

SHIRE OF MERREDIN
MONTHLY FINANCIAL REPORT
(Containing the Statement of Financial Activity)
For the period ending 28 February 2022

LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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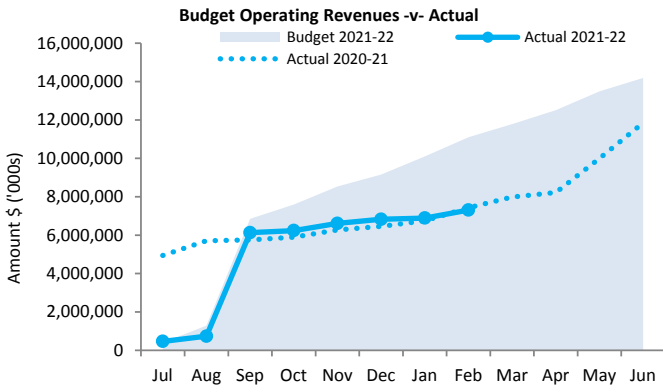
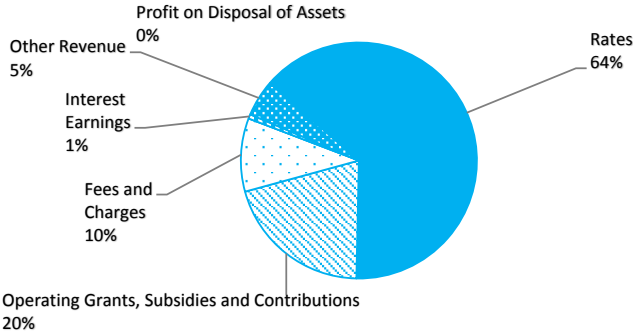
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**MONTHLY FINANCIAL REPORT
FOR THE PERIOD ENDED 28 FEBRUARY 2022**

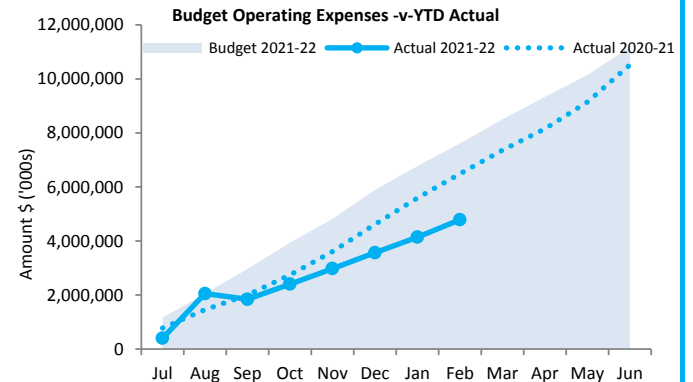
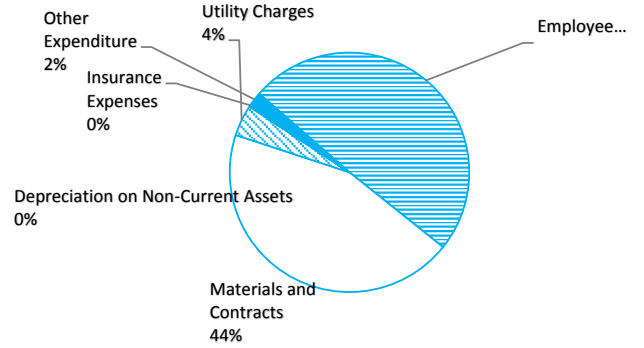
SUMMARY INFORMATION - GRAPHS

