

SHIRE OF MERREDIN

MONTHLY FINANCIAL REPORT
(Containing the Statement of Financial Activity)
For the period ending 31 October 2023

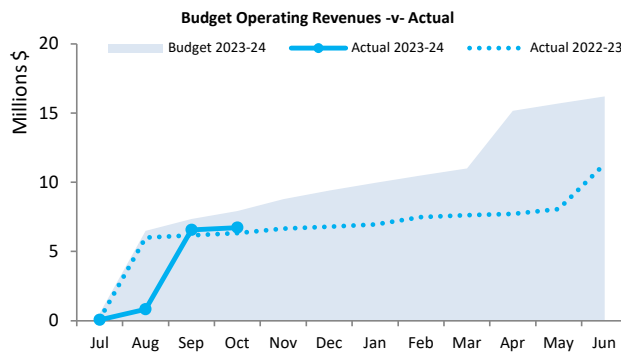
LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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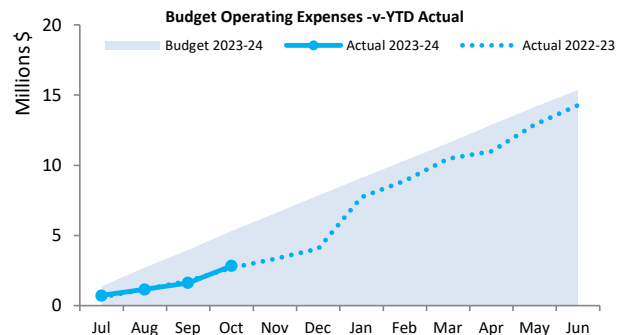
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OPERATING ACTIVITIES

OPERATING REVENUE

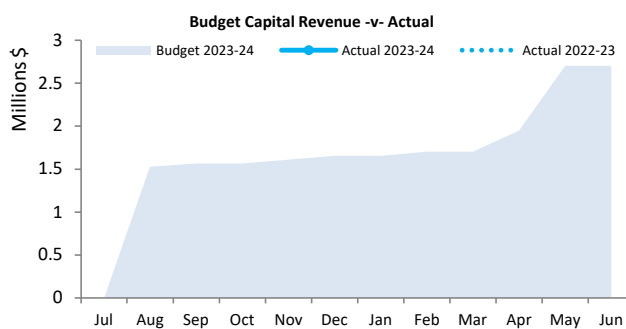


OPERATING EXPENSES

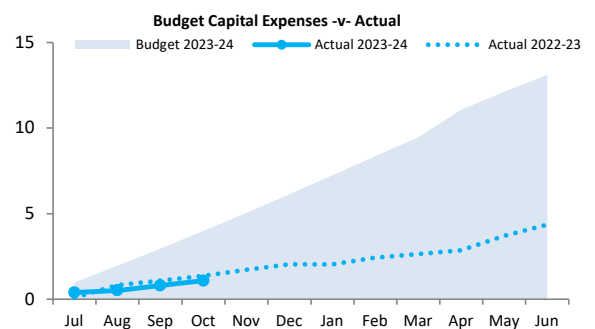


INVESTING ACTIVITIES

CAPITAL REVENUE

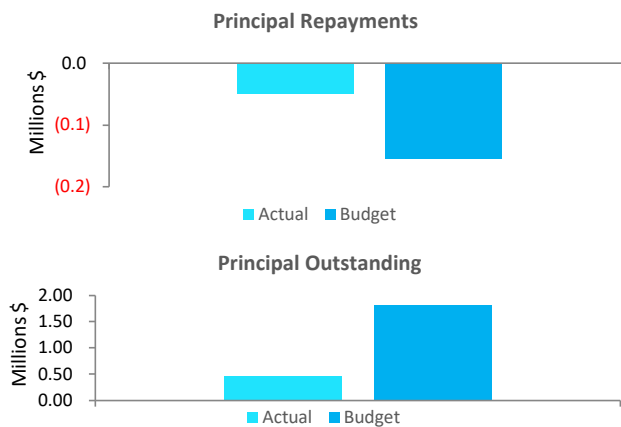


CAPITAL EXPENSES

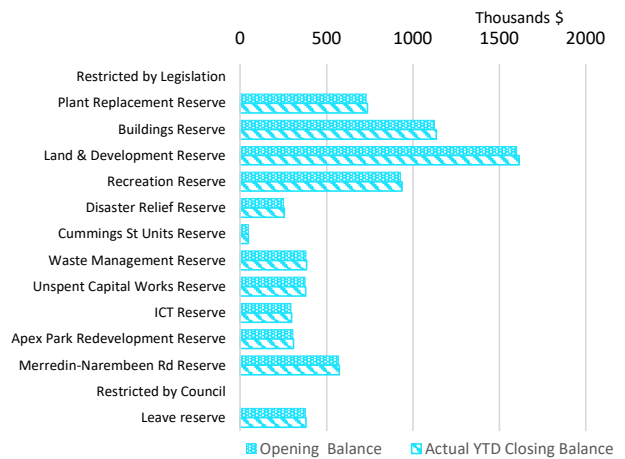


FINANCING ACTIVITIES

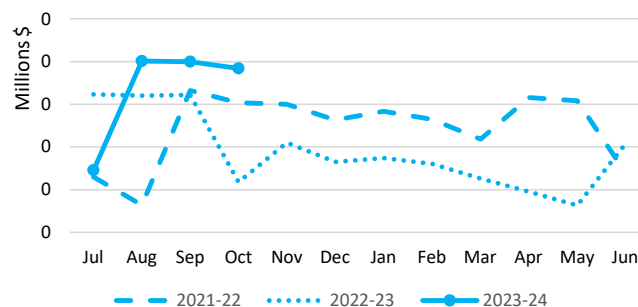
BORROWINGS



RESERVES



Closing funding surplus / (deficit)



