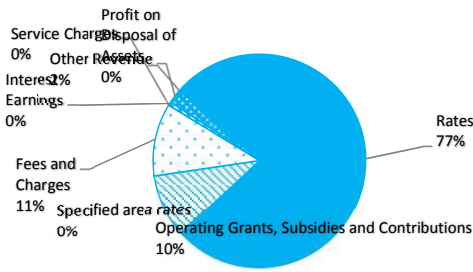


**SHIRE OF MERREDIN****MONTHLY FINANCIAL REPORT  
(Containing the Statement of Financial Activity)  
For the period ending 31 October 2020****LOCAL GOVERNMENT ACT 1995  
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996****TABLE OF CONTENTS**

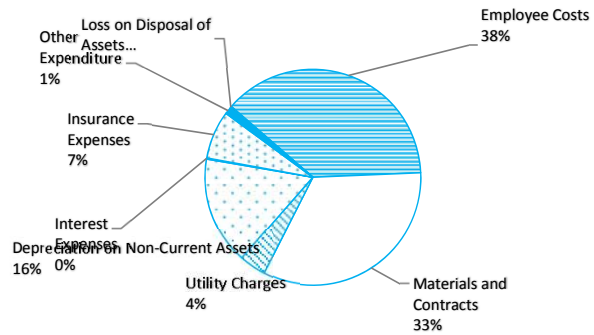
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OPERATING ACTIVITIES

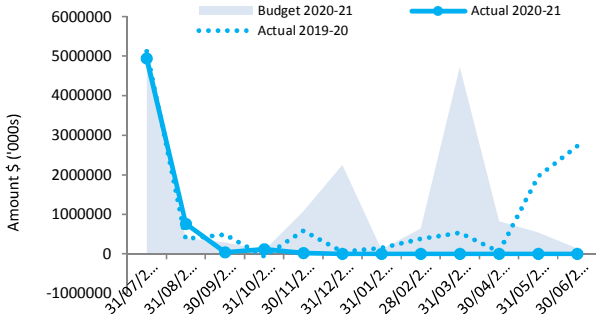
OPERATING REVENUE



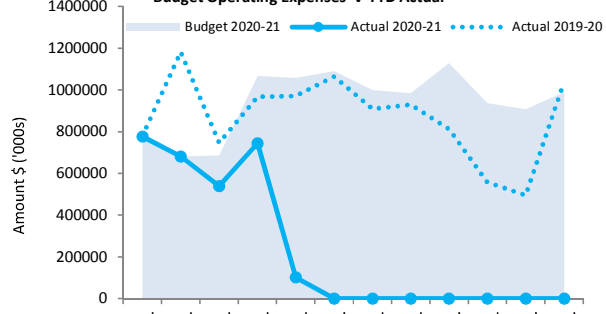
OPERATING EXPENSES



Budget Operating Revenues -v- Actual

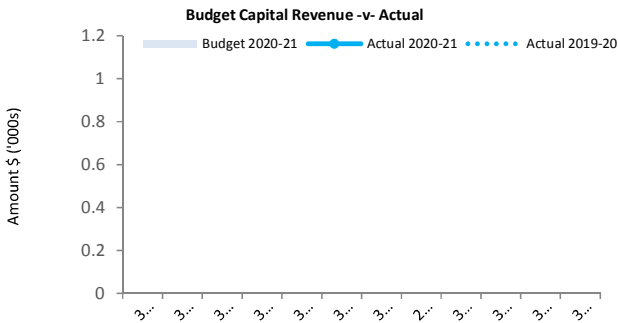


Budget Operating Expenses -v- YTD Actual

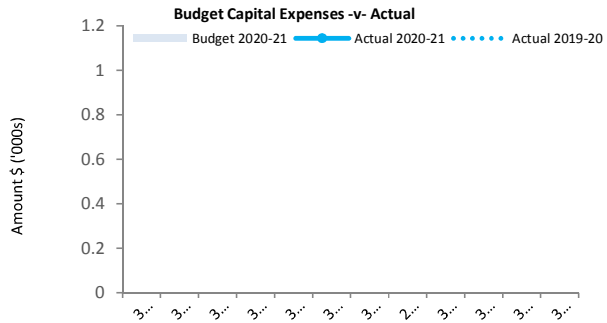


INVESTING ACTIVITIES

CAPITAL REVENUE



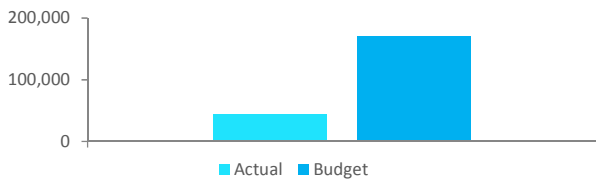
CAPITAL EXPENSES



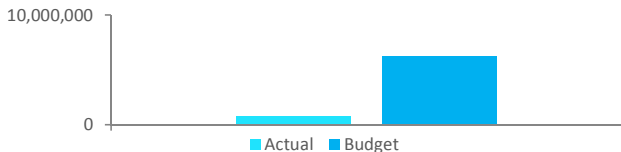
FINANCING ACTIVITIES

BORROWINGS

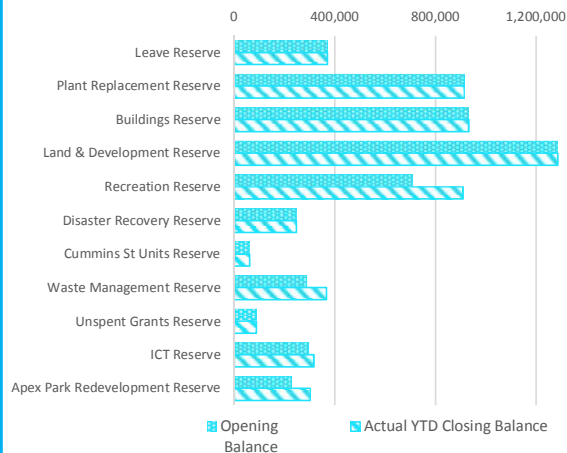
Principal Repayments



Principal Outstanding



RESERVES



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

Funding surplus / (deficit) Components

Funding surplus / (deficit)				
	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
Opening	\$3.39 M	\$3.39 M	\$3.17 M	(\$0.22 M)
Closing	\$0.23 M	\$4.24 M	\$6.17 M	\$1.93 M

Refer to Statement of Financial Activity

Cash and cash equivalents		
	\$11.07 M	% of total
Unrestricted Cash	\$5.27 M	47.6%
Restricted Cash	\$5.80 M	52.4%

Refer to Note 2 - Cash and Financial Assets

Payables		
	\$0.41 M	% Outstanding
Trade Payables	\$0.15 M	
Over 30 Days		4.5%
Over 90 Days		0%