OPERATING ACTIVITIES

OPERATING REVENUE



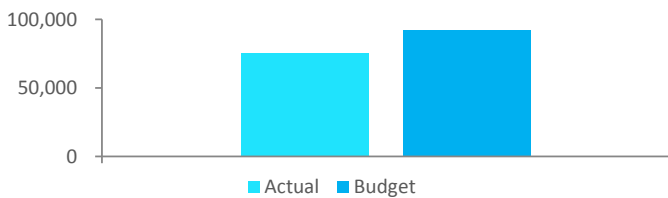
OPERATING EXPENSES



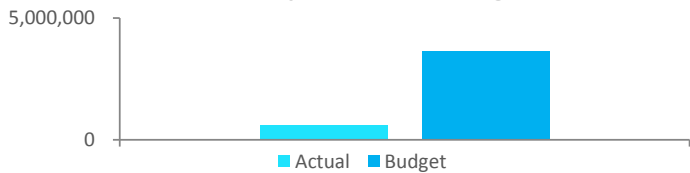
FINANCING ACTIVITIES

BORROWINGS

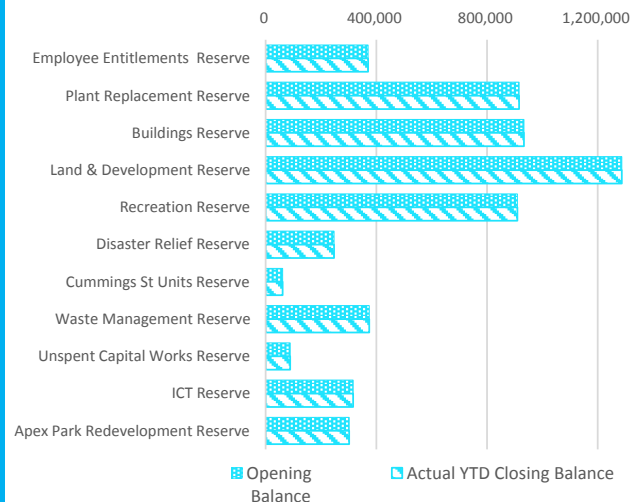
Principal Repayments



Principal Outstanding



RESERVES



This information is to be read in conjunction with the accompanying Financial Statements and Notes.

Funding surplus / (deficit) Components

Funding surplus / (deficit)				
	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
Opening	\$2.74 M	\$2.74 M	\$3.83 M	\$1.09 M
Closing	\$0.00 M	\$1.14 M	\$5.29 M	\$4.15 M

Refer to Statement of Financial Activity

Cash and cash equivalents		
	\$	% of total
Unrestricted Cash	\$4.54 M	43.9%
Restricted Cash	\$5.81 M	56.1%

Refer to Note 2 - Cash and Financial Assets

Payables		
	\$	% Outstanding
Trade Payables	\$0.29 M	
Over 30 Days		10.3%
Over 90 Days		1.3%

Refer to Note 5 - Payables

Receivables		
	\$	% Collected
Rates Receivable	\$1.34 M	74.1%
Trade Receivable	\$0.53 M	
Over 30 Days		70.0%
Over 90 Days		17.6%

Refer to Note 3 - Receivables

Key Operating Activities

Amount attributable to operating activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
\$0.43 M	\$2.26 M	\$2.52 M	\$0.26 M

Refer to Statement of Financial Activity

Rates Revenue		
	\$	% Variance
YTD Actual	\$4.67 M	
YTD Budget	\$4.63 M	0.9%

Refer to Note 6 - Rate Revenue

Operating Grants and Contributions		
	\$	% Variance
YTD Actual	\$1.04 M	
YTD Budget	\$1.43 M	(27.4%)

Refer to Note 12 - Operating Grants and Contributions

Fees and Charges		
	\$	% Variance
YTD Actual	\$0.73 M	
YTD Budget	\$0.86 M	(14.3%)

Refer to Statement of Financial Activity

Key Investing Activities

Amount attributable to investing activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$7.20 M)	(\$3.79 M)	(\$0.98 M)	\$2.81 M

Refer to Statement of Financial Activity

Proceeds on sale		
	\$	%
YTD Actual	\$0.00 M	
Adopted Budget	\$0.31 M	(100.0%)

Refer to Note 7 - Disposal of Assets

Asset Acquisition		
	\$	% Spent
YTD Actual	\$2.03 M	
Adopted Budget	\$13.43 M	(84.9%)

Refer to Note 8 - Capital Acquisition

Capital Grants		
	\$	% Received
YTD Actual	\$1.03 M	
Adopted Budget	\$5.89 M	(82.5%)

Refer to Note 8 - Capital Acquisition

Key Financing Activities

Amount attributable to financing activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
\$4.02 M	(\$0.08 M)	(\$0.08 M)	\$0.00 M

Refer to Statement of Financial Activity

Borrowings	
Principal repayments	\$0.08 M
Interest expense	\$0.01 M
Principal due	\$0.60 M

Refer to Note 9 - Borrowings

Reserves	
Reserves balance	\$5.81 M
Interest earned	\$0.00 M

Refer to Note 10 - Cash Reserves

This information is to be read in conjunction with the accompanying Financial Statements and notes.

**KEY TERMS AND DESCRIPTIONS
FOR THE PERIOD ENDED 28 FEBRUARY 2022**

STATUTORY REPORTING PROGRAMS

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

PROGRAM NAME AND OBJECTIVES

ACTIVITIES

GOVERNANCE

To provide a decision making process for the efficient allocation of scarce resources.

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

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

To provide services to help ensure a safer and environmentally conscious community.

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

HEALTH

To provide an operational framework for environmental and community health.

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

EDUCATION AND WELFARE

To provide services to disadvantaged persons, the elderly, children and youth.

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

To provide and maintain elderly residents housing.

Provision and maintenance of elderly residents housing.

COMMUNITY AMENITIES

To provide services required by the community.

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

To establish and effectively manage infrastructure and resource which will help the social well being of the community.

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

To provide safe, effective and efficient transport
To help promote the Shire and its economic wellbeing.

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and 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.

ECONOMIC SERVICES

To help promote the Shire and its economic wellbeing.

Tourism and area promotion
Provision of rural services including weed control, vermin control and standpipes. Building Control.

OTHER PROPERTY AND SERVICES

To monitor and control Shire overheads operating accounts.

