

**SHIRE OF MERREDIN**

**MONTHLY FINANCIAL REPORT**  
**(Containing the Statement of Financial Activity)**  
**For the period ending 31 May 2022**

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

**TABLE OF CONTENTS**

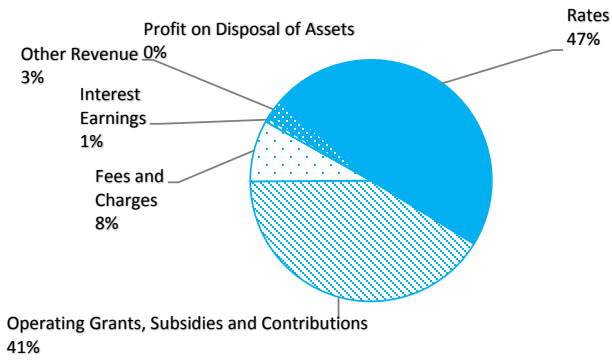
Statement of Financial Activity by Program	7
Statement of Financial Activity by Nature or Type	9
Basis of Preparation	10
Note 1 Statement of Financial Activity Information	11
Note 2 Cash and Financial Assets	12
Note 3 Receivables	13
Note 4 Other Current Assets	14
Note 5 Payables	15
Note 6 Rate Revenue	16
Note 7 Capital Acquisitions	17
Note 8 Borrowings	19
Note 9 Cash Reserves	21
Note 10 Other Current Liabilities	22
Note 11 Operating grants and contributions	23
Note 12 Non operating grants and contributions	24
Note 13 Trust Fund	25
Note 14 Explanation of Material Variances	26

**MONTHLY FINANCIAL REPORT  
FOR THE PERIOD ENDED 31 MAY 2022**

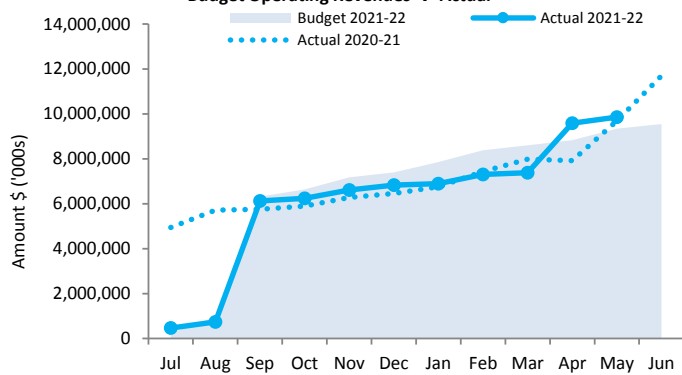
**SUMMARY INFORMATION - GRAPHS**

**OPERATING ACTIVITIES**

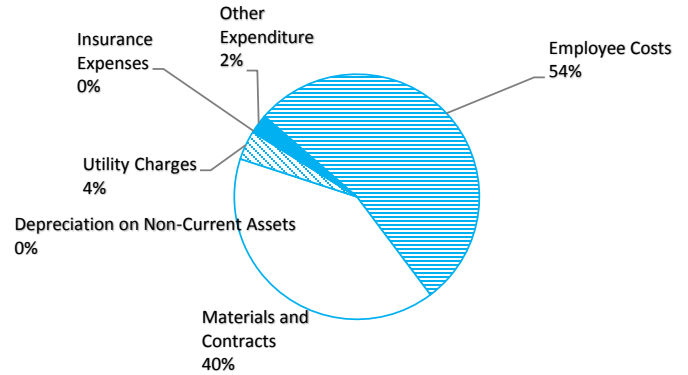
**OPERATING REVENUE**



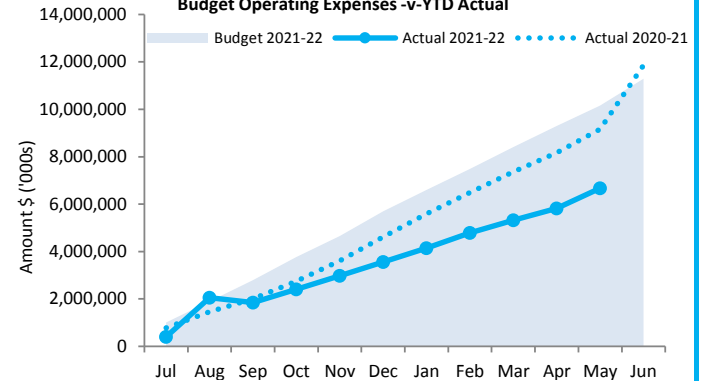
**Budget Operating Revenues -v- Actual**



**OPERATING EXPENSES**



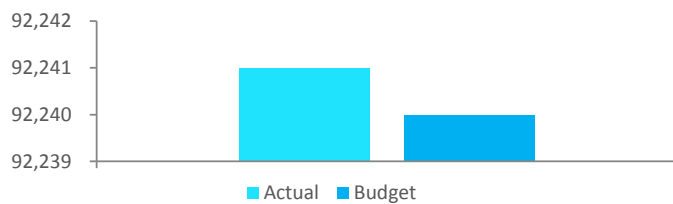
**Budget Operating Expenses -v- YTD Actual**



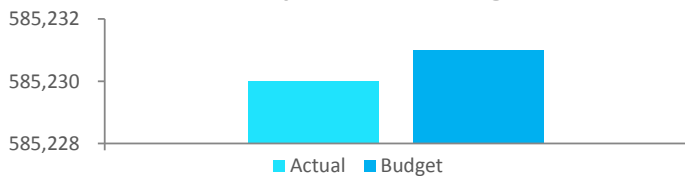
**FINANCING ACTIVITIES**

**BORROWINGS**

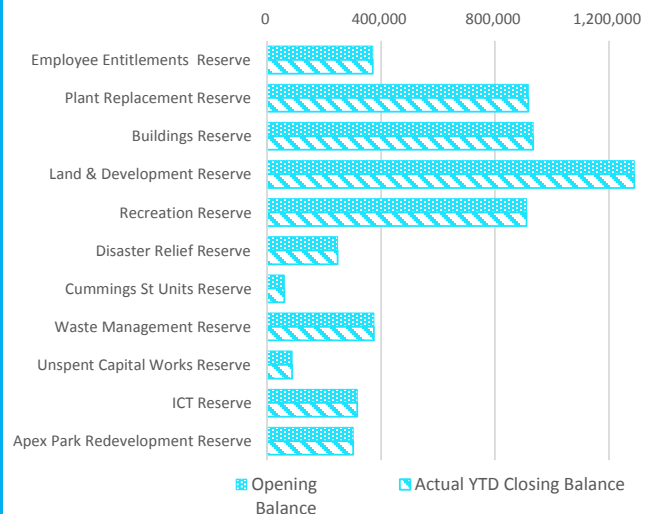
**Principal Repayments**



**Principal Outstanding**



**RESERVES**



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

Funding surplus / (deficit) Components

Funding surplus / (deficit)				
	Amended Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
Opening	\$3.80 M	\$3.80 M	\$3.99 M	\$0.19 M
Closing	\$0.13 M	\$1.46 M	\$6.17 M	\$4.71 M