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	\$3.60 M	\$3.60 M	\$3.93 M	\$0.34 M
Closing	\$0.00 M	\$8.37 M	\$7.91 M	(\$0.46 M)

Refer to Statement of Financial Activity

Cash and cash equivalents		
	\$13.73 M	% of total
Unrestricted Cash	\$6.68 M	48.7%
Restricted Cash	\$7.05 M	51.3%

Refer to Note 2 - Cash and Financial Assets

Payables		
	\$0.74 M	% Outstanding
Trade Payables	\$0.28 M	
0 to 30 Days		89.4%
Over 30 Days		10.5%
Over 90 Days		3.6%

Refer to Note 5 - Payables

Receivables		
	\$1.74 M	% Collected
Rates Receivable	\$2.11 M	65%
Trade Receivable	\$1.74 M	% Outstanding
Over 30 Days		22.4%
Over 90 Days		2%

Refer to Note 3 - Receivables

Key Operating Activities

Amount attributable to operating activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$2.11 M)	\$2.79 M	\$3.90 M	\$1.11 M

Refer to Statement of Financial Activity

Rates Revenue		
YTD Actual	\$5.30 M	% Variance
YTD Budget	\$5.29 M	0.1%

Refer to Statement of Financial Activity

Operating Grants and Contributions		
YTD Actual	\$0.51 M	% Variance
YTD Budget	\$0.18 M	189.7%

Refer to Note 11 - Operating Grants and Contributions

Fees and Charges		
YTD Actual	\$0.68 M	% Variance
YTD Budget	\$0.59 M	14.9%

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)
(\$3.96 M)	(\$0.49 M)	\$0.20 M	\$0.69 M

Refer to Statement of Financial Activity

Proceeds on sale		
YTD Actual	\$0.00 M	%
Adopted Budget	\$0.21 M	(100.0%)

Refer to Note 6 - Disposal of Assets

Asset Acquisition		
YTD Actual	\$1.09 M	% Spent
Adopted Budget	\$13.11 M	(91.7%)

Refer to Note 7 - Capital Acquisitions

Capital Grants		
YTD Actual	\$1.26 M	% Received
Adopted Budget	\$8.91 M	(85.8%)

Refer to Note 7 - Capital Acquisitions

Key Financing Activities

Amount attributable to financing activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
\$2.48 M	\$2.48 M	(\$0.12 M)	(\$2.60 M)

Refer to Statement of Financial Activity

Borrowings	
Principal repayments	\$0.05 M
Interest expense	\$0.01 M
Principal due	\$0.46 M

Refer to Note 8 - Borrowings

Reserves	
Reserves balance	\$7.05 M
Interest earned	\$0.07 M

Refer to Note 9 - 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 31 OCTOBER 2023

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. Excludes 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, and 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 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, reimbursements 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 associated 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, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, 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)

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. Excluding Land.