Refer to Note 5 - Payables

Receivables		
	\$0.15 M	% Collected
Rates Receivable	\$1.95 M	60%
Trade Receivable	\$0.15 M	
Over 30 Days		89.1%
Over 90 Days		56.5%

Refer to Note 3 - Receivables

Key Operating Activities

Amount attributable to operating activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$0.13 M)	\$3.15 M	\$3.43 M	\$0.28 M

Refer to Statement of Financial Activity

Rates Revenue		
	YTD Actual	% Variance
YTD Actual	\$4.38 M	
YTD Budget	\$4.35 M	0.8%

Refer to Note 6 - Rate Revenue

Operating Grants and Contributions		
	YTD Actual	% Variance
YTD Actual	\$0.55 M	
YTD Budget	\$0.60 M	(8.6%)

Refer to Note 12 - Operating Grants and Contributions

Fees and Charges		
	YTD Actual	% Variance
YTD Actual	\$0.63 M	
YTD Budget	\$0.63 M	0.8%

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)
(\$8.63 M)	(\$2.25 M)	(\$0.01 M)	\$2.25 M

Refer to Statement of Financial Activity

Proceeds on sale		
	YTD Actual	%
YTD Actual	\$0.12 M	
Adopted Budget	\$0.72 M	(83.0%)

Refer to Note 7 - Disposal of Assets

Asset Acquisition		
	YTD Actual	% Spent
YTD Actual	\$0.29 M	
Adopted Budget	\$17.87 M	(98.4%)

Refer to Note 8 - Capital Acquisition

Capital Grants		
	YTD Actual	% Received
YTD Actual	\$0.14 M	
Adopted Budget	\$8.48 M	(98.3%)

Refer to Note 8 - Capital Acquisition

Key Financing Activities

Amount attributable to financing activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
\$5.61 M	(\$0.04 M)	(\$0.42 M)	(\$0.37 M)

Refer to Statement of Financial Activity

Borrowings	
Principal repayments	\$0.04 M
Interest expense	\$0.00 M
Principal due	\$0.80 M

Refer to Note 9 - Borrowings

Reserves	
Reserves balance	\$5.80 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 OCTOBER 2020

**STATUTORY REPORTING PROGRAMS**

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

**PROGRAM NAME AND OBJECTIVES****ACTIVITIES****GOVERNANCE**

To provide a decision making process for the efficient allocation of scarce resources.

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

**GENERAL PURPOSE FUNDING**

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

To provide services to help ensure a safer and environmentally conscious community.

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

**HEALTH**

To provide an operational framework for environmental and community health.

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

**EDUCATION AND WELFARE**

To provide services to disadvantaged persons, the elderly, children and youth.

Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.

**HOUSING**

To provide and maintain elderly residents housing.

Provision and maintenance of elderly residents housing.

**COMMUNITY AMENITIES**

To provide services required by the community.

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

**RECREATION AND CULTURE**

To establish and effectively manage infrastructure and resource which will help the social well being of the community.

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

**TRANSPORT**To provide safe, effective and efficient transport  
To help promote the Shire and its economic wellbeing.Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and Tourism and area promotion including the maintenance and operation of a caravan park.  
Provision of rural services including weed control, vermin control and standpipes.  
Building Control.**ECONOMIC SERVICES**

To help promote the Shire and its economic wellbeing.

Tourism and area promotion  
Provision of rural services including weed control, vermin control and standpipes.  
Building Control.**OTHER PROPERTY AND SERVICES**

To monitor and control Shire overheads operating accounts.

Private works operation, plant repair and operation costs and engineering operation costs.

STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 OCTOBER 2020

STATUTORY REPORTING PROGRAMS

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
<b>Opening funding surplus / (deficit)</b>	1(c)	3,386,248	3,386,248	<b>3,168,551</b>	(217,697)	(6.43%)	▼
<b>Revenue from operating activities</b>							
Governance		0	0	<b>24,991</b>	24,991	0.00%	▲
General purpose funding - general rates	6	4,392,497	4,349,105	<b>4,383,502</b>	34,397	0.79%	
General purpose funding - other		1,437,448	401,588	<b>353,281</b>	(48,307)	(12.03%)	▼
Law, order and public safety		144,200	30,030	<b>28,238</b>	(1,792)	(5.97%)	
Health		27,908	13,532	<b>14,821</b>	1,289	9.53%	
Education and welfare		58,469	8,078	<b>8,078</b>	0	0.00%	
Housing		118,890	39,628	<b>39,679</b>	51	0.13%	
Community amenities		651,502	534,368	<b>534,228</b>	(140)	(0.03%)	
Recreation and culture		292,117	37,762	<b>32,720</b>	(5,042)	(13.35%)	▼
Transport		335,350	264,018	<b>233,087</b>	(30,931)	(11.72%)	▼
Economic services		169,112	41,907	<b>34,657</b>	(7,250)	(17.30%)	▼
Other property and services		66,650	19,948	<b>31,744</b>	11,796	59.13%	▲
		<b>7,694,143</b>	<b>5,739,964</b>	<b>5,719,026</b>	(20,938)	(0.36%)	
<b>Expenditure from operating activities</b>							
Governance		(723,853)	(264,543)	<b>(197,119)</b>	67,424	25.49%	▲
General purpose funding		(84,405)	(24,890)	<b>(33,845)</b>	(8,955)	(35.98%)	▼
Law, order and public safety		(586,471)	(214,951)	<b>(181,784)</b>	33,167	15.43%	▲
Health		(238,065)	(78,499)	<b>(87,732)</b>	(9,233)	(11.76%)	▼
Education and welfare		(198,173)	(73,290)	<b>(52,485)</b>	20,805	28.39%	▲
Housing		(433,087)	(151,551)	<b>(83,889)</b>	67,662	44.65%	▲
Community amenities		(1,232,512)	(373,313)	<b>(354,849)</b>	18,464	4.95%	
Recreation and culture		(2,872,829)	(951,122)	<b>(913,051)</b>	38,071	4.00%	
Transport		(3,820,127)	(725,841)	<b>(455,089)</b>	270,752	37.30%	▲
Economic services		(1,062,672)	(313,285)	<b>(252,227)</b>	61,058	19.49%	▲
Other property and services		(66,500)	(65,778)	<b>(129,641)</b>	(63,863)	(97.09%)	▼
		<b>(11,318,694)</b>	<b>(3,237,063)</b>	<b>(2,741,711)</b>	495,352	15.30%	▲
Non-cash amounts excluded from operating activities	1(a)	3,493,367	650,381	<b>451,294</b>	(199,087)	(30.61%)	▼
<b>Amount attributable to operating activities</b>		<b>(131,184)</b>	<b>3,153,282</b>	<b>3,428,609</b>	275,327		
<b>Investing Activities</b>							
Proceeds from non-operating grants, subsidies and contributions	13	8,484,144	127,050	<b>144,223</b>	17,173	13.52%	▲
Proceeds from disposal of assets	7	724,000	85,000	<b>122,866</b>	37,866	44.55%	▲
Proceeds from financial assets at amortised cost - self supporting loans	9	31,818	15,715	<b>15,715</b>	0	0.00%	
Payments for property, plant and equipment and infrastructure	8	(17,871,695)	(2,480,187)	<b>(289,622)</b>	2,190,565	88.32%	▲
<b>Amount attributable to investing activities</b>		<b>(8,631,733)</b>	<b>(2,252,422)</b>	<b>(6,817)</b>	2,245,605		
<b>Financing Activities</b>							
Proceeds from new debentures	9	5,525,000	0	<b>0</b>	0	0.00%	
Transfer from reserves	10	947,500	0	<b>0</b>	0	0.00%	
Repayment of debentures	9	(171,366)	(44,003)	<b>(44,003)</b>	0	0.00%	
Transfer to reserves	10	(695,965)	0	<b>(373,157)</b>	(373,157)	0.00%	▼
<b>Amount attributable to financing activities</b>		<b>5,605,169</b>	<b>(44,003)</b>	<b>(417,160)</b>	(373,157)		
<b>Closing funding surplus / (deficit)</b>	1(c)	<b>228,500</b>	<b>4,243,105</b>	<b>6,173,183</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 7 for an explanation of the reasons for the variance threshold. Refer to Note 15 for an explanation of the reasons for the variance.

