

SHIRE OF MERREDIN

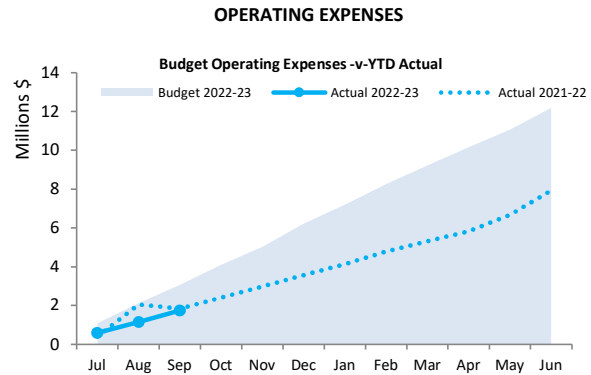
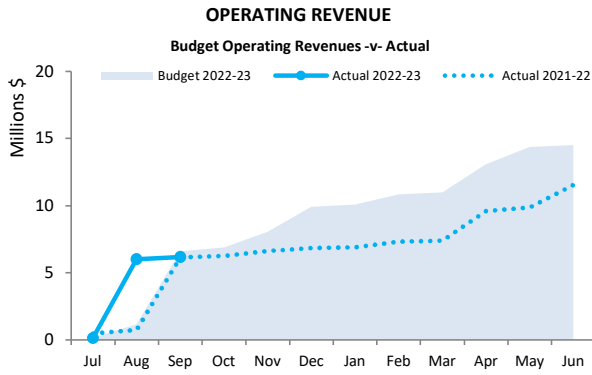
MONTHLY FINANCIAL REPORT (Containing the Statement of Financial Activity) For the period ending 30 September 2022

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

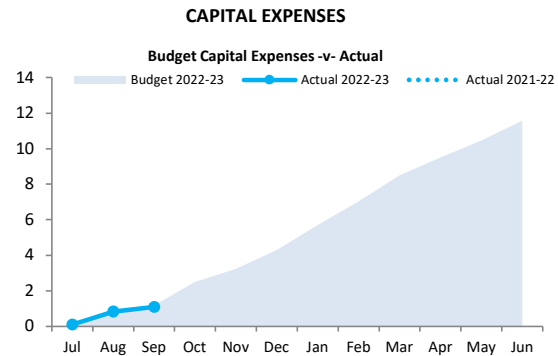
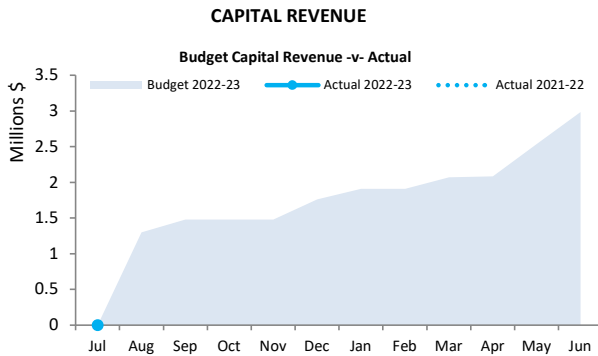
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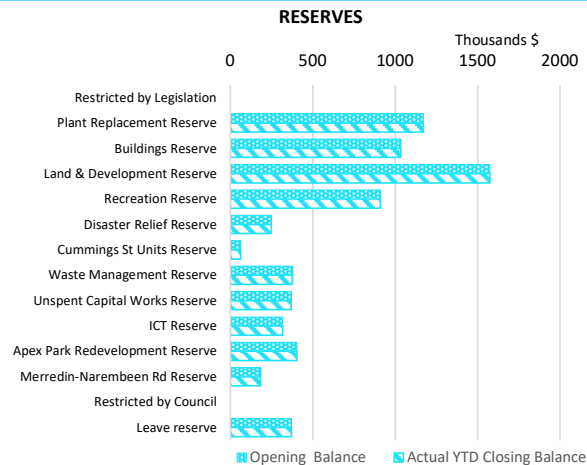
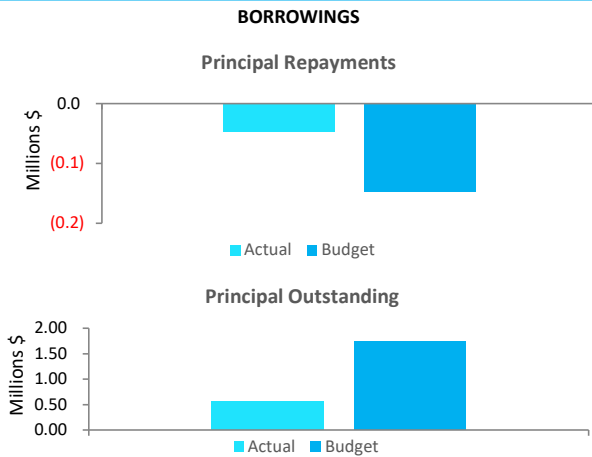
OPERATING ACTIVITIES