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

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 28 FEBRUARY 2022**

STATUTORY REPORTING PROGRAMS

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
Opening funding surplus / (deficit)	1(c)	2,744,000	2,744,000	3,830,672	1,086,672	39.60%	▲
Revenue from operating activities							
Governance		26,000	17,336	40,065	22,729	131.11%	▲
General purpose funding - general rates	6	4,627,400	4,627,400	4,671,050	43,650	0.94%	
General purpose funding - other		1,448,400	1,083,309	1,012,252	(71,057)	(6.56%)	
Law, order and public safety		137,345	91,989	58,642	(33,347)	(36.25%)	▼
Health		12,000	11,336	12,808	1,472	12.99%	
Education and welfare		54,541	36,815	3,666	(33,149)	(90.04%)	▼
Housing		114,800	76,528	65,972	(10,556)	(13.79%)	▼
Community amenities		642,062	605,762	580,617	(25,145)	(4.15%)	
Recreation and culture		369,602	299,022	141,943	(157,079)	(52.53%)	▼
Transport		323,764	432,552	600,769	168,217	38.89%	▲
Economic services		156,025	117,207	73,392	(43,815)	(37.38%)	▼
Other property and services		78,500	51,982	43,518	(8,464)	(16.28%)	
		7,990,439	7,451,238	7,304,694	(146,544)	(1.97%)	
Expenditure from operating activities							
Governance		(657,600)	(457,660)	(407,765)	49,895	10.90%	▲
General purpose funding		(147,800)	(91,265)	(36,665)	54,600	59.83%	▲
Law, order and public safety		(587,489)	(398,487)	(258,515)	139,972	35.13%	▲
Health		(233,900)	(155,648)	(145,881)	9,767	6.28%	
Education and welfare		(175,001)	(117,622)	(50,373)	67,249	57.17%	▲
Housing		(339,785)	(226,520)	(113,367)	113,153	49.95%	▲
Community amenities		(1,242,790)	(836,474)	(703,922)	132,552	15.85%	▲
Recreation and culture		(2,982,811)	(2,046,265)	(1,447,733)	598,532	29.25%	▲
Transport		(3,858,800)	(2,581,675)	(816,676)	1,764,999	68.37%	▲
Economic services		(829,940)	(545,670)	(490,931)	54,739	10.03%	▲
Other property and services		(126,500)	(153,819)	(316,571)	(162,752)	(105.81%)	▼
		(11,182,416)	(7,611,105)	(4,788,399)	2,822,706	37.09%	▲
Non-cash amounts excluded from operating activities	1(a)	3,626,800	2,416,536	0	(2,416,536)	(100.00%)	▼
Amount attributable to operating activities		434,823	2,256,669	2,516,295	259,626		
Investing Activities							
Proceeds from non-operating grants, subsidies and contributions	13	5,885,313	3,599,394	1,031,389	(2,568,005)	(71.35%)	▼
Proceeds from disposal of assets	7	312,500	208,336	0	(208,336)	(100.00%)	▼
Proceeds from financial assets at amortised cost - self supporting loans	9	33,410	16,501	16,501	0	0.00%	
Payments for property, plant and equipment and infrastructure	8	(13,432,366)	(7,611,619)	(2,027,815)	5,583,804	73.36%	▲
Amount attributable to investing activities		(7,201,143)	(3,787,388)	(979,925)	2,807,463		
Financing Activities							
Proceeds from new debentures	9	3,039,300	0	0	0	0.00%	
Transfer from reserves	10	1,426,270	0	0	0	0.00%	
Repayment of debentures	9	(92,240)	(75,333)	(75,333)	0	0.00%	
Transfer to reserves	10	(351,010)	0	0	0	0.00%	
Amount attributable to financing activities		4,022,320	(75,333)	(75,333)	0		
Closing funding surplus / (deficit)	1(c)	0	1,137,948	5,291,709			

KEY INFORMATION

▲ ▼ Indicates a variance between Year to Date (YTD) Actual and YTD Actual data as per the adopted materiality threshold. Refer to Note 2 for an explanation of the reasons for the variance.

threshold. Refer to Note 15 for an explanation of the reasons for the variance.

The material variance adopted by Council for the 2021-22 year is \$10,000 and 10.00%.

This statement is to be read in conjunction with the accompanying Financial Statements and notes.

KEY TERMS AND DESCRIPTIONS

FOR THE PERIOD ENDED 28 FEBRUARY 2022

REVENUE

RATES

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

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refers 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 identifiable non financial assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

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 these as 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.

PROFIT ON ASSET DISPOSAL

Excess of assets received over the net book value for assets on their disposal.

NATURE OR TYPE DESCRIPTIONS

EXPENSES

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

Shortfall between the value of assets received over the net book value for assets on their disposal.

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, allowance for impairment of assets, member's fees or State taxes. Donations and subsidies made to community groups.