The material variance adopted by Council for the 2020-21 year is \$5,000 or 5.00% whichever is the greater.

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

## KEY TERMS AND DESCRIPTIONS

FOR THE PERIOD ENDED 31 OCTOBER 2020

## 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 OCTOBER 2020**

**BY NATURE OR TYPE**

	Ref Note	Adopted Budget \$	YTD Budget (a) \$	YTD Actual (b) \$	Var. \$ (b)-(a) \$	Var. % (b)-(a)/(a) %	Var.
<b>Opening funding surplus / (deficit)</b>	1(c)	3,386,248	3,386,248	<b>3,168,551</b>	(217,697)	(6.43%)	▼
<b>Revenue from operating activities</b>							
Rates	6	4,392,498	4,349,105	<b>4,383,502</b>	34,397	0.79%	
Operating grants, subsidies and contributions	12	2,045,007	604,009	<b>551,970</b>	(52,039)	(8.62%)	▼
Fees and charges		856,573	625,749	<b>630,885</b>	5,136	0.82%	
Interest earnings		128,010	56,686	<b>33,519</b>	(23,167)	(40.87%)	▼
Other revenue		238,112	73,310	<b>117,204</b>	43,894	59.87%	▲
Profit on disposal of assets	7	33,943	31,105	<b>1,946</b>	(29,159)	(93.74%)	▼
		<b>7,694,143</b>	<b>5,739,964</b>	<b>5,719,026</b>	(20,938)		
<b>Expenditure from operating activities</b>							
Employee costs		(3,361,537)	(1,058,965)	<b>(1,039,703)</b>	19,262	1.82%	
Materials and contracts		(3,831,938)	(1,259,238)	<b>(909,272)</b>	349,966	27.79%	▲
Utility charges		(232,379)	(72,645)	<b>(109,183)</b>	(36,538)	(50.30%)	▼
Depreciation on non-current assets		(3,456,205)	(673,310)	<b>(445,408)</b>	227,902	33.85%	▲
Interest expenses		(30,069)	(3,856)	<b>(4,676)</b>	(820)	(21.27%)	
Insurance expenses		(124,690)	(124,402)	<b>(197,379)</b>	(72,977)	(58.66%)	▼
Other expenditure		(210,771)	(93,425)	<b>(28,259)</b>	65,166	69.75%	▲
Loss on disposal of assets	7	(71,105)	(8,176)	<b>(7,832)</b>	344	4.21%	
		<b>(11,318,694)</b>	<b>(3,294,017)</b>	<b>(2,741,712)</b>	552,305		
Non-cash amounts excluded from operating activities							
	1(a)	3,493,367	650,381	<b>451,294</b>	(199,087)	(30.61%)	▼
<b>Amount attributable to operating activities</b>		<b>(131,184)</b>	<b>3,096,328</b>	<b>3,428,608</b>	332,280		
<b>Investing activities</b>							
Proceeds from non-operating grants, subsidies and contributions	13	8,484,144	127,050	<b>144,223</b>	17,173	13.52%	▲
Proceeds from disposal of assets	7	724,000	85,000	<b>122,866</b>	37,866	44.55%	▲
Proceeds from financial assets at amortised cost - self supporting loans	9	31,818	15,715	<b>15,715</b>	0	0.00%	
Payments for property, plant equipment, and Infrastructure	8	(17,871,695)	(2,480,187)	<b>(289,622)</b>	2,190,565	88.32%	▲
<b>Amount attributable to investing activities</b>		<b>(8,631,733)</b>	<b>(2,252,422)</b>	<b>(6,817)</b>	2,245,605		
<b>Financing Activities</b>							
Proceeds from new debentures	9	5,525,000	0	<b>0</b>	0	0.00%	
Transfer from reserves	10	947,500	0	<b>0</b>	0	0.00%	
Payments for principal portion of lease liabilities		0	0	<b>0</b>	0	0.00%	
Repayment of debentures	9	(171,366)	(44,003)	<b>(44,003)</b>	0	0.00%	
Transfer to reserves	10	(695,965)	0	<b>(373,157)</b>	(373,157)	0.00%	▼
<b>Amount attributable to financing activities</b>		<b>5,605,169</b>	<b>(44,003)</b>	<b>(417,160)</b>	(373,157)		
<b>Closing funding surplus / (deficit)</b>	1(c)	<b>228,500</b>	<b>4,186,151</b>	<b>6,173,182</b>	1,987,031		

**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.

## **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 31 July 2020

## **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	Adopted Budget	YTD Budget (a)	YTD Actual (b)
		\$	\$	\$
<b>Non-cash items excluded from operating activities</b>				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	7	(33,943)	(31,105)	(1,946)
Add: Loss on asset disposals	7	71,105	8,176	7,832
Add: Depreciation on assets		3,456,205	673,310	445,408
<b>Total non-cash items excluded from operating activities</b>		<b>3,493,367</b>	<b>650,381</b>	<b>451,294</b>