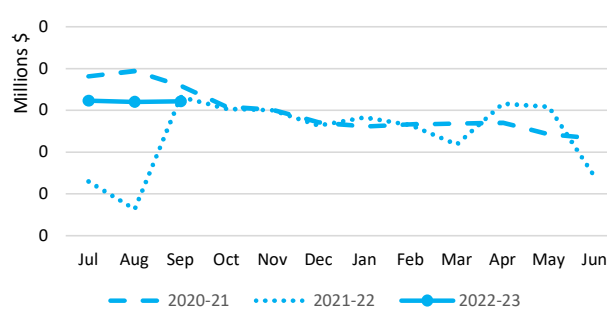
INVESTING ACTIVITIES



FINANCING ACTIVITIES



Closing funding surplus / (deficit)



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

Funding surplus / (deficit) Components

Funding surplus / (deficit)				
	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
Opening	\$2.25 M	\$2.25 M	\$3.11 M	\$0.86 M
Closing	\$0.13 M	\$8.87 M	\$6.52 M	(\$2.35 M)

Refer to Statement of Financial Activity

Cash and cash equivalents		
	\$12.45 M	% of total
Unrestricted Cash	\$5.43 M	43.6%
Restricted Cash	\$7.01 M	56.4%

Refer to Note 2 - Cash and Financial Assets

Payables		\$0.70 M	% Outstanding
Trade Payables		\$0.51 M	
0 to 30 Days			86.7%
Over 30 Days			13.2%
Over 90 Days			0%

Refer to Note 5 - Payables

Receivables		
	\$0.40 M	% Collected
Rates Receivable	\$2.55 M	53.9%
Trade Receivable	\$0.40 M	% Outstanding
Over 30 Days		23.8%
Over 90 Days		17.9%

Refer to Note 3 - Receivables

Key Operating Activities

Amount attributable to operating activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$1.20 M)	\$3.79 M	\$4.41 M	\$0.62 M

Refer to Statement of Financial Activity

Rates Revenue		
YTD Actual	\$4.85 M	% Variance
YTD Budget	\$4.79 M	1.3%

Refer to Statement of Financial Activity

Operating Grants and Contributions		
YTD Actual	\$0.62 M	% Variance
YTD Budget	\$0.42 M	48.9%

Refer to Note 11 - Operating Grants and Contributions

Fees and Charges		
YTD Actual	\$0.63 M	% Variance
YTD Budget	\$0.61 M	2.6%

Refer to Statement of Financial Activity

Key Investing Activities

Amount attributable to investing activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$3.69 M)	\$0.06 M	(\$0.96 M)	(\$1.02 M)

Refer to Statement of Financial Activity

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

Refer to Note 6 - Disposal of Assets

Asset Acquisition		
YTD Actual	\$1.09 M	% Spent
Adopted Budget	\$11.39 M	(90.4%)

Refer to Note 7 - Capital Acquisitions

Capital Grants		
YTD Actual	\$0.11 M	% Received
Adopted Budget	\$7.21 M	(98.4%)

Refer to Note 7 - Capital Acquisitions

Key Financing Activities

Amount attributable to financing activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
\$2.76 M	\$2.76 M	(\$0.05 M)	(\$2.81 M)

Refer to Statement of Financial Activity

Borrowings	
Principal repayments	\$0.05 M
Interest expense	\$0.00 M
Principal due	\$0.56 M

Refer to Note 8 - Borrowings

Reserves	
Reserves balance	\$7.01 M
Interest earned	\$0.00 M

Refer to Note 9 - Cash Reserves

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

KEY TERMS AND DESCRIPTIONS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

REVENUE

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts and concessions offered. Excludes administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

REVENUE FROM CONTRACTS WITH CUSTOMERS

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

FEES AND CHARGES

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

SERVICE CHARGES

Service charges imposed under *Division 6 of Part 6 of the Local Government Act 1995*. *Regulation 54 of the Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services. Exclude rubbish removal charges.

INTEREST EARNINGS

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

OTHER REVENUE / INCOME

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

PROFIT ON ASSET DISPOSAL

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

NATURE OR TYPE DESCRIPTIONS

EXPENSES

EMPLOYEE COSTS

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

MATERIALS AND CONTRACTS

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

UTILITIES (GAS, ELECTRICITY, WATER)

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

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

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation expense raised on all classes of assets. Excluding Land.

