

**SHIRE OF MERREDIN**  
**MONTHLY FINANCIAL REPORT**  
**(Containing the Statement of Financial Activity)**  
**For the period ending 28 February 2021**

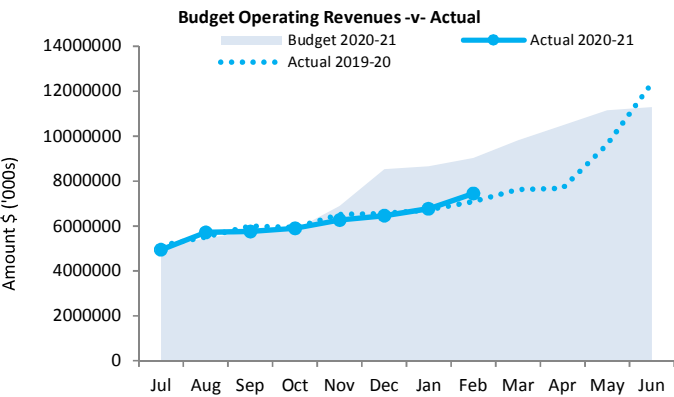
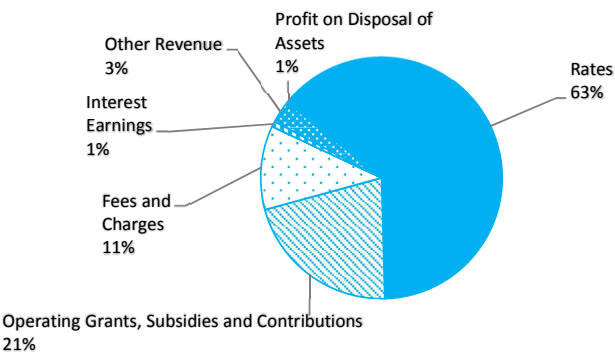
LOCAL GOVERNMENT ACT 1995  
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

**TABLE OF CONTENTS**

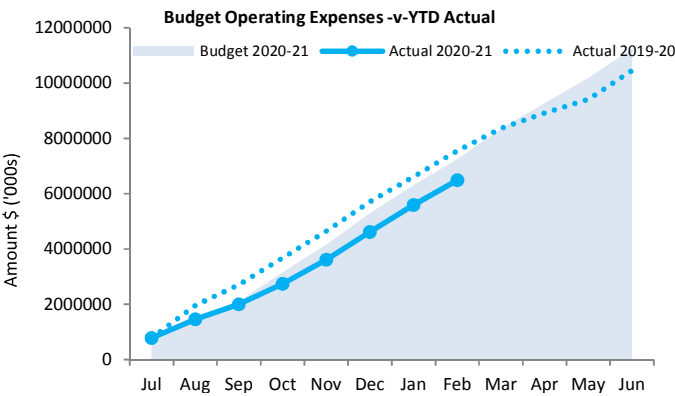
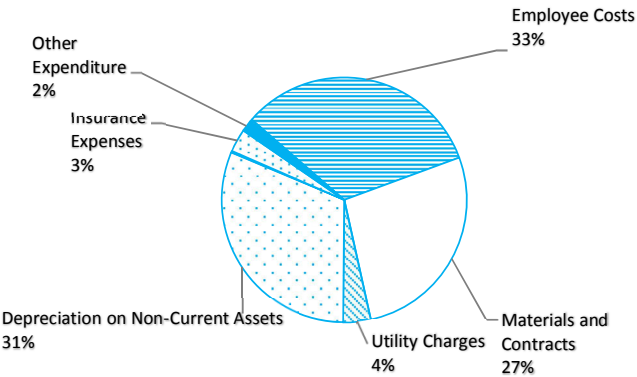
Statement of Financial Activity by Program	5
Statement of Financial Activity by Nature or Type	7
Basis of Preparation	8
Note 1 Statement of Financial Activity Information	9
Note 2 Cash and Financial Assets	10
Note 3 Receivables	11
Note 4 Other Current Assets	12
Note 5 Payables	13
Note 6 Rate Revenue	14
Note 7 Disposal of Assets	15
Note 8 Capital Acquisitions	16
Note 9 Borrowings	18
Note 10 Cash Reserves	20
Note 11 Other Current Liabilities	21
Note 12 Operating grants and contributions	22
Note 13 Non operating grants and contributions	23
Note 14 Trust Fund	24
Note 15 Explanation of Material Variances	25

OPERATING ACTIVITIES

OPERATING REVENUE



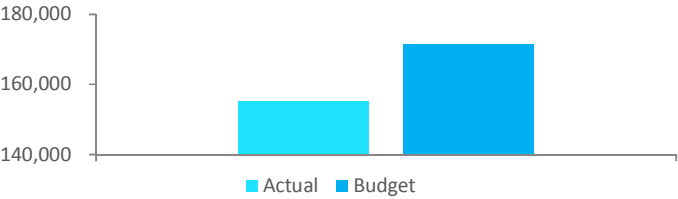
OPERATING EXPENSES



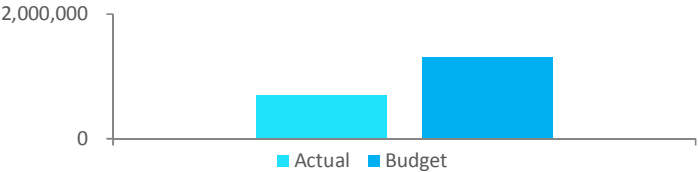
FINANCING ACTIVITIES

BORROWINGS

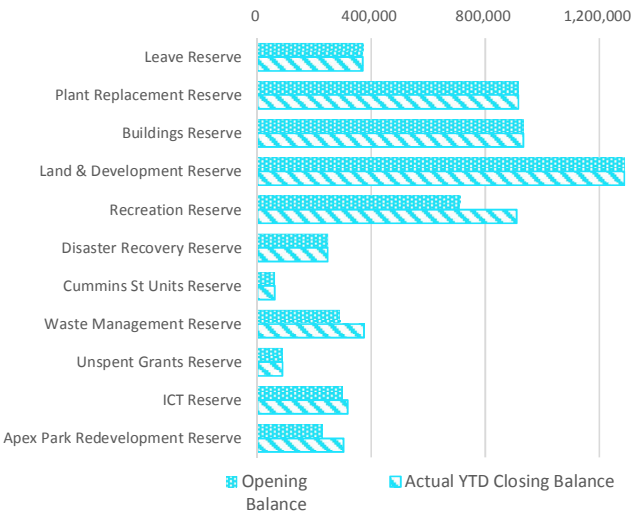
Principal Repayments



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)				
	Amended Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
Opening	\$3.46 M	\$3.46 M	\$3.17 M	(\$0.29 M)
Closing	\$0.00 M	\$1.86 M	\$5.33 M	\$3.47 M

