

**SHIRE OF MERREDIN**

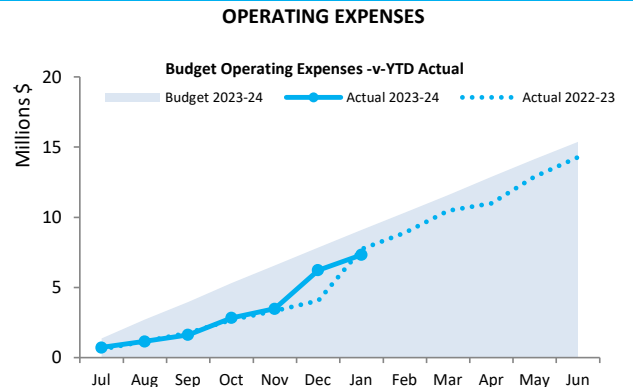
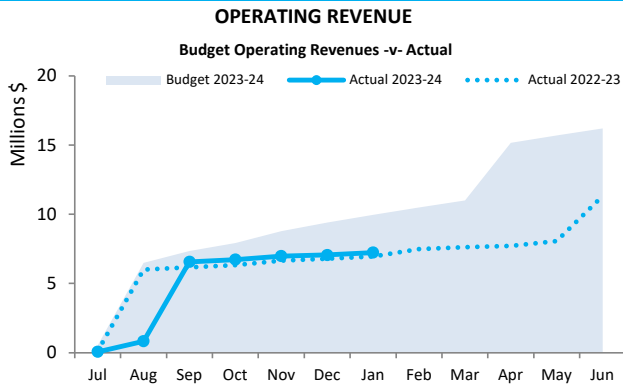
**MONTHLY FINANCIAL REPORT**  
**(Containing the Statement of Financial Activity)**  
**For the period ending 31 January 2024**

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

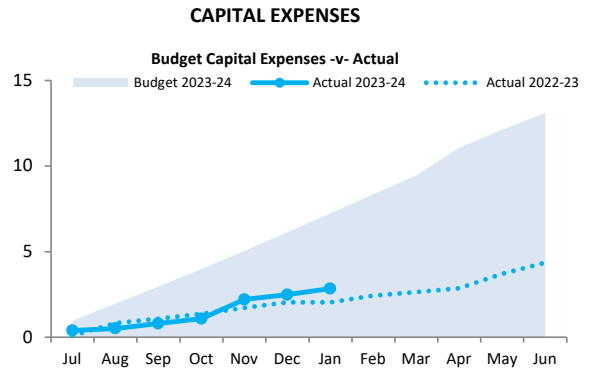
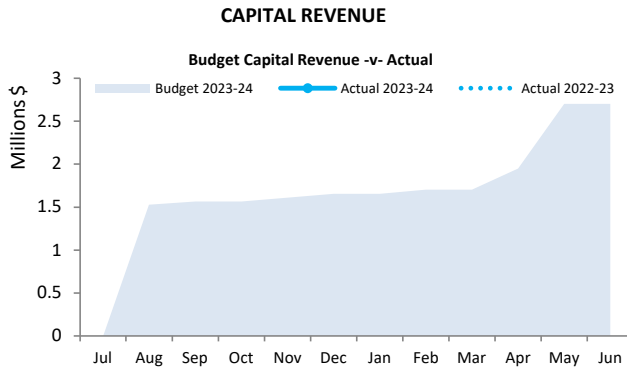
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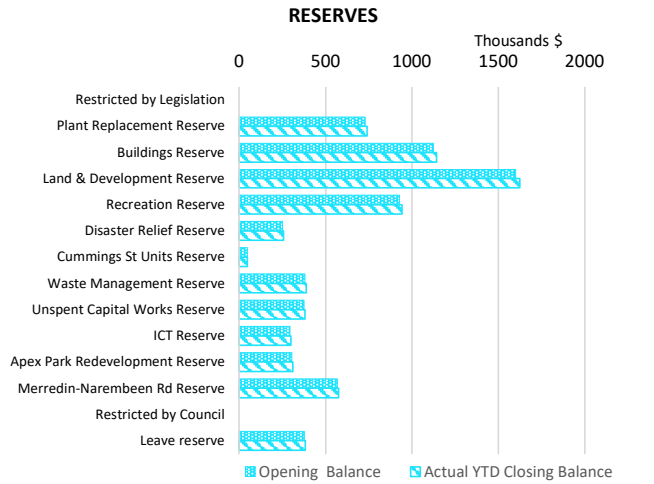
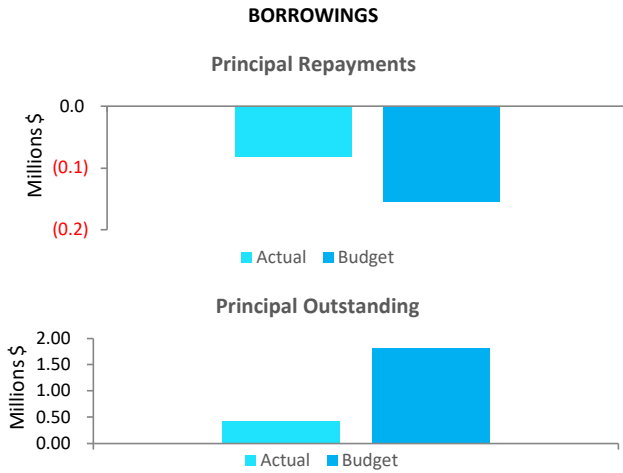
**OPERATING ACTIVITIES**



