

**SHIRE OF MERREDIN**  
**MONTHLY FINANCIAL REPORT**  
**(Containing the Statement of Financial Activity)**  
**For the period ending 30 September 2021**

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

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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	\$2.74 M	\$2.74 M	\$3.10 M	\$0.36 M
Closing	\$0.00 M	\$5.79 M	\$6.64 M	\$0.85 M
Refer to Statement of Financial Activity				

Cash and cash equivalents		
	\$8.89 M	% of total
Unrestricted Cash	\$3.09 M	34.7%
Restricted Cash	\$5.81 M	65.3%

Refer to Note 2 - Cash and Financial Assets

Payables		
	\$0.41 M	% Outstanding
Trade Payables	\$0.09 M	
Over 30 Days		13.6%
Over 90 Days		0%

Refer to Note 5 - Payables

Receivables		
	\$0.74 M	% Collected
Rates Receivable	\$4.90 M	5.8%
Trade Receivable	\$0.74 M	
Over 30 Days		14.9%
Over 90 Days		14.1%

Refer to Note 3 - Receivables

Key Operating Activities

Amount attributable to operating activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
\$0.43 M	\$3.97 M	\$4.28 M	\$0.32 M

Refer to Statement of Financial Activity

Rates Revenue		
YTD Actual	\$4.68 M	% Variance
YTD Budget	\$4.57 M	2.4%

Refer to Note 6 - Rate Revenue

Operating Grants and Contributions		
YTD Actual	\$0.34 M	% Variance
YTD Budget	\$0.67 M	(48.8%)

Refer to Note 12 - Operating Grants and Contributions

Fees and Charges		
YTD Actual	\$0.57 M	% Variance
YTD Budget	\$0.63 M	(9.6%)

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)
(\$7.20 M)	(\$0.92 M)	(\$0.74 M)	\$0.18 M

Refer to Statement of Financial Activity

Proceeds on sale		
YTD Actual	\$0.00 M	%
Adopted Budget	\$0.31 M	(100.0%)

Refer to Note 7 - Disposal of Assets

Asset Acquisition		
YTD Actual	\$1.45 M	% Spent
Adopted Budget	\$13.43 M	(89.2%)

Refer to Note 8 - Capital Acquisition

Capital Grants		
YTD Actual	\$0.71 M	% Received
Adopted Budget	\$5.89 M	(87.9%)

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)
\$4.02 M	\$0.00 M	\$0.00 M	\$0.00 M

Refer to Statement of Financial Activity

Borrowings	
Principal repayments	\$0.00 M
Interest expense	\$0.00 M
Principal due	\$0.68 M

Refer to Note 9 - Borrowings

Reserves	
Reserves balance	\$6.83 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.