INTEREST EXPENSES

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

OTHER EXPENDITURE

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

STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

BY NATURE OR TYPE

	Ref	Adopted Budget	YTD Budget	YTD Actual	Forecast 30 June 2023 Closing	Variance \$	Variance % ((c) - (b))/(b)	Var.
	Note	(a)	(b)	(c)	(a)-(b)+(c)	(c) - (b)		
		\$	\$	\$	\$	\$	%	
Opening funding surplus / (deficit)	1(c)	2,254,300	2,254,300	3,113,555	3,113,555	859,255	38.12%	▲
Revenue from operating activities								
Rates		4,851,200	4,785,500	4,849,201	4,914,901	63,701	1.33%	
Operating grants, subsidies and contributions	11	1,026,200	416,701	620,450	1,229,949	203,749	48.90%	▲
Fees and charges		906,300	612,468	628,094	921,926	15,626	2.55%	
Interest earnings		109,000	27,249	21,264	103,015	(5,985)	(21.96%)	
Other revenue		252,700	66,006	47,232	233,926	(18,774)	(28.44%)	▼
Profit on disposal of assets	6	157,200	39,300	0	117,900	(39,300)	(100.00%)	▼
		7,302,600	5,947,224	6,166,241	7,521,617	219,017	3.68%	
Expenditure from operating activities								
Employee costs		(3,867,020)	(917,861)	(878,069)	(3,827,228)	39,792	4.34%	
Materials and contracts		(3,689,090)	(964,886)	(704,132)	(3,428,336)	260,754	27.02%	▲
Utility charges		(345,960)	(96,747)	(93,020)	(342,233)	3,727	3.85%	
Depreciation on non-current assets		(3,607,000)	(901,752)	0	(2,705,248)	901,752	100.00%	▲
Interest expenses		(52,100)	(2,919)	(11,561)	(60,742)	(8,642)	(296.06%)	
Insurance expenses		(157,770)	(74,857)	(315)	(83,228)	74,542	99.58%	▲
Other expenditure		(229,900)	(56,752)	(64,931)	(238,079)	(8,179)	(14.41%)	
Loss on disposal of assets	6	(231,600)	(57,900)	0	(173,700)	57,900	100.00%	▲
		(12,180,440)	(3,073,674)	(1,752,028)	(10,858,794)	1,321,646	(43.00%)	
Non-cash amounts excluded from operating activities	1(a)	3,681,400	920,352	0	2,761,048	(920,352)	(100.00%)	▼
Amount attributable to operating activities		(1,196,440)	3,793,902	4,414,213	(576,129)	620,311	16.35%	
Investing activities								
Proceeds from non-operating grants, subsidies and contributions	12	7,205,800	642,976	113,160	6,675,984	(529,816)	(82.40%)	▼
Proceeds from disposal of assets	6	461,000	461,000	0	0	(461,000)	(100.00%)	▼
Proceeds from financial assets at amortised cost - self supporting loans	8	33,410	17,326	17,326	33,410	0	0.00%	
Payments for property, plant and equipment and infrastructure	7	(11,388,900)	(1,060,504)	(1,089,170)	(11,417,566)	(28,666)	(2.70%)	
Amount attributable to investing activities		(3,688,690)	60,798	(958,684)	(4,708,172)	(1,019,482)	(1676.84%)	
Financing Activities								
Proceeds from new debentures	8	1,300,000	1,300,000	0	0	(1,300,000)	(100.00%)	▼
Transfer from reserves	9	1,652,300	1,652,300	0	0	(1,652,300)	(100.00%)	▼
Repayment of debentures	8	(147,700)	(147,700)	(47,439)	(47,439)	100,261	67.88%	▲
Transfer to reserves	9	(46,000)	(46,000)	0	0	46,000	100.00%	▲
Amount attributable to financing activities		2,758,600	2,758,600	(47,439)	(47,439)	(2,806,039)	(101.72%)	
Closing funding surplus / (deficit)	1(c)	127,770	8,867,600	6,521,645	(2,218,185)	(2,345,955)	26.46%	▼

KEY INFORMATION

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

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

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

BASIS OF PREPARATION

The financial report has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying Regulations.

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

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 13 to these financial statements.

SIGNIFICANT ACCOUNTING POLICES

CRITICAL ACCOUNTING ESTIMATES

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

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

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

GOODS AND SERVICES TAX

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

ROUNDING OFF FIGURES

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

PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 00 January 1900

(a) Non-cash items excluded from operating activities

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

	Notes	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Forecast 30 June 2023 Closing
		\$	\$	\$	
Non-cash items excluded from operating activities					
Adjustments to operating activities					
Less: Profit on asset disposals	6	(157,200)	(39,300)	0	(117,900)
Add: Loss on asset disposals	6	231,600	57,900	0	173,700
Add: Depreciation on assets		3,607,000	901,752	0	2,705,248
Total non-cash items excluded from operating activities		3,681,400	920,352	0	2,761,048

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

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

	Adopted Budget Opening 30 June 2022	Last Year Closing 30 June 2022	Year to Date 30 September 2022
Adjustments to net current assets			
Less: Reserves - restricted cash	9	7,013,785	(7,013,785)
Less: - Financial assets at amortised cost - self supporting loans	4		(17,754)
Add: Borrowings	8		48,340
Add: Provisions employee related provisions	10	551,288	551,288
Total adjustments to net current assets		7,565,073	(6,431,911)

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

Current assets				
Cash and cash equivalents	2	11,125,675	11,125,675	12,446,569
Rates receivables	3	696,690	696,690	2,554,575
Receivables	3	145,550	145,550	403,580
Other current assets	4	491,201	491,201	504,502
Less: Current liabilities				
Payables	5	(628,841)	(628,841)	(703,642)
Borrowings	8	(95,779)	(95,779)	(48,340)
Contract liabilities	10	(1,667,855)	(1,667,855)	(1,652,400)
Provisions	10	(551,288)	(551,288)	(551,288)
Less: Total adjustments to net current assets	1(b)	(6,401,798)	(6,401,798)	(6,431,911)
Closing funding surplus / (deficit)		3,113,555	3,113,555	6,521,645