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 31 OCTOBER 2023**

BY NATURE OR TYPE

	Ref	Current	Budget	YTD Budget	YTD Actual	Forecast 29 June 2024 Closing	Variance \$	Variance %	Var.
	Note	(a)	(b)	(c)	(a)-(b)+(c)	(c) - (b)	((c) - (b))/(b)		
		\$	\$	\$	\$	\$	%		
Opening funding surplus / (deficit)	1(c)	3,597,897	3,597,897	3,934,246	3,934,246	336,349	9.35%		
Revenue from operating activities									
Rates		5,292,900	5,292,900	5,298,062	5,298,062	5,162	0.10%		
Operating grants, subsidies and contributions	11	832,139	177,214	513,360	1,168,285	336,146	189.68%		▲
Fees and charges		877,100	593,776	682,515	965,839	88,739	14.94%		▲
Interest earnings		213,700	71,236	149,102	291,566	77,866	109.31%		▲
Other revenue		255,200	95,611	81,998	241,587	(13,613)	(14.24%)		▼
Profit on disposal of assets	6	113,800	37,932	0	75,868	(37,932)	(100.00%)		▼
		7,584,839	6,268,669	6,725,037	8,041,207	456,368	7.28%		
Expenditure from operating activities									
Employee costs		(4,549,430)	(1,560,614)	(1,391,453)	(4,380,269)	169,161	10.84%		▲
Materials and contracts		(3,970,005)	(1,375,422)	(998,187)	(3,592,770)	377,235	27.43%		▲
Utility charges		(504,200)	(166,068)	(112,452)	(450,584)	53,616	32.29%		▲
Depreciation on non-current assets		(5,876,500)	(1,958,848)	0	(3,917,652)	1,958,848	100.00%		▲
Interest expenses		(54,600)	(3,068)	(9,738)	(61,270)	(6,670)	(217.41%)		
Insurance expenses		(258,700)	(258,700)	(240,515)	(240,515)	18,185	7.03%		
Other expenditure		(245,600)	(76,864)	(74,202)	(242,938)	2,662	3.46%		
Loss on disposal of assets	6	(11,700)	(3,900)	0	(7,800)	3,900	100.00%		
		(15,470,735)	(5,403,484)	(2,826,547)	(12,893,798)	2,576,937	(47.69%)		
Non-cash amounts excluded from operating activities	1(a)	5,774,400	1,924,816	0	3,849,584	(1,924,816)	(100.00%)		▼
Amount attributable to operating activities		(2,111,496)	2,790,001	3,898,490	(1,003,007)	1,108,489	39.73%		
Investing activities									
Proceeds from non-operating grants, subsidies and contributions	12	8,910,470	1,632,896	1,264,180	8,541,754	(368,716)	(22.58%)		▼
Proceeds from disposal of assets	6	205,900	205,900	0	0	(205,900)	(100.00%)		▼
Proceeds from financial assets at amortised cost - self supporting loans	8	36,800	18,192	18,192	36,800	0	0.00%		
Payments for property, plant and equipment and infrastructure	7	(13,112,900)	(2,350,457)	(1,085,108)	(11,847,551)	1,265,349	53.83%		▲
Amount attributable to investing activities		(3,959,730)	(493,469)	197,264	(3,268,997)	690,733	(139.98%)		
Financing Activities									
Proceeds from new debentures	8	1,480,000	1,480,000	0	0	(1,480,000)	(100.00%)		▼
Transfer from reserves	9	1,262,100	1,262,100	0	0	(1,262,100)	(100.00%)		▼
Repayment of debentures	8	(154,900)	(154,900)	(49,261)	(49,261)	105,639	68.20%		▲
Transfer to reserves	9	(110,000)	(110,000)	(69,476)	(69,476)	40,524	36.84%		▲
Amount attributable to financing activities		2,477,200	2,477,200	(118,737)	(118,737)	(2,595,937)	(104.79%)		
Closing funding surplus / (deficit)	1(c)	3,871	8,371,629	7,911,263	(456,495)	(460,366)	5.50%		

KEY INFORMATION

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

Refer to Note 14 for an explanation of the reasons for the variance.

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

BASIS OF PREPARATION

The financial report 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 Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

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 financial 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.

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.

All monies held in the Trust Fund are excluded from the financial statements.

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 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 not readily apparent from other sources. Actual results may differ from these estimates.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimation of fair values of certain financial assets
- estimation of fair values of fixed assets shown at fair value
- impairment of financial assets

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.

PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 31 October 2023

(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)	Forecast 29 June 2024 Closing
Non-cash items excluded from operating activities		\$	\$	\$	
Adjustments to operating activities					
Less: Profit on asset disposals	6	(113,800)	(37,932)	0	(75,868)
Add: Loss on asset disposals	6	11,700	3,900	0	7,800
Add: Depreciation on assets		5,876,500	1,958,848	0	3,917,652
Total non-cash items excluded from operating activities		5,774,400	1,924,816	0	3,849,584

(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.

		Adopted Budget Opening 30 June 2023	Last Year Closing 30 June 2023	Year to Date 31 October 2023
Adjustments to net current assets				
Less: Reserves - restricted cash	9	(7,013,785)	(6,975,873)	(7,045,349)
Less: - Financial assets at amortised cost - self supporting loans	4	(36,834)	(36,834)	(18,642)
Less: User defined		(755,760)	(755,760)	(755,765)
Add: Borrowings	8	99,461	99,461	50,199
Add: Provisions employee related provisions	10	571,585	571,585	571,585
Total adjustments to net current assets		(7,135,333)	(7,097,421)	(7,197,972)

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

Current assets				
Cash and cash equivalents	2	12,218,595	12,218,595	13,728,435
Rates receivables	3	733,267	733,267	2,113,466
Receivables	3	573,714	573,714	1,741,398
Other current assets	4	253,542	253,542	199,097
Less: Current liabilities		0		
Payables	5	(769,443)	(769,443)	(743,714)
Borrowings	8	(99,461)	(99,461)	(50,199)
Contract liabilities	10	(1,306,962)	(1,306,962)	(1,307,662)
Provisions	10	(571,585)	(571,585)	(571,585)
Less: Total adjustments to net current assets	1(b)	(7,097,421)	(7,097,421)	(7,197,972)
Closing funding surplus / (deficit)		3,934,246	3,934,246	7,911,263

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
		\$	\$	\$	\$			
Municipal Bank Account		5,215,767		5,215,767				
Petty Cash - Admin		950		950				
Float - MRCLC		3,100		3,100				
Municipal Investment Account		1,463,269		1,463,269				
Reserve Bank Account		0	7,045,349	7,045,349				
Total		6,683,086	7,045,349	13,728,434	0			
Comprising								
Cash and cash equivalents		6,683,086	7,045,349	13,728,434	0			
		6,683,086	7,045,349	13,728,434	0			