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

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

		Last Year Closing 30 June 2020	This Time Last Year 31 October 2019	Year to Date 31 October 2020
<b>Adjustments to net current assets</b>				
Less: Reserves - restricted cash	10	(5,425,715)		(5,798,872)
Less: - Financial assets at amortised cost - self supporting loans	4	(31,818)		(16,103)
Add: Borrowings	9	171,364		127,361
Add: Provisions - employee	11	506,501		506,501
<b>Total adjustments to net current assets</b>		<b>(4,779,668)</b>	<b>0</b>	<b>(5,181,113)</b>

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

<b>Current assets</b>				
Cash and cash equivalents	2	9,120,456		11,068,626
Rates receivables	3	500,660		1,954,101
Receivables	3	91,603		150,915
Other current assets	4	72,549		52,559
<b>Less: Current liabilities</b>				
Payables	5	(462,370)		(407,909)
Borrowings	9	(171,364)		(127,361)
Contract liabilities	11	(696,814)		(830,132)
Provisions	11	(506,501)		(506,501)
<b>Less: Total adjustments to net current assets</b>	1(b)	<b>(4,779,668)</b>	<b>0</b>	<b>(5,181,113)</b>
<b>Closing funding surplus / (deficit)</b>		<b>3,168,551</b>	<b>0</b>	<b>6,173,185</b>

CURRENT AND NON-CURRENT CLASSIFICATION

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. Unless otherwise stated assets or liabilities are classified as current if expected to be settled within the next 12 months, being the Council's operational cycle.

Description	Classification	Unrestricted	Restricted	Total Cash	Trust	Institution	Interest Rate	Maturity Date
		\$	\$	\$	\$			
<b>Cash on hand</b>								
Municipal Bank Account		1,141,412		\$1,141,412.06				
Petty Cash - Admin		2,990		\$2,990.00				
Municipal Investment Account		92,103		\$92,102.62				
Municipal Investment Account		4,033,251		\$4,033,251.02				
Reserve Bank Account		0	5,798,870	\$5,798,869.66				
Trust Cash at Bank		0			\$18,614.62			
<b>Total</b>		<b>5,269,756</b>	<b>5,798,870</b>	<b>11,068,625</b>	<b>18,615</b>			
<b>Comprising</b>								
Cash and cash equivalents		5,269,756	5,798,870	11,068,625	18,615			
		<b>5,269,756</b>	<b>5,798,870</b>	<b>11,068,625</b>	<b>18,615</b>			

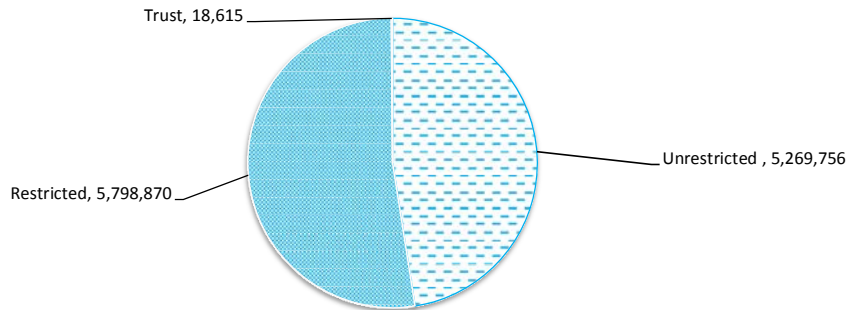
**KEY INFORMATION**

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 OCTOBER 2020**

**OPERATING ACTIVITIES  
NOTE 3  
RECEIVABLES**

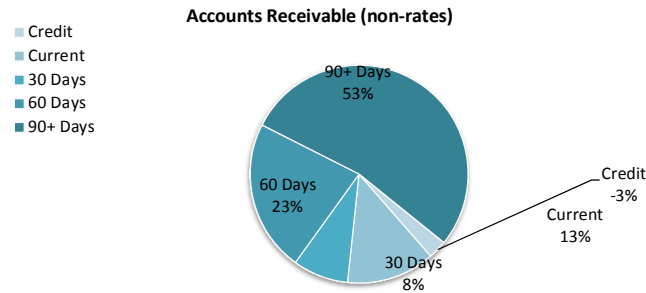
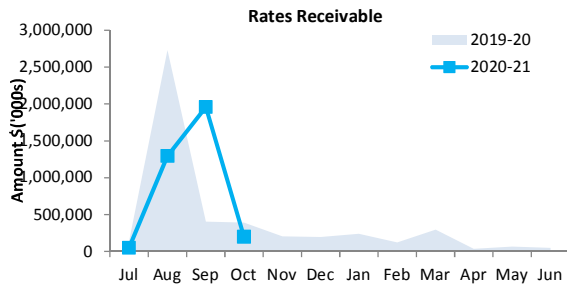
Rates receivable	30 Jun 2020	31 Oct 2020
	\$	\$
Opening arrears previous years	406,831	500,660
Levied this year	4,277,851	4,383,515
Less - collections to date	(4,184,022)	(2,930,074)
Equals current outstanding	<b>500,660</b>	<b>1,954,101</b>
<b>Net rates collectable</b>	<b>500,660</b>	<b>1,954,101</b>
% Collected	89.3%	60%

Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	(2,930)	14,091	8,911	24,183	57,432	101,687
Percentage	(2.9%)	13.9%	8.8%	23.8%	56.5%	
<b>Balance per trial balance</b>						
Sundry receivable						101,687
GST receivable						45,565
Other receivables						3,663
<b>Total receivables general outstanding</b>						<b>150,915</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. 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. Collectability of trade 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 is objective evidence that they will not be collectible.



Other current assets	Opening Balance 1 July 2020	Asset Increase	Asset Reduction	Closing Balance 31 October 2020
	\$	\$	\$	\$
<b>Other financial assets at amortised cost</b>				
Financial assets at amortised cost - self supporting loans	31,818	0	(15,715)	16,103
<b>Inventory</b>				
Inventories [describe]	40,731	0	(4,275)	36,456
<b>Total other current assets</b>	<b>72,549</b>	<b>0</b>	<b>(19,990)</b>	<b>52,559</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.