CURRENT AND NON-CURRENT CLASSIFICATION

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

Description	Classification	Unrestricted	Restricted	Total Cash	Trust	Institution	Interest Rate	Maturity Date
		\$	\$	\$	\$			
Municipal Bank Account		4,156,871		4,156,871				
Petty Cash - Admin		950		950				
Municipal Investment Account		1,256,081		1,256,081				
Reserve Bank Account		0	7,013,784	7,013,784				
Trust Cash at Bank		18,883		18,883				
Total		5,432,785	7,013,784	12,446,569	0			
Comprising								
Cash and cash equivalents		5,432,785	7,013,784	12,446,569	0			
		5,432,785	7,013,784	12,446,569	0			

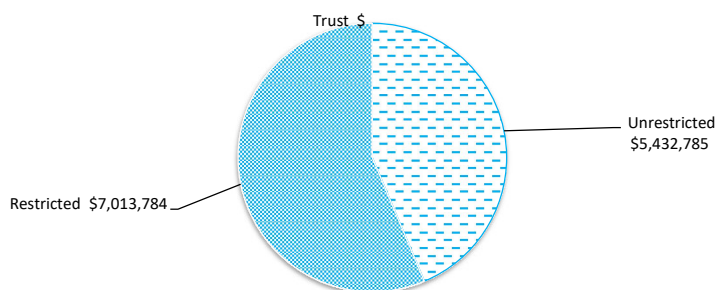
KEY INFORMATION

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

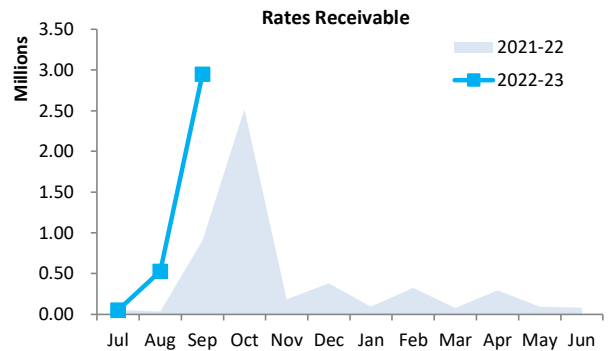
The local government classifies financial assets at amortised cost if both of the following criteria are met:

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

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



Rates receivable	30 Jun 2022	30 Sep 2022
	\$	\$
Opening arrears previous years	700,762	696,690
Levied this year		4,849,201
Less - collections to date	(4,072)	(2,991,316)
Gross rates collectable	696,690	2,554,575
Net rates collectable	696,690	2,554,575
% Collected	0.6%	53.9%



Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	(2,803)	162,820	3,205	9,259	37,666	210,147
Percentage	(1.3%)	77.5%	1.5%	4.4%	17.9%	
Balance per trial balance						
Sundry receivable						210,147
GST receivable						246
Other receivables [describe]						189,962
Other receivables [describe]						3,225
Total receivables general outstanding						403,580

Amounts shown above include GST (where applicable)

KEY INFORMATION

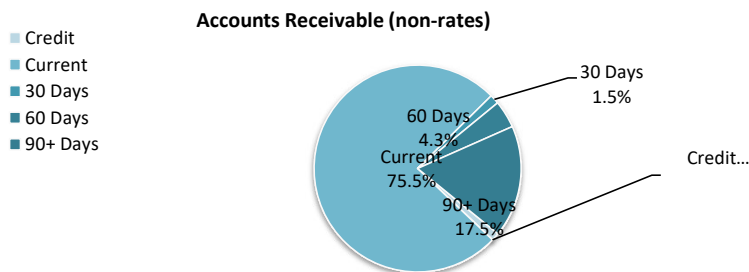
Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

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

Classification and subsequent measurement

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

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



Other current assets	Opening Balance 1 July 2022	Asset Increase	Asset Reduction	Closing Balance 30 September 2022
	\$	\$	\$	\$
Other financial assets at amortised cost				
Financial assets at amortised cost - self supporting loans	35,080		(17,326)	17,754
Inventory				
Fuel	10,098	30,627	0	40,725
Land held for resale				
Cost of acquisition	446,023			446,023
Total other current assets	491,201	30,627	(17,326)	504,502
Amounts shown above include GST (where applicable)				

KEY INFORMATION

Other financial assets at amortised cost

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

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

Inventory

Inventories are measured at the lower of cost and net realisable value.

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

Land held for resale

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

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

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

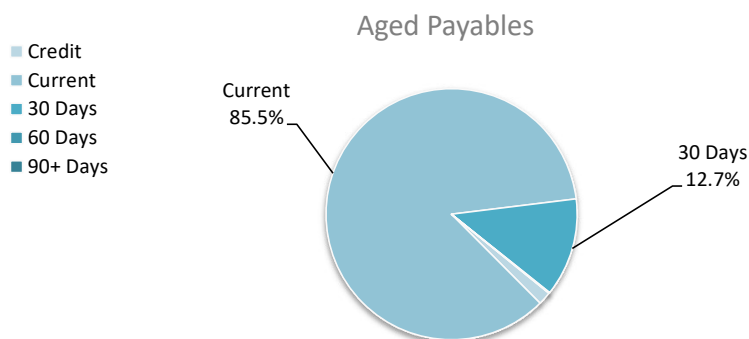
Land held for resale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	(9,134)	455,142	67,467	529	0	514,003
Percentage	-1.8%	88.5%	13.1%	0.1%	0%	
Balance per trial balance						
Sundry creditors						514,003
ATO liabilities						(22,996)
Other payables						171,931
Income in Advance						40,542
PAYG						162
Total payables general outstanding						703,642