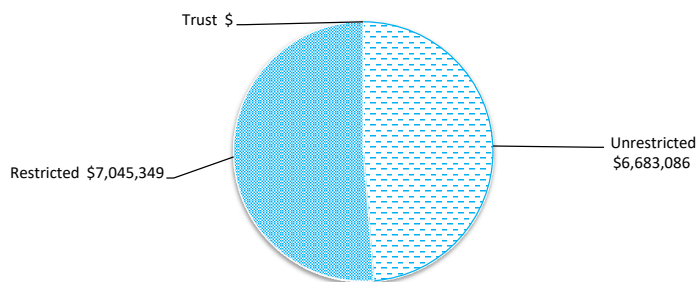
KEY INFORMATION

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments 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. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of net current assets.

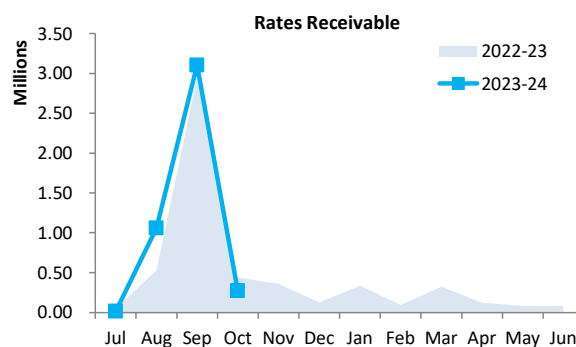
The local government classifies financial assets at amortised cost if both of the following criteria are met:

- 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 Jun 2023	31 Oct 2023
	\$	\$
Opening arrears previous years	733,267	733,267
Levied this year		5,298,062
Less - collections to date	0	(3,917,863)
Gross rates collectable	733,267	2,113,466
Net rates collectable	733,267	2,113,466
% Collected	0%	65%



Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	976	1,122,189	292,044	2,677	29,068	1,446,954
Percentage	0.1%	77.6%	20.2%	0.2%	2%	
Balance per trial balance						
Sundry receivable						1,446,954
GST receivable						0
Other receivables						(9,485)
Accrued Income						328,085
Other receivables - Provision for Doubtful Debts						(24,156)
Total receivables general outstanding						1,741,398

Amounts shown above include GST (where applicable)

KEY INFORMATION

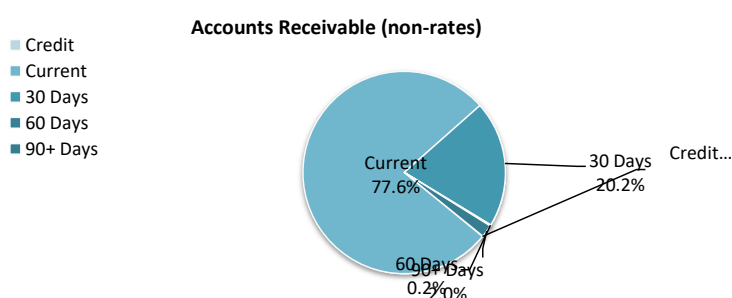
Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Trade receivables are recognised at original invoice amount less any allowances for uncollectable amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Shire measures them subsequently at amortised cost using the effective interest rate method.



	Opening Balance 1 July 2023	Asset Increase	Asset Reduction	Closing Balance 31 October 2023
Other current assets	\$	\$	\$	\$
Other financial assets at amortised cost				
Financial assets at amortised cost - self supporting loans	36,834		(18,192)	18,642
Inventory				
Fuel	32,708	0	(36,253)	(3,545)
Land held for resale				
Cost of acquisition	184,000		0	184,000
Total other current assets	253,542	0	(54,445)	199,097
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.

Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Borrowing costs and holding charges incurred after development is completed are expensed.

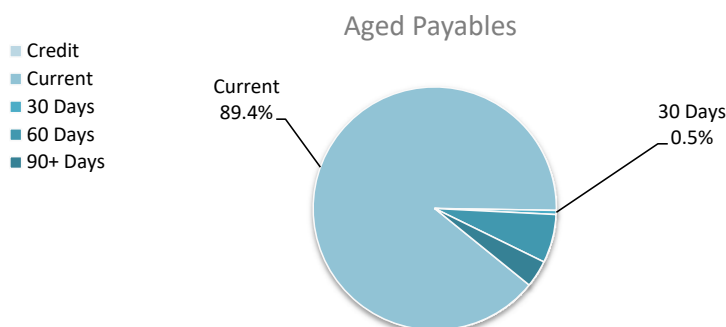
Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed onto the buyer at this point.