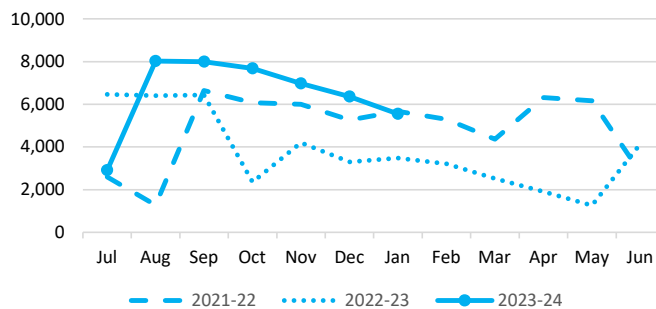
**INVESTING ACTIVITIES**



**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	\$3.93 M	\$3.93 M	\$3.93 M	\$0.00 M
Closing	\$0.01 M	\$3.66 M	\$5.54 M	\$1.89 M

Refer to Statement of Financial Activity

Cash and cash equivalents		
	\$12.62 M	% of total
Unrestricted Cash	\$5.51 M	43.7%
Restricted Cash	\$7.11 M	56.3%

Refer to Note 2 - Cash and Financial Assets

Payables		
	\$0.76 M	% Outstanding
Trade Payables	\$0.52 M	
0 to 30 Days		95.7%
Over 30 Days		4.2%
Over 90 Days		0%

Refer to Note 5 - Payables

Receivables		
	\$1.64 M	% Collected
Rates Receivable	\$1.22 M	79.7%
Trade Receivable	\$1.64 M	% Outstanding
Over 30 Days		96.1%
Over 90 Days		2.3%

Refer to Note 3 - Receivables

Key Operating Activities

Amount attributable to operating activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$2.20 M)	\$0.84 M	\$2.51 M	\$1.67 M

Refer to Statement of Financial Activity

Rates Revenue		
YTD Actual	\$5.30 M	% Variance
YTD Budget	\$5.25 M	1.0%

Refer to Statement of Financial Activity

Operating Grants and Contributions		
YTD Actual	\$0.70 M	% Variance
YTD Budget	\$0.59 M	18.5%

Refer to Note 11 - Operating Grants and Contributions

Fees and Charges		
YTD Actual	\$0.82 M	% Variance
YTD Budget	\$0.69 M	19.6%

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)
(\$3.99 M)	(\$3.39 M)	(\$0.71 M)	\$2.68 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	\$2.83 M	% Spent
Adopted Budget	\$16.33 M	(82.6%)

Refer to Note 7 - Capital Acquisitions

Capital Grants		
YTD Actual	\$2.11 M	% Received
Adopted Budget	\$12.10 M	(82.6%)

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)
\$2.27 M	\$2.27 M	(\$0.19 M)	(\$2.46 M)

Refer to Statement of Financial Activity

Borrowings	
Principal repayments	\$0.08 M
Interest expense	\$0.01 M
Principal due	\$0.43 M

Refer to Note 8 - Borrowings

Reserves	
Reserves balance	\$7.09 M
Interest earned	\$0.11 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 2024