Refer to Statement of Financial Activity

Cash and cash equivalents			Payables			Receivables		
	\$10.96 M	% of total		\$0.36 M	% Outstanding		\$0.13 M	% Collected
Unrestricted Cash	\$5.15 M	47.0%	Trade Payables	\$0.25 M		Rates Receivable	\$1.07 M	78%
Restricted Cash	\$5.81 M	53.0%	Over 30 Days		8.2%	Trade Receivable	\$0.13 M	
			Over 90 Days		0%	Over 30 Days		72.1%
						Over 90 Days		64.7%

Refer to Note 2 - Cash and Financial Assets

Refer to Note 5 - Payables

Refer to Note 3 - Receivables

Key Operating Activities

Amount attributable to operating activities							
Amended Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)				
(\$0.14 M)	\$1.58 M	\$2.45 M	\$0.87 M				

Refer to Statement of Financial Activity

Rates Revenue			Operating Grants and Contributions			Fees and Charges		
YTD Actual	\$4.38 M	% Variance	YTD Actual	\$1.47 M	% Variance	YTD Actual	\$0.78 M	% Variance
YTD Budget	\$4.35 M	0.6%	YTD Budget	\$1.38 M	6.9%	YTD Budget	\$0.75 M	4.2%

Refer to Note 6 - Rate Revenue

Refer to Note 12 - Operating Grants and Contributions

Refer to Statement of Financial Activity

Key Investing Activities

Amount attributable to investing activities							
Amended Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)				
(\$3.24 M)	(\$3.02 M)	\$0.25 M	\$3.27 M				

Refer to Statement of Financial Activity

Proceeds on sale			Asset Acquisition			Capital Grants		
YTD Actual	\$0.48 M	%	YTD Actual	\$0.75 M	% Spent	YTD Actual	\$0.50 M	% Received
Amended Budget	\$0.71 M	(32.5%)	Amended Budget	\$7.69 M	(90.2%)	Amended Budget	\$3.70 M	(86.4%)

Refer to Note 7 - Disposal of Assets

Refer to Note 8 - Capital Acquisition

Refer to Note 8 - Capital Acquisition

Key Financing Activities

Amount attributable to financing activities							
Amended Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)				
(\$0.08 M)	(\$0.16 M)	(\$0.54 M)	(\$0.38 M)				

Refer to Statement of Financial Activity

Borrowings			Reserves		
Principal repayments	\$0.16 M		Reserves balance	\$5.81 M	
Interest expense	\$0.01 M		Interest earned	\$0.00 M	
Principal due	\$0.69 M				

Refer to Note 9 - Borrowings

Refer to Note 10 - Cash Reserves

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

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 2021**

**STATUTORY REPORTING PROGRAMS**

	Ref	Amended Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
	Note	\$	\$	\$	\$	%	
<b>Opening funding surplus / (deficit)</b>	1(c)	3,458,987	3,458,987	<b>3,168,551</b>	(290,436)	(8.40%)	▼
<b>Revenue from operating activities</b>							
Governance		26,200	17,464	<b>30,985</b>	13,521	77.42%	▲
General purpose funding - general rates	6	4,397,997	4,354,605	<b>4,382,622</b>	28,017	0.64%	
General purpose funding - other		1,299,098	974,264	<b>945,235</b>	(29,029)	(2.98%)	
Law, order and public safety		103,590	78,896	<b>52,229</b>	(26,667)	(33.80%)	▼
Health		17,208	14,770	<b>15,671</b>	901	6.10%	
Education and welfare		58,469	29,428	<b>13,628</b>	(15,800)	(53.69%)	▼
Housing		118,890	79,256	<b>101,070</b>	21,814	27.52%	▲
Community amenities		651,502	574,358	<b>619,984</b>	45,626	7.94%	▲
Recreation and culture		318,774	201,532	<b>375,098</b>	173,566	86.12%	▲
Transport		335,350	290,686	<b>249,393</b>	(41,293)	(14.21%)	▼
Economic services		186,134	124,851	<b>94,182</b>	(30,669)	(24.56%)	▼
Other property and services		69,650	48,800	<b>58,416</b>	9,616	19.70%	▲
		<b>7,582,862</b>	<b>6,788,910</b>	<b>6,938,513</b>	149,603	2.20%	
<b>Expenditure from operating activities</b>							
Governance		(761,853)	(537,243)	<b>(365,189)</b>	172,054	32.03%	▲
General purpose funding		(94,405)	(56,524)	<b>(65,236)</b>	(8,712)	(15.41%)	▼
Law, order and public safety		(543,915)	(366,419)	<b>(348,096)</b>	18,323	5.00%	▲
Health		(238,065)	(158,273)	<b>(145,494)</b>	12,779	8.07%	▲
Education and welfare		(198,173)	(133,866)	<b>(105,206)</b>	28,660	21.41%	▲
Housing		(361,506)	(233,231)	<b>(164,324)</b>	68,907	29.54%	▲
Community amenities		(1,255,512)	(846,688)	<b>(718,093)</b>	128,595	15.19%	▲
Recreation and culture		(2,860,636)	(1,952,336)	<b>(1,792,330)</b>	160,006	8.20%	▲
Transport		(3,820,127)	(2,268,274)	<b>(1,964,504)</b>	303,770	13.39%	▲
Economic services		(998,503)	(646,111)	<b>(519,322)</b>	126,789	19.62%	▲
Other property and services		(96,500)	(63,608)	<b>(297,861)</b>	(234,253)	(368.28%)	▼
		<b>(11,229,195)</b>	<b>(7,262,573)</b>	<b>(6,485,655)</b>	776,918	10.70%	▲
Non-cash amounts excluded from operating activities	1(a)	3,506,786	2,051,748	<b>1,997,388</b>	(54,360)	(2.65%)	
<b>Amount attributable to operating activities</b>		<b>(139,547)</b>	<b>1,578,085</b>	<b>2,450,246</b>	872,161		
<b>Investing Activities</b>							
Proceeds from non-operating grants, subsidies and contributions	13	3,703,216	2,231,414	<b>504,650</b>	(1,726,764)	(77.38%)	▼
Proceeds from disposal of assets	7	710,581	341,581	<b>479,903</b>	138,322	40.49%	▲
Proceeds from financial assets at amortised cost - self supporting loans	9	31,818	15,715	<b>15,715</b>	0	0.00%	
Payments for property, plant and equipment and infrastructure	8	(7,688,732)	(5,611,048)	<b>(753,728)</b>	4,857,319	86.57%	▲
<b>Amount attributable to investing activities</b>		<b>(3,243,117)</b>	<b>(3,022,338)</b>	<b>246,540</b>	3,268,877		
<b>Financing Activities</b>							
Proceeds from new debentures	9	600,000	0	<b>0</b>	0	0.00%	
Transfer from reserves	10	947,500	0	<b>0</b>	0	0.00%	
Repayment of debentures	9	(171,366)	(155,262)	<b>(155,262)</b>	0	0.00%	
Transfer to reserves	10	(1,452,457)	0	<b>(380,572)</b>	(380,572)	0.00%	▼
<b>Amount attributable to financing activities</b>		<b>(76,323)</b>	<b>(155,262)</b>	<b>(535,834)</b>	(380,572)		
<b>Closing funding surplus / (deficit)</b>	1(c)	<b>0</b>	<b>1,859,472</b>	<b>5,329,503</b>			