Refer to Statement of Financial Activity

Cash and cash equivalents		
	\$	% of total
Unrestricted Cash	\$5.84 M	50.1%
Restricted Cash	\$5.81 M	49.9%

Refer to Note 2 - Cash and Financial Assets

Payables		
	\$	% Outstanding
Trade Payables	\$0.08 M	
Over 30 Days		(11.7%)
Over 90 Days		-11.7%

Refer to Note 5 - Payables

Receivables		
	\$	% Collected
Rates Receivable	\$0.89 M	82.9%
Trade Receivable	\$0.67 M	
Over 30 Days		31.5%
Over 90 Days		28.3%

Refer to Note 3 - Receivables

Key Operating Activities

Amount attributable to operating activities			
Amended Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
\$0.43 M	\$1.15 M	\$3.19 M	\$2.04 M

Refer to Statement of Financial Activity

Rates Revenue		
	\$	% Variance
YTD Actual	\$4.67 M	
YTD Budget	\$4.67 M	0.0%

Refer to Note 6 - Rate Revenue

Operating Grants and Contributions		
	\$	% Variance
YTD Actual	\$4.05 M	
YTD Budget	\$2.06 M	96.8%

Refer to Note 12 - Operating Grants and Contributions

Fees and Charges		
	\$	% Variance
YTD Actual	\$0.81 M	
YTD Budget	\$0.87 M	(6.1%)

Refer to Statement of Financial Activity

Key Investing Activities

Amount attributable to investing activities			
Amended Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$3.96 M)	(\$3.40 M)	(\$0.91 M)	\$2.48 M

Refer to Statement of Financial Activity

Proceeds on sale		
	\$	%
YTD Actual	\$0.17 M	
Amended Budget	\$0.31 M	(45.6%)

Refer to Note 7 - Disposal of Assets

Asset Acquisition		
	\$	% Spent
YTD Actual	\$2.63 M	
Amended Budget	\$5.45 M	(51.7%)

Refer to Note 8 - Capital Acquisition

Capital Grants		
	\$	% Received
YTD Actual	\$1.51 M	
Amended Budget	\$1.14 M	32.2%

Refer to Note 8 - Capital Acquisition

Key Financing Activities

Amount attributable to financing activities			
Amended Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$0.14 M)	(\$0.09 M)	(\$0.09 M)	\$0.00 M

Refer to Statement of Financial Activity

Borrowings	
Principal repayments	\$0.09 M
Interest expense	\$0.02 M
Principal due	\$0.59 M

Refer to Note 9 - Borrowings

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

Refer to Note 10 - Cash Reserves

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

**KEY TERMS AND DESCRIPTIONS  
FOR THE PERIOD ENDED 31 MAY 2022**

**STATUTORY REPORTING PROGRAMS**

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

<b>PROGRAM NAME AND OBJECTIVES</b>	<b>ACTIVITIES</b>
<b>GOVERNANCE</b>	
To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
<b>GENERAL PURPOSE FUNDING</b>	
To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
<b>LAW, ORDER, PUBLIC SAFETY</b>	
To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
<b>HEALTH</b>	
To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.
<b>EDUCATION AND WELFARE</b>	
To provide services to disadvantaged persons, the elderly, children and youth.	Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.
<b>HOUSING</b>	
To provide and maintain elderly residents housing.	Provision and maintenance of elderly residents housing.
<b>COMMUNITY AMENITIES</b>	
To provide services required by the community.	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.
<b>RECREATION AND CULTURE</b>	
To establish and effectively manage infrastructure and resource which will help the social well being of the community.	Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.
<b>TRANSPORT</b>	
To provide safe, effective and efficient transport To help promote the Shire and its economic wellbeing.	Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.
<b>ECONOMIC SERVICES</b>	
To help promote the Shire and its economic wellbeing.	Tourism and area promotion Provision of rural services including weed control, vermin control and standpipes. Building Control.
<b>OTHER PROPERTY AND SERVICES</b>	
To monitor and control Shire overheads operating accounts.	Private works operation, plant repair and operation costs and engineering operation costs.

STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 MAY 2022

STATUTORY REPORTING PROGRAMS

	Ref	Amended Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
	Note						
		\$	\$	\$	\$	%	
<b>Opening funding surplus / (deficit)</b>	1(c)	3,802,691	3,802,691	<b>3,988,550</b>	185,859	4.89%	
<b>Revenue from operating activities</b>							
Governance		40,100	36,762	70,051	33,289	90.55%	▲
General purpose funding - general rates	6	4,671,000	4,671,000	4,671,057	57	0.00%	
General purpose funding - other		1,448,405	1,435,683	3,386,817	1,951,134	135.90%	▲
Law, order and public safety		133,163	121,350	83,963	(37,387)	(30.81%)	▼
Health		14,000	13,587	13,537	(50)	(0.37%)	
Education and welfare		48,700	48,700	11,351	(37,349)	(76.69%)	▼
Housing		114,800	105,226	89,604	(15,622)	(14.85%)	▼
Community amenities		639,900	631,651	618,485	(13,166)	(2.08%)	
Recreation and culture		311,200	288,263	183,254	(105,009)	(36.43%)	▼
Transport		484,464	750,450	566,493	(183,957)	(24.51%)	▼
Economic services		112,800	100,526	100,071	(455)	(0.45%)	
Other property and services		70,700	(222,526)	61,263	283,789	(127.53%)	
		<b>8,089,232</b>	<b>7,980,672</b>	<b>9,855,946</b>	1,875,274	23.50%	▲
<b>Expenditure from operating activities</b>							
Governance		(672,300)	(609,300)	(528,486)	80,814	13.26%	▲
General purpose funding		(142,850)	(120,614)	(45,403)	75,211	62.36%	▲
Law, order and public safety		(581,674)	(533,749)	(335,111)	198,638	37.22%	▲
Health		(229,200)	(210,085)	(199,073)	11,012	5.24%	
Education and welfare		(165,340)	(154,879)	(61,584)	93,295	60.24%	▲
Housing		(255,500)	(234,234)	(153,820)	80,414	34.33%	▲
Community amenities		(1,202,480)	(1,097,889)	(948,464)	149,425	13.61%	▲
Recreation and culture		(2,966,500)	(2,704,289)	(1,945,908)	758,381	28.04%	▲
Transport		(3,770,110)	(3,438,417)	(1,117,852)	2,320,565	67.49%	▲
Economic services		(812,890)	(735,653)	(639,827)	95,826	13.03%	▲
Other property and services		(491,050)	(318,795)	(695,373)	(376,578)	(118.13%)	▼
		<b>(11,289,894)</b>	<b>(10,157,904)</b>	<b>(6,670,901)</b>	3,487,003	34.33%	▲
Non-cash amounts excluded from operating activities	1(a)	3,626,800	3,324,737	0	(3,324,737)	(100.00%)	▼
<b>Amount attributable to operating activities</b>		<b>426,138</b>	<b>1,147,505</b>	<b>3,185,045</b>	2,037,540		
<b>Investing Activities</b>							
Proceeds from non-operating grants, subsidies and contributions	13	1,144,200	1,068,426	1,512,302	443,876	41.54%	▲
Proceeds from disposal of assets	7	312,500	520,836	169,911	(350,925)	(67.38%)	▼
Proceeds from financial assets at amortised cost - self supporting loans	9	33,410	33,409	33,409	0	0.00%	
Payments for property, plant and equipment and infrastructure	8	(5,446,300)	(5,019,041)	(2,628,524)	2,390,517	47.63%	▲
<b>Amount attributable to investing activities</b>		<b>(3,956,190)</b>	<b>(3,396,370)</b>	<b>(912,902)</b>	2,483,468		
<b>Financing Activities</b>							
Transfer from reserves	10	1,319,970	0	0	0	0.00%	
Repayment of debentures	9	(92,240)	(92,241)	(92,241)	0	0.00%	
Transfer to reserves	10	(1,366,010)	0	0	0	0.00%	
<b>Amount attributable to financing activities</b>		<b>(138,280)</b>	<b>(92,241)</b>	<b>(92,241)</b>	0		
<b>Closing funding surplus / (deficit)</b>	1(c)	<b>134,359</b>	<b>1,461,585</b>	<b>6,168,452</b>			

KEY INFORMATION

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

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

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

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

**Compilation note: At the time of compiling the report the audit for the year 2020/21 has not been completed and the banks are not reconciled to the end of May 22. Therefore the ending surplus may change.**

## KEY TERMS AND DESCRIPTIONS FOR THE PERIOD ENDED 31 MAY 2022

## 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. Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

#### OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refers to all amounts received as grants, subsidies and contributions that are not non-operating grants.

#### NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Amounts received specifically for the acquisition, construction of new or the upgrading of identifiable non financial assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

#### REVENUE FROM CONTRACTS WITH CUSTOMERS

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

#### FEES AND CHARGES

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

#### SERVICE CHARGES

Service charges imposed under *Division 6 of Part 6 of the Local Government Act 1995*. *Regulation 54 of the Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services. Exclude rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

#### INTEREST EARNINGS

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

#### OTHER REVENUE / INCOME

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates etc.

#### PROFIT ON ASSET DISPOSAL

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

### EXPENSES

#### EMPLOYEE COSTS

All costs associate with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

#### MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

#### UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

#### INSURANCE

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

#### LOSS ON ASSET DISPOSAL

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

#### DEPRECIATION ON NON-CURRENT ASSETS

Depreciation expense raised on all classes of assets.

#### INTEREST EXPENSES

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

#### OTHER EXPENDITURE

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

**STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 MAY 2022**

**BY NATURE OR TYPE**

	Ref Note	Amended Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
<b>Opening funding surplus / (deficit)</b>	1(c)	3,802,691	3,802,691	<b>3,988,550</b>	185,859	4.89%	
<b>Revenue from operating activities</b>							
Rates	6	4,671,000	4,671,000	<b>4,671,057</b>	57	0.00%	
Operating grants, subsidies and contributions	12	2,112,002	2,060,406	<b>4,052,380</b>	1,991,974	96.68%	▲
Fees and charges		889,830	865,805	<b>813,012</b>	(52,793)	(6.10%)	
Interest earnings		121,700	113,039	<b>53,917</b>	(59,122)	(52.30%)	▼
Other revenue		278,600	255,660	<b>265,580</b>	9,920	3.88%	
Profit on disposal of assets	7	16,100	14,762	<b>0</b>	(14,762)	(100.00%)	▼
		<b>8,089,232</b>	<b>7,980,672</b>	<b>9,855,946</b>	1,875,274		
<b>Expenditure from operating activities</b>							
Employee costs		(3,494,489)	(3,012,745)	<b>(3,559,604)</b>	(546,859)	(18.15%)	▼
Materials and contracts		(3,511,048)	(3,213,775)	<b>(2,685,430)</b>	528,345	16.44%	▲
Utility charges		(264,450)	(245,791)	<b>(258,344)</b>	(12,553)	(5.11%)	
Depreciation on non-current assets		(3,606,900)	(3,306,336)	<b>0</b>	3,306,336	100.00%	▲
Interest expenses		(31,760)	(31,260)	<b>(9,293)</b>	21,967	70.27%	▲
Insurance expenses		(126,597)	(125,344)	<b>(1,626)</b>	123,718	98.70%	▲
Other expenditure		(218,650)	(189,490)	<b>(156,604)</b>	32,886	17.36%	▲
Loss on disposal of assets	7	(36,000)	(33,163)	<b>0</b>	33,163	100.00%	▲
		<b>(11,289,894)</b>	<b>(10,157,904)</b>	<b>(6,670,901)</b>	3,487,003		
Non-cash amounts excluded from operating activities	1(a)	3,626,800	3,324,737	<b>0</b>	(3,324,737)	(100.00%)	▼
<b>Amount attributable to operating activities</b>		<b>426,138</b>	<b>1,147,505</b>	<b>3,185,045</b>	2,037,540		
<b>Investing activities</b>							
Proceeds from non-operating grants, subsidies and contributions	13	1,144,200	1,068,426	<b>1,512,302</b>	443,876	41.54%	▲
Proceeds from disposal of assets	7	312,500	520,836	<b>169,911</b>	(350,925)	(67.38%)	▼
Proceeds from financial assets at amortised cost - self supporting loans	9	33,410	33,409	<b>33,409</b>	0	0.00%	
Payments for property, plant equipment, and Infrastructure	8	(5,446,300)	(5,019,041)	<b>(2,628,524)</b>	2,390,517	47.63%	▲
<b>Amount attributable to investing activities</b>		<b>(3,956,190)</b>	<b>(3,396,370)</b>	<b>(912,902)</b>	2,483,468		
<b>Financing Activities</b>							
Transfer from reserves	10	1,319,970	0	<b>0</b>	0	0.00%	
Payments for principal portion of lease liabilities		0	0	<b>0</b>	0	0.00%	
Repayment of debentures	9	(92,240)	(92,241)	<b>(92,241)</b>	0	0.00%	
Transfer to reserves	10	(1,366,010)	0	<b>0</b>	0	0.00%	
<b>Amount attributable to financing activities</b>		<b>(138,280)</b>	<b>(92,241)</b>	<b>(92,241)</b>	0		
<b>Closing funding surplus / (deficit)</b>	1(c)	<b>134,359</b>	<b>1,461,585</b>	<b>6,168,452</b>	4,706,867		