### 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 JANUARY 2024

BY NATURE OR TYPE

	Ref	Current	YTD Budget	YTD Actual	Forecast 29 June 2024 Closing	Variance \$	Variance %	Var.
	Note	(a)	(b)	(c)	(a)-(b)+(c)	(c) - (b)	((c) - (b))/(b)	
		\$	\$	\$	\$	\$	%	
<b>Opening funding surplus / (deficit)</b>	1(c)	3,934,246	3,934,246	3,934,246	3,934,246	0	0.00%	
<b>Revenue from operating activities</b>								
Rates		5,298,000	5,245,020	5,298,047	5,351,027	53,027	1.01%	
Operating grants, subsidies and contributions	11	922,100	594,257	704,277	1,032,120	110,020	18.51%	▲
Fees and charges		843,950	689,294	824,653	979,309	135,359	19.64%	▲
Interest earnings		323,700	188,825	269,204	404,079	80,379	42.57%	▲
Other revenue		279,600	185,242	134,823	229,181	(50,419)	(27.22%)	▼
Profit on disposal of assets	6	113,800	66,381	0	47,419	(66,381)	(100.00%)	▼
		<b>7,781,150</b>	<b>6,969,019</b>	<b>7,231,004</b>	<b>8,043,135</b>	261,985	3.76%	
<b>Expenditure from operating activities</b>								
Employee costs		(4,963,260)	(3,050,602)	(2,499,102)	(4,411,760)	551,500	18.08%	▲
Materials and contracts		(3,717,590)	(2,236,612)	(1,637,695)	(3,118,673)	598,917	26.78%	▲
Utility charges		(520,350)	(311,628)	(219,722)	(428,444)	91,906	29.49%	▲
Depreciation on non-current assets		(5,876,500)	(3,427,984)	(3,036,518)	(5,485,034)	391,466	11.42%	▲
Interest expenses		(134,600)	(54,269)	(13,386)	(93,717)	40,883	75.33%	▲
Insurance expenses		(271,260)	(258,700)	(240,969)	(253,529)	17,731	6.85%	
Other expenditure		(262,200)	(151,237)	(113,075)	(224,038)	38,162	25.23%	▲
Loss on disposal of assets	6	(11,700)	(6,825)	0	(4,875)	6,825	100.00%	
		<b>(15,757,460)</b>	<b>(9,497,857)</b>	<b>(7,760,467)</b>	<b>(14,020,070)</b>	1,737,390	(18.29%)	
Non-cash amounts excluded from operating activities	1(a)	5,774,400	3,368,428	3,036,518	5,442,490	(331,910)	(9.85%)	
<b>Amount attributable to operating activities</b>		<b>(2,201,910)</b>	<b>839,590</b>	<b>2,507,055</b>	<b>(534,445)</b>	1,667,465	198.60%	
<b>Investing activities</b>								
Proceeds from non-operating grants, subsidies and contributions	12	12,096,098	4,077,636	2,109,499	10,127,961	(1,968,137)	(48.27%)	▼
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	(16,330,728)	(7,687,621)	(2,834,328)	(11,477,435)	4,853,293	63.13%	▲
<b>Amount attributable to investing activities</b>		<b>(3,991,930)</b>	<b>(3,385,893)</b>	<b>(706,637)</b>	<b>(1,312,674)</b>	2,679,256	(79.13%)	
<b>Financing Activities</b>								
Proceeds from new debentures	8	1,480,000	1,480,000	0	0	(1,480,000)	(100.00%)	▼
Transfer from reserves	9	1,339,200	1,339,200	0	0	(1,339,200)	(100.00%)	▼
Repayment of debentures	8	(154,900)	(154,900)	(80,819)	(80,819)	74,081	47.83%	▲
Transfer to reserves	9	(395,900)	(395,900)	(109,955)	(109,955)	285,945	72.23%	▲
<b>Amount attributable to financing activities</b>		<b>2,268,400</b>	<b>2,268,400</b>	<b>(190,774)</b>	<b>(190,774)</b>	(2,459,174)	(108.41%)	
<b>Closing funding surplus / (deficit)</b>	1(c)	<b>8,806</b>	<b>3,656,343</b>	<b>5,543,889</b>	<b>1,896,353</b>	1,887,547	(51.62%)	▲

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 January 2024

(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
		\$	\$	\$	
<b>Non-cash items excluded from operating activities</b>					
<b>Adjustments to operating activities</b>					
Less: Profit on asset disposals	6	(113,800)	(66,381)	0	(47,419)
Add: Loss on asset disposals	6	11,700	6,825	0	4,875
Add: Depreciation on assets		5,876,500	3,427,984	3,036,518	5,485,034
<b>Total non-cash items excluded from operating activities</b>		<b>5,774,400</b>	<b>3,368,428</b>	<b>3,036,518</b>	<b>5,442,490</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.

	Notes	Adopted Budget Opening 30 June 2023	Last Year Closing 30 June 2023	Year to Date 31 January 2024
<b>Adjustments to net current assets</b>				
Less: Reserves - restricted cash	9	(7,013,785)	(6,975,873)	(7,085,828)
Less: - Financial assets at amortised cost - self supporting loans	4	(36,834)	(36,834)	(18,642)
Less: User defined		(755,760)	(755,760)	(755,766)
Add: Borrowings	8	99,461	99,461	18,641
Add: Provisions employee related provisions	10	571,585	571,585	571,585
<b>Total adjustments to net current assets</b>		<b>(7,135,333)</b>	<b>(7,097,421)</b>	<b>(7,270,010)</b>

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

**Current assets**

Cash and cash equivalents	2	12,218,595	12,218,595	12,617,693
Rates receivables	3	733,267	733,267	1,221,705
Receivables	3	573,714	573,714	1,637,601
Other current assets	4	253,542	253,542	193,743
<b>Less: Current liabilities</b>		<b>0</b>		
Payables	5	(769,443)	(769,443)	(758,379)
Borrowings	8	(99,461)	(99,461)	(18,641)
Contract liabilities	10	(1,306,962)	(1,306,962)	(1,508,237)
Provisions	10	(571,585)	(571,585)	(571,585)
<b>Less: Total adjustments to net current assets</b>	1(b)	<b>(7,097,421)</b>	<b>(7,097,421)</b>	<b>(7,270,010)</b>
<b>Closing funding surplus / (deficit)</b>		<b>3,934,246</b>	<b>3,934,246</b>	<b>5,543,890</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	
		\$	\$	\$	\$				
Municipal Bank Account		4,041,056		4,041,056					
Petty Cash - Admin		950		950					
Float - MRCLC		3,100		3,100					
Municipal Investment Account		1,464,191		1,464,191					
Reserve Bank Account		0	7,108,396	7,108,396					
<b>Total</b>		<b>5,509,297</b>	<b>7,108,396</b>	<b>12,617,693</b>	<b>0</b>				
<b>Comprising</b>									
Cash and cash equivalents		5,509,297	7,108,396	12,617,693	0				
		<b>5,509,297</b>	<b>7,108,396</b>	<b>12,617,693</b>	<b>0</b>				