**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 2020-21 year is \$5,000 or 5.00% whichever is the greater.

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 2021

### 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 2021**

**BY NATURE OR TYPE**

	Ref Note	Amended Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
<b>Opening funding surplus / (deficit)</b>	1(c)	3,458,987	3,458,987	<b>3,168,551</b>	(290,436)	(8.40%)	▼
<b>Revenue from operating activities</b>							
Rates	6	4,397,998	4,354,605	<b>4,382,622</b>	28,017	0.64%	
Operating grants, subsidies and contributions	12	1,895,726	1,377,164	<b>1,472,310</b>	95,146	6.91%	▲
Fees and charges		845,873	747,507	<b>779,050</b>	31,543	4.22%	
Interest earnings		128,010	92,323	<b>49,921</b>	(42,402)	(45.93%)	▼
Other revenue		281,312	186,206	<b>211,109</b>	24,903	13.37%	▲
Profit on disposal of assets	7	33,943	31,105	<b>43,617</b>	12,512	40.23%	▲
		<b>7,582,862</b>	<b>6,788,910</b>	<b>6,938,629</b>	149,719		
<b>Expenditure from operating activities</b>							
Employee costs		(3,371,903)	(2,190,701)	<b>(2,139,771)</b>	50,930	2.32%	
Materials and contracts		(3,762,292)	(2,649,671)	<b>(1,760,353)</b>	889,318	33.56%	▲
Utility charges		(233,299)	(162,221)	<b>(234,459)</b>	(72,238)	(44.53%)	▼
Depreciation on non-current assets		(3,456,205)	(2,061,258)	<b>(2,022,641)</b>	38,617	1.87%	
Interest expenses		(30,069)	(12,838)	<b>(14,198)</b>	(1,360)	(10.59%)	
Insurance expenses		(124,677)	(124,536)	<b>(197,379)</b>	(72,843)	(58.49%)	▼
Other expenditure		(166,226)	(98,193)	<b>(98,490)</b>	(297)	(0.30%)	
Loss on disposal of assets	7	(84,524)	(21,595)	<b>(18,364)</b>	3,231	14.96%	
		<b>(11,229,195)</b>	<b>(7,321,013)</b>	<b>(6,485,655)</b>	835,358		
Non-cash amounts excluded from operating activities	1(a)	3,506,786	2,051,748	<b>1,997,388</b>	(54,360)	(2.65%)	
<b>Amount attributable to operating activities</b>		<b>(139,547)</b>	<b>1,519,645</b>	<b>2,450,362</b>	930,717		
<b>Investing activities</b>							
Proceeds from non-operating grants, subsidies and contributions	13	3,703,216	2,231,414	<b>504,650</b>	(1,726,764)	(77.38%)	▼
Proceeds from disposal of assets	7	710,581	341,581	<b>479,903</b>	138,322	40.49%	▲
Proceeds from financial assets at amortised cost - self supporting loans	9	31,818	15,715	<b>15,715</b>	0	0.00%	
Payments for property, plant equipment, and Infrastructure	8	(7,688,732)	(5,611,048)	<b>(753,728)</b>	4,857,319	86.57%	▲
<b>Amount attributable to investing activities</b>		<b>(3,243,117)</b>	<b>(3,022,338)</b>	<b>246,540</b>	3,268,877		
<b>Financing Activities</b>							
Proceeds from new debentures	9	600,000	0	<b>0</b>	0	0.00%	
Transfer from reserves	10	947,500	0	<b>0</b>	0	0.00%	
Payments for principal portion of lease liabilities		0	0	<b>0</b>	0	0.00%	
Repayment of debentures	9	(171,366)	(155,262)	<b>(155,262)</b>	0	0.00%	
Transfer to reserves	10	(1,452,457)	0	<b>(380,572)</b>	(380,572)	0.00%	▼
<b>Amount attributable to financing activities</b>		<b>(76,323)</b>	<b>(155,262)</b>	<b>(535,834)</b>	(380,572)		
<b>Closing funding surplus / (deficit)</b>	1(c)	<b>0</b>	<b>1,801,032</b>	<b>5,329,619</b>	3,528,586		

**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 2021

## 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 28 February 2021

### SIGNIFICANT ACCOUNTING POLICIES

#### 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.

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 28 FEBRUARY 2021**

**NOTE 1  
STATEMENT OF FINANCIAL ACTIVITY INFORMATION**

**(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	Amended Budget	YTD Budget (a)	YTD Actual (b)
<b>Non-cash items excluded from operating activities</b>		\$	\$	\$
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	7	(33,943)	(31,105)	(43,617)
Add: Loss on asset disposals	7	84,524	21,595	18,364
Add: Depreciation on assets		3,456,205	2,061,258	2,022,641
<b>Total non-cash items excluded from operating activities</b>		<b>3,506,786</b>	<b>2,051,748</b>	<b>1,997,388</b>

**(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 2020	This Time Last Year 28 February 2020	Year to Date 28 February 2021
<b>Adjustments to net current assets</b>				
Less: Reserves - restricted cash	10	(5,425,715)		(5,806,287)
Less: - Financial assets at amortised cost - self supporting loans	4	(31,818)		(16,103)
Add: Borrowings	9	171,364		16,102
Add: Provisions - employee	11	506,501		506,501
<b>Total adjustments to net current assets</b>		<b>(4,779,668)</b>	<b>0</b>	<b>(5,299,787)</b>

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

<b>Current assets</b>				
Cash and cash equivalents	2	9,120,456		10,957,144
Rates receivables	3	500,660		1,073,617
Receivables	3	91,603		132,973
Other current assets	4	72,549		57,944
<b>Less: Current liabilities</b>				
Payables	5	(462,370)		(356,262)
Borrowings	9	(171,364)		(16,102)
Contract liabilities	11	(696,814)		(713,284)
Provisions	11	(506,501)		(506,501)
<b>Less: Total adjustments to net current assets</b>	1(b)	<b>(4,779,668)</b>	<b>0</b>	<b>(5,299,787)</b>
<b>Closing funding surplus / (deficit)</b>		<b>3,168,551</b>	<b>0</b>	<b>5,329,742</b>

**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. Unless otherwise stated assets or liabilities are classified as current if expected to be settled within the next 12 months, being the Council's operational cycle.