**KEY INFORMATION**

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

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

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

**Compilation note: At the time of compiling the report the audit for the year 2020/21 has not been completed and the banks are not reconciled to the end of May 22. Therefore the ending surplus may change.**

## MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2022

## BASIS OF PREPARATION

### BASIS OF PREPARATION

#### REPORT PURPOSE

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

#### BASIS OF ACCOUNTING

This statement comprises a special purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

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

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

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

#### PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 24 June 2022

### SIGNIFICANT ACCOUNTING POLICES

#### CRITICAL ACCOUNTING ESTIMATES

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

#### THE LOCAL GOVERNMENT REPORTING ENTITY

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

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 14 to these financial statements.

#### GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

#### ROUNDING OFF FIGURES

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



(a) Non-cash items excluded from operating activities

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

	Notes	Amended Budget	YTD Budget (a)	YTD Actual (b)
		\$	\$	\$
<b>Non-cash items excluded from operating activities</b>				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	7	(16,100)	(14,762)	0
Add: Loss on asset disposals	7	36,000	33,163	0
Add: Depreciation on assets		3,606,900	3,306,336	0
<b>Total non-cash items excluded from operating activities</b>		<b>3,626,800</b>	<b>3,324,737</b>	<b>0</b>

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

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

		Last Year Closing 30 June 2021	Year to Date 31 May 2022
<b>Adjustments to net current assets</b>			
Less: Reserves - restricted cash	10	(5,812,830)	(5,812,830)
Less: - Financial assets at amortised cost - self supporting loans	4	(33,409)	0
Add: Borrowings	9	92,241	0
Add: Provisions - employee	11	552,420	552,420
<b>Total adjustments to net current assets</b>		<b>(5,201,578)</b>	<b>(5,260,410)</b>

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

**Current assets**

Cash and cash equivalents	2	10,809,261	11,654,843
Rates receivables	3	576,615	888,933
Receivables	3	484,628	672,254
Other current assets	4	44,019	19,022
<b>Less: Current liabilities</b>			
Payables	5	(1,323,544)	(216,895)
Borrowings	9	(92,241)	0
Contract liabilities	11	(756,190)	(1,036,875)
Provisions	11	(552,420)	(552,420)
<b>Less: Total adjustments to net current assets</b>	1(b)	<b>(5,201,578)</b>	<b>(5,260,410)</b>
<b>Closing funding surplus / (deficit)</b>		<b>3,988,550</b>	<b>6,168,452</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 expected to be settled. Unless otherwise stated assets or liabilities are classified as current if expected to be settled within the being the Council's operational cycle.

FOR THE PERIOD ENDED 31 MAY 2022

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

Description	Classification	Unrestricted	Restricted	Total Cash	Trust	Institution	Interest Rate	Maturity Date
		\$	\$	\$	\$			
<b>Cash on hand</b>								
Municipal Bank Account		3,374,106		3,374,106				
Petty Cash - Admin		950		950				
Municipal Investment Account		2,466,958		2,466,958				
Reserve Bank Account		0	5,812,829	5,812,829				
Reserve Bank - Term Deposit Investments			0	0				
Trust Cash at Bank		0			22,103			
<b>Total</b>		<b>5,842,014</b>	<b>5,812,829</b>	<b>11,654,844</b>	<b>22,103</b>			
<b>Comprising</b>								
Cash and cash equivalents		5,842,014	5,812,829	11,654,844	22,103			
		<b>5,842,014</b>	<b>5,812,829</b>	<b>11,654,844</b>	<b>22,103</b>			

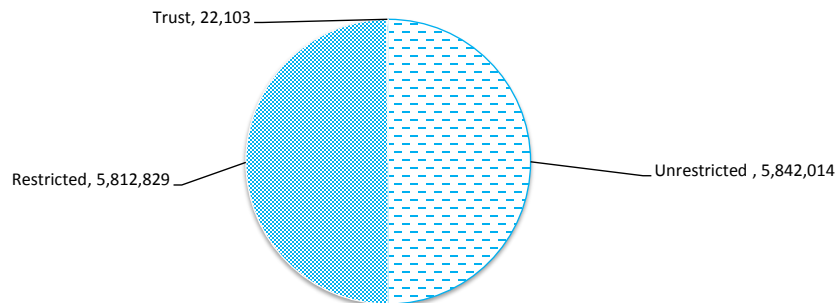
**KEY INFORMATION**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of net current assets.