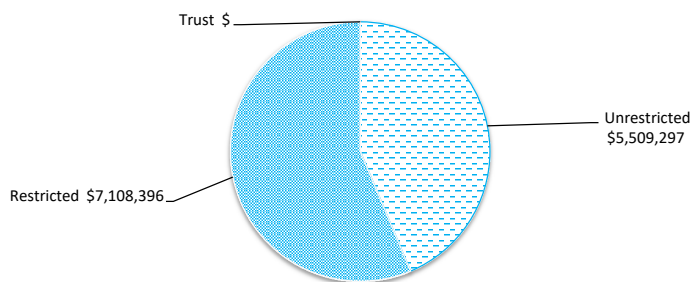
**KEY INFORMATION**

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:

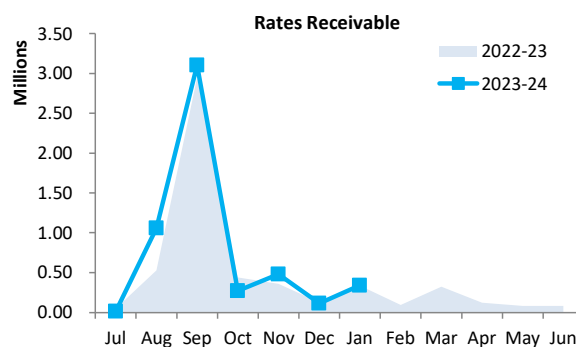
- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

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.





Rates receivable	30 June 2023	31 Jan 2024
	\$	\$
Opening arrears previous years	733,267	733,267
Levied this year		5,298,047
Less - collections to date	0	(4,809,609)
<b>Gross rates collectable</b>	<b>733,267</b>	<b>1,221,705</b>
<b>Net rates collectable</b>	<b>733,267</b>	<b>1,221,705</b>
% Collected	0%	79.7%



Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	1,191	50,910	745,948	481,950	29,538	1,309,537
Percentage	0.1%	3.9%	57%	36.8%	2.3%	
<b>Balance per trial balance</b>						
Sundry receivable						1,309,537
GST receivable						0
Other receivables						23,956
Accrued Income						328,085
Other receivables - Provision for Doubtful Debts						(24,156)
<b>Total receivables general outstanding</b>						<b>1,637,422</b>

Amounts shown above include GST (where applicable)

#### KEY INFORMATION

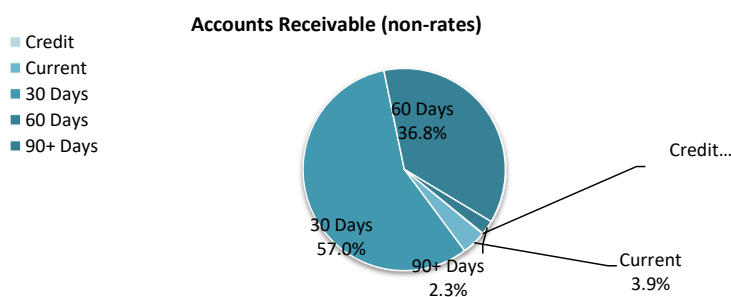
Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

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.



Other current assets	Opening Balance 1 July 2023	Asset Increase	Asset Reduction	Closing Balance 31 January 2024
	\$	\$	\$	\$
<b>Other financial assets at amortised cost</b>				
Financial assets at amortised cost - self supporting loans	36,834		(18,192)	18,642
<b>Inventory</b>				
Fuel	32,708	0	(41,607)	(8,899)
<b>Land held for resale</b>				
Cost of acquisition	184,000		0	184,000
<b>Total other current assets</b>	<b>253,542</b>	<b>0</b>	<b>(59,799)</b>	<b>193,743</b>
<b>Amounts shown above include GST (where applicable)</b>				

#### 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.

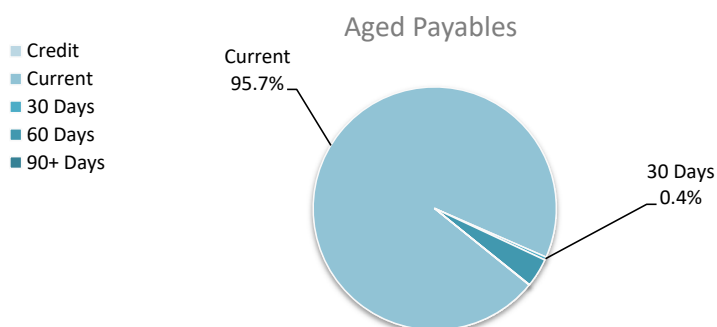
Land held for resale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	0	495,251	2,248	19,723	200	517,422
Percentage	0%	95.7%	0.4%	3.8%	0%	
<b>Balance per trial balance</b>						
Sundry creditors						517,421
Other payables						151,361
Income in Advance						89,382
PAYG						0
<b>Total payables general outstanding</b>						<b>758,379</b>