Description	Classification	Unrestricted	Restricted	Total Cash	Trust	Institution	Interest Rate	Maturity Date
		\$	\$	\$	\$			
<b>Cash on hand</b>								
Municipal Bank Account		1,230,911		1,230,911				
Petty Cash - Admin		2,990		2,990				
Municipal Investment Account		3,916,958		3,916,958				
Reserve Bank Account		0	8,285	8,285				
Reserve Bank - Term Deposit Investments			5,798,000	5,798,000				
Trust Cash at Bank		0			18,495			
<b>Total</b>		<b>5,150,859</b>	<b>5,806,285</b>	<b>10,957,144</b>	<b>18,495</b>			
<b>Comprising</b>								
Cash and cash equivalents		5,150,859	5,806,285	10,957,144	18,495			
		<b>5,150,859</b>	<b>5,806,285</b>	<b>10,957,144</b>	<b>18,495</b>			

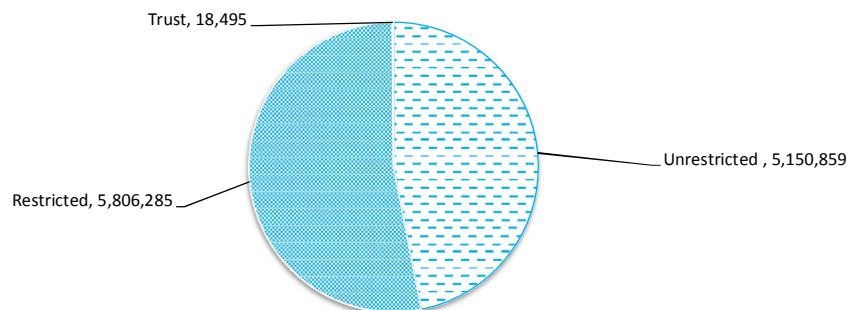
**KEY INFORMATION**

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.



**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 28 FEBRUARY 2021**

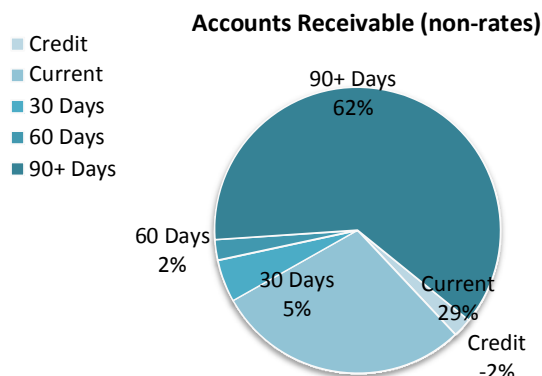
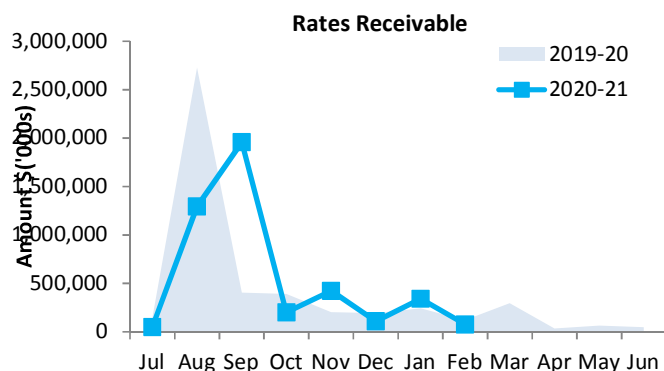
**OPERATING ACTIVITIES  
NOTE 3  
RECEIVABLES**

Rates receivable	30 June 2020	28 Feb 2021
	\$	\$
Opening arrears previous years	406,831	500,660
Levied this year	4,277,851	4,382,631
Less - collections to date	(4,184,022)	(3,809,674)
Equals current outstanding	<b>500,660</b>	<b>1,073,617</b>
<b>Net rates collectable</b>	<b>500,660</b>	<b>1,073,617</b>
% Collected	89.3%	78%

Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	(2,902)	38,502	6,429	3,114	82,684	127,828
Percentage	(2.3%)	30.1%	5%	2.4%	64.7%	
<b>Balance per trial balance</b>						
Sundry receivable						127,828
Other receivables						5,145
<b>Total receivables general outstanding</b>						<b>132,973</b>
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 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.



	Opening Balance 1 July 2020	Asset Increase	Asset Reduction	Closing Balance 28 February 2021
<b>Other current assets</b>	\$	\$	\$	\$
<b>Other financial assets at amortised cost</b>				
Financial assets at amortised cost - self supporting loans	31,818	0	(15,715)	16,103
<b>Inventory</b>				
Inventories [describe]	40,731	1,110	0	41,841
<b>Total other current assets</b>	<b>72,549</b>	<b>1,110</b>	<b>(15,715)</b>	<b>57,944</b>
Amounts shown above include GST (where applicable)				

#### KEY INFORMATION

##### Other financial assets at amortised cost

The Shire 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.