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

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

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



NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 MAY 2022

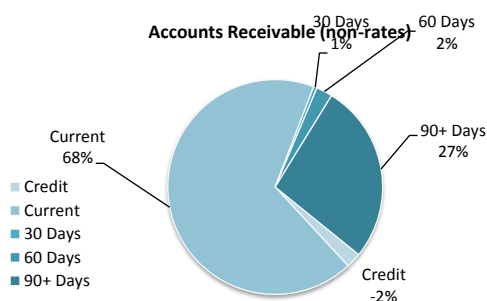
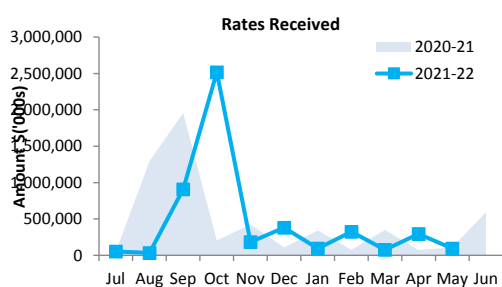
OPERATING ACTIVITIES  
NOTE 3  
RECEIVABLES

Rates receivable	30 June 2021	31 May 2022
	\$	\$
Opening arrears previous years	500,660	576,615
Levied this year	4,277,851	4,607,856
Less - collections to date	(4,201,896)	(4,295,538)
Equals current outstanding	<b>576,615</b>	<b>888,933</b>
<b>Net rates collectable</b>	<b>576,615</b>	<b>888,933</b>
% Collected	87.9%	82.9%

Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	(4,467)	131,427	1,023	4,760	52,494	185,238
Percentage	(2.4%)	71%	0.6%	2.6%	28.3%	
<b>Balance per trial balance</b>						
Sundry receivable						185,238
Other receivables						289,488
Other receivables Accrued income						197,528
<b>Total receivables general outstanding</b>						<b>672,254</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 business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets, and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for impairment of receivables is raised when there they will not be collectible.



	Opening Balance 1 July 2021	Asset Increase	Asset Reduction	Closing Balance 31 May 2022
	\$	\$	\$	\$
<b>Other current assets</b>				
<b>Other financial assets at amortised cost</b>				
Financial assets at amortised cost - self supporting loans	33,409	0	(33,409)	0
<b>Inventory</b>				
Inventories [describe]	10,610	8,412	0	19,022
<b>Total other current assets</b>	<b>44,019</b>	<b>8,412</b>	<b>(33,409)</b>	<b>19,022</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.

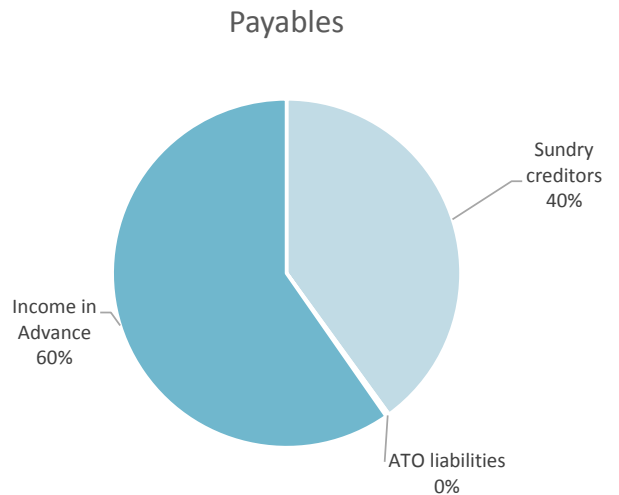
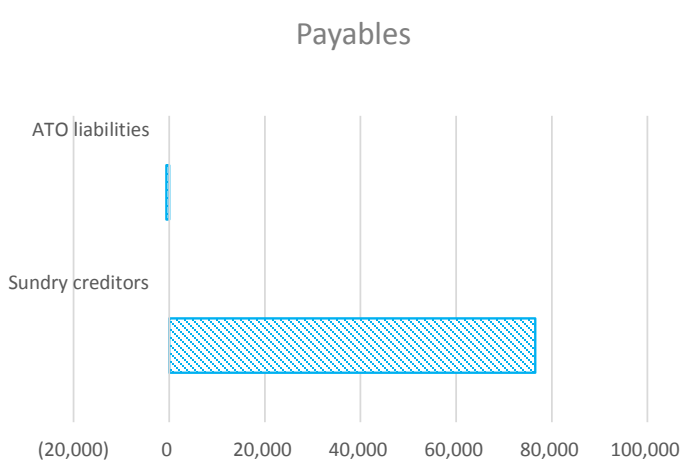
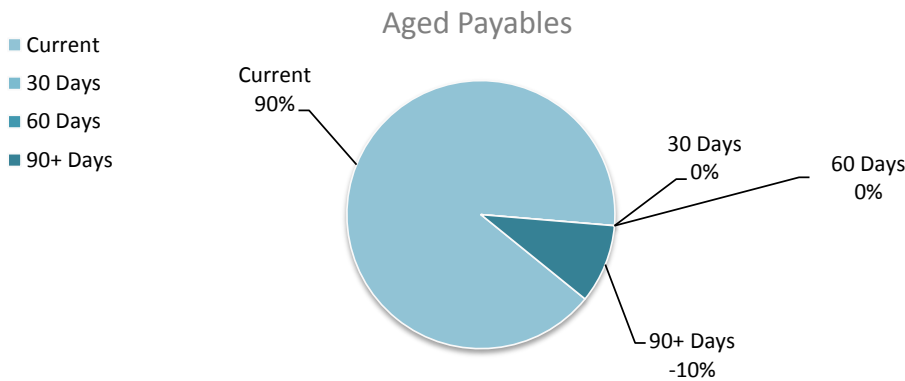
Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	0	85,516	0	0	(8,986)	76,530
Percentage	0%	111.7%	0%	0%	-11.7%	
<b>Balance per trial balance</b>						
Sundry creditors						76,530
ATO liabilities						(590)
Income in Advance						114,173
PAYG						177
Other Expenses						26,605
<b>Total payables general outstanding</b>						<b>216,895</b>

Amounts shown above include GST (where applicable)

**KEY INFORMATION**

Trade and other payables represent liabilities for goods and services provided to the Shire that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