Amounts shown above include GST (where applicable)

KEY INFORMATION

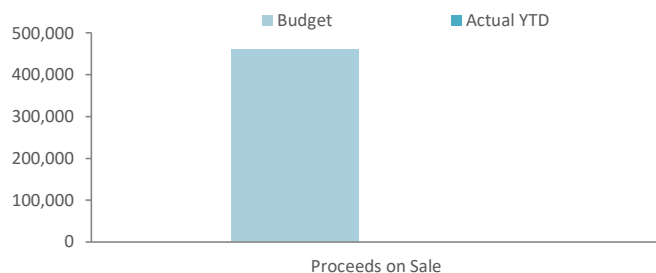
Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the period that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.



NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

OPERATING ACTIVITIES
NOTE 6
DISPOSAL OF ASSETS

Asset Ref.	Asset description	Budget				YTD Actual			
		Net Book		Profit	(Loss)	Net Book		Profit	(Loss)
		Value	Proceeds			Value	Proceeds		
		\$	\$	\$	\$	\$	\$	\$	
Plant and equipment									
Transport									
	John Deere 770G	189,700	110,000	0	(79,700)			0	0
	Hitachi ZW220-5 Loader	203,500	70,000	0	(133,500)			0	0
	Hino 700 13 Ton	77,100	80,000	2,900	0			0	0
	Hino - 4.5 Ton	32,600	20,000	0	(12,600)			0	0
	Utility - Reticulation	7,100	16,000	8,900	0			0	0
	Utility - Construction Supervisor	0	25,000	25,000	0			0	0
	Utility - Roads Dualcab - Construction	8,000	23,000	15,000	0			0	0
	EMES - 44MD	0	30,000	30,000	0			0	0
	EMDS - 50MD	0	25,000	25,000	0			0	0
	EMCS - 60MD	0	30,000	30,000	0			0	0
	EHO - MD8877	6,700	27,000	20,300	0			0	0
	Cherry Picker	10,700	5,000	0	(5,700)			0	0
		535,400	461,000	157,100	(231,500)	0	0	0	0



Capital acquisitions	Adopted		YTD Actual	Forecast 30 June Closing	YTD Actual Variance	
	Budget	YTD Budget				
	\$	\$	\$		\$	
Buildings - specialised	512	209,000	3,750	3,067	208,317	(683)
Plant and equipment	530	1,672,000	782,104	242,771	1,132,667	(539,333)
Infrastructure - roads	540	3,304,900	274,650	15,005	3,045,255	(259,645)
Infrastructure - Footpaths	560	50,000	0	0	50,000	0
Infrastructure - Drainage	550	20,000	0	0	20,000	0
Infrastructure - Parks & Gardens	570	5,953,000	0	828,327	6,781,327	828,327
Infrastructure - Other	590	180,000	0	0	180,000	0
Payments for Capital Acquisitions	11,388,900	1,060,504	1,089,170	11,417,566	28,666	
Capital Acquisitions Funded By:						
	\$	\$	\$		\$	
Capital grants and contributions	7,205,800	642,976	113,160	6,675,984	(529,816)	
Borrowings	1,300,000	1,300,000	0	0	(1,300,000)	
Other (disposals & C/Fwd)	461,000	461,000	0	0	(461,000)	
Cash backed reserves						
Plant Replacement Reserve	(650,000)		0	(650,000)	0	
Buildings Reserve	(450,000)		0	(450,000)	0	
Waste Management Reserve	(120,000)		0	(120,000)	0	
Apex Park Redevelopment Reserve	(286,300)		0	(286,300)	0	
Merredin-Narembeen Rd Reserve	(146,000)		0	(146,000)	0	
Contribution - operations	4,074,400	(1,343,472)	976,010	6,393,882	2,319,482	
Capital funding total	11,388,900	1,060,504	1,089,170	11,417,566	28,666	

SIGNIFICANT ACCOUNTING POLICIES

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

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

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

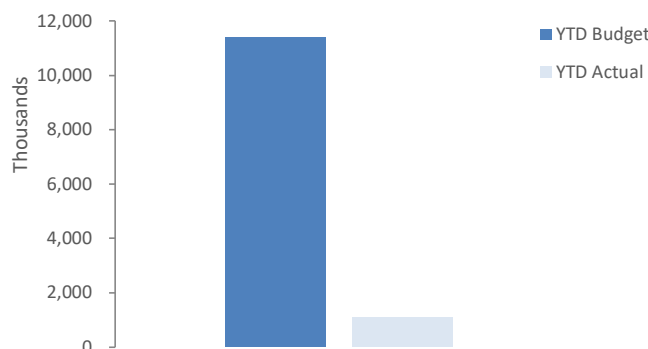
Initial recognition and measurement for assets held at cost