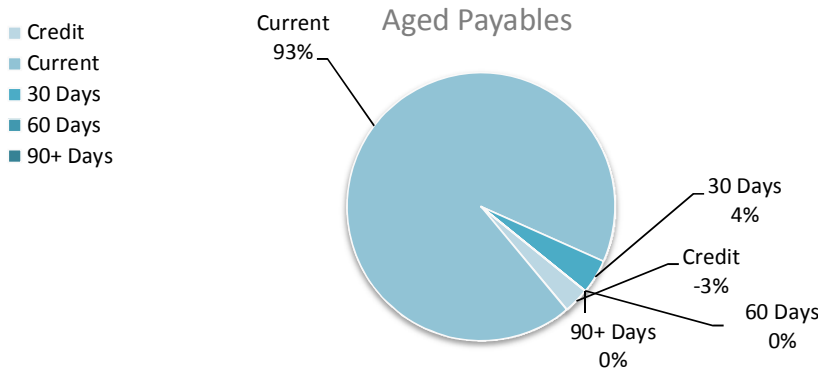
Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	(9,060)	267,761	12,055	0	0	270,756
Percentage	0%	98.9%	4.5%	0%	0%	
<b>Balance per trial balance</b>						
Sundry creditors						154,729
ATO liabilities						8,055
Income in Advance						37,842
PAYG						56,584
Other Expenses						150,699
<b>Total payables general outstanding</b>						<b>407,909</b>

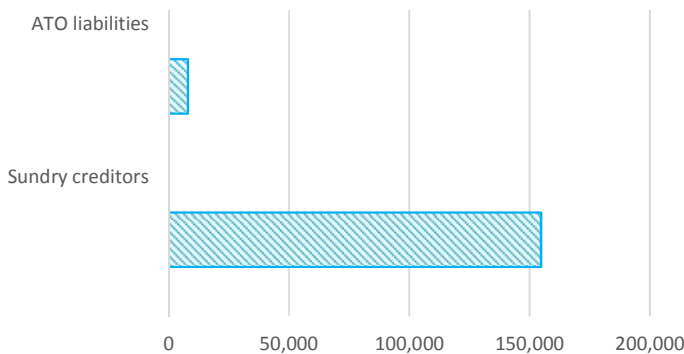
Amounts shown above include GST (where applicable)

**KEY INFORMATION**

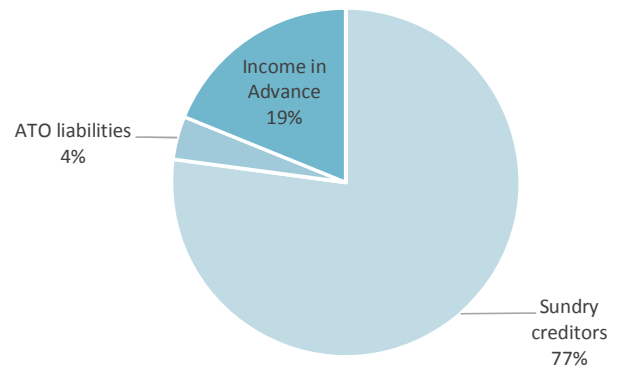
Trade and other payables represent liabilities for goods and services provided to the Shire that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are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



Payables



Payables



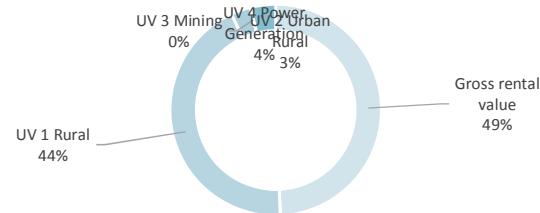
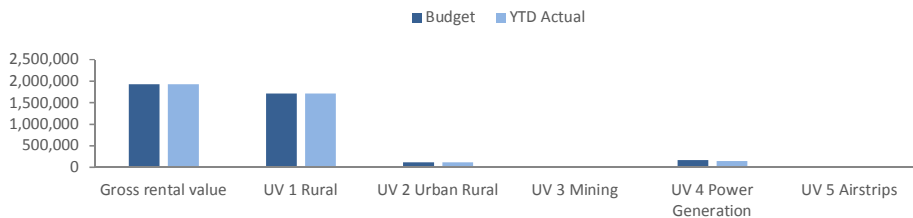
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 OCTOBER 2020

OPERATING ACTIVITIES  
NOTE 6  
RATE REVENUE

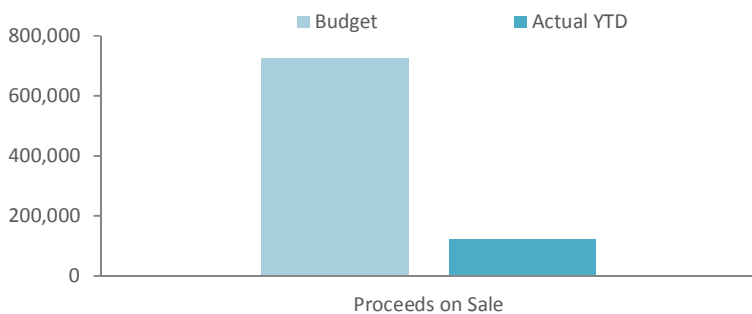
General rate revenue	Budget							YTD Actual			
	Rate in \$ (cents)	Number of Properties	Rateable Value	Rate Revenue	Interim Rate	Back Rate	Total Revenue	Rate Revenue	Interim Rates	Back Rates	Total Revenue
<b>RATE TYPE</b>				\$	\$	\$	\$	\$	\$	\$	\$
<b>Gross rental value</b>											
Gross rental value	0.10615	1,237	18,167,847	1,928,553			1,928,553	1,928,553			1,928,553
<b>Unimproved value</b>											
UV 1 Rural	0.01930	316	88,732,000	1,712,528			1,712,528	1,721,521	(5,832)	(531)	1,715,158
UV 2 Urban Rural	0.03110	43	3,748,000	116,563			116,563	116,563			116,563
UV 3 Mining	0.03668	4	45,934	1,690			1,690	1,690			1,690
UV 4 Power Generation	0.03668	15	4,521,500	166,391			166,391	149,242			149,242
UV 5 Airstrips	0.03668	1	168,000	6,182			6,182	6,182			6,182
<b>Sub-Total</b>		<b>1,616</b>	<b>115,383,281</b>	<b>3,931,907</b>	<b>0</b>	<b>0</b>	<b>3,931,907</b>	<b>3,923,753</b>	<b>(5,832)</b>	<b>(531)</b>	<b>3,917,388</b>
<b>Minimum payment</b>	<b>Minimum \$</b>										
<b>Gross rental value</b>											
Gross rental value	890	245		218,050			218,050	218,050			218,050
<b>Unimproved value</b>											
UV 1 Rural	1,110	129		143,190			143,190	142,080			142,080
UV 2 Urban Rural	1,110	38		42,180			42,180	42,180			42,180
UV 3 Mining	200	9		1,800			1,800	1,800			1,800
UV 4 Power Generation	1,110	2		2,220			2,220	3,330			3,330
UV 5 Airstrips	1,110	0		0			0				0
<b>Sub-total</b>		<b>423</b>	<b>0</b>	<b>407,440</b>	<b>0</b>	<b>0</b>	<b>407,440</b>	<b>407,440</b>	<b>0</b>	<b>0</b>	<b>407,440</b>
<b>Amount from general rates</b>							<b>4,339,347</b>				<b>4,324,828</b>
Ex-gratia rates							53,150				58,687
<b>Total general rates</b>							<b>4,392,497</b>				<b>4,383,515</b>

KEY INFORMATION

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Rates received in advance give rise to a financial liability. On 1 July 2020 the prepaid rates were recognised as a financial asset and a related amount was recognised as a financial liability and no income was recognised. When the taxable event occurs the financial liability is extinguished and income recognised for the prepaid rates that have not been refunded.