Land held for resale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

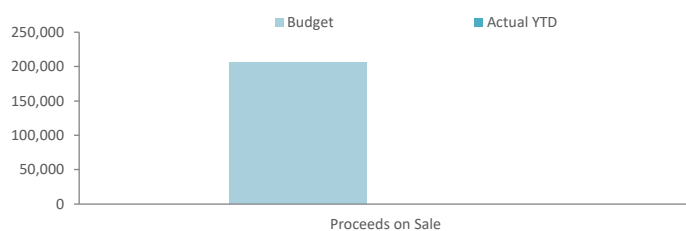
Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	0	163,629	1,003	11,777	6,600	183,009
Percentage	0%	89.4%	0.5%	6.4%	3.6%	
Balance per trial balance						
Sundry creditors						277,212
Other payables						253,214
Income in Advance						55,413
PAYG						32,572
Total payables general outstanding						743,714
Amounts shown above include GST (where applicable)						

KEY INFORMATION

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the period 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. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.



Asset Ref.	Asset description	Budget				YTD Actual			
		Net Book		Profit	(Loss)	Net Book		Profit	(Loss)
		Value	Proceeds			Value	Proceeds		
		\$	\$	\$	\$	\$	\$	\$	\$
Transport									
617	2020 MITSUBISHI SPORT QF	24,200	43,050	18,850	0				
504	2018 MITSUBISHI ASX LS 2WD	2,900	16,700	13,800	0				
278	805 SQUIRREL SELF PROPELLED ELEVATING PLATFORM	10,200	0	0	(10,200)				
483	KUBOTA RTV-X900W	0	7,500	7,500	0				
193	TRAILER RIGID POLMAC 6 TO 10 TONNE	3,100	5,000	1,900	0				
343	BOMAG BW25RH ROAD ROLLER 2011	8,200	40,000	31,800	0				
505	HAKO CITYMASTER 1600	20,000	18,500	0	(1,500)				
489	2015 HINO 300 SERIES 917 DUMP TRUCK	30,100	43,100	13,000	0				
483	2018 Nissan Navara D23 King Cab 4x2 (Ranger)	2,800	14,950	12,150	0				
506	2019 NISSAN NAVARA TRAY TOP (CONSTRUCTION)	2,300	17,100	14,800	0				
		103,800	205,900	113,800	(11,700)	0	0	0	0



**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2023**

**INVESTING ACTIVITIES
NOTE 7
CAPITAL ACQUISITIONS**

Capital acquisitions		Adopted		YTD Actual	Forecast 30 June Closing	YTD Actual Variance
		Budget	YTD Budget			
		\$	\$	\$		\$
Buildings - specialised	512	187,500	15,625	9,039	180,914	(6,586)
Buildings - non-specialised	514	38,800	12,300	13,356	39,856	1,056
Plant and equipment	530	698,900	0	135,606	834,506	135,606
Infrastructure - roads	540	5,440,800	1,593,868	767,106	4,614,038	(826,762)
Infrastructure - Footpaths	560	110,800	36,932	0	73,868	(36,932)
Infrastructure -Drainage	550	70,000	23,332	0	46,668	(23,332)
Infrastructure - Parks & Gardens	570	6,131,600	588,400	94,740	5,637,940	(493,660)
Infrastructure - Other	590	434,500	80,000	65,261	419,761	(14,739)
Payments for Capital Acquisitions		13,112,900	2,350,457	1,085,108	11,847,551	(1,265,349)
Capital Acquisitions Funded By:						
		\$	\$	\$		\$
Capital grants and contributions		8,910,470	1,632,896	1,264,180	8,541,754	(368,716)
Borrowings		1,480,000	1,480,000	0	0	(1,480,000)
Other (disposals & C/Fwd)		205,900	205,900	0	0	(205,900)
Cash backed reserves						
Plant Replacement Reserve		(188,200)		0	(188,200)	0
Buildings Reserve		(530,000)		0	(530,000)	0
Waste Management Reserve		(5,000)		0	(5,000)	0
ICT Reserve		(40,100)		0	(40,100)	0
Apex Park Redevelopment Reserve		(253,000)		0	(253,000)	0
Merredin-Narembreen Rd Reserve		(245,800)		0	(245,800)	0
Contribution - operations		3,778,630	(968,339)	(179,072)	4,567,897	789,267
Capital funding total		13,112,900	2,350,457	1,085,108	11,847,551	(1,265,349)

SIGNIFICANT ACCOUNTING POLICIES

Each class of fixed assets within either plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

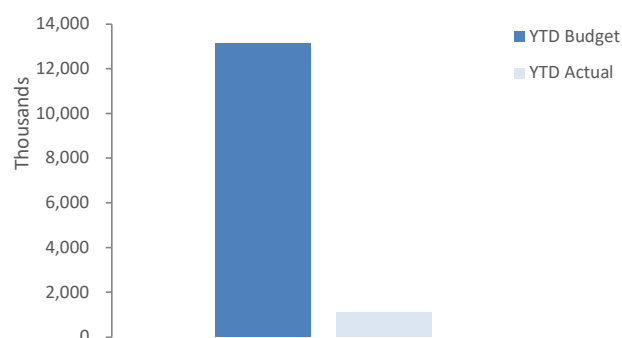
Initial recognition and measurement for assets held at cost

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognise at fair value. Assets held at cost are depreciated and assessed for impairment annually.