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 28 FEBRUARY 2022**

BY NATURE OR TYPE

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
Opening funding surplus / (deficit)	1(c)	2,744,000	2,744,000	3,830,672	1,086,672	39.60%	▲
Revenue from operating activities							
Rates	6	4,627,400	4,627,400	4,671,050	43,650	0.94%	
Operating grants, subsidies and contributions	12	1,935,264	1,480,083	1,491,250	11,167	0.75%	
Fees and charges		972,875	857,246	734,295	(122,951)	(14.34%)	▼
Interest earnings		121,700	87,092	43,338	(43,754)	(50.24%)	▼
Other revenue		317,100	388,681	364,761	(23,920)	(6.15%)	
Profit on disposal of assets	7	16,100	10,736	0	(10,736)	(100.00%)	▼
		7,990,439	7,451,238	7,304,694	(146,544)		
Expenditure from operating activities							
Employee costs		(3,348,584)	(2,206,999)	(2,362,553)	(155,554)	(7.05%)	
Materials and contracts		(3,563,835)	(2,530,115)	(2,122,207)	407,908	16.12%	▲
Utility charges		(254,950)	(175,825)	(201,746)	(25,921)	(14.74%)	▼
Depreciation on non-current assets		(3,606,900)	(2,404,608)	0	2,404,608	100.00%	▲
Interest expenses		(31,760)	(22,870)	(9,293)	13,577	59.37%	▲
Insurance expenses		(130,207)	(123,938)	0	123,938	100.00%	▲
Other expenditure		(210,180)	(124,086)	(92,600)	31,486	25.37%	▲
Loss on disposal of assets	7	(36,000)	(22,664)	0	22,664	100.00%	▲
		(11,182,416)	(7,611,105)	(4,788,399)	2,822,706		
Non-cash amounts excluded from operating activities							
	1(a)	3,626,800	2,416,536	0	(2,416,536)	(100.00%)	▼
Amount attributable to operating activities		434,823	2,256,669	2,516,295	259,626		
Investing activities							
Proceeds from non-operating grants, subsidies and contributions	13	5,885,313	3,599,394	1,031,389	(2,568,005)	(71.35%)	▼
Proceeds from disposal of assets	7	312,500	208,336	0	(208,336)	(100.00%)	▼
Proceeds from financial assets at amortised cost - self supporting loans	9	33,410	16,501	16,501	0	0.00%	
Payments for property, plant equipment, and Infrastructure	8	(13,432,366)	(7,611,619)	(2,027,815)	5,583,804	73.36%	▲
Amount attributable to investing activities		(7,201,143)	(3,787,388)	(979,925)	2,807,463		
Financing Activities							
Proceeds from new debentures	9	3,039,300	0	0	0	0.00%	
Transfer from reserves	10	1,426,270	0	0	0	0.00%	
Payments for principal portion of lease liabilities		0	0	0	0	0.00%	
Repayment of debentures	9	(92,240)	(75,333)	(75,333)	0	0.00%	
Transfer to reserves	10	(351,010)	0	0	0	0.00%	
Amount attributable to financing activities		4,022,320	(75,333)	(75,333)	0		
Closing funding surplus / (deficit)	1(c)	0	1,137,948	5,291,709	4,153,761		

KEY INFORMATION

▲ ▼ Indicates a variance between Year to Date (YTD) Actual and YTD Actual data as per the adopted materiality threshold.

Refer to Note 15 for an explanation of the reasons for the variance.

This statement is to be read in conjunction with the accompanying Financial Statements and Notes.

**MONTHLY FINANCIAL REPORT
FOR THE PERIOD ENDED 28 FEBRUARY 2022**

BASIS OF PREPARATION

BASIS OF PREPARATION

REPORT PURPOSE

This report is prepared to meet the requirements of *Local Government (Financial Management) Regulations 1996, Regulation 34*. Note: The statements and accompanying notes are prepared based on all transactions recorded at the time of preparation and may vary due to transactions being processed for the reporting period after the date of preparation.

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) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards.

Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this financial report. This is not in accordance with the requirements of *AASB 1051 Land Under Roads paragraph 15* and *AASB 116 Property, Plant and Equipment paragraph 7*.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has 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.

PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 06 April 2022

SIGNIFICANT ACCOUNTING POLICES

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.

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

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 financial statements. A separate statement of those monies appears at Note 14 to these financial statements.

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.

ROUNDING OFF FIGURES

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

(a) Non-cash items excluded from operating activities

The following non-cash revenue and expenditure has been excluded from operating activities within the Statement of Financial Activity in accordance with Financial Management Regulation 32.

	Notes	Adopted Budget	YTD Budget (a)	YTD Actual (b)
Non-cash items excluded from operating activities				
		\$	\$	\$
Adjustments to operating activities				
Less: Profit on asset disposals	7	(16,100)	(10,736)	0
Add: Loss on asset disposals	7	36,000	22,664	0
Add: Depreciation on assets		3,606,900	2,404,608	0
Total non-cash items excluded from operating activities		3,626,800	2,416,536	0

(b) Adjustments to net current assets in the Statement of Financial Activity

The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with *Financial Management Regulation* 32 to agree to the surplus/(deficit) after imposition of general rates.