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>Governance</b>								
	2018 KIA Stinger	40,800	35,000	0	(5,800)			0	0
	<b>Law, order, public safety</b>								
	2018 Nissan Utility	17,200	18,000	800	0			0	0
	<b>Health</b>								
	2018 Mitsubishi ASX LS	17,600	18,000	400	0			0	0
	<b>Housing</b>								
	20 Priestly Street (Building)	242,820	240,000	0	(2,820)			0	0
	20 Priestly Street (Land)	45,000	45,000	0	0			0	0
	<b>Recreation and culture</b>								
	Kubota RTV X900W	12,162	15,000	2,838	0			0	0
	2019 Nissan Utility (Retic)	18,800	15,000	0	(3,800)			0	0
	<b>Transport</b>								
	2016 Hino 700 Tip Truck	120,729	90,000	0	(30,729)			0	0
	2019 Nissan Utility (Const)	14,000	15,000	1,000	0			0	0
	Fuso FN62FKFAJ Truck	97,600	75,000	0	(22,600)			0	0
	Utility Const Supervisor	23,356	18,000	0	(5,356)			0	0
	2013 Fuso Truck	71,914	85,000	13,086	0	95,082	97,029	1,946	0
	2014 Fuso Truck	15,221	25,000	9,779	0			0	0
	Skid Steer Loader	23,960	30,000	6,040	0			0	0
	Ford Ranger Dual Cab(emes)			0	0	33,670	25,838	0	(7,832)
		<b>761,162</b>	<b>724,000</b>	<b>33,943</b>	<b>(71,105)</b>	<b>128,752</b>	<b>122,866</b>	<b>1,946</b>	<b>(7,832)</b>



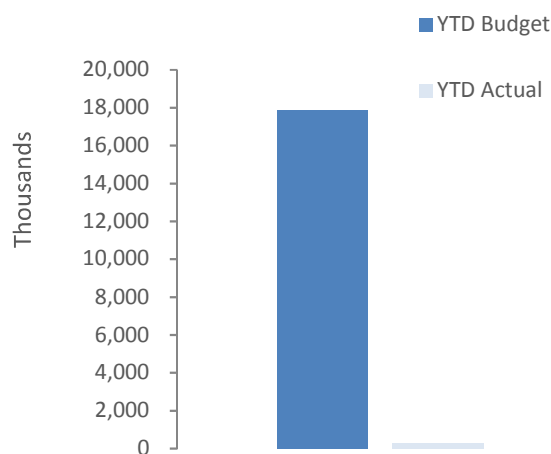
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 OCTOBER 2020**

**INVESTING ACTIVITIES  
NOTE 8  
CAPITAL ACQUISITIONS**

Capital acquisitions	Adopted		YTD Actual	YTD Actual Variance	
	Budget	YTD Budget			
	\$	\$	\$	\$	
Buildings - specialised	512	2,506,571	737,836	36,074	(701,762)
Furniture and equipment	520	40,000	0	2,157	2,157
Plant and equipment	530	1,218,300	137,000	48,759	(88,241)
Infrastructure - roads	<b>540</b>	12,761,720	1,605,351	202,089	(1,403,262)
Infrastructure - footpaths	<b>560</b>	375,104	0	0	0
Infrastructure - parks & gardens	<b>570</b>	940,000	0	542	542
Infrastructure - user defined 6	<b>590</b>	30,000	0	0	0
<b>Payments for Capital Acquisitions</b>		<b>17,871,695</b>	<b>2,480,187</b>	<b>289,622</b>	<b>(2,190,565)</b>
<b>Total Capital Acquisitions</b>		<b>17,871,695</b>	<b>2,480,187</b>	<b>289,622</b>	<b>(2,190,565)</b>
<b>Capital Acquisitions Funded By:</b>					
	\$	\$	\$	\$	
Capital grants and contributions		<b>8,484,144</b>	<b>127,050</b>	<b>144,223</b>	17,173
Borrowings		<b>5,525,000</b>	<b>0</b>	<b>0</b>	0
Other (disposals & C/Fwd)		<b>724,000</b>	<b>85,000</b>	<b>122,866</b>	37,866
Cash backed reserves					
Plant Replacement Reserve		<b>635,500</b>		<b>0</b>	0
ICT Reserve		<b>12,000</b>		<b>0</b>	0
Apex Park Redevelopment Reserve		<b>300,000</b>		<b>0</b>	0
Contribution - operations		<b>2,191,051</b>	<b>2,268,137</b>	<b>22,532</b>	(2,245,605)
<b>Capital funding total</b>		<b>17,871,695</b>	<b>2,480,187</b>	<b>289,622</b>	<b>(2,190,565)</b>

**SIGNIFICANT ACCOUNTING POLICIES**

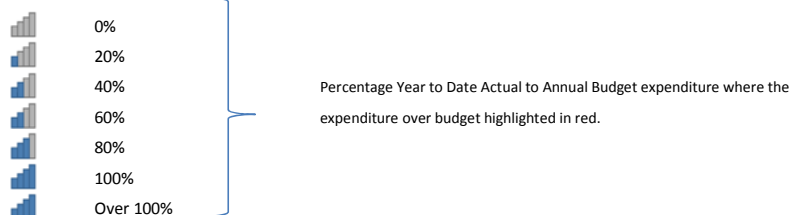
All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current 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.





