

## SHIRE OF MERREDIN

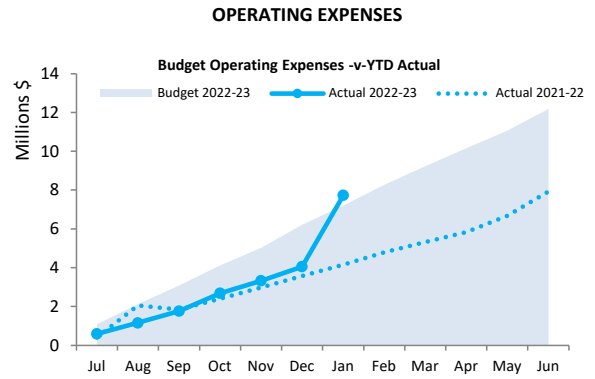
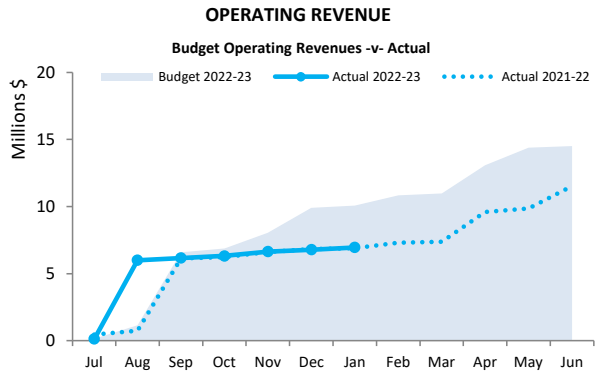
### MONTHLY FINANCIAL REPORT (Containing the Statement of Financial Activity) For the period ending 31 January 2023

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

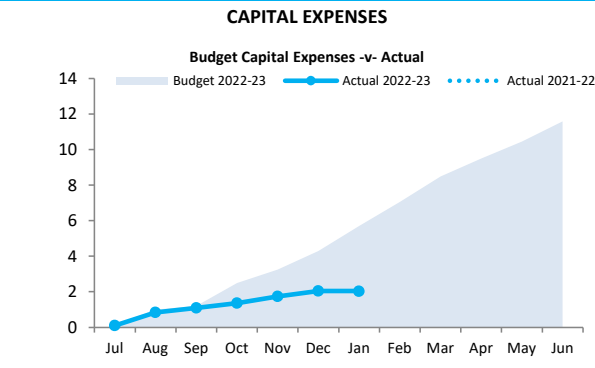
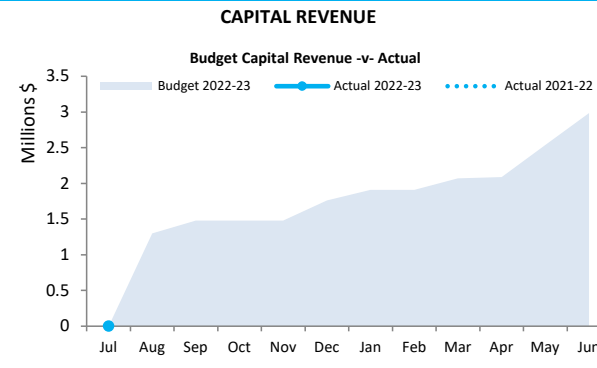
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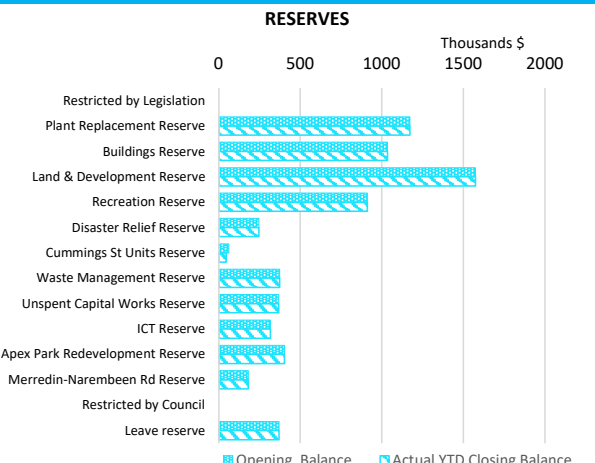
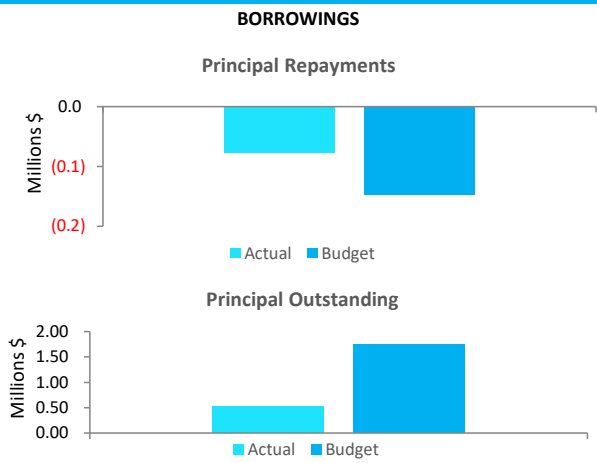
**OPERATING ACTIVITIES**