		Last Year Closing 30 June 2021	Year to Date 28 Feb 2022
Adjustments to net current assets			
Less: Reserves - restricted cash	10	(5,806,287)	(5,806,287)
Less: - Financial assets at amortised cost - self supporting loans	4	(33,409)	(16,908)
Add: Borrowings	9	92,241	16,907
Add: Provisions - employee	11	552,420	552,420
Total adjustments to net current assets		(5,195,035)	(5,253,868)

(c) Net current assets used in the Statement of Financial Activity

Current assets			
Cash and cash equivalents	2	10,803,316	10,350,038
Rates receivables	3	576,043	1,342,991
Receivables	3	287,636	527,530
Other current assets	4	44,019	32,361
Less: Current liabilities			
Payables	5	(1,327,362)	(424,733)
Borrowings	9	(92,241)	(16,907)
Contract liabilities	11	(713,284)	(713,284)
Provisions	11	(552,420)	(552,420)
Less: Total adjustments to net current assets	1(b)	(5,195,035)	(5,253,868)
Closing funding surplus / (deficit)		3,830,672	5,291,708

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 is expected to be settled. Unless otherwise stated assets or liabilities are classified as current if expected to be settled within the Council's operational cycle.

FOR THE PERIOD ENDED 28 FEBRUARY 2022

OPERATING ACTIVITIES
NOTE 2
CASH AND FINANCIAL ASSETS

Description	Classification	Unrestricted	Restricted	Total Cash	Trust	Institution	Interest Rate	Maturity Date
		\$	\$	\$	\$			
Cash on hand								
Municipal Bank Account		2,075,745		2,075,745				
Petty Cash - Admin		1,050		1,050				
Municipal Investment Account		2,466,958		2,466,958				
Reserve Bank Account		0	8,285	8,285				
Reserve Bank - Term Deposit Investments			5,798,000	5,798,000				
Trust Cash at Bank		0			21,278			
Total		4,543,753	5,806,285	10,350,038	21,278			
Comprising								
Cash and cash equivalents		4,543,753	5,806,285	10,350,038	21,278			
		4,543,753	5,806,285	10,350,038	21,278			

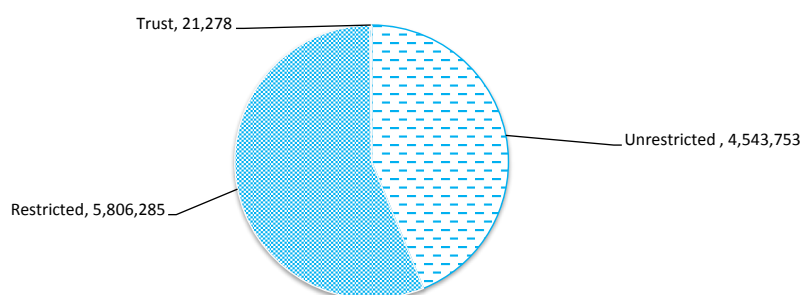
KEY INFORMATION

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments highly liquid investments with original maturities of three months or less 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 net current assets.

The local government classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost held with registered financial institutions are listed in this note other financial assets at amortised cost are provided in Note 4 - Other assets.



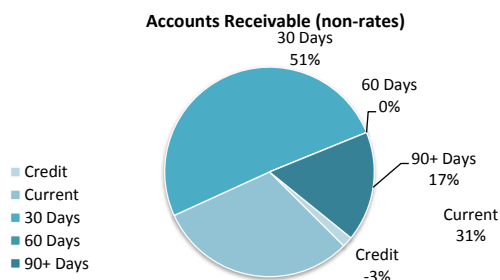
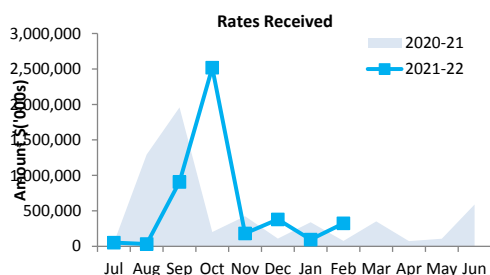
Rates receivable	30 June 2021	28 Feb 2022
	\$	\$
Opening arrears previous years	500,660	576,043
Levied this year	4,277,851	4,607,849
Less - collections to date	(4,202,468)	(3,840,901)
Equals current outstanding	576,043	1,342,991
Net rates collectable	576,043	1,342,991
% Collected	87.9%	74.1%

Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	(4,113)	76,716	126,600	0	42,434	241,637
Percentage	(1.7%)	31.7%	52.4%	0%	17.6%	
Balance per trial balance						
Sundry receivable						241,637
GST receivable						1
Other receivables						285,892
Total receivables general outstanding						527,530

Amounts shown above include GST (where applicable)

KEY INFORMATION

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 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, and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for impairment of receivables is raised when they will not be collectible.