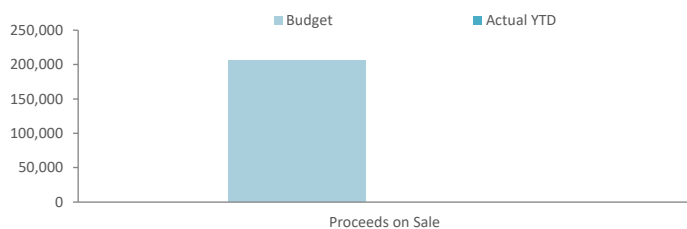
Amounts shown above include GST (where applicable)

**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.



Asset Ref.	Asset description	Budget				YTD Actual			
		Net Book		Profit	(Loss)	Net Book		Profit	(Loss)
		Value	Proceeds			Value	Proceeds		
		\$	\$	\$	\$	\$	\$	\$	
	<b>Transport</b>								
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				
		<b>103,800</b>	<b>205,900</b>	<b>113,800</b>	<b>(11,700)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



Capital acquisitions	Adopted		YTD Actual	Forecast 30 June Closing	YTD Actual Variance
	Budget	YTD Budget			
	\$	\$	\$		\$
Buildings - specialised	512	185,800	23,800	194,116	8,316
Buildings - non-specialised	514	58,800	13,356	42,856	(15,944)
Plant and equipment	530	735,600	328,139	348,139	(387,461)
Infrastructure - roads	540	5,836,700	2,220,414	5,212,350	(624,350)
Infrastructure - Footpaths	560	67,800	39,550	28,250	(39,550)
Infrastructure -Drainage	550	70,000	40,831	29,169	(40,831)
Infrastructure - Parks & Gardens	570	8,941,528	3,832,593	5,203,675	(3,737,853)
Infrastructure - Other	590	434,500	153,880	418,880	(15,620)
<b>Payments for Capital Acquisitions</b>		<b>16,330,728</b>	<b>7,687,621</b>	<b>11,477,435</b>	<b>(4,853,293)</b>
<b>Capital Acquisitions Funded By:</b>					
	\$	\$	\$		\$
Capital grants and contributions	12,096,098	4,077,636	2,109,499	10,127,961	(1,968,137)
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	(308,000)		0	(308,000)	0
Merredin-Narembeen Rd Reserve	(267,900)		0	(267,900)	0
Contribution - operations	3,887,930	1,924,085	724,830	2,688,674	(1,199,256)
<b>Capital funding total</b>		<b>16,330,728</b>	<b>7,687,621</b>	<b>11,477,435</b>	<b>(4,853,293)</b>

#### 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.

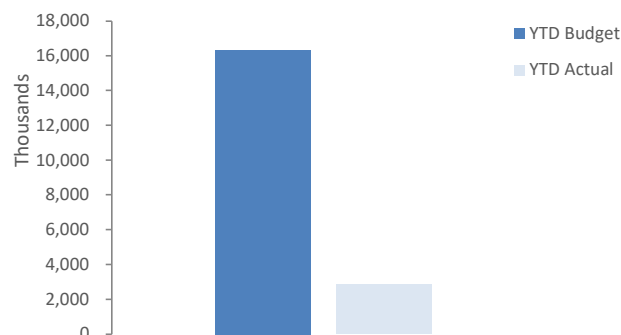
#### Initial recognition and measurement for assets held at cost

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

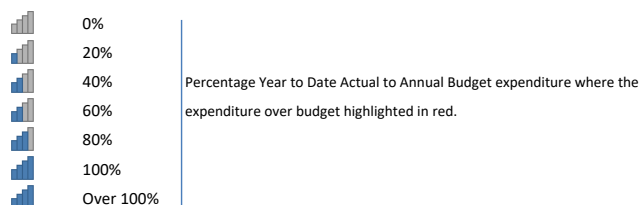
In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The 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 details