Capital expenditure total

Level of completion indicators



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

		Adopted		YTD	Variance
Account Description		Budget	YTD Budget	Actual	(Under)/Over
BC001	Administration Building - Building (Capital)	\$540,000	\$40,000	\$0	(40,000)
W9999	Community Infrastructure Program	\$573,735	\$0	\$0	0
BC047	Future Housing (1)	\$300,000	\$0	\$0	0
BC048	Future Housing (2)	\$300,000	\$0	\$0	0
BC079	Nmps Redevelopment - Building (Capital)	\$70,000	\$69,999	\$10,005	(59,994)
PC001	Apex Park	\$300,000	\$0	\$0	0
PC002	Roy Little Park	\$600,000	\$0	\$0	0
PC030	Independent Water Supply	\$40,000	\$0	\$542	542
RC000	Expenditure To Be Allocated	\$450,000	\$0	\$0	0
RC102	Gabo Road (Capital)	\$1,500,000	\$0	\$0	0
RC135	Barrack Street (Capital)	\$7,051,500	\$0	\$0	0
RC277	South Avenue (Capital)	\$150,000	\$0	\$0	0
RC239	Merredin-Naremben Road (Capital)	\$1,582,000	\$1,054,668	\$44,598	(1,010,070)
RC106	Bennett Road (Capital)	\$87,117	\$87,117	\$0	(87,117)
RC019	Goomarin-Nukarni Road (Capital)	\$113,680	\$0	\$0	0
RC025	Goodier Road (Capital)	\$72,402	\$0	\$0	0
RC027	Spring Well Valley Road (Capital)	\$138,560	\$138,561	\$100,119	(38,442)
RC030	Pustkuchen Road (Capital)	\$141,867	\$0	\$0	0
RC067	Ogden Road (Capital)	\$69,772	\$69,774	\$21,472	(48,302)
RC081	Burke Road (Capital)	\$133,097	\$133,097	\$35,901	(97,196)
RC082	Woodward Road (Capital)	\$117,133	\$117,133	\$0	(117,133)
RC123	Clarke Road (Capital)	\$90,322	\$0	\$0	0
RC211	Clement Road (Capital)	\$45,914	\$0	\$0	0
R2R140	Coronation Street (R2R)	\$99,549	\$0	\$0	0
R2R141	Duff Street (R2R)	\$55,301	\$0	\$0	0
R2R145	King Street (R2R)	\$47,655	\$0	\$0	0
R2R151	Growden Street (R2R)	\$36,052	\$0	\$0	0
R2R156	Hart Street (R2R)	\$61,020	\$0	\$0	0
R2R161	Jellicoe Road (R2R)	\$44,550	\$0	\$0	0
R2R171	Hay Street (R2R)	\$37,152	\$0	\$0	0
R2R172	Colin Street (R2R)	\$45,709	\$0	\$0	0
R2R228	Nolan Place (R2R)	\$4,725	\$0	\$0	0
R2R013	Nukarni East Road (R2R)	\$52,603	\$0	\$0	0
R2R014	Nukarni West Road (R2R)	\$52,603	\$0	\$0	0
RRG015	Burracoppin South Road (Rrg)	\$287,782	\$0	\$0	0
RRG090	Goldfields Road (Rrg)	\$188,655	\$0	\$0	0
FC140	Coronation Street - Footpath Capital	\$200,000	\$0	\$0	0
FC171	Hay Street - Footpath Capital	\$9,120	\$0	\$0	0
FC193	Cohn Street - Footpath Capital	\$72,504	\$0	\$0	0
FC277	South Avenue - Footpath Capital	\$93,480	\$0	\$0	0
BC100	Depot Refurbishment	\$30,000	\$0	\$0	0
W0175	Silo Viewing Parking Bay	\$5,000	\$5,001	\$0	(5,001)
W0241	Stage 2 Ceaca	\$627,836	\$627,837	\$26,069	(601,768)
		<b>17,954,221</b>	<b>2,480,187</b>	<b>289,622</b>	<b>(2,190,565)</b>

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 OCTOBER 2020

FINANCING ACTIVITIES  
NOTE 9  
BORROWINGS

Repayments - borrowings

Information on borrowings Particulars	Loan No.	1 July 2020	New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
			Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
		\$	\$	\$	\$	\$	\$	\$	\$	
<b>Governance</b>										
Loan 214	214	82,524			\$0.00	\$82,526.00	82,524	2,218	\$530.80	\$2,220.00
Proposed Loan	219			4,925,000			0	4,925,000		
<b>Education and welfare</b>										
Loan 217 CEACA	217	439,248			\$28,288.21	\$57,022.00	410,960	394,698	\$94.77	\$12,472.00
<b>Housing</b>										
Proposed Loan	218			600,000			0	600,000		
<b>B/Fwd Balance</b>		521,772	0	5,525,000	28,288	139,548	493,484	5,921,916	626	14,692

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 OCTOBER 2020

FINANCING ACTIVITIES  
NOTE 9  
BORROWINGS

Repayments - borrowings

Information on borrowings Particulars	Loan No.	1 July 2020	New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
			Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
		\$	\$	\$	\$	\$	\$	\$	\$	
C/Fwd Balance		521,772	0	5,525,000	28,288	139,548	493,484	5,921,916	626	14,692
<b>Self supporting loans</b>										
<b>Education and welfare</b>										
Loan 215 Merritville	215	327,063	0		15,715	31,818	311,348	310,622	4,050	15,377
		327,063	0	0	15,715	31,818	311,348	310,622	4,050	15,377
<b>Total</b>		848,835	0	5,525,000	44,003	171,366	804,832	6,232,538	4,676	30,069
Current borrowings		171,366					127,361			
Non-current borrowings		677,469					677,471			
		848,835					804,832			

All debenture repayments were financed by general purpose revenue.

Self supporting loans are financed by repayments from third parties.

KEY INFORMATION

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

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 OCTOBER 2020**

**OPERATING ACTIVITIES  
NOTE 10  
CASH RESERVES**

**Cash backed reserve**

Reserve name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Actual Transfers Out (-)	Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave Reserve	370,301	3,702		0	0	0	0	374,003	370,301
Plant Replacement Reserve	915,953	8,074		250,000	0	(635,500)	0	538,527	915,953
Buildings Reserve	933,456	9,335		0	0	0	0	942,791	933,456
Land & Development Reserve	1,287,312	12,873		0	0	0	0	1,300,185	1,287,312
Recreation Reserve	710,039	7,101		200,000	200,000	0	0	917,140	910,039
Disaster Recovery Reserve	247,006	2,470		0	0	0	0	249,476	247,006
Cummins St Units Reserve	61,186	612		0	0	0	0	61,798	61,186
Waste Management Reserve	288,658	2,831		88,985	78,157	0	0	380,474	366,815
Unspent Grants Reserve	88,475	9,422		0	0	0	0	97,897	88,475
ICT Reserve	296,276	3,289		20,000	20,000	(12,000)	0	307,565	316,276
Apex Park Redevelopment Reserve	227,053	2,271		75,000	75,000	(300,000)	0	4,324	302,053
	<b>5,425,715</b>	<b>61,980</b>	<b>0</b>	<b>633,985</b>	<b>373,157</b>	<b>(947,500)</b>	<b>0</b>	<b>5,174,180</b>	<b>5,798,872</b>