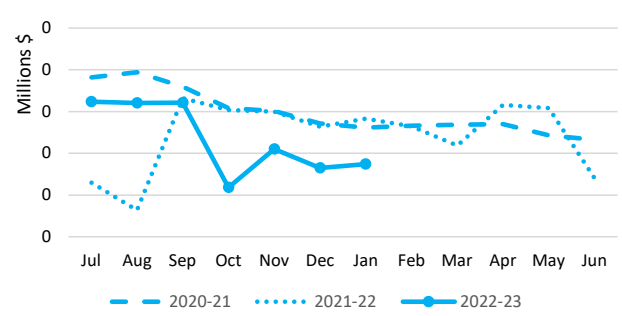
**INVESTING ACTIVITIES**



**FINANCING ACTIVITIES**



**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	\$2.25 M	\$2.25 M	\$2.36 M	\$0.10 M
Closing	\$0.11 M	\$4.79 M	\$3.48 M	(\$1.32 M)

Refer to Statement of Financial Activity

Cash and cash equivalents		
	\$11.31 M	% of total
Unrestricted Cash	\$4.13 M	36.5%
Restricted Cash	\$7.18 M	63.5%

Refer to Note 2 - Cash and Financial Assets

Payables		
	\$0.27 M	% Outstanding
Trade Payables	\$0.19 M	
0 to 30 Days		95.3%
Over 30 Days		4.7%
Over 90 Days		1.1%

Refer to Note 5 - Payables

Receivables		
	\$0.21 M	% Collected
Rates Receivable	\$1.34 M	75.8%
Trade Receivable	\$0.21 M	% Outstanding
Over 30 Days		42.7%
Over 90 Days		36%

Refer to Note 3 - Receivables

Key Operating Activities

Amount attributable to operating activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$1.24 M)	\$1.44 M	\$2.28 M	\$0.84 M

Refer to Statement of Financial Activity

Rates Revenue		
	\$4.85 M	% Variance
YTD Actual	\$4.85 M	
YTD Budget	\$4.85 M	(0.0%)

Refer to Statement of Financial Activity

Operating Grants and Contributions		
	\$1.03 M	% Variance
YTD Actual	\$1.03 M	
YTD Budget	\$0.93 M	10.9%

Refer to Note 11 - Operating Grants and Contributions

Fees and Charges		
	\$0.76 M	% Variance
YTD Actual	\$0.76 M	
YTD Budget	\$0.73 M	4.7%

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)
(\$3.62 M)	(\$1.61 M)	(\$1.09 M)	\$0.51 M

Refer to Statement of Financial Activity

Proceeds on sale		
	\$0.00 M	%
YTD Actual	\$0.00 M	
Adopted Budget	\$0.46 M	(100.0%)

Refer to Note 6 - Disposal of Assets

Asset Acquisition		
	\$2.05 M	% Spent
YTD Actual	\$2.05 M	
Adopted Budget	\$11.42 M	(82.1%)

Refer to Note 7 - Capital Acquisitions

Capital Grants		
	\$0.93 M	% Received
YTD Actual	\$0.93 M	
Adopted Budget	\$7.31 M	(87.2%)

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)
\$2.71 M	\$2.71 M	(\$0.06 M)	(\$2.77 M)

Refer to Statement of Financial Activity

Borrowings	
Principal repayments	\$0.08 M
Interest expense	\$0.00 M
Principal due	\$0.53 M

Refer to Note 8 - Borrowings

Reserves	
Reserves balance	\$7.00 M
Interest earned	\$0.00 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 JANUARY 2023