Account Description		Adopted			Variance (Under)/Over	
		Budget	YTD Budget	YTD Actual		
		\$	\$	\$	\$	
4090210	BC032	OTH HOUSE - Building (Capital)	12,300	12,300	9,590.00	(2,710.00)
4090210	BC033	OTH HOUSE - Building (Capital)	17,000	17,000	-	(17,000.00)
4090210	BC035	OTH HOUSE - Building (Capital)	4,500	0	3,766.00	3,766.00
4090210	BC042	OTH HOUSE - Building (Capital)	25,000	0	-	-
4100110	LC041	SAN - Building (Capital)	15,000	10,000	-	(10,000.00)
4100130		SAN - Plant & Equipment (Capital)	20,000	0	-	-
4100180	LC002	SAN - Infrastructure Other (Capital)	105,000	61,250	35,475.06	(25,774.94)
4100590	EC001	ENVIRON - Infrastructure Other (Capital)	14,500	14,500	8,940.00	(5,560.00)
4090210	BC006	ENVIRON - Infrastructure Other (Capital)	8,000	0	12,575.08	12,575.08
4110310	BC085	REC - Other Rec Facilities Building (Capital)	44,400	25,900	11,224.58	(14,675.42)
4110320		REC - Other Rec Facilities Building (Capital)	5,600	0	-	-
4110290	SC041	SWIM AREAS - Infrastructure (Capital)	5,000	2,919	-	(2,919.00)
4110290	SC042	SWIM AREAS - Infrastructure (Capital)	15,000	15,000	11,900.00	(3,100.00)
4110290	SC043	SWIM AREAS - Infrastructure (Capital)	15,000	15,000	11,736.40	(3,263.60)
4110370	PC001	REC - Infrastructure Parks & Gardens (Capital)	4,386,185	731,031	51,691.05	(679,339.95)
4110370	PC036	REC - Infrastructure Parks & Gardens (Capital)	370,000	246,668	-	(246,668.00)
4110370	PC037	REC - Infrastructure Parks & Gardens (Capital)	194,000	194,000	-	(194,000.00)
4110370	PC007	REC - Infrastructure Parks & Gardens (Capital)	3,381,343	2,254,228	43,048.96	(2,211,179.04)
4110370	PC041	REC - Infrastructure Parks & Gardens (Capital)	580,000	386,666	-	(386,666.00)
4110370	PC043	REC - Infrastructure Parks & Gardens (Capital)	30,000	20,000	-	(20,000.00)
4110510	BC004	LIBRARY - Library Building (Capital)	21,000	0	-	-
4110610	HC041	HERITAGE - Building (Capital)	40,000	23,331	-	(23,331.00)
4110710	BC002	OTH CUL - Building (Capital)	43,900	29,268	-	(29,268.00)
4110730		OTH CUL - Plant & Equipment (Capital)	6,100	0	6,200.00	6,200.00
4120110		ROADC - Building (Capital)	13,500	2,250	-	(2,250.00)
4120140	RC401	ROADC - Roads Built Up Area - Council Funded	35,000	0	-	-
4120141	RC239	Merredin-Naremben Road (Capital)	4,293,700	2,504,656	1,794,496.11	(710,159.89)
4120141	RC239C	Merredin-Naremben Road (Capital)	0	0	282,209.59	282,209.59
4120144		ROADC - Roads Built Up Area - Roads to Recovery				
4120144	R2R000	ROADC - Roads Built Up Area - Roads to Recovery	94,500	0	-	-
4120144	R2R283	ROADC - Roads Built Up Area - Roads to Recovery	0	0	-	-
4120145		ROADC - Roads Outside BUA - Sealed - Roads to Recovery				
4120145	R2R001	Chandler Road (R2R)	27,300	0	-	-
4120145	R2R003	Bullshead Road (R2R)	53,400	0	44,307.00	44,307.00
4120145	R2R012	Nokaning West Road (R2R)	35,200	0	-	-
4120145	R2R013	Nukarni East Road (R2R)	72,600	0	-	-
4120145	R2R014	R2R Nukarni West Road	56,100	0	-	-
4120145	R2R017	Fewster Road (R2R)	104,600	17,433	-	(17,433.00)
4120145	R2R063	R2R Korbalka Road	99,400	0	-	-
4120145	R2R072	Crooks Road (R2R)	54,100	0	-	-
4120146	R2R090	Goldfields Road (R2R)	202,300	0	10,338.34	10,338.34
4120149	RRG001	RRG Chandler-Merredin - Resurfacing	54,200	0	-	-
4120149	RRG003	Bullshead Road (RRG)	106,600	17,767	88,613.00	70,846.00
4120149	RRG072	Crooks Road (RRG)	108,100	63,056	450.00	(62,606.00)
4120150	RRG090	Goldfields Road (RRG)	404,600	236,019	-	(236,019.00)
4120165	DC142	ROADC - Drainage Built Up Area (Capital)	70,000	40,831	-	(40,831.00)
4120168	KC000	ROADC - Kerbing (Capital)	35,000	8,333	-	(8,333.00)
4120170	FC000	ROADC - Footpaths and Cycleways (Capital)	67,800	39,550	-	(39,550.00)
4120330		PLANT - Plant & Equipment (Capital)	703,900	367,444	321,939.03	(45,504.97)
4120790	WC002	WATER - Infrastructure Other (Capital)	100,000	58,331	51,588.63	(6,742.37)
4120790	WC003	MRWN - Upgrade	180,000	0	34,239.50	34,239.50
			<b>16,330,728</b>	<b>7,414,731</b>	<b>2,834,328.33</b>	<b>-4,580,402.67</b>

Repayments - borrowings

Information on borrowings Particulars	Loan No.	1 July 2023	New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
			Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
		\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Education and welfare</b>										
CEACA Contributions	217	262,693			(62,627)	(62,300)	200,066	200,393	(4,137)	(7,800)
<b>Recreation and culture</b>										
CBD Development	219		0	1,480,000		(55,800)	0	1,424,200	0	(33,600)
		262,693	0	1,480,000	(62,627)	-118,100	200,066	1,624,593	-4,137	-41,400
<b>Self supporting loans</b>										
<b>Education and welfare</b>										
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)
<b>Total</b>		489,451	0	1,480,000	(80,819)	-154,900	426,824	1,814,551	(9,738)	(52,100)
Current borrowings		154,900					18,641			
Non-current borrowings		334,551					408,183			
		489,451					426,824			

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 2023, nor is it expected to have unspent funds as at 30th June 2024.