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 30 SEPTEMBER 2021**

**STATUTORY REPORTING PROGRAMS**

	Ref	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
	Note	\$	\$	\$	\$	%	
<b>Opening funding surplus / (deficit)</b>	1(c)	2,744,000	2,744,000	<b>3,102,331</b>	358,331	13.06%	▲
<b>Revenue from operating activities</b>							
Governance		26,000	6,501	<b>34,190</b>	27,689	425.92%	▲
General purpose funding - general rates	6	4,627,400	4,567,691	<b>4,671,107</b>	103,416	2.26%	
General purpose funding - other		1,448,400	371,622	<b>332,150</b>	(39,472)	(10.62%)	▼
Law, order and public safety		137,345	30,524	<b>1,751</b>	(28,773)	(94.26%)	▼
Health		12,000	6,001	<b>10,462</b>	4,461	74.34%	
Education and welfare		54,541	9,840	<b>7,293</b>	(2,547)	(25.88%)	
Housing		114,800	28,698	<b>22,314</b>	(6,384)	(22.25%)	
Community amenities		642,062	544,525	<b>525,232</b>	(19,293)	(3.54%)	
Recreation and culture		369,602	157,590	<b>78,318</b>	(79,272)	(50.30%)	▼
Transport		323,764	240,840	<b>407,641</b>	166,801	69.26%	▲
Economic services		156,025	41,636	<b>26,436</b>	(15,200)	(36.51%)	▼
Other property and services		78,500	19,104	<b>10,410</b>	(8,694)	(45.51%)	
		<b>7,990,439</b>	<b>6,024,572</b>	<b>6,127,304</b>	102,732	1.71%	
<b>Expenditure from operating activities</b>							
Governance		(657,600)	(206,929)	<b>(164,281)</b>	42,648	20.61%	▲
General purpose funding		(147,800)	(34,390)	<b>(14,528)</b>	19,862	57.76%	▲
Law, order and public safety		(587,489)	(156,264)	<b>(96,949)</b>	59,315	37.96%	▲
Health		(233,900)	(56,733)	<b>(55,230)</b>	1,503	2.65%	
Education and welfare		(175,001)	(52,622)	<b>(28,104)</b>	24,518	46.59%	▲
Housing		(339,785)	(84,945)	<b>(41,800)</b>	43,145	50.79%	▲
Community amenities		(1,242,790)	(311,251)	<b>(282,450)</b>	28,801	9.25%	
Recreation and culture		(2,982,811)	(822,836)	<b>(534,834)</b>	288,002	35.00%	▲
Transport		(3,858,800)	(939,992)	<b>(328,785)</b>	611,207	65.02%	▲
Economic services		(829,940)	(197,031)	<b>(174,012)</b>	23,019	11.68%	▲
Other property and services		(126,500)	(102,335)	<b>(121,564)</b>	(19,229)	(18.79%)	▼
		<b>(11,182,416)</b>	<b>(2,965,328)</b>	<b>(1,842,537)</b>	1,122,791	37.86%	▲
Non-cash amounts excluded from operating activities	1(a)	3,626,800	906,201	<b>0</b>	(906,201)	(100.00%)	▼
<b>Amount attributable to operating activities</b>		<b>434,823</b>	<b>3,965,445</b>	<b>4,284,767</b>	319,322		
<b>Investing Activities</b>							
Proceeds from non-operating grants, subsidies and contributions	13	5,885,313	750,471	<b>710,302</b>	(40,169)	(5.35%)	
Proceeds from disposal of assets	7	312,500	0	<b>0</b>	0	0.00%	
Proceeds from financial assets at amortised cost - self supporting loans	9	33,410	0	<b>0</b>	0	0.00%	
Payments for property, plant and equipment and infrastructure	8	(13,432,366)	(1,670,189)	<b>(1,452,995)</b>	217,194	13.00%	▲
<b>Amount attributable to investing activities</b>		<b>(7,201,143)</b>	<b>(919,718)</b>	<b>(742,693)</b>	177,025		
<b>Financing Activities</b>							
Proceeds from new debentures	9	3,039,300	0	<b>0</b>	0	0.00%	
Transfer from reserves	10	1,426,270	0	<b>0</b>	0	0.00%	
Repayment of debentures	9	(92,240)	0	<b>0</b>	0	0.00%	
Transfer to reserves	10	(351,010)	0	<b>0</b>	0	0.00%	
<b>Amount attributable to financing activities</b>		<b>4,022,320</b>	<b>0</b>	<b>0</b>	0		
<b>Closing funding surplus / (deficit)</b>	1(c)	<b>0</b>	<b>5,789,727</b>	<b>6,644,405</b>			

**KEY INFORMATION**

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

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

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

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

## KEY TERMS AND DESCRIPTIONS

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

### 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.

## NATURE OR TYPE DESCRIPTIONS

### 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 30 SEPTEMBER 2021**

**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)	2,744,000	2,744,000	<b>3,102,331</b>	358,331	13.06%	▲
<b>Revenue from operating activities</b>							
Rates	6	4,627,400	4,567,691	<b>4,671,107</b>	103,416	2.26%	
Operating grants, subsidies and contributions	12	1,935,264	672,239	<b>606,548</b>	(65,691)	(9.77%)	
Fees and charges		972,875	631,960	<b>571,566</b>	(60,394)	(9.56%)	
Interest earnings		121,700	38,447	<b>5,972</b>	(32,475)	(84.47%)	▼
Other revenue		317,100	110,209	<b>272,112</b>	161,903	146.91%	▲
Profit on disposal of assets	7	16,100	4,026	<b>0</b>	(4,026)	(100.00%)	
		<b>7,990,439</b>	<b>6,024,572</b>	<b>6,127,305</b>	102,733		
<b>Expenditure from operating activities</b>							
Employee costs		(3,348,584)	(785,307)	<b>(789,840)</b>	(4,533)	(0.58%)	
Materials and contracts		(3,563,835)	(1,094,517)	<b>(959,828)</b>	134,689	12.31%	▲
Utility charges		(254,950)	(57,430)	<b>(66,518)</b>	(9,088)	(15.82%)	
Depreciation on non-current assets		(3,606,900)	(901,728)	<b>0</b>	901,728	100.00%	▲
Interest expenses		(31,760)	(7,520)	<b>(13,313)</b>	(5,793)	(77.03%)	
Insurance expenses		(130,207)	(60,401)	<b>(705)</b>	59,696	98.83%	▲
Other expenditure		(210,180)	(49,741)	<b>(12,333)</b>	37,408	75.21%	▲
Loss on disposal of assets	7	(36,000)	(8,499)	<b>0</b>	8,499	100.00%	
		<b>(11,182,416)</b>	<b>(2,965,143)</b>	<b>(1,842,537)</b>	1,122,606		
Non-cash amounts excluded from operating activities	1(a)	3,626,800	906,201	<b>0</b>	(906,201)	(100.00%)	▼
<b>Amount attributable to operating activities</b>		<b>434,823</b>	<b>3,965,630</b>	<b>4,284,768</b>	319,138		
<b>Investing activities</b>							
Proceeds from non-operating grants, subsidies and contributions	13	5,885,313	750,471	<b>710,302</b>	(40,169)	(5.35%)	
Proceeds from disposal of assets	7	312,500	0	<b>0</b>	0	0.00%	
Proceeds from financial assets at amortised cost - self supporting loans	9	33,410	0	<b>0</b>	0	0.00%	
Payments for property, plant equipment, and Infrastructure	8	(13,432,366)	(1,670,189)	<b>(1,452,995)</b>	217,194	13.00%	▲
<b>Amount attributable to investing activities</b>		<b>(7,201,143)</b>	<b>(919,718)</b>	<b>(742,693)</b>	177,025		
<b>Financing Activities</b>							
Proceeds from new debentures	9	3,039,300	0	<b>0</b>	0	0.00%	
Transfer from reserves	10	1,426,270	0	<b>0</b>	0	0.00%	
Payments for principal portion of lease liabilities		0	0	<b>0</b>	0	0.00%	
Repayment of debentures	9	(92,240)	0	<b>0</b>	0	0.00%	
Transfer to reserves	10	(351,010)	0	<b>0</b>	0	0.00%	
<b>Amount attributable to financing activities</b>		<b>4,022,320</b>	<b>0</b>	<b>0</b>	0		
<b>Closing funding surplus / (deficit)</b>	1(c)	<b>0</b>	<b>5,789,912</b>	<b>6,644,406</b>	854,494		