## NATURE OR TYPE DESCRIPTIONS

### 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.

### 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 JANUARY 2023

BY NATURE OR TYPE

	Ref	Adopted Budget	YTD Budget	YTD Actual	Forecast 30 June 2023 Closing	Variance \$	Variance % ((c) - (b))/(b)	Var.
	Note	(a)	(b)	(c)	(a)-(b)+(c)	(c) - (b)	(b)/(b)	
<b>Opening funding surplus / (deficit)</b>	1(c)	\$ 2,254,300	\$ 2,254,300	\$ 2,356,757	\$ 2,356,757	\$ 102,457	4.54%	
<b>Revenue from operating activities</b>								
Rates		4,849,700	4,849,700	4,848,865	4,848,865	(835)	(0.02%)	
Operating grants, subsidies and contributions	11	1,505,146	925,363	1,026,227	1,606,010	100,864	10.90%	▲
Fees and charges		851,600	725,275	759,418	885,743	34,143	4.71%	
Interest earnings		107,000	62,412	123,593	168,181	61,181	98.03%	▲
Other revenue		256,700	160,301	190,866	287,265	30,565	19.07%	▲
Profit on disposal of assets	6	157,200	91,700	0	65,500	(91,700)	(100.00%)	▼
		<b>7,727,346</b>	<b>6,814,751</b>	<b>6,948,969</b>	<b>7,861,564</b>	<b>134,218</b>	<b>1.97%</b>	
<b>Expenditure from operating activities</b>								
Employee costs		(4,006,820)	(2,355,354)	(2,253,402)	(3,904,868)	101,952	4.33%	
Materials and contracts		(3,915,310)	(2,310,121)	(1,748,763)	(3,353,952)	561,358	24.30%	▲
Utility charges		(347,960)	(222,630)	(231,717)	(357,047)	(9,087)	(4.08%)	
Depreciation on non-current assets		(3,607,000)	(2,104,088)	(2,954,462)	(4,457,374)	(850,374)	(40.42%)	▼
Interest expenses		(52,100)	(46,026)	(16,180)	(22,254)	29,846	64.85%	▲
Insurance expenses		(209,670)	(200,650)	(220,185)	(229,205)	(19,535)	(9.74%)	
Other expenditure		(273,300)	(149,672)	(200,835)	(324,463)	(51,163)	(34.18%)	▼
Loss on disposal of assets	6	(231,600)	(135,100)	(106,322)	(202,822)	28,778	21.30%	▲
		<b>(12,643,760)</b>	<b>(7,523,641)</b>	<b>(7,731,866)</b>	<b>(12,851,985)</b>	<b>(208,225)</b>	<b>2.77%</b>	
Non-cash amounts excluded from operating activities	1(a)	3,681,400	2,147,488	3,060,784	4,594,696	913,296	42.53%	▲
<b>Amount attributable to operating activities</b>		<b>(1,235,014)</b>	<b>1,438,598</b>	<b>2,277,887</b>	<b>(395,725)</b>	<b>839,289</b>	<b>58.34%</b>	
<b>Investing activities</b>								
Proceeds from non-operating grants, subsidies and contributions	12	7,305,800	3,540,600	933,422	4,698,622	(2,607,178)	(73.64%)	▼
Proceeds from disposal of assets	6	461,000	461,000	0	0	(461,000)	(100.00%)	▼
Proceeds from financial assets at amortised cost - self supporting loans	8	33,410	17,326	17,326	33,410	0	0.00%	
Payments for property, plant and equipment and infrastructure	7	(11,417,899)	(5,627,112)	(2,045,573)	(7,836,360)	3,581,539	63.65%	▲
<b>Amount attributable to investing activities</b>		<b>(3,617,689)</b>	<b>(1,608,186)</b>	<b>(1,094,825)</b>	<b>(3,104,328)</b>	<b>513,361</b>	<b>(31.92%)</b>	
<b>Financing Activities</b>								
Proceeds from new debentures	8	1,300,000	1,300,000	0	0	(1,300,000)	(100.00%)	▼
Transfer from reserves	9	1,736,270	1,736,270	15,687	15,687	(1,720,583)	(99.10%)	▼
Repayment of debentures	8	(147,700)	(147,700)	(78,026)	(78,026)	69,674	47.17%	▲
Transfer to reserves	9	(179,700)	(179,700)	0	0	179,700	100.00%	▲
<b>Amount attributable to financing activities</b>		<b>2,708,870</b>	<b>2,708,870</b>	<b>(62,339)</b>	<b>(62,339)</b>	<b>(2,771,209)</b>	<b>(102.30%)</b>	
<b>Closing funding surplus / (deficit)</b>	1(c)	<b>110,467</b>	<b>4,793,582</b>	<b>3,477,480</b>	<b>(1,205,635)</b>	<b>(1,316,102)</b>	<b>27.46%</b>	▼

KEY INFORMATION

▲ ▼ Indicates a variance between Year to Date (YTD) Budget 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.

### **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. A separate statement of those monies appears at Note 13 to these 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 00 January 1900

(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 30 June 2023 Closing
		\$	\$	\$	
<b>Non-cash items excluded from operating activities</b>					
<b>Adjustments to operating activities</b>					
Less: Profit on asset disposals	6	(157,200)	(91,700)	0	(65,500)
Add: Loss on asset disposals	6	231,600	135,100	106,322	202,822
Add: Depreciation on assets		3,607,000	2,104,088	2,954,462	4,457,374
<b>Total non-cash items excluded from operating activities</b>		<b>3,681,400</b>	<b>2,147,488</b>	<b>3,060,784</b>	<b>4,594,696</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.