##### Inventory

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

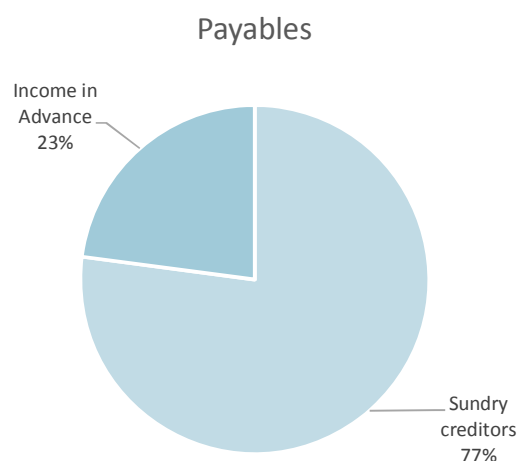
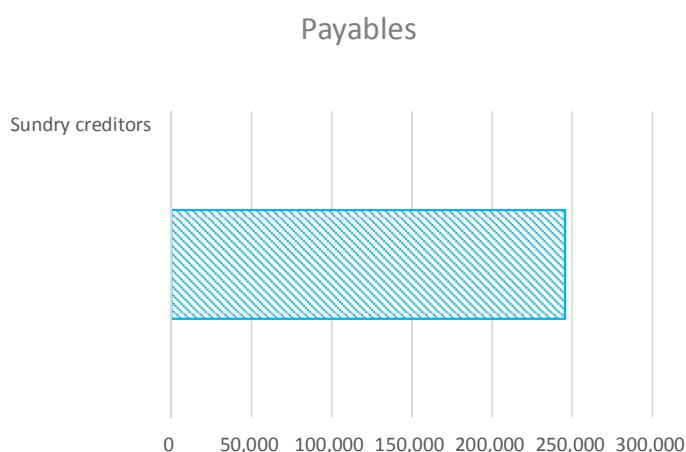
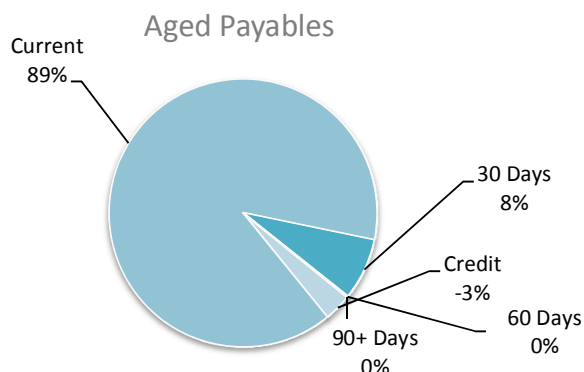
Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	(8,972)	240,015	20,066	386	0	251,494
Percentage	0%	95.4%	8%	0.2%	0%	
<b>Balance per trial balance</b>						
Sundry creditors						245,498
Income in Advance						72,951
Other Expenses						37,813
<b>Total payables general outstanding</b>						<b>356,262</b>
<b>Amounts shown above include GST (where applicable)</b>						

#### 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.

- Credit
- Current
- 30 Days
- 60 Days
- 90+ Days



NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 28 FEBRUARY 2021

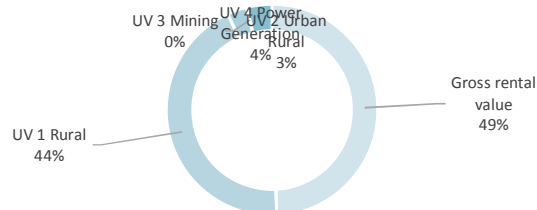
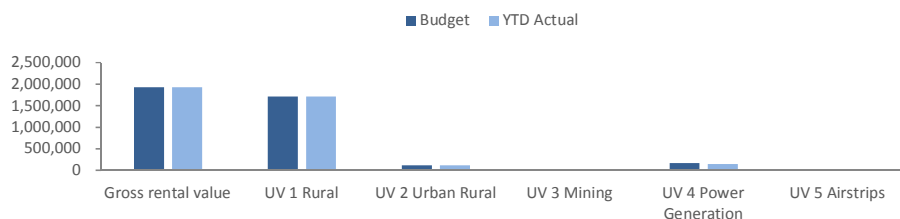
OPERATING ACTIVITIES  
NOTE 6  
RATE REVENUE

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
				\$	\$	\$	\$	\$	\$	\$	\$
<b>Gross rental value</b>											
Gross rental value	0.10615	1,237	18,167,847	1,928,553			1,928,553	1,928,553	(890)	(819)	1,926,844
<b>Unimproved value</b>											
UV 1 Rural	0.01930	316	88,732,000	1,712,528			1,712,528	1,721,521	(5,832)	(531)	1,715,158
UV 2 Urban Rural	0.03110	43	3,748,000	116,563			116,563	116,563			116,563
UV 3 Mining	0.03668	4	45,934	1,690			1,690	1,690	717	107	2,515
UV 4 Power Generation	0.03668	15	4,521,500	166,391			166,391	149,242			149,242
UV 5 Airstrips	0.03668	1	168,000	6,182			6,182	6,182			6,182
<b>Sub-Total</b>		<b>1,616</b>	<b>115,383,281</b>	<b>3,931,907</b>	<b>0</b>	<b>0</b>	<b>3,931,907</b>	<b>3,923,753</b>	<b>(6,005)</b>	<b>(1,243)</b>	<b>3,916,504</b>
<b>Minimum payment</b>	<b>Minimum \$</b>										
<b>Gross rental value</b>											
Gross rental value	890	245		218,050			218,050	218,050			218,050
<b>Unimproved value</b>											
UV 1 Rural	1,110	129		143,190			143,190	142,080			142,080
UV 2 Urban Rural	1,110	38		42,180			42,180	42,180			42,180
UV 3 Mining	200	9		1,800			1,800	1,800			1,800
UV 4 Power Generation	1,110	2		2,220			2,220	3,330			3,330
UV 5 Airstrips	1,110	0		0			0				0
<b>Sub-total</b>		<b>423</b>	<b>0</b>	<b>407,440</b>	<b>0</b>	<b>0</b>	<b>407,440</b>	<b>407,440</b>	<b>0</b>	<b>0</b>	<b>407,440</b>
<b>Amount from general rates</b>							<b>4,339,347</b>				<b>4,323,944</b>
Ex-gratia rates							58,650				58,687
<b>Total general rates</b>							<b>4,397,997</b>				<b>4,382,631</b>

KEY INFORMATION

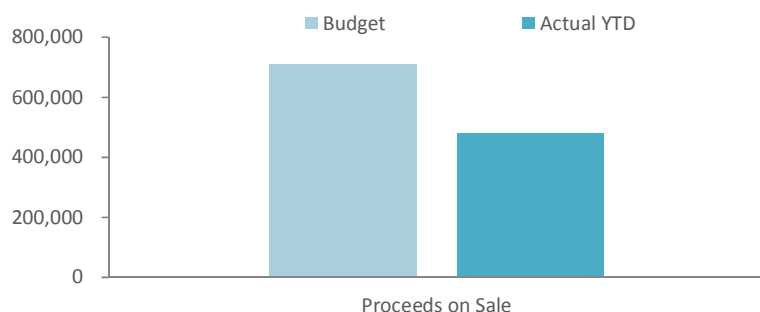
Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Rates received in advance give rise to a financial liability. On 1 July 2020 the prepaid rates were recognised as a financial asset and a related amount was recognised as a financial liability 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.



NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 28 FEBRUARY 2021

OPERATING ACTIVITIES  
NOTE 7  
DISPOSAL OF ASSETS

Asset Ref.	Asset description	Budget				YTD Actual			
		Net Book	Proceeds	Profit	(Loss)	Net Book	Proceeds	Profit	(Loss)
		Value				Value			
		\$	\$	\$	\$	\$	\$	\$	\$
	<b>Plant and equipment</b>								
	<b>Governance</b>								
	2018 KIA Stinger	40,800	35,000	0	(5,800)			0	0
	<b>Law, order, public safety</b>								
	2018 Nissan Utility	17,200	18,000	800	0			0	0
	<b>Health</b>								
	2018 Mitsubishi ASX LS	17,600	18,000	400	0			0	0
	<b>Housing</b>								
	20 Priestly Street (Building)	242,820	226,581	0	(16,239)	255,186	283,854	28,668	0
	20 Priestly Street (Land)	45,000	45,000	0	0	0	0	0	0
	<b>Recreation and culture</b>								
	Kubota RTV X900W	12,162	15,000	2,838	0			0	0
	2019 Nissan Utility (Retic)	18,800	15,000	0	(3,800)			0	0
	1988 Vermeer BC935 Wood Chipper	0	0	0	0	6,039	17,728	11,689	0
	<b>Transport</b>								
	2016 Hino 700 Tip Truck	120,729	90,000	0	(30,729)			0	0
	2019 Nissan Utility (Const)	14,000	15,000	1,000	0			0	0
	Fuso FN62FKFAJ Truck	97,600	75,000	0	(22,600)			0	0
	Utility Const Supervisor	23,356	18,000	0	(5,356)			0	0
	2013 Fuso Truck	71,914	85,000	13,086	0	95,082	97,029	1,946	0
	2014 Fuso Truck	15,221	25,000	9,779	0			0	0
	Skid Steer Loader	23,960	30,000	6,040	0	21,650	22,727	1,077	0
	Ford Ranger Dual Cab(emes)			0	0	33,670	25,838	0	(7,832)
	John Deere Backhoe Loader			0	0	43,259	32,727	0	(10,532)
		<b>761,162</b>	<b>710,581</b>	<b>33,943</b>	<b>(84,524)</b>	<b>454,885</b>	<b>479,903</b>	<b>43,380</b>	<b>(18,364)</b>



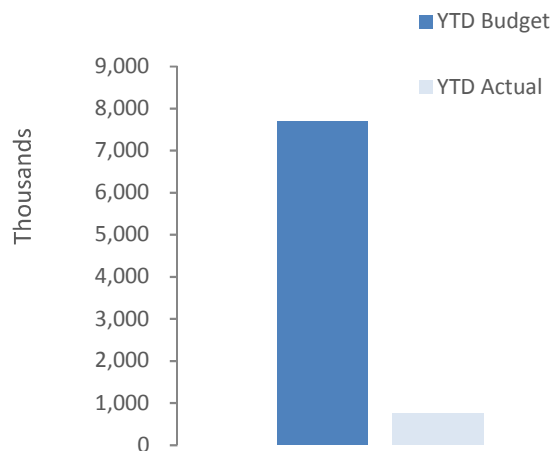
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 28 FEBRUARY 2021**

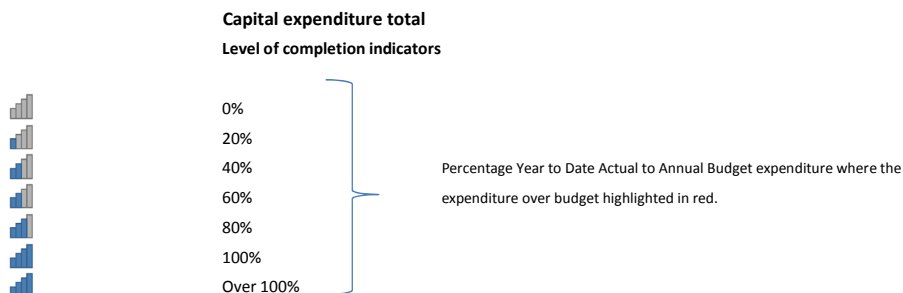
**INVESTING ACTIVITIES  
NOTE 8  
CAPITAL ACQUISITIONS**

		Amended			
Capital acquisitions		Budget	YTD Budget	YTD Actual	YTD Actual Variance
		\$	\$	\$	\$
Land	509	0	(45,000)	0	45,000
Buildings	514	0	(310,000)	0	310,000
Buildings - specialised	512	1,445,271	1,425,314	167,631	(1,257,683)
Furniture and equipment	520	40,000	40,000	3,086	(36,914)
Plant and equipment	530	1,218,300	1,072,000	106,348	(965,652)
Infrastructure - roads	540	4,179,522	3,263,100	470,983	(2,792,116)
Infrastructure - footpaths	560	175,104	0	506	506
Infrastructure - parks & gardens	570	493,635	100,000	5,174	(94,826)
Infrastructure - user defined 6	590	136,900	65,634	0	(65,634)
<b>Payments for Capital Acquisitions</b>		<b>7,688,732</b>	<b>5,611,048</b>	<b>753,728</b>	<b>(4,857,319)</b>
<b>Total Capital Acquisitions</b>		<b>7,688,732</b>	<b>5,611,048</b>	<b>753,728</b>	<b>(4,857,319)</b>
<b>Capital Acquisitions Funded By:</b>					
		\$	\$	\$	\$
Capital grants and contributions		3,703,216	2,231,414	504,650	(1,726,764)
Borrowings		600,000	0	0	0
Other (disposals & C/Fwd)		710,581	341,581	479,903	138,322
Cash backed reserves					
Plant Replacement Reserve		635,500		0	0
Buildings Reserve		(100,000)		0	0
Land & Development Reserve		(285,000)		0	0
Unspent Grants Reserve		(271,492)		0	0
ICT Reserve		12,000		0	0
Apex Park Redevelopment Reserve		300,000		0	0
Contribution - operations		2,383,927	3,038,053	(230,825)	(3,268,877)
<b>Capital funding total</b>		<b>7,688,732</b>	<b>5,611,048</b>	<b>753,728</b>	<b>(4,857,319)</b>

**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.





Level of completion indicator, please see table at the end of this note for further detail.