Other current assets	Opening Balance 1 July 2021	Asset Increase	Asset Reduction	Closing Balance 28 February 2022
	\$	\$	\$	\$
Other financial assets at amortised cost				
Financial assets at amortised cost - self supporting loans	33,409	0	(16,501)	16,908
Inventory				
Inventories [describe]	10,610	4,843	0	15,453
Total other current assets	44,019	4,843	(16,501)	32,361
Amounts shown above include GST (where applicable)				

KEY INFORMATION

Inventory

Inventories are measured at the lower of cost and net realisable value.

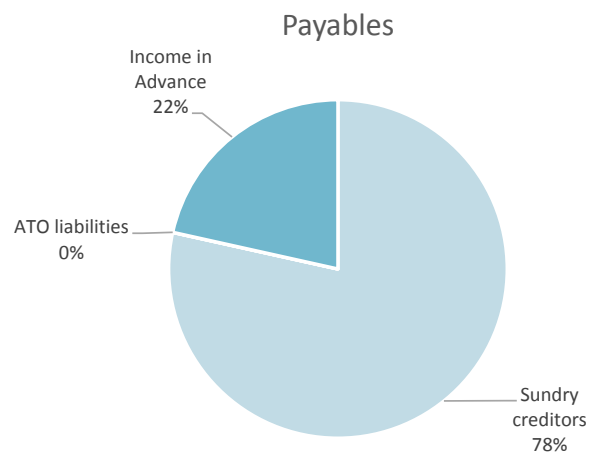
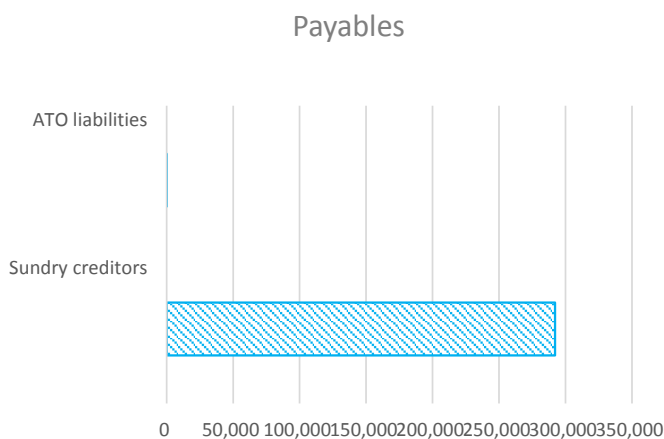
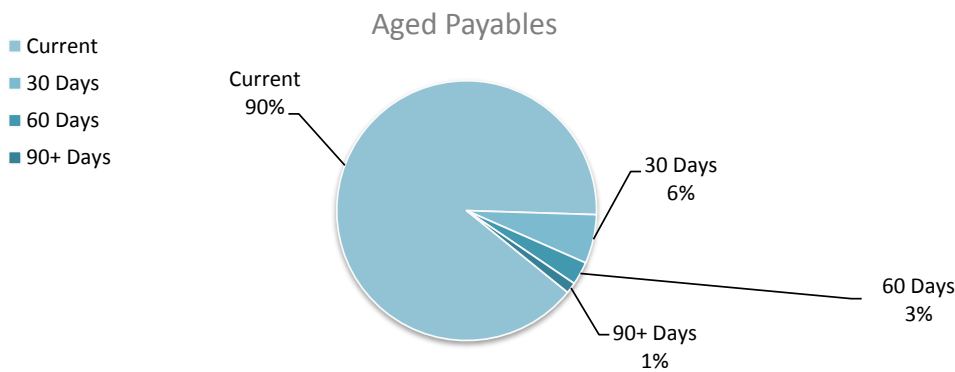
Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	0	261,963	17,809	8,451	3,940	292,163
Percentage	0%	89.7%	6.1%	2.9%	1.3%	
Balance per trial balance						
Sundry creditors						292,163
ATO liabilities						45
Income in Advance						80,121
PAYG						177
Other Expenses						52,227
Total payables general outstanding						424,733

Amounts shown above include GST (where applicable)

KEY INFORMATION

Trade and other payables represent liabilities for goods and services provided to the Shire that are unpaid and arise when the Shire 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.

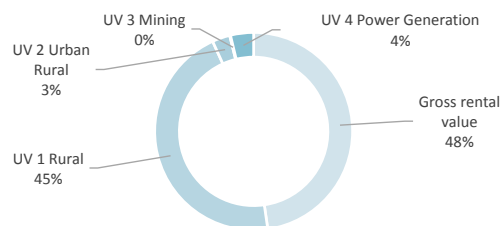
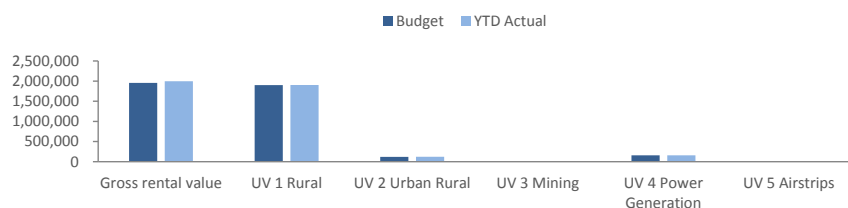