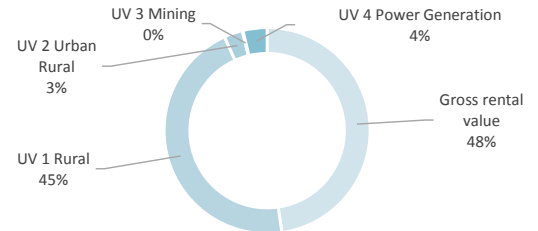
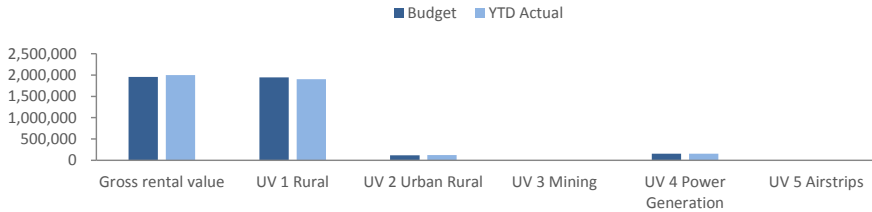


General rate revenue

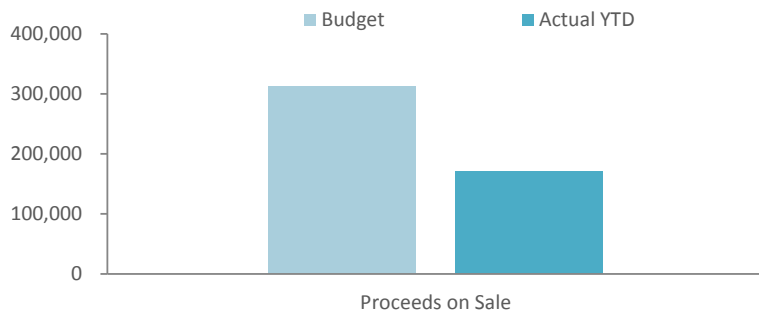
RATE TYPE	Budget							YTD Actual			
	Rate in \$ (cents)	Number of Properties	Rateable Value	Rate Revenue	Interim Rate	Back Rate	Total Revenue	Rate Revenue	Interim Rates	Back Rates	Total Revenue
				\$	\$	\$	\$	\$	\$	\$	\$
<b>Gross rental value</b>											
Gross rental value	0.10796	1,233	18,121,363	1,956,328	0	0	1,956,328	1,996,493	0	0	1,996,493
<b>Unimproved value</b>											
UV 1 Rural	0.01963	312	96,912,472	1,902,198	40,109	0	1,942,307	1,903,040	0	500	1,903,540
UV 2 Urban Rural	0.03163	44	3,790,003	119,874	0	0	119,874	119,878	780	722	121,380
UV 3 Mining	0.03743	9	142,094	5,318	0	0	5,318	5,319	0	0	5,319
UV 4 Power Generation	0.03743	13	4,211,511	157,620	0	0	157,620	157,636	0	0	157,636
UV 5 Airstrips	0.03743	1	168,012	6,288	0	0	6,288	6,288	0	0	6,288
<b>Sub-Total</b>		<b>1,612</b>	<b>123,345,455</b>	<b>4,147,626</b>	<b>40,109</b>	<b>0</b>	<b>4,187,735</b>	<b>4,188,654</b>	<b>780</b>	<b>1,222</b>	<b>4,190,656</b>
<b>Minimum payment</b>	<b>Minimum \$</b>										
<b>Gross rental value</b>											
Gross rental value	910	253		230,230	0	0	230,230	227,500	(672)	(78)	226,750
<b>Unimproved value</b>											
UV 1 Rural	1,130	125		141,250	0	0	141,250	141,250	0	0	141,250
UV 2 Urban Rural	1,130	38		42,940	0	0	42,940	42,940	0	0	42,940
UV 3 Mining	205	11		2,255	0	0	2,255	2,870	0	0	2,870
UV 4 Power Generation	1,130	3		3,390	0	0	3,390	3,390	0	0	3,390
UV 5 Airstrips	1,130	0		0	0	0	0	0	0	0	0
<b>Sub-total</b>		<b>430</b>	<b>0</b>	<b>420,065</b>	<b>0</b>	<b>0</b>	<b>420,065</b>	<b>417,950</b>	<b>(672)</b>	<b>(78)</b>	<b>417,200</b>
<b>Amount from general rates</b>							<b>4,607,800</b>				<b>4,607,856</b>
Ex-gratia rates							63,200				63,201
<b>Total general rates</b>							<b>4,671,000</b>				<b>4,671,057</b>

KEY INFORMATION

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



Asset Ref.	Asset description	Budget				YTD Actual			
		Net Book Value	Proceeds	Profit	(Loss)	Net Book Value	Proceeds	Profit	(Loss)
		\$	\$	\$	\$	\$	\$	\$	\$
	<b>Plant and equipment</b>								
	<b>Transport</b>								
	Plant Replacement	332,400	312,500	16,100	(36,000)		169,911		
		<b>332,400</b>	<b>312,500</b>	<b>16,100</b>	<b>(36,000)</b>	<b>0</b>	<b>169,911</b>	<b>0</b>	<b>0</b>



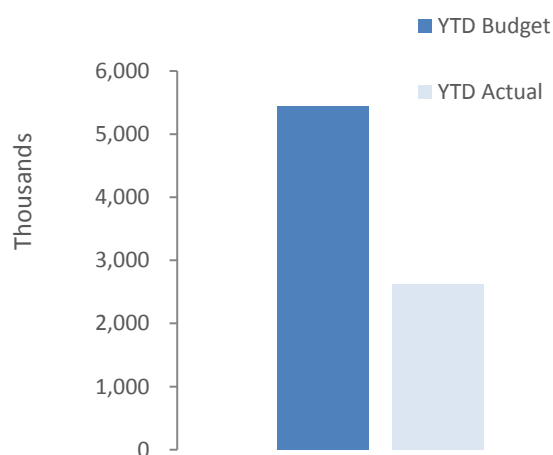
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 MAY 2022**

