000	2,662,191	(655,191)	(32.6)	10
Trust funds and deposits	420,000	480,214	(60,214)	(14.3)	
Provisions	2,273,000	2,913,043	(640,043)	(28.2)	11
Interest-bearing loans and borrowings	611,000	627,717	(16,717)	(2.7)	
Total current liabilities	5,311,000	6,683,165	(1,372,165)		
Non-current liabilities					
Trust funds and deposits	68,000	67,980	20	0.0	
Provisions	590,000	597,297	(7,297)	(1.2)	
Interest-bearing loans and borrowings	2,137,000	2,119,739	17,261	0.8	
Total non-current liabilities	2,795,000	2,785,016	9,984		
Total liabilities	8,106,000	9,468,181	(1,362,181)		
Net Assets	223,736,000	234,932,151	11,196,151		
Equity					
Accumulated surplus	72,637,000	74,744,596	2,107,596	2.9	
Reserves	151,099,000	160,187,555	9,088,555	6.0	
Total Equity	223,736,000	234,932,151	11,196,151		

**Standard Balance Sheet - Variance Explanation Report
For the Year ended 30 June 2014**

Note	Item	Explanation
8	Cash and cash equivalents	Increased investment funds due to delayed 2013/14 capital works projects, increased payables and take up of loan at June 2014 for landfill rehabilitation to proceed 2014/15.
9	Inventories	Bulk fuel inventory only, pipes and other materials costed directly to maintenance works.
10	Trade and other payables	Change of policy regarding payment timing to creditors, pay by terms.
11	Provisions	Increase in Violet Town landfill provision, works deferred to 2014/15.

**Standard Cash Flow Statement
For the Year ended 30 June 2014**

	Budget	Actuals	Variances		Note
	2013/2014	2013/2014	\$	%	
	\$	\$	\$	%	
Cash flows from operating activities					
Rates and charges	15,237,000	14,959,027	(277,973)	(1.8)	
Statutory fees and fines	298,000	292,522	(5,478)	(1.8)	
User fees	1,311,000	1,152,483	(158,517)	(12.1)	12
Contributions	115,000	80,000	(35,000)	(30.4)	
Grants - operating	4,533,000	4,537,880	4,880	0.1	
Grants - capital	4,256,000	3,544,429	(711,571)	(16.7)	13
Other receipts (inclusive of GST)	19,000	333,851	314,851	1657.1	14
Interest	200,000	321,486	121,486	60.7	15
Net GST refund/payment	-	1,554,139	1,554,139	100.0	16
Employee costs	(9,737,000)	(9,298,811)	438,189	4.5	
Materials and consumables	(11,048,000)	(8,907,720)	2,140,280	19.4	17
Other payments	(319,000)	(274,934)	44,066	13.8	
Net cash provided by (used in) operating activities	4,865,000	8,294,352	3,429,352		
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(8,909,000)	(7,011,994)	1,897,006	21.3	18
Proceeds from sale of property, infrastructure, plant and equipment	1,450,000	121,221	(1,328,779)	(91.6)	19
Trust funds and deposits	-	(22,604)	(22,604)	100.0	
Payment for remediation of landfill site	(525,000)	-	525,000	(100.0)	20
Net cash provided by (used in) investing activities	(7,984,000)	(6,913,377)	1,070,623		
Cash flows from financing activities					
Finance costs	(150,000)	(144,711)	5,289	3.5	
Proceeds from borrowings	800,000	800,000	-	0.0	
Repayment of borrowings	(468,000)	(469,185)	(1,185)	(0.3)	
Net cash provided by (used in) financing activities	182,000	186,104	4,104		
Net increase (decrease) in cash and cash equivalents	(2,937,000)	1,567,079	4,504,079	(153.4)	
Cash and cash equivalents at the beginning of the financial year	8,060,000	7,587,352	(472,648)	(5.9)	
Cash and cash equivalents at the end of the financial year	5,123,000	9,154,431	4,031,431		

Standard Cash Flow Statement - Variance Explanation Report For the Year ended 30 June 2014