General rate revenue

RATE TYPE	Budget							YTD Actual			
	Rate in \$ (cents)	Number of Properties	Rateable Value	Rate Revenue	Interim Rate	Back Rate	Total Revenue	Rate Revenue	Interim Rates	Back Rates	Total Revenue
				\$	\$	\$	\$	\$	\$	\$	\$
Gross rental value											
Gross rental value	0.10796	1,233	18,121,363	1,956,328	0	0	1,956,328	1,996,493	0	0	1,996,493
Unimproved value											
UV 1 Rural	0.01963	312	96,912,472	1,902,198	0	0	1,902,198	1,903,040	0	500	1,903,540
UV 2 Urban Rural	0.03163	44	3,790,003	119,874	0	0	119,874	119,878	836	722	121,436
UV 3 Mining	0.03743	9	142,094	5,318	0	0	5,318	5,319	0	0	5,319
UV 4 Power Generation	0.03743	13	4,211,511	157,620	0	0	157,620	157,636	0	0	157,636
UV 5 Airstrips	0.03743	1	168,012	6,288	0	0	6,288	6,288	0	0	6,288
Sub-total		1,612	123,345,455	4,147,626	0	0	4,147,626	4,188,654	836	1,222	4,190,712
Minimum payment	Minimum \$										
Gross rental value											
Gross rental value	910	253		230,230	0	0	230,230	227,500	(735)	(78)	226,687
Unimproved value											
UV 1 Rural	1,130	125		141,250	0	0	141,250	141,250	0	0	141,250
UV 2 Urban Rural	1,130	38		42,940	0	0	42,940	42,940	0	0	42,940
UV 3 Mining	205	11		2,255	0	0	2,255	2,870	0	0	2,870
UV 4 Power Generation	1,130	3		3,390	0	0	3,390	3,390	0	0	3,390
UV 5 Airstrips	1,130	0		0	0	0	0	0	0	0	0
Sub-total		430	0	420,065	0	0	420,065	417,950	(735)	(78)	417,137
Amount from general rates							4,567,691				4,607,849
Ex-gratia rates							59,709				63,201
Total general rates							4,627,400				4,671,050

KEY INFORMATION

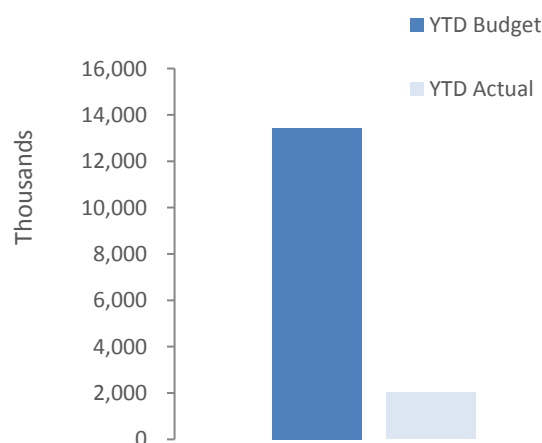
Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Rates received in advance give rise to a financial liability. On 1 July 2021 the prepaid rates were recognised as a financial asset and a related amount was recognised as a financial liability and no income was recognised. When the taxable event occurs the financial liability is extinguished and income recognised for the prepaid rates that have not been refunded.



Capital acquisitions	Adopted		YTD Actual	YTD Actual Variance	
	Budget	YTD Budget			
	\$	\$	\$	\$	
Buildings - specialised	512	1,729,500	572,435	162,904	(409,531)
Plant and equipment	530	1,501,400	1,093,303	467,518	(625,785)
Infrastructure - roads	540	3,589,166	3,002,847	1,104,340	(1,898,507)
Infrastructure - footpaths	560	200,000	158,536	109,568	(48,968)
Infrastructure - drainage	550	60,000	60,000	0	(60,000)
Infrastructure - parks & gardens	570	6,069,200	2,691,399	182,459	(2,508,940)
Infrastructure - other	590	283,100	33,099	1,027	(32,072)
Payments for Capital Acquisitions		13,432,366	7,611,619	2,027,815	(5,583,804)
Total Capital Acquisitions		13,432,366	7,611,619	2,027,815	(5,583,804)
Capital Acquisitions Funded By:					
	\$	\$	\$	\$	
Capital grants and contributions		5,885,313	3,599,394	1,031,389	(2,568,005)
Borrowings		3,039,300	0	0	0
Other (disposals & C/Fwd)		312,500	208,336	0	(208,336)
Cash backed reserves					
Plant Replacement Reserve		831,800	0	0	0
Buildings Reserve		158,170	0	0	0
Unspent Capital Works Reserve		150,000	0	0	0
Apex Park Redevelopment Reserve		286,300	0	0	0
Contribution - operations		2,768,983	3,803,889	996,426	(2,807,463)
Capital funding total		13,432,366	7,611,619	2,027,815	(5,583,804)

SIGNIFICANT ACCOUNTING POLICIES

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.