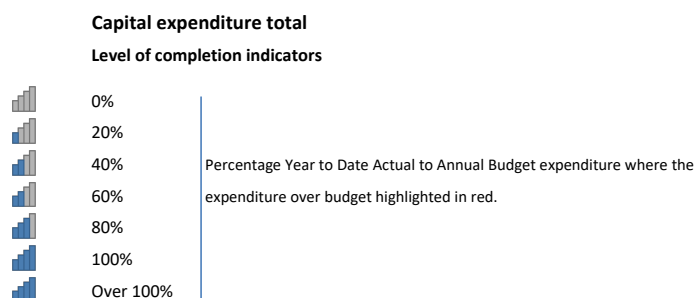
Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognise at fair value. Assets held at cost are depreciated and assessed for impairment annually.

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

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

Payments for Capital Acquisitions





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

			Adopted			Variance
Account Description			Budget	YTD Budget	YTD Actual	(Under)/Over
			\$	\$	\$	\$
4080210		OTHER ED - Building (Capital)	15,000	15,000	-	(15,000.00)
4090210	BC030	OTH HOUSE - Building (Capital)	20,000	20,000	-	(20,000.00)
4090210	BC033	OTH HOUSE - Building (Capital)	15,000	15,000	-	(15,000.00)
4090210	BC035	OTH HOUSE - Building (Capital)	10,000	10,000	-	(10,000.00)
4090210	BC036	OTH HOUSE - Building (Capital)	9,000	9,000	-	(9,000.00)
4100110	LC041	SAN - Building (Capital)	10,000	10,000	711.43	(9,288.57)
4100770	CC001	COM AMEN - Infrastructure Parks & Ovals (Capital)	14,000	14,000	13,529.00	(471.00)
4110110	BC005	HALLS - Building (Capital)	10,000	10,000	-	(10,000.00)
4110290	SC041	SWIM AREAS - Infrastructure Other (Capital)	20,000	20,000	-	(20,000.00)
4110310		REC - Other Rec Facilities Building (Capital)	15,000	15,000	-	(15,000.00)
4110370	PC001	REC - Infrastructure Parks & Gardens (Capital)	1,827,500	1,827,500	24,785.00	(1,802,715.00)
4110370	PC007	REC - Infrastructure Parks & Gardens (Capital)	3,750,400	3,750,400	787,577.72	(2,962,822.28)
4110370	PC030A	REC - Infrastructure Parks & Gardens (Capital)	0	0	2,700.00	2,700.00
4110370	PC041	REC - Infrastructure Parks & Gardens (Capital)	351,100	351,100	-	(351,100.00)
4110370	PC042	REC - Infrastructure Parks & Gardens (Capital)	10,000	10,000	-	(10,000.00)
4110510	BC004	LIBRARY - Library Building (Capital)	9,000	9,000	-	(9,000.00)
4110530		LIBRARY - Plant & Equipment (Capital)	15,000	15,000	-	(15,000.00)
4110610	HC041	HERITAGE - Building (Capital)	20,000	20,000	-	(20,000.00)
4110710	BC002	OTH CUL - Building (Capital)	63,500	63,500	-	(63,500.00)
4120140	RC135	ROADC - Roads Built Up Area - Council Funded	0	0	10,000.01	10,000.01
4120140	RC401	ROADC - Roads Built Up Area - Council Funded	30,000	30,000	-	(30,000.00)
4120141	RC239	ROADC - Roads Outside BUA - Sealed - Council Funded	2,181,300	2,181,300	4,335.05	(2,176,964.95)
4120144	R2R000	ROADC - Roads Built Up Area - Roads to Recovery	238,700	238,700	-	(238,700.00)
4120144	R2R283	ROADC - Roads Built Up Area - Roads to Recovery	20,000	20,000	-	(20,000.00)
4120145	R2R072	ROADC - Roads Outside BUA - Sealed - Roads to Recovery	209,100	209,100	-	(209,100.00)
4120149	RRG003	ROADC - Roads Outside BUA - Sealed - Regional Road Group	186,000	186,000	-	(186,000.00)
4120150	RRG090	ROADC - Roads Outside BUA - Gravel - Regional Road Group	439,800	439,800	-	(439,800.00)
4120165	DC142	ROADC - Drainage Built Up Area (Capital)	20,000	20,000	-	(20,000.00)
4120170	FC000	ROADC - Footpaths and Cycleways (Capital)	50,000	50,000	-	(50,000.00)
4120330		PLANT - Plant & Equipment (Capital)	1,657,000	1,657,000	242,770.85	(1,414,229.15)
4120790	WC002	WATER - Infrastructure Other (Capital)	150,000	150,000	-	(150,000.00)
4130890		OTH ECON - Infrastructure Other (Capital)	10,000	10,000	-	(10,000.00)
4140710	W0242	UNCLASS - Buildings (Capital)	12,500	12,500	-	(12,500.00)
			11,388,900	11,388,900	1,086,409.06	(10,302,490.94)