**INVESTING ACTIVITIES  
NOTE 8  
CAPITAL ACQUISITIONS**

Capital acquisitions	Amended		YTD Actual	YTD Actual Variance	
	Budget	YTD Budget			
	\$	\$	\$	\$	
Buildings - specialised	512	704,000	642,670	59,938	(582,732)
Plant and equipment	530	1,430,100	1,323,101	519,468	(803,633)
Infrastructure - roads	540	1,779,300	1,639,522	1,728,944	89,422
Infrastructure - footpaths	560	115,800	106,150	109,568	3,418
Infrastructure - parks & gardens	570	1,414,000	1,304,499	209,579	(1,094,920)
Infrastructure - other	590	3,100	3,099	1,027	(2,072)
<b>Payments for Capital Acquisitions</b>		<b>5,446,300</b>	<b>5,019,041</b>	<b>2,628,524</b>	<b>(2,390,517)</b>
<b>Total Capital Acquisitions</b>		<b>5,446,300</b>	<b>5,019,041</b>	<b>2,628,524</b>	<b>(2,390,517)</b>
<b>Capital Acquisitions Funded By:</b>					
	\$	\$	\$	\$	
Capital grants and contributions		<b>1,144,200</b>	<b>1,068,426</b>	<b>1,512,302</b>	443,876
Other (disposals & C/Fwd)		<b>312,500</b>	<b>520,836</b>	<b>169,911</b>	(350,925)
Cash backed reserves					
Plant Replacement Reserve		<b>831,800</b>	<b>0</b>	<b>0</b>	0
Buildings Reserve		<b>158,170</b>	<b>0</b>	<b>0</b>	0
Unspent Capital Works Reserve		<b>150,000</b>	<b>0</b>	<b>0</b>	0
Apex Park Redevelopment Reserve		<b>180,000</b>	<b>0</b>	<b>0</b>	0
Contribution - operations		<b>2,669,630</b>	<b>3,429,779</b>	<b>946,311</b>	(2,483,468)
<b>Capital funding total</b>		<b>5,446,300</b>	<b>5,019,041</b>	<b>2,628,524</b>	<b>(2,390,517)</b>

**SIGNIFICANT ACCOUNTING POLICIES**

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the local government includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead. Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.





Repayments - borrowings

Information on borrowings		New Loans			Principal Repayments		Principal Outstanding		Interest Repayments	
Particulars	Loan No.	1 July 2021	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
		\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Education and welfare</b>										
Loan 217 CEACA	217	382,225			58,832	58,830	323,393	323,395	7,954	11,580
<b>B/Fwd Balance</b>		382,225	0	0	58,832	58,830	323,393	323,395	7,954	11,580
<b>C/Fwd Balance</b>		382,225	0	0	58,832	58,830	323,393	323,395	7,954	11,580
<b>Self supporting loans</b>										
<b>Education and welfare</b>										
Loan 215 Merritville	215	295,246	0		33,409	33,410	261,837	261,836	8,224	14,180
		295,246	0	0	33,409	33,410	261,837	261,836	8,224	14,180
<b>Total</b>		677,471	0	0	92,241	92,240	585,230	585,231	16,178	25,760
Current borrowings		92,240					0			
Non-current borrowings		585,231					585,230			
		677,471					585,230			

All debenture repayments were financed by general purpose revenue.

Self supporting loans are financed by repayments from third parties.

**KEY INFORMATION**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Cash backed reserve

Reserve name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Actual Transfers Out (-)	Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Employee Entitlements Reserve	370,719	2,910	0	0	0	0	0	373,629	370,719
Plant Replacement Reserve	916,986	5,040	0	555,000	0	(831,800)	0	645,226	916,986
Buildings Reserve	934,508	8,130	0	100,000	0	(158,170)	0	884,468	934,508
Land & Development Reserve	1,288,763	12,360	0	285,000	0	0	0	1,586,123	1,288,763
Recreation Reserve	911,064	7,160	0	0	0	0	0	918,224	911,064
Disaster Relief Reserve	247,284	1,940	0	0	0	0	0	249,224	247,284
Cummings St Units Reserve	61,255	480	0	0	0	0	0	61,735	61,255
Waste Management Reserve	374,651	2,940	0	0	0	0	0	377,591	374,651
Unspent Capital Works Reserve	88,575	1,640	0	280,000	0	(150,000)	0	220,215	88,575
ICT Reserve	316,632	2,490	0	0	0	0	0	319,122	316,632
Apex Park Redevelopment Reserve	302,393	920	0	100,000	0	(180,000)	0	223,313	302,393
	<b>5,812,830</b>	<b>46,010</b>	<b>0</b>	<b>1,320,000</b>	<b>0</b>	<b>(1,319,970)</b>	<b>0</b>	<b>5,858,870</b>	<b>5,812,830</b>

KEY INFORMATION

Other current liabilities	Note	Opening Balance 1 July 2021	Liability Increase	Liability Reduction	Closing Balance 31 May 2022
		\$	\$	\$	\$
<b>Contract liabilities</b>					
Unspent grants, contributions and reimbursements					
- operating	12	680,893	0	(231,138)	449,755
- non-operating	13	75,297	511,823	0	587,120
<b>Total unspent grants, contributions and reimbursements</b>		<b>756,190</b>	<b>511,823</b>	<b>(231,138)</b>	<b>1,036,875</b>
<b>Provisions</b>					
Annual leave		314,946			314,946
Long service leave		237,474			237,474
<b>Total Provisions</b>		<b>552,420</b>	<b>0</b>	<b>0</b>	<b>552,420</b>
<b>Total other current assets</b>		<b>1,308,610</b>	<b>511,823</b>	<b>(231,138)</b>	<b>1,589,295</b>

Amounts shown above include GST (where applicable)

A breakdown of contract liabilities and associated movements is provided on the following pages at Note 12 and 13