Repayments - borrowings

Information on borrowings		New Loans			Principal Repayments		Principal Outstanding		Interest Repayments	
Particulars	Loan No.	1 July 2021	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Education and welfare										
Loan 217 CEACA	217	382,225			58,832	58,830	323,393	323,395	7,954	11,580
Housing										
Proposed Loan	218	0		900,000		0	0	900,000		0
Recreation and culture										
Proposed Loan	219	0	0	2,139,300	0	0	0	2,139,300	0	0
B/Fwd Balance		382,225	0	3,039,300	58,832	58,830	323,393	3,362,695	7,954	11,580
C/Fwd Balance		382,225	0	3,039,300	58,832	58,830	323,393	3,362,695	7,954	11,580
Self supporting loans										
Education and welfare										
Loan 215 Merritville	215	295,246	0		16,501	33,410	278,745	261,836	1,339	14,180
		295,246	0	0	16,501	33,410	278,745	261,836	1,339	14,180
Total		677,471	0	3,039,300	75,333	92,240	602,138	3,624,531	9,293	25,760
Current borrowings		92,240					16,907			
Non-current borrowings		585,231					585,231			
		677,471					602,138			

All debenture repayments were financed by general purpose revenue.

Self supporting loans are financed by repayments from third parties.

KEY INFORMATION

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.

Cash backed reserve

Reserve name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Actual Transfers Out (-)	Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Employee Entitlements Reserve	370,301	2,910	0	0	0	0	0	373,211	370,301
Plant Replacement Reserve	915,953	5,040	0	305,000	0	(831,800)	0	394,193	915,953
Buildings Reserve	933,456	8,130	0	0	0	(158,170)	0	783,416	933,456
Land & Development Reserve	1,287,312	12,360	0	0	0	0	0	1,299,672	1,287,312
Recreation Reserve	910,039	7,160	0	0	0	0	0	917,199	910,039
Disaster Relief Reserve	247,006	1,940	0	0	0	0	0	248,946	247,006
Cummings St Units Reserve	61,186	480	0	0	0	0	0	61,666	61,186
Waste Management Reserve	374,230	2,940	0	0	0	0	0	377,170	374,230
Unspent Capital Works Reserve	88,475	1,640	0	0	0	(150,000)	0	(59,885)	88,475
ICT Reserve	316,276	2,490	0	0	0	0	0	318,766	316,276
Apex Park Redevelopment Reserve	302,053	920	0	0	0	(286,300)	0	16,673	302,053
	5,806,287	46,010	0	305,000	0	(1,426,270)	0	4,731,027	5,806,287

KEY INFORMATION

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 28 FEBRUARY 2022**

**NOTE 15
EXPLANATION OF MATERIAL VARIANCES**

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date Actual materially.

The material variance adopted by Council for the 2021-22 year is \$10,000 and 10.00%.

Reporting Program	Var. \$	Var. %	Timing/ Permanent	Explanation of Variance
	\$	%		
Revenue from operating activities				
Governance	22,729	131.11%	▲ Permanent	Unbudgeted contribution to employee benefit - will offset termination payout and need to be adjusted with employee provisions.
Law, order and public safety	(33,347)	(36.25%)	▼ Timing	Timing of grant fund receipts
Education and welfare	(33,149)	(90.04%)	▼ Timing	Timing of grant fund receipts
Recreation and culture	(157,079)	(52.53%)	▼ Timing	Timing of grant fund receipts
Transport	168,217	38.89%	▲ Timing	Timing of Grant funds; and Permanent increase due to new revenue from contributions for road usage.
Economic services	(43,815)	(37.38%)	▼ Timing	Timing of Visitors' Centre Revenue
Expenditure from operating activities				
General purpose funding	54,600	59.83%	▲ Timing	Timing of debt collection costs & rates write-offs
Law, order and public safety	139,972	35.13%	▲ Timing	Timing of ranger and plant maintenance costs; and Depreciation not yet charged in 2021-22.
Education and welfare	67,249	57.17%	▲ Timing	Depreciation not yet charged in 2021-22
Housing	113,153	49.95%	▲ Timing	Depreciation not yet charged in 2021-22
Community amenities	132,552	15.85%	▲ Timing	Some contract services not yet invoiced.
Recreation and culture	598,532	29.25%	▲ Timing	Depreciation not yet charged in 2021-22
Transport	1,764,999	68.37%	▲ Timing	Depreciation not yet charged in 2021-22
Economic services	54,739	10.03%	▲ Timing	Timing of employee costs
Other property and services	(162,752)	(105.81%)	▼ Timing	Timing of insurance costs and depreciation not yet charged
Investing activities				
Proceeds from non-operating grants, subsidies and contributions	(2,568,005)	(71.35%)	▼ Timing	Timing of grant fund receipts
Payments for property, plant and equipment and infrastructure	5,583,804	73.36%	▲ Timing	Mainly timing of grant-funded CEACA project.