			Amended		YTD	Variance
Account Description			Budget	YTD Budget	Actual	(Under)/Over
4040210	BC001	Administration Building - Building (Capital)	45,000	30,000	31,971	1,971
4040210	W9999	Community Infrastructure Program	7,435	2,478	0	(2,478)
4040230		OTH GOV - Plant & Equipment (Capital)	167,000	107,000	106,348	(652)
4090210	BC047	Future Housing (1)	300,000	300,000	0	(300,000)
4090210	BC048	Future Housing (2)	300,000	300,000	0	(300,000)
4110110	BC079	Nmps Redevelopment - Building (Capital)	70,000	69,999	34,207	(35,792)
4110370	PC001	Apex Park	300,000	100,000	0	(100,000)
4110370	PC025	Merredin Peak	20,600	0	0	0
4110370	PC030	Independent Water Supply	40,000	0	542	542
4110370	PC030A	Independent Water Supply Cemetary & Evap Reduction	133,035	0	4,632	4,632
4120140	RC135	Barrack Street (Capital)	130,502	130,502	111,253	(19,249)
4120140	RC144	Woolgar Avenue (Capital)	156,000	0	6,482	6,482
4120140	RC152	Cunningham Street (Capital)	0	0	487	487
4120140	RC171	Hay Street (Capital)	0	0	52	52
4120140	RC277	South Avenue (Capital)	282,800	0	0	0
4120141	RC239	Merredin-Naremben Road (Capital)	1,582,000	1,582,002	50,184	(1,531,818)
4120142	RC106	Bennett Road (Capital)	87,117	87,117	0	(87,117)
4120143	RC019	Goomarin-Nukarni Road (Capital)	113,680	113,680	0	(113,680)
4120143	RC025	Goodier Road (Capital)	72,402	72,402	2,601	(69,801)
4120143	RC027	Spring Well Valley Road (Capital)	138,560	138,561	100,119	(38,442)
4120143	RC030	Pustkuchen Road (Capital)	141,867	141,867	0	(141,867)
4120143	RC067	Ogden Road (Capital)	69,772	69,774	21,472	(48,302)
4120143	RC081	Burke Road (Capital)	133,097	133,097	80,082	(53,015)
4120143	RC082	Woodward Road (Capital)	117,133	117,133	0	(117,133)
4120143	RC123	Clarke Road (Capital)	90,322	90,322	86,054	(4,268)
4120143	RC211	Clement Road (Capital)	45,914	0	0	0
4120144	R2R140	Coronation Street (R2R)	99,549	0	199	199
4120144	R2R141	Duff Street (R2R)	55,301	0	953	953
4120144	R2R145	King Street (R2R)	47,655	0	1,198	1,198
4120144	R2R151	Growden Street (R2R)	36,052	0	638	638
4120144	R2R156	Hart Street (R2R)	61,020	0	1,214	1,214
4120144	R2R161	Jellicoe Road (R2R)	44,550	0	932	932
4120144	R2R171	Hay Street (R2R)	37,152	0	732	732
4120144	R2R172	Colin Street (R2R)	45,709	0	1,166	1,166
4120144	R2R228	Nolan Place (R2R)	4,725	0	0	0
4120146	R2R013	Nukarni East Road (R2R)	52,603	52,603	0	(52,603)
4120147	R2R014	Nukarni West Road (R2R)	52,603	52,603	0	(52,603)
4120150	RRG015	Burracoppin South Road (Rrg)	287,782	287,781	0	(287,781)
4120150	RRG090	Goldfields Road (Rrg)	188,655	188,655	0	(188,655)
4120170	FC171	Hay Street - Footpath Capital	9,120	0	0	0
4120170	FC193	Cohn Street - Footpath Capital	72,504	0	0	0
4120170	FC277	South Avenue - Footpath Capital	93,480	0	506	506
4120190	BC100	Depot Refurbishment	30,000	30,000	0	(30,000)
4130290	W0175	Silo Viewing Parking Bay	5,000	5,001	0	(5,001)
4140710	W0241	Stage 2 Ceaca	627,836	627,837	101,453	(526,384)
			<b>7,688,732</b>	<b>5,966,048</b>	<b>748,562</b>	<b>(5,217,486)</b>

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 28 FEBRUARY 2021

FINANCING ACTIVITIES  
NOTE 9  
BORROWINGS

Repayments - borrowings

Information on borrowings			New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
Particulars	Loan No.	1 July 2020	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
		\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Governance</b>										
Loan 214	214	82,524			82,525	82,526	(1)	2,218	3,580	2,220
<b>Education and welfare</b>										
Loan 217 CEACA	217	439,248			57,022	57,022	382,226	394,698	6,567	12,472
<b>Housing</b>										
Proposed Loan	218			600,000			0	600,000		
<b>B/Fwd Balance</b>		521,772	0	600,000	139,547	139,548	382,225	996,916	10,148	14,692

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 28 FEBRUARY 2021**

**FINANCING ACTIVITIES  
NOTE 9  
BORROWINGS**

**Repayments - borrowings**

Information on borrowings		1 July 2020	New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
Particulars	Loan No.		Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
		\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>C/Fwd Balance</b>		521,772	0	600,000	139,547	139,548	382,225	996,916	10,148	14,692
<b>Self supporting loans</b>										
<b>Education and welfare</b>										
Loan 215 Merritville	215	327,063	0		15,715	31,818	311,348	310,622	4,050	15,377
		327,063	0	0	15,715	31,818	311,348	310,622	4,050	15,377
<b>Total</b>		848,835	0	600,000	155,262	171,366	693,573	1,307,538	14,198	30,069
Current borrowings		171,366					16,102			
Non-current borrowings		677,469					677,471			
		848,835					693,573			

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.

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 28 FEBRUARY 2021**

**OPERATING ACTIVITIES  
NOTE 10  
CASH RESERVES**

**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
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave Reserve	370,301	3,702		0	0	0	0	374,003	370,301
Plant Replacement Reserve	915,953	8,074		250,000	0	(635,500)	0	538,527	915,953
Buildings Reserve	933,456	9,335		100,000	0	0	0	1,042,791	933,456
Land & Development Reserve	1,287,312	12,873		285,000	0	0	0	1,585,185	1,287,312
Recreation Reserve	710,039	7,101		200,000	200,000	0	0	917,140	910,039
Disaster Recovery Reserve	247,006	2,470		0	0	0	0	249,476	247,006
Cummins St Units Reserve	61,186	612		0	0	0	0	61,798	61,186
Waste Management Reserve	288,658	2,831		88,985	85,572	0	0	380,474	374,230
Unspent Grants Reserve	88,475	9,422		271,492	0	0	0	369,389	88,475
ICT Reserve	296,276	3,289		20,000	20,000	(12,000)	0	307,565	316,276
Apex Park Redevelopment Reserve	227,053	2,271		175,000	75,000	(300,000)	0	104,324	302,053
	<b>5,425,715</b>	<b>61,980</b>	<b>0</b>	<b>1,390,477</b>	<b>380,572</b>	<b>(947,500)</b>	<b>0</b>	5,930,672	<b>5,806,287</b>

**KEY INFORMATION**

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 28 FEBRUARY 2021**

**OPERATING ACTIVITIES  
NOTE 11  
OTHER CURRENT LIABILITIES**

Other current liabilities	Note	Opening Balance 1 July 2020	Liability Increase	Liability Reduction	Closing Balance 28 February 2021
		\$	\$	\$	\$
<b>Contract liabilities</b>					
Unspent grants, contributions and reimbursements					
- operating	12	696,814	133,319	(116,849)	713,284
<b>Total unspent grants, contributions and reimbursements</b>		696,814	133,319	(116,849)	713,284
<b>Provisions</b>					
Annual leave		258,888			258,888
Long service leave		247,613			247,613
<b>Total Provisions</b>		506,501	0	0	506,501
<b>Total other current assets</b>		<b>1,203,315</b>	<b>133,319</b>	<b>(116,849)</b>	<b>1,219,785</b>
<b>Amounts shown above include GST (where applicable)</b>					

A breakdown of contract liabilities and associated movements is provided on the following pages at Note 12

**KEY INFORMATION**

**Provisions**

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**Employee benefits**

**Short-term employee benefits**

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the calculation of net current assets.