Note	Item	Explanation
12	User fees	Reduced demand for homecare and meals on wheels.
13	Grants - capital	Budgeted grants not received - Violet Town Library Complex \$300,000, Violet Town Floodplain Management \$504,000, Nagambie Main Street \$670,000 and Saleyards improvements \$250,000. Offset by unbudgeted Natural Disaster Funding of \$911,000.
14	Other receipts (inclusive of GST)	Increased diesel fuel rebate and workcover insurance recovery.
15	Interest	Higher investment activity due to delayed capital works and prepaid grants commission June 2013.
16	Net GST refund/payment	GST not itemised separately in budget.
17	Materials and Consumables	Nagambie Main Street Project \$900,000 and Euroa Memorial Oval \$390,000 deferred to 2014/15. Reduced demand for home care services. Deferred implementation of greenwaste collection service \$127,000.
18	Payments for property, infrastructure plant and equipment	The unfavourable variance is primarily due to capital works not completed 2013/14 and transferred to 2014/15 (\$1.27 million) and the leasing of a grader rather than the budgeted purchase.
19	Proceeds from sale of property, infrastructure, plant and equipment	Delayed sale of Nagambie Depot and decision to lease rather than purchase new grader.
20	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. Delayed to 2014/15.

Standard Statement of Capital Works
For the Year ended 30 June 2014

	Budget	Actuals	Variances		Note
	2013/2014	2013/2014	\$	%	
	\$	\$	\$	%	
Capital Works Areas					
Land	1,913,540	245,565	1,667,975	87.2	21
Buildings	1,272,500	711,002	561,498	44.1	22
Roads	3,128,567	3,508,809	(380,242)	(12.2)	23
Bridges and culverts	932,900	910,082	22,818	2.4	
Kerb and Channels	53,093	56,234	(3,141)	(5.9)	
Footpaths	54,000	123,763	(69,763)	100.0	
Drains	356,500	141,594	214,906	60.3	24
Plant and machinery	667,000	303,002	363,998	54.6	25
Furniture and equipment	530,770	359,276	171,494	32.3	26
Other Community Assets	-	139,069	(139,069)	100.0	27
Work in progress	-	513,598	(513,598)	100.0	28
Total capital works	8,908,870	7,011,994	1,896,876		

Represented by:

Renewal	5,805,800	5,497,045	308,755	5.3
Upgrade	1,133,600	681,668	451,932	39.9
New assets	1,969,470	833,281	1,136,189	57.7
	8,908,870	7,011,994	1,896,876	

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

Total capital works	8,908,870	7,011,994	1,896,876	21.3
Contributions - non monetary assets	-	1,198,013	(1,198,013)	(100.0)
Asset revaluation movement	-	5,787,603	(5,787,603)	(100.0)
Depreciation/amortisation	(4,694,000)	(4,958,973)	264,973	(5.6)
Written down value of infrastructure assets renewed	(400,000)	(771,295)	371,295	(92.8)
Written down value of Assets sold	(2,001,000)	(335,813)	(1,665,187)	83.2
Net movement in property, plant and equipment, infrastructure	1,813,870	7,931,529	(6,117,659)	

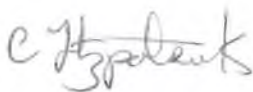
**Standard Statement of Capital Works - Variance Explanation Report
For the Year ended 30 June 2014**

Note	Item	Explanation
21	Land	Variance relates to delays in commencement of the Violet Town Flood Mitigation Works \$504,000, Saleyards development \$475,000, and Nagambie Depot redevelopment \$531,000 carried forward to 2014/15 year.
22	Buildings	Sevens Creek Park Facilities \$250,000 and Violet Town Library \$460,000 carried forward to 2014/15.
23	Roads	2012 Flood restoration works \$377,000 carried out in 2013/14 not included in budget.
24	Drains	Garrett & White Streets deferred.
25	Plant & Machinery	Grader not replaced in 2013/14 as budgeted.
26	Furniture & Equipment	HACC Minor Grant carried forward to 2014/15, Black Caviar statue base reclassified as Other Community Assets.
27	Other Community Assets	This balance relates to unbudgeted projects - Nagambie canoe polo and community contributed plinth for Lake Nagambie foreshore.
28	Work in Progress	Carried Forward projects not budgeted for separately: Nagambie Depot Rehabilitation of Land, Euroa Flood Mitigation works, Violet Town Flood Mitigation works and Euroa Memorial Park Redevelopment Project - Honouring our Heroes.

Standard Statements For the Year ended 30 June 2014

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 (Planning and Reporting) Regulations 2014.



C Fitzpatrick CPA
Principal Accounting Officer

Date : 23/09/2014

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 (Planning and Reporting) Regulations 2014.

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 23 September 2014 to certify the standard statements in their final form.



Councillor Debra Swan
Councillor

Date : 23 /09/2014



Councillor Colleen Furlanetto
Councillor

Date : 23 /09/2014



Steve Crawcour
Chief Executive Officer

Date : 23 /09/2014