	Adopted Budget Opening 30 June 2022	Last Year Closing 30 June 2022	Year to Date 31 January 2023
<b>Adjustments to net current assets</b>			
Less: Reserves - restricted cash	9	(7,013,785)	(6,998,098)
Less: - Financial assets at amortised cost - self supporting loans	4	(35,080)	(17,754)
Less: User defined		(795,292)	(795,292)
Add: Borrowings	8	95,779	17,753
Add: Provisions employee related provisions	10	551,288	551,288
<b>Total adjustments to net current assets</b>		<b>(7,197,090)</b>	<b>(7,242,103)</b>

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

**Current assets**

Cash and cash equivalents	2	11,125,675	11,125,675	11,313,823
Rates receivables	3	696,690	696,690	1,343,624
Receivables	3	274,791	274,791	207,337
Other current assets	4	289,178	289,178	275,356
<b>Less: Current liabilities</b>		<b>0</b>		
Payables	5	(525,851)	(525,851)	(265,764)
Borrowings	8	(95,779)	(95,779)	(17,753)
Contract liabilities	10	(1,659,569)	(1,659,569)	(1,585,366)
Provisions	10	(551,288)	(551,288)	(551,288)
<b>Less: Total adjustments to net current assets</b>	1(b)	<b>(7,197,090)</b>	<b>(7,197,090)</b>	<b>(7,242,103)</b>
<b>Closing funding surplus / (deficit)</b>		<b>2,356,757</b>	<b>2,356,757</b>	<b>3,477,866</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.

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

**OPERATING ACTIVITIES  
NOTE 2  
CASH AND FINANCIAL ASSETS**

Description	Classification	Unrestricted	Restricted	Total Cash	Trust	Institution	Interest Rate	Maturity Date	
		\$	\$	\$	\$				
Municipal Bank Account		2,971,020		2,971,020					
Petty Cash - Admin		1,050		1,050					
Municipal Investment Account		1,141,100		1,141,100					
Reserve Bank Account		0	7,182,267	7,182,267					
Trust Cash at Bank		18,386		18,386					
<b>Total</b>		<b>4,131,556</b>	<b>7,182,267</b>	<b>11,313,823</b>	<b>0</b>				
<b>Comprising</b>									
Cash and cash equivalents		4,131,556	7,182,267	11,313,823	0				
		<b>4,131,556</b>	<b>7,182,267</b>	<b>11,313,823</b>	<b>0</b>				

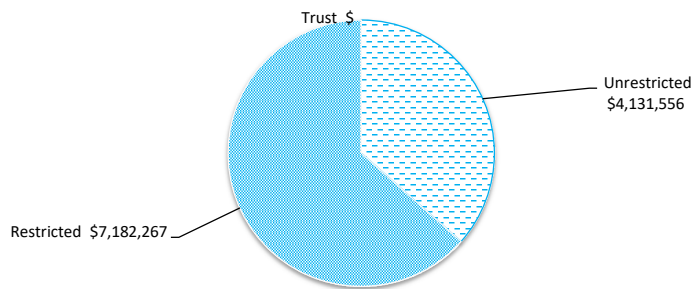
**KEY INFORMATION**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments 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.

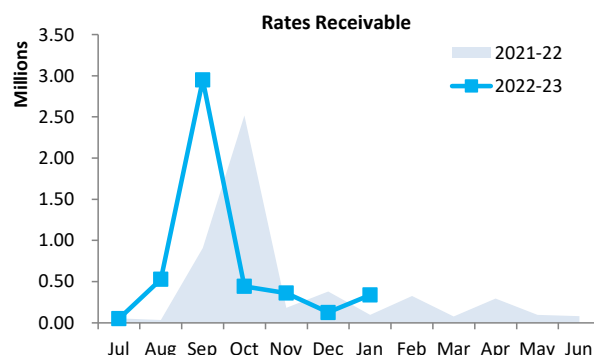




**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 JANUARY 2023**

**OPERATING ACTIVITIES  
NOTE 3  
RECEIVABLES**

Rates receivable	30 June 2022	31 Jan 2023
	\$	\$
Opening arrears previous years	700,762	696,690
Levied this year		4,848,865
Less - collections to date	(4,072)	(4,201,931)
<b>Gross rates collectable</b>	<b>696,690</b>	<b>1,343,624</b>
<b>Net rates collectable</b>	<b>696,690</b>	<b>1,343,624</b>
% Collected	0.6%	75.8%



Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	(4,438)	67,918	5,467	2,003	39,981	110,931
Percentage	(4.0%)	61.2%	4.9%	1.8%	36%	
<b>Balance per trial balance</b>						
Sundry receivable						110,931
GST receivable						0
Other receivables [describe]						8,147
Other receivables [describe]						132,467
Other receivables - Provision for Doubtful Debts						(44,208)
<b>Total receivables general outstanding</b>						<b>207,337</b>

Amounts shown above include GST (where applicable)

**KEY INFORMATION**

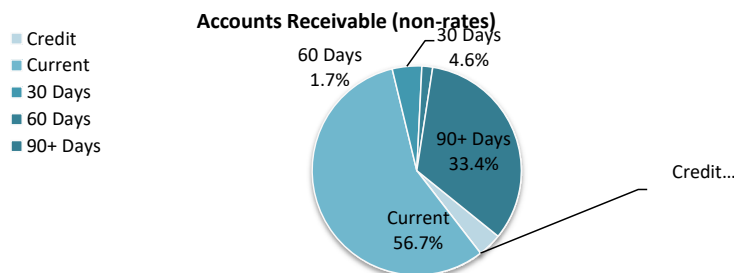
Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

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.



<b>Other current assets</b>	<b>Opening Balance 1 July 2022</b>	<b>Asset Increase</b>	<b>Asset Reduction</b>	<b>Closing Balance 31 January 2023</b>
	\$	\$	\$	\$
<b>Other financial assets at amortised cost</b>				
Financial assets at amortised cost - self supporting loans	35,080		(17,326)	17,754
<b>Inventory</b>				
Fuel	10,098	33,504	0	43,602
<b>Land held for resale</b>				
Cost of acquisition	244,000		(30,000)	214,000
<b>Total other current assets</b>	<b>289,178</b>	<b>33,504</b>	<b>(47,326)</b>	<b>275,356</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.

##### 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.

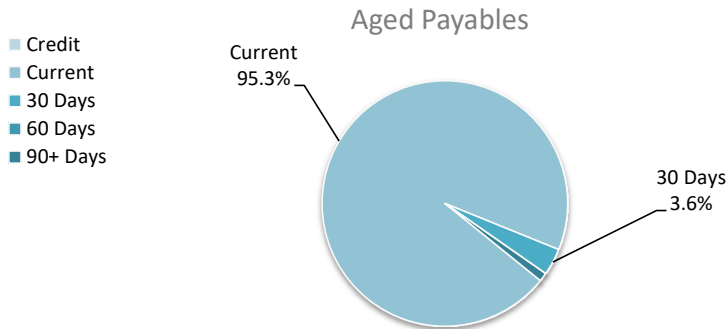
Land held for resale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	0	84,474	3,154	0	1,018	88,646
Percentage	0%	95.3%	3.6%	0%	1.1%	
<b>Balance per trial balance</b>						
Sundry creditors						189,129
ATO liabilities						(102,990)
Other payables						112,056
Income in Advance						69,518
PAYG						0
<b>Total payables general outstanding</b>						<b>265,764</b>

Amounts shown above include GST (where applicable)

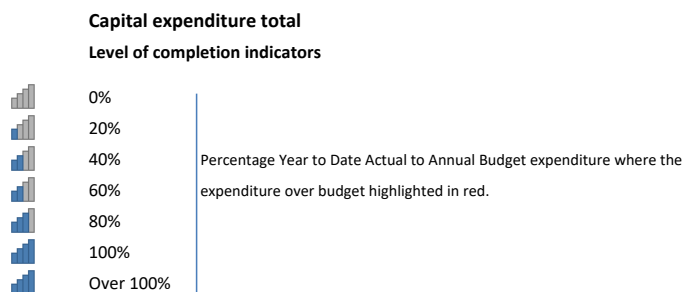
**KEY INFORMATION**

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.