**Other long-term employee benefits**

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur. The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**Contract liabilities**

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Grants to acquire or construct recognisable non-financial assets to identified specifications be constructed to be controlled by the Shire are recognised as a liability until such time as the Shire satisfies its obligations under the agreement.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 28 FEBRUARY 2021

NOTE 12

OPERATING GRANTS AND CONTRIBUTIONS

Provider	Unspent operating grant, subsidies and contributions liability					Operating grants, subsidies and contributions revenue		
	Liability 1 July 2020	Increase in Liability	Liability Reduction (As revenue)	Liability 28 Feb 2021	Current Liability 28 Feb 2021	Amended Budget Revenue	YTD Budget	YTD Revenue Actual
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Operating grants and subsidies</b>								
<b>General purpose funding</b>								
Government of WA				0		734,461	550,845	550,827
Government of WA				0		382,126	286,596	286,584
<b>Law, order, public safety</b>								
Dept Fire & Emergency Services				0		52,992	44,160	29,713
Dept Fire & Emergency Services				0		14,998	12,500	7,385
<b>Education and welfare</b>								
Merritville SSL no 215				0		15,769	8,078	8,078
Youth Services Grants		15,510		15,510		42,700	21,350	1,000
Youth Services Grants				0		0	0	2,550
<b>Housing</b>								
Rental Income Council Houses				0		96,390	64,256	47,849
<b>Community amenities</b>								
NRMO Grants (Environmental)	28,754			28,754		63,044	13,290	21,000
Town Planning Fees				0		3,500	2,336	0
<b>Recreation and culture</b>								
Lotteries Commission (NMPS)				0		36,000	36,000	36,186
Library Equipment Grant				0		8,000	0	0
Lotteries Commission (CT Grants)	13,722	110,000	(40,000)	83,722		120,379	53,722	234,943
<b>Transport</b>								
Main Roads Dept Street Lighting				0		18,000	0	0
Main Roads Dept Direct Grant				0		207,445	207,445	207,445
Business Case CBD	26,502			26,502				
<b>Economic services</b>								
TRANS WA (Ticket Sales)				0		40,000	26,664	3,379
Interpretation Signage Grant				0		18,790	18,790	0
CW Maps				0		7,000	2,334	
Anzac Day		7,700		7,700		2,110	1,416	0
Australia Day				0		18,022	18,022	18,022
Christmas/Gala Night				0		9,000	6,008	27
Food Festival				0		3,000	2,008	2,000
Chinese New Year				0		2,000	1,344	1,500
Youth Week 2021 Grant (Dept of Communities)				0		0	0	1,500
<b>Other property and services</b>								
Parental Leave Payment				0		0	0	12,322
CEACA Stage II WATC	11,338	109		11,446				
CEACA Council Contributions	616,498		(76,848)	539,650				
	<b>696,814</b>	<b>133,319</b>	<b>(116,848)</b>	<b>713,284</b>	<b>0</b>	<b>1,895,726</b>	<b>1,377,164</b>	<b>1,472,310</b>

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 28 FEBRUARY 2021

NOTE 13

NON-OPERATING GRANTS AND CONTRIBUTIONS

Provider	Unspent non operating grants, subsidies and contributions liability					Non operating grants, subsidies and contributions revenue		
	Liability 1 July 2020	Increase in Liability	Liability Reduction (As revenue)	Liability 28 Feb 2021	Current Liability 28 Feb 2021	Amended Budget Revenue	YTD Budget	YTD Revenue Actual (b)
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Non-operating grants and subsidies</b>								
<b>Governance</b>								
Commonwealth Govt				0		323,735	0	0
WALGA Grant				0		250,000		
<b>Recreation and culture</b>								
WALGA Grant				0		85,875	0	0
<b>Transport</b>								
Main Road Dept RRG				0		317,625	127,050	127,062
Commonwealth Govt R2R				0		536,918	0	361
Secondary Grain Freight Grants				0		1,503,030	1,476,528	277,589
RAC				0		58,197	0	0
<b>Economic services</b>								
State Govt Tourism Capital Grant				0		0	0	22,790
<b>Other property and services</b>								
CEACA				0		627,836	627,836	76,848
	0	0	0	0	0	3,703,216	2,231,414	504,650

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 28 FEBRUARY 2021**

**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 2020-21 year is \$5,000 or 5.00% whichever is the greater.

Reporting Program	Var. \$	Var. %	Timing/ Permanent	Explanation of Variance
	\$	%		
<b>Revenue from operating activities</b>				
Governance	13,521	77.42%	▲ Timing	
Law, order and public safety	(26,667)	(33.80%)	▼ Timing	
Education and welfare	(15,800)	(53.69%)	▼ Timing	
Housing	21,814	27.52%	▲ Timing	
Community amenities	45,626	7.94%	▲	
Recreation and culture	173,566	86.12%	▲ Timing	
Transport	(41,293)	(14.21%)	▼ Timing	
Economic services	(30,669)	(24.56%)	▼ Timing	
Other property and services	9,616	19.70%	▲ Timing	
<b>Expenditure from operating activities</b>				
Governance	172,054	32.03%	▲ Timing	
General purpose funding	(8,712)	(15.41%)	▼ Timing	
Law, order and public safety	18,323	5.00%	▲	
Health	12,779	8.07%	▲	
Education and welfare	28,660	21.41%	▲ Timing	
Housing	68,907	29.54%	▲ Timing	
Community amenities	128,595	15.19%	▲ Timing	
Recreation and culture	160,006	8.20%	▲ Timing	
Transport	303,770	13.39%	▲ Timing	
Economic services	126,789	19.62%	▲ Timing	
Other property and services	(234,253)	(368.28%)	▼ Timing	
<b>Investing activities</b>				
Proceeds from non-operating grants, subsidies and contributions	(1,726,764)	(77.38%)	▼ Timing	
Proceeds from disposal of assets	138,322	40.49%	▲ Timing	
Payments for property, plant and equipment and infrastructure	4,857,319	86.57%	▲ Timing	
<b>Financing activities</b>				
Transfer to reserves	(380,572)	0.00%	▼ Timing	