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

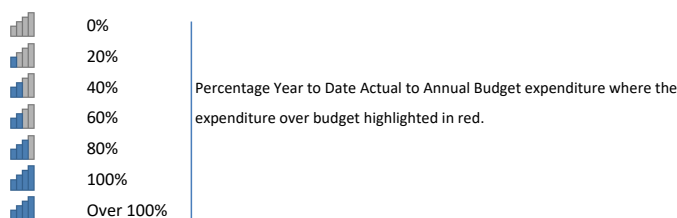
In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Payments for Capital Acquisitions



Capital expenditure total

Level of completion indicators



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

			Adopted		YTD Actual	Variance (Under)/Over
Account Description			Budget	YTD Budget		
			\$	\$	\$	\$
4090210	BC032	OTH HOUSE - Building (Capital)	12,300	0	-	-
4090210	BC035	OTH HOUSE - Building (Capital)	4,500	0	3,766.00	3,766.00
4090210	BC042	OTH HOUSE - Building (Capital)	22,000	0	-	-
4100110	LC041	SAN - Building (Capital)	15,000	0	-	-
4100130		SAN - Plant & Equipment (Capital)	20,000	0	-	-
4100180	LC002	SAN - Infrastructure Other (Capital)	105,000	8,750	-	(8,750.00)
4100180	EC001	ENVIRON - Infrastructure Other (Capital)	14,500	0	-	-
4110110	BC006	HALLS - Building (Capital)	8,000	0	-	-
4110310	BC085	REC - Other Rec Facilities Building (Capital)	50,000	0	-	-
4110290	SC041	SWIM AREAS - Infrastructure (Capital)	5,000	417	-	(417.00)
4110290	SC042	SWIM AREAS - Infrastructure (Capital)	15,000	15,000	-	(15,000.00)
4110290	SC043	SWIM AREAS - Infrastructure (Capital)	15,000	15,000	-	(15,000.00)
4110370	PC001	REC - Infrastructure Parks & Gardens (Capital)	2,021,200	0	-	-
4110370	PC036	REC - Infrastructure Parks & Gardens (Capital)	450,000	0	-	-
4110370	PC007	REC - Infrastructure Parks & Gardens (Capital)	3,050,400	0	-	-
4110370	PC041	REC - Infrastructure Parks & Gardens (Capital)	580,000	0	-	-
4110370	PC043	REC - Infrastructure Parks & Gardens (Capital)	30,000	0	-	-
4110510	BC004	LIBRARY - Library Building (Capital)	21,000	0	-	-
4110610	HC041	HERITAGE - Building (Capital)	30,000	2,500	-	(2,500.00)
4110710	BC002	OTH CUL - Building (Capital)	50,000	0	-	-
4120110		ROADC - Building (Capital)	13,500	0	-	-
4120140	RC401	ROADC - Roads Built Up Area - Council Funded	35,000	0	-	-
4120141	RC239	ROADC - Roads Outside BUA - Sealed - Council Funded	3,975,600	331,300	291,182.14	(40,117.86)
4120144	R2R000	ROADC - Roads Built Up Area - Roads to Recovery	369,700	335,783	-	(335,783.00)
4120149	RRG001	ROADC - Roads Outside BUA - Sealed - Regional Road Group	81,500	0	-	-
4120149	RRG003	ROADC - Roads Outside BUA - Sealed - Regional Road Group	160,000	0	-	-
4120149	RRG072	ROADC - Roads Outside BUA - Sealed - Regional Road Group	282,200	23,517	-	(23,517.00)
4120150	RRG090	ROADC - Roads Outside BUA - Gravel - Regional Road Group	486,800	40,567	-	(40,567.00)
4120165	DC142	ROADC - Drainage Built Up Area (Capital)	70,000	5,833	-	(5,833.00)
4120168		ROADC - Kerbing (Capital)	50,000	0	-	-
4120170	FC000	ROADC - Footpaths and Cycleways (Capital)	110,800	9,233	-	(9,233.00)
4120330		PLANT - Plant & Equipment (Capital)	678,900	52,492	-	(52,492.00)
4120790	WC002	WATER - Infrastructure Other (Capital)	100,000	8,333	7,217.70	(1,115.30)
4120790	WC003	MRWN - Upgrade	180,000	0	-	-
			13,112,900	848,725	302,165.84	-546,559.16

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2023**

FINANCING ACTIVITIES

NOTE 8

BORROWINGS

Repayments - borrowings

Information on borrowings		Loan No.	New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
Particulars	1 July 2023		Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
	\$		\$	\$	\$	\$	\$	\$	\$	\$
Education and welfare										
CEACA Contributions	217	262,693			(31,069)	(62,300)	231,624	200,393	(4,137)	(7,800)
Recreation and culture										
CBD Development	219		0	1,480,000		(55,800)	0	1,424,200	0	(33,600)
		262,693	0	1,480,000	(31,069)	-118,100	231,624	1,624,593	-4,137	-41,400
Self supporting loans										
Education and welfare										
Merretville	215	226,758	0	0	(18,192)	(36,800)	226,758	189,958	(5,601)	(10,700)
		226,758	0	0	(18,192)	-36,800	226,758	189,958	(5,601)	(10,700)
Total		489,451	0	1,480,000	(49,261)	-154,900	458,382	1,814,551	(9,738)	(52,100)
Current borrowings		154,900					50,199			
Non-current borrowings		334,551					408,183			
		489,451					458,382			

All debenture repayments were financed by general purpose revenue.