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

			Adopted			Variance
Account Description			Budget	YTD Budget	YTD Actual	(Under)/Over
			\$	\$	\$	\$
4080210		OTHER ED - Building (Capital)	15,000	15,000	14,000.00	(1,000.00)
4090210	BC030	OTH HOUSE - Building (Capital)	20,000	20,000	15,193.14	(4,806.86)
4090210	BC033	OTH HOUSE - Building (Capital)	15,000	15,000	13,385.00	(1,615.00)
4090210	BC035	OTH HOUSE - Building (Capital)	10,000	10,000	3,536.36	(6,463.64)
4090210	BC036	OTH HOUSE - Building (Capital)	15,000	15,000	-	(15,000.00)
4100110	LC041	SAN - Building (Capital)	10,000	10,000	-	(10,000.00)
4100770	CC001	COM AMEN - Infrastructure Parks & Ovals (Capital)	14,000	14,000	13,529.00	(471.00)
4110110	BC005	HALLS - Building (Capital)	10,000	10,000	3,500.00	(6,500.00)
4110290	SC041	SWIM AREAS - Infrastructure Other (Capital)	20,000	20,000	-	(20,000.00)
4110310		REC - Other Rec Facilities Building (Capital)	15,000	15,000	-	(15,000.00)
4110370	PC001	REC - Infrastructure Parks & Gardens (Capital)	1,827,500	1,827,500	73,352.10	(1,754,147.90)
4110370	PC007	REC - Infrastructure Parks & Gardens (Capital)	3,750,400	3,750,400	920,447.00	(2,829,953.00)
4110370	PC030A	REC - Infrastructure Parks & Gardens (Capital)	0	0	2,700.00	2,700.00
4110370	PC041	REC - Infrastructure Parks & Gardens (Capital)	351,100	351,100	-	(351,100.00)
4110370	PC042	REC - Infrastructure Parks & Gardens (Capital)	6,000	6,000	5,986.00	(14.00)
4110510	BC004	LIBRARY - Library Building (Capital)	9,000	9,000	-	(9,000.00)
4110530		LIBRARY - Plant & Equipment (Capital)	15,000	15,000	-	(15,000.00)
4110610	HC041	HERITAGE - Building (Capital)	20,000	20,000	1,600.00	(18,400.00)
4110710	BC002	OTH CUL - Building (Capital)	63,500	63,500	24,800.00	(38,700.00)
4120140	RC401	ROADC - Roads Built Up Area - Council Funded	30,000	30,000	-	(30,000.00)
4120141	RC239	ROADC - Roads Outside BUA - Sealed - Council Funded	2,181,300	2,181,300	11,153.67	(2,170,146.33)
4120144	R2R000	ROADC - Roads Built Up Area - Roads to Recovery	228,984	228,984	-	(228,984.00)
4120144	R2R283	ROADC - Roads Built Up Area - Roads to Recovery	0	0	-	-
4120145	R2R072	ROADC - Roads Outside BUA - Sealed - Roads to Recovery	0	0	-	-
4120149	RRG003	ROADC - Roads Outside BUA - Sealed - Regional Road Group	227,715	227,715	-	(227,715.00)
4120150	RRG090	ROADC - Roads Outside BUA - Gravel - Regional Road Group	439,800	439,800	-	(439,800.00)
4120165	DC142	ROADC - Drainage Built Up Area (Capital)	20,000	20,000	-	(20,000.00)
4120170	FC000	ROADC - Footpaths and Cycleways (Capital)	50,000	50,000	-	(50,000.00)
4120330		PLANT - Plant & Equipment (Capital)	1,657,000	1,657,000	734,924.55	(922,075.45)
4120790	WC002	WATER - Infrastructure Other (Capital)	150,000	150,000	166.76	(149,833.24)
4130890		OTH ECON - Infrastructure Other (Capital)	10,000	10,000	-	(10,000.00)
4140710	W0242	UNCLASS - Buildings (Capital)	12,500	12,500	-	(12,500.00)
			<b>11,193,799</b>	<b>11,193,799</b>	<b>1,838,273.58</b>	<b>(9,355,525.42)</b>

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

FINANCING ACTIVITIES  
NOTE 8  
BORROWINGS

Repayments - borrowings

Information on borrowings Particulars	Loan No.	1 July 2022	New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
			Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
		\$	\$	\$	\$	\$	\$	\$	\$	
<b>Education and welfare</b>										
CEACA Contributions	217	323,393			(60,700)	(60,700)	262,693	262,693	0	(9,700)
<b>Recreation and culture</b>										
CBD Development	219		0	1,300,000		(51,900)	0	1,248,100	0	(29,900)
		323,393	0	1,300,000	(60,700)	-112,600	262,693	1,510,793	0	-39,600
<b>Self supporting loans</b>										
<b>Education and welfare</b>										
Merretville	215	271,506	0	0	(17,326)	(35,100)	271,506	236,406	0	(12,500)
		271,506	0	0	(17,326)	-35,100	271,506	236,406	0	(12,500)
<b>Total</b>		594,899	0	1,300,000	(78,026)	-147,700	534,199	1,747,199	0	(52,100)
Current borrowings		147,700					17,753			
Non-current borrowings		447,199					516,446			
		594,899					534,199			