**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 JANUARY 2024

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	729,127	9,200	11,513	-	-	(188,200)	-	550,127	740,640
Buildings Reserve	1,123,227	31,700	17,736	-	-	(530,000)	-	624,927	1,140,963
Land & Development Reserve	1,600,696	22,900	25,276	-	-	0	-	1,623,596	1,625,972
Recreation Reserve	926,656	13,300	14,632	-	-	0	-	939,956	941,288
Disaster Relief Reserve	251,516	3,500	3,972	-	-	0	-	255,016	255,488
Cummings St Units Reserve	46,410	900	733	-	-	0	-	47,310	47,143
Waste Management Reserve	381,063	5,400	6,017	-	-	(5,000)	-	381,463	387,080
Unspent Capital Works Reserve	374,882	2,900	5,920	-	-	0	-	377,782	380,802
ICT Reserve	293,830	4,700	4,640	-	-	(40,100)	-	258,430	298,470
Apex Park Redevelopment Reserve	304,472	1,600	4,808	-	-	(308,000)	-	(1,928)	309,280
Merredin-Narembeen Rd Reserve	566,931	8,500	8,755	285,900	-	(267,900)	-	593,431	575,686
<b>Restricted by Council</b>									
Leave reserve	377,063	5,400	5,954	-	0	-	0	382,463	383,017
	<b>6,975,873</b>	<b>110,000</b>	<b>109,955</b>	<b>285,900</b>	<b>0</b>	<b>(1,339,200)</b>	<b>0</b>	<b>6,032,573</b>	<b>7,085,828</b>

	Note	Opening Balance 1 July 2023	Liability transferred from/(to) non current	Liability Increase	Liability Reduction	Closing Balance 31 January 2024
		\$		\$	\$	\$
<b>Other current liabilities</b>						
<b>Other liabilities</b>						
- Contract liabilities		1,288,770	0	200,875	0	1,489,645
- Capital grant/contribution liabilities		0	0	0	0	0
- Other liabilities [describe]		18,192	0	400		18,592
<b>Total other liabilities</b>		1,306,962	0	201,275	0	1,508,237
<b>Employee Related Provisions</b>						
Annual leave		329,317	0			329,317
Long service leave		242,268	0			242,268
<b>Total Employee Related Provisions</b>		571,585	0	0	0	571,585
<b>Total Other Provisions</b>		0	0	0	0	0
<b>Total other current assets</b>		1,878,547	0	201,275	0	2,079,822
<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 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 1 July 2023	Increase in Liability	Decrease in Liability (As revenue)	Liability 31 Jan 2024	Current Liability 31 Jan 2024	Adopted Budget Revenue	YTD Budget	YTD Revenue Actual	Forecast 30 June Closing
	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Operating grants and subsidies</b>									
<b>General purpose funding</b>									
GEN PUR - Financial Assistance Grant - General				0		0	82,900	67,915	(14,986)
<b>Law, order, public safety</b>									
ESL BFB - Operating Grant				0		69,200	39,291	48,179	78,088
ESL SES - Operating Grant				0		14,000	15,631	20,101	18,470
<b>Education and welfare</b>									
SENIORS - Reimbursements				0		10,800	6,300	5,601	10,101
WELFARE - Community Development Grants				0		19,500	9,926	2,500	12,074
<b>Housing</b>									
OTH HOUSE - Rental Reimbursements				0		0	0	15,571	15,571
<b>Recreation and culture</b>									
HALLS - Grants				0		0	0	0	0
HERITAGE - Grant	8,000			8,000		20,000	20,000	0	0
<b>Transport</b>									
ROADM - Street Lighting Subsidy				0		20,900	0	0	20,900
ROADM - Road Contribution Income				0		285,900	166,775	232,774	351,899
ROADM - Direct Road Grant (MRWA)				0		251,200	149,569	256,337	357,968
<b>Economic services</b>									
TOURISM - Reimbursements				0		35,800	19,922	3,522	19,400
TOURISM - Other Income Relating to Tourism & Area Promotion				0		43,000	30,967	8,789	20,822
<b>Other property and services</b>									
PWO - Other Reimbursements				0		100	56	0	44
SAL - Reimbursement - Parental Leave				0		0	0	24,075	24,075
POC - Fuel Tax Credits Grant Scheme				0		0	0	18,744	18,744
<b>TOTALS</b>	8,000	0	0	8,000	0	770,400	594,257	704,277	880,420

Provider	Capital grant/contribution liabilities					Non operating grants, subsidies and contributions revenue			
	Liability 1 July 2023	Increase in Liability	Decrease in Liability (As revenue)	Liability 31 Jan 2024	Current Liability 31 Jan 2024	Adopted Budget Revenue	YTD Budget	YTD Revenue Actual	Forecast 30 June Closing
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Non-operating grants and subsidies</b>									
<b>Community amenities</b>									
DWER - E-Waste Infrastructure Grants	0			0		75,700	44,156	75,680	107,224
DMIRS - EV Charges				0		7,000	0	0	7,000
<b>Recreation and culture</b>									
REC - Grants - Lotterywest						2,100,061	350,010	0	1,750,051
REC - Grants - LRCI	573,735			573,735		2,124,067	0	0	2,124,067
REC - Grants - BBRF				0		1,520,400	0	0	1,520,400
REC - Other Capital Contributions				0		574,070	382,714	0	191,356
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
<b>Transport</b>									
ROADC - Regional Road Group Grants (MRWA)	628,243			628,243		673,600	392,931	269,465	550,134
ROADC - Roads to Recovery Grant				0		799,200	466,200	73,287	406,287
ROADC - Wheatbelt Secondary Freight Network				0		4,032,900	2,352,525	1,661,263	3,341,638
LRCI - Phase 1	14,553			14,553				0	0
WATER - CWSP Grant 1				0		89,100	89,100	19,804	19,804
WATER - CWSP Grant 2				0		100,000	0	10,000	110,000
Vegetation control	6,060			6,060					0
<b>TOTALS</b>	<b>1,280,770</b>	<b>0</b>	<b>0</b>	<b>1,280,770</b>	<b>0</b>	<b>12,096,098</b>	<b>4,077,636</b>	<b>2,109,499</b>	<b>10,127,961</b>