Self supporting loans are financed by repayments from third parties.

The Shire has no unspent debenture funds as at 30th June 2022, nor is it expected to have unspent funds as at 30th June 2023.

KEY INFORMATION

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Non-current borrowings fair values are based on discounted cash flows using a current borrowing rate.

KEY INFORMATION

At inception of a contract, the Shire assesses if the contract contains or is a lease. A contract is or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the commencement date, a right of use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

All contracts classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2023**

OPERATING ACTIVITIES

NOTE 9

RESERVE ACCOUNTS

Reserve accounts

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
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by Legislation									
Plant Replacement Reserve	729,127	9,200	7,282	-		(188,200)		550,127	736,409
Buildings Reserve	1,123,227	31,700	11,218	-		(530,000)		624,927	1,134,445
Land & Development Reserve	1,600,696	22,900	15,987	-		0		1,623,596	1,616,683
Recreation Reserve	926,656	13,300	9,255	-		0		939,956	935,911
Disaster Relief Reserve	251,516	3,500	2,512	-		0		255,016	254,028
Cummings St Units Reserve	46,410	900	464	-		0		47,310	46,874
Waste Management Reserve	381,063	5,400	3,806	-		(5,000)		381,463	384,869
Unspent Capital Works Reserve	374,882	2,900	3,744	-		0		377,782	378,626
ICT Reserve	293,830	4,700	2,935	-		(40,100)		258,430	296,765
Apex Park Redevelopment Reserve	304,472	1,600	3,041	-		(253,000)		53,072	307,513
Merredin-Naremben Rd Reserve	566,931	8,500	5,466	-		(245,800)		329,631	572,397
Restricted by Council									
Leave reserve	377,063	5,400	3,766	-	0		0	382,463	380,829
	6,975,873	110,000	69,476	0	0	(1,262,100)	0	5,823,773	7,045,349

	Note	Opening Balance 1 July 2023	Liability transferred from/(to) non current	Liability Increase	Liability Reduction	Closing Balance 31 October 2023
Other current liabilities		\$		\$	\$	\$
Other liabilities						
- Contract liabilities		1,288,770	0	0	0	1,288,770
- Capital grant/contribution liabilities		0	0	0	0	0
- Other liabilities [describe]		18,192	0	700		18,892
Total other liabilities		1,306,962	0	700	0	1,307,662
Employee Related Provisions						
Annual leave		329,317	0			329,317
Long service leave		242,268	0			242,268
Total Employee Related Provisions		571,585	0	0	0	571,585
Total other current assets		1,878,547	0	700	0	1,879,247
Amounts shown above include GST (where applicable)						

A breakdown of contract liabilities and associated movements is provided on the following pages at Note 11

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 Related Provisions

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 employee related 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.

Capital grant/contribution liabilities

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.

Provider	Unspent operating grant, subsidies and contributions liability					Operating grants, subsidies and contributions revenue			
	Liability	Increase in	Decrease in	Liability	Current	Adopted	YTD	YTD Revenue	Forecast 30
	1 July 2023	Liability	Liability	31 Oct 2023	Liability	Budget	Budget	Actual	June
	\$	\$	\$	\$	\$	\$	\$	\$	Closing
Operating grants and subsidies									
General purpose funding									
GEN PUR - Financial Assistance Grant - General				0		0	0	33,957	33,957
Law, order, public safety									
ESL BFB - Operating Grant				0		69,200	22,456	30,879	77,623
ESL SES - Operating Grant				0		14,000	8,932	13,401	18,469
Education and welfare									
SENIORS - Reimbursements				0		10,800	3,600	5,601	12,801
WELFARE - Community Development Grants				0		19,500	6,504	2,500	15,496
Housing									
OTH HOUSE - Rental Reimbursements				0		0	0	17,744	17,744
Recreation and culture									
HALLS - Grants				0		0	0	0	0
HERITAGE - Grant	8,000			8,000		20,000	20,000	0	0
Transport									
ROADM - Street Lighting Subsidy				0		20,900	0	0	20,900
ROADM - Road Contribution Income				0		285,900	95,300	120,652	311,252
ROADM - Direct Road Grant (MRWA)				0		251,200	0	256,337	507,537
Economic services									
TOURISM - Reimbursements				0		35,800	10,557	2,467	27,710
TOURISM - Other Income Relating to Tourism & Area Promotion				0		43,000	9,833	8,789	41,956
Other property and services									
PWO - Other Reimbursements				0		100	32	0	68
SAL - Reimbursement - Parental Leave				0		0	0	11,235	11,235
POC - Fuel Tax Credits Grant Scheme				0		0	0	9,798	9,798
	8,000	0	0	8,000	0	770,400	177,214	513,360	1,106,546
TOTALS	8,000	0	0	8,000	0	770,400	177,214	513,360	1,106,546