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.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 JANUARY 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by Legislation</b>									
Plant Replacement Reserve	1,171,986	5,000		-	0	(650,000)	0	526,986	1,171,986
Buildings Reserve	1,034,508	8,100		-	0	(450,000)	0	592,608	1,034,508
Land & Development Reserve	1,573,763	12,400		-	0	0	0	1,586,163	1,573,763
Recreation Reserve	911,064	7,200		-	0	0	0	918,264	911,064
Disaster Relief Reserve	247,284	1,900		-	0	0	0	249,184	247,284
Cummings St Units Reserve	61,255	500		-	0	(15,700)	(15,687)	46,055	45,568
Waste Management Reserve	374,651	2,900		-	0	(120,000)	0	257,551	374,651
Unspent Capital Works Reserve	368,575	1,600		-	0	0	0	370,175	368,575
ICT Reserve	316,632	2,500		-	0	(68,270)	0	250,862	316,632
Apex Park Redevelopment Reserve	402,393	900		-	0	(286,300)	0	116,993	402,393
Merredin-Narembeen Rd Reserve	180,955	100		133,700	0	(146,000)	0	168,755	180,955
<b>Restricted by Council</b>									
Leave reserve	370,719	2,900		-	0		0	373,619	370,719
	<b>7,013,785</b>	<b>46,000</b>	<b>0</b>	<b>133,700</b>	<b>0</b>	<b>(1,736,270)</b>	<b>(15,687)</b>	<b>5,457,215</b>	<b>6,998,098</b>



	Note	Opening Balance 1 July 2022	Liability transferred from/(to) non current	Liability Increase	Liability Reduction	Closing Balance 31 January 2023
		\$		\$	\$	\$
<b>Other current liabilities</b>						
<b>Other liabilities</b>						
- Contract liabilities		1,641,567	0		(74,203)	1,567,364
- Other liabilities [describe]		18,002	0			18,002
<b>Total other liabilities</b>		1,659,569	0	0	(74,203)	1,585,366
<b>Employee Related Provisions</b>						
Annual leave		293,251	0			293,251
Long service leave		258,037	0			258,037
<b>Total Employee Related Provisions</b>		551,288	0	0	0	551,288
<b>Total other current assets</b>		<b>2,210,857</b>	<b>0</b>	<b>0</b>	<b>(74,203)</b>	<b>2,136,654</b>

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 Liability	Decrease in Liability	Liability	Current Liability	Adopted Budget	YTD	YTD Revenue	Forecast 30
	1 July 2022		(As revenue)	31 Jan 2023	31 Jan 2023	Revenue	Budget	Actual	June Closing
	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Operating grants and subsidies</b>									
<b>General purpose funding</b>									
GEN PUR - Financial Assistance Grant - General				0		350,000	280,000	283,303	353,303
GEN PUR - Financial Assistance Grant - Roads				0		140,000	102,000	102,489	140,489
<b>Law, order, public safety</b>									
OLOPS - Grants				0		29,000	29,000	0	0
ESL BFB - Operating Grant				0		41,500	30,850	42,994	53,644
ESL SES - Operating Grant				0		15,400	10,266	5,050	10,184
<b>Education and welfare</b>									
SENIORS - Reimbursements				0		25,600	12,800	6,467	19,267
WELFARE - Youth Grants				0		1,000	0	0	1,000
WELFARE - Community Development Grants				0		13,900	23,800	4,900	(5,000)
<b>Housing</b>									
OTH HOUSE - Rental Reimbursements				0		0	29,169	33,470	4,301
<b>Recreation and culture</b>									
HALLS - Grants				0		0	0	44	0
REC - Grants				0		0	0	35,000	35,000
LIBRARY - Other Grants				0		6,200	3,619	0	2,581
OTH CUL - Grants - Theatre Shows				0		20,800	13,013	9,000	16,787
OTH CUL - Other Contributions				0		54,200	31,619	0	22,581
<b>Transport</b>									
ROADM - Street Lighting Subsidy				0		20,400	0	0	20,400
ROADM - Road Contribution Income				0		0	77,784	237,688	159,904
ROADM - Direct Road Grant (MRWA)				0		233,900	233,900	238,960	238,960
<b>Economic services</b>									
TOURISM - Reimbursements				0		35,800	19,922	2,766	18,644
TOURISM - Other Income Relating to Tourism & Area Promotion				0		39,400	27,565	724	12,559
TOURISM - Other Income				0		0	0	5,300	5,300
<b>Other property and services</b>									
PWO - Other Reimbursements				0		100	56	0	44
SAL - Reimbursement - Parental Leave				0		0	0	4,432	4,432
POC - Fuel Tax Credits Grant Scheme				0		0	0	13,641	13,641
	0	0	0	0	0	1,027,200	925,363	1,026,227	1,128,020