Repayments - borrowings

Information on borrowings Particulars	Loan No.	1 July 2022	New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
			Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Education and welfare										
CEACA Contributions	217	323,393			(30,113)	(60,700)	293,280	262,693	0	(9,700)
Recreation and culture										
CBD Development	219		0	1,300,000		(51,900)	0	1,248,100	0	(29,900)
		323,393	0	1,300,000	(30,113)	-112,600	293,280	1,510,793	0	-39,600
Self supporting loans										
Education and welfare										
Merretville	215	271,506	0	0	(17,326)	(35,100)	271,506	236,406	0	(12,500)
		271,506	0	0	(17,326)	-35,100	271,506	236,406	0	(12,500)
Total		594,899	0	1,300,000	(47,439)	-147,700	564,786	1,747,199	0	(52,100)
Current borrowings		147,700					48,340			
Non-current borrowings		447,199					516,446			
		594,899					564,786			

All debenture repayments were financed by general purpose revenue.

Self supporting loans are financed by repayments from third parties.

The Shire has no unspent debenture funds as at 30th June 2021, nor is it expected to have unspent funds as at 30th June 2022.

KEY INFORMATION

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

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

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

OPERATING ACTIVITIES
NOTE 9
RESERVE ACCOUNTS

Reserve accounts

Reserve name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Actual Transfers Out (-)	Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by Legislation									
Plant Replacement Reserve	1,171,986	5,000		-	0	(650,000)	0	526,986	1,171,986
Buildings Reserve	1,034,508	8,100		-	0	(450,000)	0	592,608	1,034,508
Land & Development Reserve	1,573,763	12,400		-	0	0	0	1,586,163	1,573,763
Recreation Reserve	911,064	7,200		-	0	0	0	918,264	911,064
Disaster Relief Reserve	247,284	1,900		-	0	0	0	249,184	247,284
Cummings St Units Reserve	61,255	500		-	0	0	0	61,755	61,255
Waste Management Reserve	374,651	2,900		-	0	(120,000)	0	257,551	374,651
Unspent Capital Works Reserve	368,575	1,600		-	0	0	0	370,175	368,575
ICT Reserve	316,632	2,500		-	0	0	0	319,132	316,632
Apex Park Redevelopment Reserve	402,393	900		-	0	(286,300)	0	116,993	402,393
Merredin-Naremben Rd Reserve	180,955	100		-	0	(146,000)	0	35,055	180,955
Restricted by Council									
Leave reserve	370,719	2,900		-	0		0	373,619	370,719
	7,013,785	46,000	0	0	0	(1,652,300)	0	5,407,485	7,013,785

	Note	Opening Balance 1 July 2022	Liability transferred from/(to) non current	Liability Increase	Liability Reduction	Closing Balance 30 September 2022
		\$		\$	\$	\$
Other current liabilities						
Other liabilities						
- Contract liabilities		1,649,853	0		(16,336)	1,633,517
- Other liabilities [describe]		18,002	0	881		18,883
Total other liabilities		1,667,855	0	881	(16,336)	1,652,400
Employee Related Provisions						
Annual leave		293,251	0			293,251
Long service leave		258,037	0			258,037
Total Employee Related Provisions		551,288	0	0	0	551,288
Total other current assets		2,219,143	0	881	(16,336)	2,203,688
Amounts shown above include GST (where applicable)						

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

KEY INFORMATION

Provisions

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Employee Related Provisions

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

Contract liabilities

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

Capital grant/contribution liabilities

Grants to acquire or construct recognisable non-financial assets to identified specifications be constructed to be controlled by the Shire are recognised as a liability until such time as the Shire satisfies its obligations under the agreement.

Provider	Unspent operating grant, subsidies and contributions liability					Operating grants, subsidies and contributions revenue			
	Liability	Increase in Liability	Decrease in Liability (As revenue)	Liability	Current Liability	Adopted Budget	YTD Budget	YTD Revenue	Forecast 30 June
	1 July 2022			30 Sep 2022	30 Sep 2022	Revenue	Budget	Actual	Closing
	\$	\$	\$	\$	\$	\$	\$	\$	
Operating grants and subsidies									
General purpose funding									
GEN PUR - Financial Assistance Grant - General				0		350,000	87,500	141,652	404,152
GEN PUR - Financial Assistance Grant - Roads				0		140,000	35,000	51,245	156,245
Law, order, public safety									
OLOPS - Grants				0		29,000	29,000	0	0
ESL BFB - Operating Grant				0		41,500	0	5,564	47,064
ESL SES - Operating Grant				0		15,400	0	(1,450)	13,950
Education and welfare									
SENIORS - Reimbursements				0		25,600	0	6,467	32,067
WELFARE - Youth Grants				0		1,000	0	0	1,000
WELFARE - Community Development Grants				0		13,900	3,000	4,900	15,800
Housing									
OTH HOUSE - Rental Reimbursements				0		0	0	18,267	18,267
Recreation and culture									
REC - Grants				0		0	0	35,000	35,000
LIBRARY - Other Grants				0		6,200	1,551	0	4,649
OTH CUL - Grants - Theatre Shows				0		19,800	4,950	6,500	21,350
OTH CUL - Other Contributions				0		54,200	13,551	0	40,649
Transport									
ROADM - Street Lighting Subsidy				0		20,400	0	0	20,400
ROADM - Road Contribution Income				0		0	0	343,620	343,620
ROADM - Direct Road Grant (MRWA)				0		233,900	233,900	0	0
Economic services									
TOURISM - Reimbursements				0		35,800	6,125	917	30,592
TOURISM - Other Income Relating to Tourism & Area Promotion				0		39,400	2,100	0	37,300
Other property and services									
PWO - Other Reimbursements				0		100	24	169	245
SAL - Reimbursement - Parental Leave				0		0	0	4,432	4,432
POC - Fuel Tax Credits Grant Scheme				0		0	0	3,168	3,168
	0	0	0	0	0	1,026,200	416,701	620,450	1,229,949