#### KEY INFORMATION

##### Provisions

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

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

##### Employee benefits

###### Short-term employee benefits

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

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

###### Other long-term employee benefits

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

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

##### Contract liabilities

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

###

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 MAY 2022

NOTE 12

## OPERATING GRANTS AND CONTRIBUTIONS

Provider	Unspent operating grant, subsidies and contributions liability					Operating grants, subsidies and contributions revenue		
	Liability 1 July 2021	Increase in Liability	Liability Reduction (As revenue)	Liability 31 May 2022	Current Liability 31 May 2022	Amended Budget Revenue	YTD Budget	YTD Revenue Actual
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Operating grants and subsidies</b>								
<b>General purpose funding</b>								
Government of WA				0		824,000	824,000	2,168,609
Government of WA				0		432,000	432,001	1,137,173
<b>Law, order, public safety</b>								
Dept Fire & Emergency Services				0		60,600	55,550	43,487
Dept Fire & Emergency Services				0		25,863	19,901	22,592
Dept Fire & Emergency Services				0		29,000	29,000	0
<b>Education and welfare</b>								
Merritville SSL no 215				0		10,000	10,000	10,551
Youth Services Grants				0		29,800	29,800	800
Youth Services Grants				0		1,000	1,000	0
Youth Services Grants				0		7,900	7,900	0
<b>Housing</b>								
Rental Income Council Houses				0		0	0	62,346
<b>Community amenities</b>								
NRMO Grants (Environmental)	6,060			6,060		15,600	15,600	0
<b>Recreation and culture</b>								
Lotteries Commission (NMP5)				0		0	0	0
REC - Contributions & Donatins						5,000	4,165	0
Community Water Supply Project (DWE)	16,979			0		25,000	22,500	25,000
Library Equipment Grant				0		1,600	1,463	1,599
OTH CUL - Contributions & Donations						20,800	19,063	20,773
Lotteries Commission (CT Grants)	47,521			47,521		145,900	133,738	25,000
OTH CUL - Fees & Charges				0		0	0	885
<b>Transport</b>								
Main Roads Dept Street Lighting				0		19,100	19,100	0
ROADM - Road Contribution Income						160,700	147,312	484,326
Main Roads Dept Direct Grant				0		219,564	219,564	0
Business Case CBD				0				
<b>Economic services</b>								
Cummins Theatre Program	135,692			135,692				
War Stories Illumination Projections	10,658			10,658				
TRANS WA (Ticket Sales)				0		35,800	27,295	4,367
TOURISM - Other Income Relating to Tourism & Area Promotion				0		31,000	30,663	23,008
TOURISM - Other Income				0		9,275	8,503	0
PWO - Other Reimbursements				0		2,500	2,288	0
Anzac Day				0				0
Australia Day				0				0
Christmas/Gala Night				0				0
Food Festival				0				0
<b>Other property and services</b>								
BCITF Commission				0		0	0	0
Parental Leave Payment				0		0	0	5,619
Salary Sacrifice								2,285
CEACA Council Contributions	463,983		(231,137)	232,846				
POC - Fuel tax Credits Grant Scheme				0		0	0	13,961
ROADC - Roads Built UP Area - Council Funded				0		0	0	2,197
	680,893	0	(231,137)	432,777	0	2,112,002	2,060,406	4,054,577

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 MAY 2022

NOTE 13

NON-OPERATING GRANTS AND CONTRIBUTIONS

Provider	Unspent non operating grants, subsidies and contributions liability					Non operating grants, subsidies and contributions revenue		
	Liability 1 July 2021	Increase in Liability	Liability Reduction (As revenue)	Liability 31 May 2022	Current Liability 31 May 2022	Amended Budget Revenue	YTD Budget	YTD Revenue Actual (b)
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Non-operating grants and subsidies</b>								
<b>Transport</b>								
Main Road Dept RRG		511,823		511,823	511,823	292,500	268,125	39,566
Commonwealth Govt R2R	75,297			75,297	75,297	0	0	389,800
Secondary Grain Freight Grants				0	0	309,700	283,888	604,999
<b>Other property and services</b>								
CEACA				0	0	542,000	516,413	477,937
	<b>75,297</b>	<b>511,823</b>	<b>0</b>	<b>587,120</b>	<b>587,120</b>	<b>1,144,200</b>	<b>1,068,426</b>	<b>1,512,303</b>

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 MAY 2022**

**NOTE 14  
TRUST FUND**

Funds held at balance date over which the Shire has no control and which are not included in this statement are as follows:

Description	Opening Balance	Amount	Amount	Closing Balance
	1 July 2021	Received	Paid	31 May 2022
	\$	\$	\$	\$
BCTIF Levy	2,199	1,614	(1,770)	2,043
BRB Levy	2,098	3,021	(2,599)	2,519
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
	<b>21,515</b>	<b>4,635</b>	<b>(4,369)</b>	<b>21,781</b>

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 MAY 2022**

**NOTE 15  
EXPLANATION OF MATERIAL VARIANCES**

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

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

Reporting Program	Var. \$	Var. %	Timing/ Permanent	Explanation of Variance
	\$	%		
<b>Revenue from operating activities</b>				
Governance	33,289	90.55%	▲ Permanent	Unbudgeted contribution to employee benefit - will offset termination payout and need to be adjusted with employee provisions.
General purpose funding - other	1,951,134	135.90%	▲	
Law, order and public safety	(37,387)	(30.81%)	▼ Timing	Timing of grant fund receipts
Education and welfare	(37,349)	(76.69%)	▼ Timing	Timing of grant fund receipts
Housing	(15,622)	(14.85%)	▼	
Recreation and culture	(105,009)	(36.43%)	▼ Timing	Timing of grant fund receipts
Transport	(183,957)	(24.51%)	▼ Timing	Timing of Grant funds; and Permanent increase due to new revenue from contributions for road usage.
<b>Expenditure from operating activities</b>				
Governance	80,814	13.26%	▲	
General purpose funding	75,211	62.36%	▲ Timing	Timing of debt collection costs & rates write-offs
Law, order and public safety	198,638	37.22%	▲ Timing	Timing of ranger and plant maintenance costs; and Depreciation not yet charged in 2021-22.
Education and welfare	93,295	60.24%	▲ Timing	Depreciation not yet charged in 2021-22
Housing	80,414	34.33%	▲ Timing	Depreciation not yet charged in 2021-22
Community amenities	149,425	13.61%	▲ Timing	Some contract services not yet invoiced.
Recreation and culture	758,381	28.04%	▲ Timing	Depreciation not yet charged in 2021-22
Transport	2,320,565	67.49%	▲ Timing	Depreciation not yet charged in 2021-22
Economic services	95,826	13.03%	▲ Timing	Timing of employee costs
Other property and services	(376,578)	(118.13%)	▼ Timing	Timing of insurance costs and depreciation not yet charged
<b>Investing activities</b>				
Proceeds from non-operating grants, subsidies and contributions	443,876	41.54%	▲ Timing	Timing of grant fund receipts
Proceeds from disposal of assets	(350,925)	(67.38%)	▼ Timing	
Payments for property, plant and equipment and infrastructure	2,390,517	47.63%	▲ Timing	Mainly timing of grant-funded CEACA project.