Provider	Capital grant/contribution liabilities					Non operating grants, subsidies and contributions revenue			
	Liability 1 July 2022	Increase in Liability	Decrease in Liability (As revenue)	Liability 31 Jan 2023	Current Liability 31 Jan 2023	Adopted Budget Revenue	YTD Budget	YTD Revenue Actual	Forecast 30 June Closing
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Non-operating grants and subsidies</b>									
<b>Community amenities</b>									
Supply Grant DWER	16,979			16,979					0
<b>Recreation and culture</b>									
REC - Grants - LRCI	521,277			521,277	1,721,200	1,721,200	128,439	128,439	
REC - Grants - BBRF				0	1,925,400	0	618,916	2,544,316	
REC - Other Capital Contributions				0	331,400	331,400	0	0	
Audience Development	47,251			47,251				0	
War Stories Illumination Projections	10,658			10,658				0	
Cummins Theatre Program	71,302			71,302				0	
Wages and Gaming	6,160			6,160				0	
<b>Transport</b>									
ROADC - Regional Road Group Grants (MRWA)	429,341			429,341	536,600	313,019	11,297	234,878	
ROADC - Roads to Recovery Grant	75,297			75,297	556,900	0	96,824	653,724	
ROADC - Wheatbelt Secondary Freight Network (WSFN)				0	2,035,300	1,017,650	0	1,017,650	
WATER - CWSP Grant				0	99,000	99,000	9,902	9,902	
Vegetation control	6,060			6,060				0	
<b>Other property and services</b>									
CEACA	465,258		16,336	481,594	100,000	58,331	68,043	109,712	
	<b>1,649,583</b>	<b>0</b>	<b>16,336</b>	<b>1,665,919</b>	<b>7,305,800</b>	<b>3,540,600</b>	<b>933,422</b>	<b>4,698,622</b>	
<b>TOTALS</b>	<b>1,649,583</b>	<b>0</b>	<b>16,336</b>	<b>1,665,919</b>	<b>7,305,800</b>	<b>3,540,600</b>	<b>933,422</b>	<b>4,698,622</b>	

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

**NOTE 13  
TRUST FUND**

Funds held at balance date which are required by legislation to be credited to the trust fund and which are not included in the financial statements are as follows:

Description	Opening	Amount	Amount	Closing Balance
	Balance			Received
	1 July 2022			
	\$	\$	\$	\$
BCTIF Levy	(92)	(1,343)	1,343	(92)
BRB Levy	398	(284)	284	398
Community Bus Fund	1,312	0	0	1,312
SBS Transmitter	2,220	0	0	2,220
Youth Advisory	154	0	0	154
Retention Funds	8,974	0	0	8,974
CEACA	4,559	0	0	4,559
Unclaimed Money	397	0	0	397
Councillor Nominations	80	0	0	80
	<b>18,002</b>	<b>(1,627)</b>	<b>1,627</b>	<b>18,002</b>

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

**NOTE 14  
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
				\$	\$	\$	\$
	<b>Budget adoption</b>						127,770
	October Budget Review 2022	83049			101,259		229,029
				<b>0</b>	<b>101,259</b>	<b>0</b>	<b>101,259</b>

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

**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 2022-23 year is \$10,000 or 10.00% whichever is the greater.

Nature or type	Var. \$	Var. %	Explanation of variances	
			Timing	Permanent
	\$	%		
<b>Revenue from operating activities</b>				
Operating grants, subsidies and contributions	100,864	10.90%	▲ Reimbursements income includ parental leave. Offset	Timing
Interest earnings	61,181	98.03%	▲ Interest rates higher than budget.	Permanent
Other revenue	30,565	19.07%	▲ Sundry revenue difficult to predict timing	Timing
Profit on disposal of assets	(91,700)	(100.00%)	▼ Timing of Sale of assets	Timing
<b>Expenditure from operating activities</b>				
Materials and contracts	561,358	24.30%	▲ Delay in spending due to staffing/ budget	Timing
Depreciation on non-current assets	(850,374)	(40.42%)	▼ Depn not yet charged	Timing
Insurance expenses	(19,535)	(9.74%)	Insurance slightly higher than budgeted	Timing
Loss on disposal of assets	28,778	21.30%	▲ Timing of Sale of assets	Timing
Non-cash amounts excluded from operating activities	913,296	42.53%	▲ Depn not yet charged	Timing
<b>Investing activities</b>				
Proceeds from non-operating grants, subsidies and contributions	(2,607,178)	(73.64%)	▼ Grants not yet received	Timing
Proceeds from disposal of assets	(461,000)	(100.00%)	▼ Timing of Sale of assets	Timing
Payments for property, plant and equipment and infrastr	3,581,539	63.65%	▲ Timing on project	Timing
<b>Financing activities</b>				
Proceeds from new debentures	(1,300,000)	(100.00%)	▼ Timing on drawn down of loan	Timing
Transfer from reserves	(1,720,583)	(99.10%)	▼ Reserve not transferred until needed to maximise interest	Timing
Repayment of debentures	69,674	47.17%	▲ Total repayment noted - timing only	Timing
Transfer to reserves	179,700	100.00%	▲ Transfer not yet completed.	Timing
<b>Closing funding surplus / (deficit)</b>	<b>(1,316,102)</b>	<b>27.46%</b>	<b>▼ Due to above items</b>	<b>Timing</b>