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 JANUARY 2024**

**NOTE 12  
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 Balance 1 July 2023	Amount Received	Amount Paid	Closing Balance 31 Jan 2024
	\$	\$	\$	\$
	0	0	0	0

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 JANUARY 2024**

**NOTE 13  
BUDGET AMENDMENTS**

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

GL Code	Description	Council Resolution	Classification	Non Cash	Increase in	Decrease in	Amended Budget
				Adjustment	Cash	Available Cash	Running Balance
				\$	\$	\$	\$
	<b>Budget adoption</b>						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
Various	Budget Review Amendments - October 2023				4,935		8,806
PC001	Apex Park Revitalisation				2,364,985		2,373,791
FC000	Footpath					(43,000)	2,330,791
KC000	Kerbing Replacement					(15,000)	2,315,791
9673501	Apex Park Reserve					(55,000)	2,260,791
PC036	Visitor Centre (Building Reserve)					(80,000)	2,180,791
3110313	REC - Grants - LRCl Capital					(71,924)	2,108,867
3110310	REC - Grants - Capital					(2,100,061)	8,806
PC007	CBD Redevelopment				330,943		339,749
3110313	REC - Grants - LRCl Capital					(330,943)	8,806
NEW	Liquidity Loan - Interest				80,000		88,806
3030245	GEN PUR - Interest earned - Reserve Funds					(80,000)	8,806
4120144	ROADC - Roads Built Up Area - Roads to Recovery					(37,000)	(28,194)
4120145	ROADC - Roads Outside BUA - Sealed - Roads To Recovery				694,900		666,706
4120146	ROADC - Roads Outside - Gravel - Roads to Recovery					(72,600)	594,106
4120147	ROADC - Roads Outside BUA - Formed - Roads to Recovery					(155,500)	438,606
4120149	ROADC - Roads Outside Built Up Area - Sealed - RRG				269,800		708,406
4120150	ROADC - Roads Outside Built Up - Gravel - RRG					(566,900)	141,506
3120110	ROADC - Regional Roads Group Grants (MRWA)					(26,700)	114,806
3120111	ROADC - Roads To Recovery Grant					(106,000)	8,806
				0	4,143,693	(4,134,887)	

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 JANUARY 2024**

**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
	\$	%		
<b>Revenue from operating activities</b>				
Operating grants, subsidies and contributions	110,020	18.51%	▲ Timing	Timing of Grants received earlier than budgeted.
Fees and charges	135,359	19.64%	▲ Timing	Increase in Shire amenities usage and building services applications
Interest earnings	80,379	42.57%	▲ Permanent	Interest Rates have increased
Other revenue	(50,419)	(27.22%)	▼ Timing	Sundry revenue difficult to predict timing.
Profit on disposal of assets	(66,381)	(100.00%)	▼ Timing	Assets not yet disposed
<b>Expenditure from operating activities</b>				
Employee costs	551,500	18.08%	▲ Timing	Staff Vacancy Roles yet to be filled
Materials and contracts	598,917	26.78%	▲ Timing	Expenditure not yet completed.
Utility charges	91,906	29.49%	▲ Timing	Utility costs lower than budgeted. Will be checked at budget review.
Depreciation on non-current assets	391,466	11.42%	▲ Timing	Depreciation lower than budgeted due to asset revals.
Interest expenses	40,883	75.33%	▲ Timing	Timing due to Loan Repayment Schedule
Other expenditure	38,162	25.23%	▲ Timing	Timing of other expenditure against budget profile.
<b>Investing activities</b>				
Proceeds from non-operating grants, subsidies and contributions	(1,968,137)	(48.27%)	▼ Timing	Grants not yet received reflected in Capital expenditure
Proceeds from disposal of assets	(205,900)	(100.00%)	▼ Timing	Assets not yet disposed
Payments for property, plant and equipment and infrastructure	4,853,293	63.13%	▲ Timing	Capital expenditure not yet completed reflected in grants not yet received.
<b>Financing activities</b>				
Proceeds from new debentures	(1,480,000)	(100.00%)	▼ Timing	Loan not yet drawn down.
Transfer from reserves	(1,339,200)	(100.00%)	▼ Timing	Reserve transfer not yet complete.
Repayment of debentures	74,081	47.83%	▲ Timing	Loan Payment made in July
Transfer to reserves	285,945	72.23%	▲ Timing	Reserve transfer not yet complete.
<b>Closing funding surplus / (deficit)</b>	<b>1,887,547</b>	<b>(51.62%)</b>	<b>▲</b>	