Provider	Capital grant/contribution liabilities					Non operating grants, subsidies and contributions revenue			
	Liability	Increase in	Decrease in	Liability	Current	Adopted	YTD	YTD Revenue	Forecast 30
	1 July 2023	Liability	Liability	31 Oct 2023	Liability	Budget	Budget	Actual	June
	\$	\$	(As revenue)	\$	\$	\$	\$	\$	Closing
Non-operating grants and subsidies									
Community amenities									
DWER - E-Waste Infrastructure Grants	0			0		75,700	25,232	75,680	126,148
DMIRS - EV Charges				0		7,000	0	0	7,000
Recreation and culture									
REC - Grants - Capital						0	0	0	0
REC - Grants - LRCI	573,735			573,735		1,721,200	0	0	1,721,200
REC - Grants - BBRF				0		1,520,400	0	0	1,520,400
REC - Other Capital Contributions				0		574,070	0	0	574,070
Audience Development	47,521			47,521				0	0
War Stories Illumination Projections	10,658			10,658				0	0
Heritage Grant	0			0		0		0	0
Transport									
ROADC - Regional Road Group Grants (MRWA)	628,243			628,243		673,600	224,532	541,019	990,087
ROADC - Roads to Recovery Grant				0		705,700	235,232	0	470,468
ROADC - Wheatbelt Secondary Freight Network				0		3,443,700	1,147,900	617,677	2,913,477
LRCI - Phase 1	14,553			14,553				0	0
WATER - CWSP Grant 1				0		89,100	0	19,804	108,904
WATER - CWSP Grant 2				0		100,000	0	10,000	110,000
Vegetation control	6,060			6,060					0
	1,280,770	0	0	1,280,770	0	8,910,470	1,632,896	1,264,180	8,541,754
TOTALS	1,280,770	0	0	1,280,770	0	8,910,470	1,632,896	1,264,180	8,541,754

NOTE 12
TRUST FUND

Description	Opening Balance 1 July 2023	Amount Received	Amount Paid	Closing Balance 31 Oct 2023
	\$	\$	\$	\$
	0	0	0	0

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2023**

**NOTE 13
BUDGET AMENDMENTS**

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Code	Description	Council Resolution	Classification	Non Cash Adjustment	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance
				\$	\$	\$	\$
	Budget adoption						0
3050610	ESL SES - Operating Grant				12,801		12,801
2050669	ESL SES - Plant & Equipment \$1,200 to \$5,000 per item					(12,801)	0
2050510	ESL BFB - Operating Grant					(3,721)	(3,721)
2050510	ESL BFB - Operating Grant				1,884		(1,837)
2050586	ESL BFB - Plant & Equipment <\$1,200					(4,837)	(6,674)
SC041	Capital Repairs to Pool Bowl					(15,000)	(21,674)
SC043	Capital Repairs to existing filters replacing laterals and filter media				15,000		(6,674)
9673301	Building Reserve					(80,000)	(86,674)
2110354	REC - MRCLC Initial Maintenance and Repairs				80,000		(6,674)
PC041	Water Tower Reimbursements					(228,900)	(235,574)
3110315	REC - Other Capital Contributions				237,670		2,096
3030211	GEN PUR - FAGS Roads Extra Financial Assistance				50,775		52,871
4120330	PLANT - Plant & Equipment (Capital) Trimble Survey Equipment					(49,000)	3,871
				0	398,130	(394,259)	

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2023**

**NOTE 14
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 2023-24 year is \$10,000 or 10.00% whichever is the greater.

Nature or type	Var. \$	Var. %	Explanation of variances	
			Timing	Permanent
	\$	%		
Revenue from operating activities				
Operating grants, subsidies and contributions	336,146	189.68%	▲ Timing	Grants not yet received.
Interest earnings	77,866	109.31%	▲ Timing	Interest Rates have increased
Other revenue	(13,613)	(14.24%)	▼ Timing	Revenue not yet received.
Profit on disposal of assets	(37,932)	(100.00%)	▼ Timing	Assets not yet disposed
Expenditure from operating activities				
Materials and contracts	377,235	27.43%	▲ Timing	Expenditure not yet completed.
Depreciation on non-current assets	1,958,848	100.00%	▲ Timing	Depreciation not yet completed.
Insurance expenses	18,185	7.03%		
Loss on disposal of assets	3,900	100.00%	Timing	Assets not yet disposed
Non-cash amounts excluded from operating activities	(1,924,816)	(100.00%)	▼ Timing	Depreciation not yet completed.
Investing activities				
Proceeds from non-operating grants, subsidies and contributions	(368,716)	(22.58%)	▼ Timing	Grants not yet received.
Proceeds from disposal of assets	(205,900)	(100.00%)	▼ Timing	Assets not yet disposed
Payments for property, plant and equipment and infrastructure	1,265,349	53.83%	▲ Timing	Capital expenditure not yet completed.
Financing activities				
Proceeds from new debentures	(1,480,000)	(100.00%)	▼ Timing	Loan not yet drawn down.
Transfer from reserves	(1,262,100)	(100.00%)	▼ Timing	Reserve transfer not yet complete.
Repayment of debentures	105,639	68.20%	▲ Timing	Loan Payment made in July
Transfer to reserves	40,524	36.84%	▲ Timing	Reserve transfer not yet complete.
Closing funding surplus / (deficit)	(460,366)	5.50%		