Provider	Capital grant/contribution liabilities					Non operating grants, subsidies and contributions revenue			
	Liability	Increase in Liability	Decrease in Liability (As revenue)	Liability	Current Liability	Adopted Budget	YTD Budget	YTD Revenue Actual	Forecast 30 June
	1 July 2022			30 Sep 2022	30 Sep 2022	Revenue			Closing
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Non-operating grants and subsidies									
Community amenities									
Supply Grant DWER	16,979			16,979					0
Recreation and culture									
REC - Grants - LRCI	521,277			521,277		1,721,200	0	0	1,721,200
REC - Grants - BBRF				0		1,925,400	0	0	1,925,400
REC - Other Capital Contributions				0		331,400	0	0	331,400
Audience Development	47,251			47,251					0
War Stories Illumination Projections	10,658			10,658					0
Cummins Theatre Program	71,302			71,302					0
Wages and Gaming	6,160			6,160					0
Transport									
ROADC - Regional Road Group Grants (MRWA)	429,341			429,341		536,600	134,151	0	402,449
ROADC - Roads to Recovery Grant	75,297			75,297		556,900	0	96,824	653,724
ROADC - Wheatbelt Secondary Freight Network (WSFN)				0		2,035,300	508,825	0	1,526,475
WATER - CWSP Grant				0		99,000	0	0	99,000
Vegetation control	6,060			6,060					0
Other property and services									
CEACA	465,258		16,336	481,594				16,336	16,336
	1,649,583	0	16,336	1,665,919	0	7,205,800	642,976	113,160	6,675,984
TOTALS	1,649,583	0	16,336	1,665,919	0	7,205,800	642,976	113,160	6,675,984

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

**NOTE 13
TRUST FUND**

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

Description	Opening	Amount	Amount	Closing Balance
	Balance			Received
	1 July 2022			
	\$	\$	\$	\$
BCTIF Levy	(92)	651	0	559
BRB Levy	398	230	0	628
Community Bus Fund	1,312	0	0	1,312
SBS Transmitter	2,220	0	0	2,220
Youth Advisory	154	0	0	154
Retention Funds	8,974	0	0	8,974
CEACA	4,559	0	0	4,559
Unclaimed Money	397	0	0	397
Councillor Nominations	80	0	0	80
	18,002	881	0	18,883

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

**NOTE 14
BUDGET AMENDMENTS**

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

GL Code	Description	Council Resolution	Classification	Non Cash Adjustment	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance
				\$	\$	\$	\$
	Budget adoption						127,770
				0	0	0	0

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 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 2022-23 year is \$10,000 or 10.00% whichever is the greater.

Nature or type	Var. \$	Var. %	Explanation of variances	
			Timing	Permanent
	\$	%		
Opening funding surplus / (deficit)	859,255	38.12%	▲ Cash Backed LSL Liability	
Revenue from operating activities				
Operating grants, subsidies and contributions	203,749	48.90%	▲ Reimbursements income includ parental leave. Offset	Timing
Other revenue	(18,774)	(28.44%)	▼ Sundry revenue difficult to predict timing	Timing
Profit on disposal of assets	(39,300)	(100.00%)	▼ Timing of Sale of assets	Timing
Expenditure from operating activities				
Materials and contracts	260,754	27.02%	▲ Delay in spending due to staffing/ budget	Timing
Depreciation on non-current assets	901,752	100.00%	▲ Depn not yet charged	Timing
Insurance expenses	74,542	99.58%	▲ Insurance allocation not yet completed	Timing
Loss on disposal of assets	57,900	100.00%	▲ Timing of Sale of assets	Timing
Non-cash amounts excluded from operating activities	(920,352)	(100.00%)	▼ Depn not yet charged	Timing
Investing activities				
Proceeds from non-operating grants, subsidies and contributions	(529,816)	(82.40%)	▼ Grants not yet received	Timing
Proceeds from disposal of assets	(461,000)	(100.00%)	▼ Timing of Sale of assets	Timing
Financing activities				
Proceeds from new debentures	(1,300,000)	(100.00%)	▼ Timing on drawn down of loan	Timing
Transfer from reserves	(1,652,300)	(100.00%)	▼ Reserve not transferred until needed to maximise interest	Timing
Repayment of debentures	100,261	67.88%	▲ Total repayment noted - timing only	Timing
Transfer to reserves	46,000	100.00%	▲ Interest not yet applied	Timing
Closing funding surplus / (deficit)	(2,345,955)	26.46%	▼ Due to above items	Timing