**KEY INFORMATION**

Other current liabilities	Note	Opening Balance 1 July 2020	Liability Increase	Liability Reduction	Closing Balance 31 October 2020
		\$	\$	\$	\$
<b>Contract liabilities</b>					
Unspent grants, contributions and reimbursements					
- operating	12	696,814	133,319	0	830,132
<b>Total unspent grants, contributions and reimbursements</b>		696,814	133,319	0	830,132
<b>Provisions</b>					
Annual leave		258,888			258,888
Long service leave		247,613			247,613
<b>Total Provisions</b>		506,501	0	0	506,501
<b>Total other current assets</b>		<b>1,203,315</b>	<b>133,319</b>	<b>0</b>	<b>1,336,633</b>

Amounts shown above include GST (where applicable)

Opening balance plus movement doesn't equal closing balance

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

#### KEY INFORMATION

##### Provisions

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

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

##### Employee benefits

###### Short-term employee benefits

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

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

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

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

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

##### Contract liabilities

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

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 OCTOBER 2020

NOTE 12

OPERATING GRANTS AND CONTRIBUTIONS

Provider	Unspent operating grant, subsidies and contributions liability					Operating grants, subsidies and contributions revenue		
	Liability 1 July 2020	Increase in Liability	Liability Reduction (As revenue)	Liability 31 Oct 2020	Current Liability 31 Oct 2020	Adopted Budget Revenue	YTD Budget	YTD Revenue Actual
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Operating grants and subsidies</b>								
<b>General purpose funding</b>								
Government of WA				0		780,311	195,078	183,609
Government of WA				0		484,626	121,157	95,528
<b>Law, order, public safety</b>								
Dept Fire & Emergency Services				0		100,000	17,260	13,558
Dept Fire & Emergency Services				0		12,600	1,975	3,537
<b>Education and welfare</b>								
Merritville SSL no 215				0		15,769	8,078	8,078
Youth Services Grants		15,510		15,510		42,700	0	0
<b>Housing</b>								
Rental Income Council Houses				0		96,390	32,128	25,127
<b>Community amenities</b>								
NRMO Grants (Environmental)	28,754			28,754		63,044	0	0
Town Planning Fees				0		3,500	1,168	0
<b>Recreation and culture</b>								
Lotteries Commission (NMPS)				0		36,000	0	0
Library Equipment Grant				0		8,000	0	0
Lotteries Commission (CT Grants)	13,722	110,000		123,722		93,722	0	0
<b>Transport</b>								
Main Roads Dept Street Lighting				0		18,000	0	0
Main Roads Dept Direct Grant				0		207,445	207,445	207,445
Business Case CBD	26,502			26,502				
<b>Economic services</b>								
TRANS WA (Ticket Sales)				0		40,000	13,332	1,765
Interpretation Signage Grant				0		18,790	0	0
CW Maps				0		7,000	0	
Various Comm Dev Grants		7,700		7,700		17,110	6,388	1,000
<b>Other property and services</b>								
Parental Leave Payment				0		0	0	12,322
CEACA Stage II WATC	211,338	109		211,446				
CEACA Council Contributions	416,498			416,498				
	<b>696,814</b>	<b>133,319</b>	<b>0</b>	<b>830,132</b>	<b>0</b>	<b>2,045,007</b>	<b>604,009</b>	<b>551,970</b>

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 OCTOBER 2020

NOTE 13

NON-OPERATING GRANTS AND CONTRIBUTIONS

Provider	Unspent non operating grants, subsidies and contributions liability					Non operating grants, subsidies and contributions revenue		
	Liability 1 July 2020	Increase in Liability	Liability Reduction (As revenue)	Liability 31 Oct 2020	Current Liability 31 Oct 2020	Adopted Budget Revenue	YTD Budget	YTD Revenue Actual (b)
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Non-operating grants and subsidies</b>								
<b>Governance</b>								
Commonwealth Govt				0		573,735	0	0
WALGA Grant				0		250,000		
<b>Housing</b>								
WALGA Grant				0		25,000	0	0
<b>Recreation and culture</b>								
WALGA Grant				0		300,000	0	0
<b>Transport</b>								
Main Road Dept RRG				0		317,625	127,050	127,062
Commonwealth Govt R2R				0		536,918	0	361
Secondary Grain Freight Grants				0		1,503,030	0	16,800
CBD Redevelopment				0		4,250,000	0	0
WALGA Footpaths				0		100,000	0	0
<b>Other property and services</b>								
CEACA				0		627,836	0	
	0	0	0	0	0	8,484,144	127,050	144,223

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 OCTOBER 2020**

**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 2020	Received	Paid	31 Oct 2020
	\$	\$	\$	\$
BCTIF Levy	\$845.83	\$3,790.00	(\$3,960)	676
BRB Levy	\$567.65	\$4,083.70	(\$3,931)	720
Community Bus Fund	\$1,311.89	\$0.00	\$0	1,312
SBS Transmitter	\$2,220.39	\$0.00	\$0	2,220
Youth Advisory	\$153.51	\$0.00	\$0	154
Retention Funds	\$8,974.14	\$0.00	\$0	8,974
CEACA	\$4,558.97	\$0.00	\$0	4,559
	<b>18,632</b>	<b>7,874</b>	<b>(7,891)</b>	<b>18,615</b>



**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 OCTOBER 2020**

**NOTE 15  
EXPLANATION OF MATERIAL VARIANCES**

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

The material variance adopted by Council for the 2020-21 year is \$5,000 or 5.00% whichever is the greater.

Reporting Program	Var. \$	Var. %	Timing/ Permanent	Explanation of Variance
	\$	%		
<b>Revenue from operating activities</b>				
Governance	24,991	0.00%	▲	
General purpose funding - other	(48,307)	(12.03%)	▼	
Recreation and culture	(5,042)	(13.35%)	▼	
Transport	(30,931)	(11.72%)	▼	
Economic services	(7,250)	(17.30%)	▼	
Other property and services	11,796	59.13%	▲	
<b>Expenditure from operating activities</b>				
Governance	67,424	25.49%	▲	
General purpose funding	(8,955)	(35.98%)	▼	
Law, order and public safety	33,167	15.43%	▲	
Health	(9,233)	(11.76%)	▼	
Education and welfare	20,805	28.39%	▲	
Housing	67,662	44.65%	▲	
Transport	270,752	37.30%	▲	
Economic services	61,058	19.49%	▲	
Other property and services	(63,863)	(97.09%)	▼	
<b>Investing activities</b>				
Proceeds from non-operating grants, subsidies and contributions	17,173	13.52%	▲	
Proceeds from disposal of assets	37,866	44.55%	▲	
Payments for property, plant and equipment and infrastructure	2,190,565	88.32%	▲	
<b>Financing activities</b>				
Transfer to reserves	(373,157)	0.00%	▼	