**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.

# MONTHLY FINANCIAL REPORT

## FOR THE PERIOD ENDED 30 SEPTEMBER 2021

## BASIS OF PREPARATION

### BASIS OF PREPARATION

#### REPORT PURPOSE

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

#### BASIS OF ACCOUNTING

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

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this financial report. This is not in accordance with the requirements of *AASB 1051 Land Under Roads paragraph 15* and *AASB 116 Property, Plant and Equipment paragraph 7*.

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

#### PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 14 October 2021

### SIGNIFICANT ACCOUNTING POLICIES

#### 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.



**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

**NOTE 1  
STATEMENT OF FINANCIAL ACTIVITY INFORMATION**

**(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	(16,100)	(4,026)	0
Add: Loss on asset disposals	7	36,000	8,499	0
Add: Depreciation on assets		3,606,900	901,728	0
<b>Total non-cash items excluded from operating activities</b>		<b>3,626,800</b>	<b>906,201</b>	<b>0</b>

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

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

		Last Year Closing 30 June 2021	This Time Last Year 0 September 2020	Year to Date 0 September 2021
<b>Adjustments to net current assets</b>				
Less: Reserves - restricted cash	10	(6,834,286)		(6,834,286)
Add: Borrowings	9	(1)		(45,688)
Add: Provisions - employee	11	506,501		506,501
<b>Total adjustments to net current assets</b>		<b>(6,327,786)</b>	<b>0</b>	<b>(6,356,972)</b>

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

<b>Current assets</b>				
Cash and cash equivalents	2	10,472,175		8,894,991
Rates receivables	3	583,224		4,898,085
Receivables	3	163,712		738,519
Other current assets	4	65,246		51,601
<b>Less: Current liabilities</b>				
Payables	5	(634,456)		(407,721)
Borrowings	9	1		45,688
Contract liabilities	11	(713,284)		(713,284)
Provisions	11	(506,501)		(506,501)
<b>Less: Total adjustments to net current assets</b>	1(b)	<b>(6,327,786)</b>	<b>0</b>	<b>(6,356,972)</b>
<b>Closing funding surplus / (deficit)</b>		<b>3,102,331</b>	<b>0</b>	<b>6,644,406</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		(831,142)		(831,142)				
Petty Cash - Admin		2,890		2,890				
Municipal Investment Account		3,916,958		3,916,958				
Reserve Bank Account		0	8,285	8,285				
Reserve Bank - Term Deposit Investments			5,798,000	5,798,000				
Trust Cash at Bank		0			17,841			
<b>Total</b>		<b>3,088,706</b>	<b>5,806,285</b>	<b>8,894,991</b>	<b>17,841</b>			
<b>Comprising</b>								
Cash and cash equivalents		3,088,706	5,806,285	8,894,991	17,841			
		<b>3,088,706</b>	<b>5,806,285</b>	<b>8,894,991</b>	<b>17,841</b>			

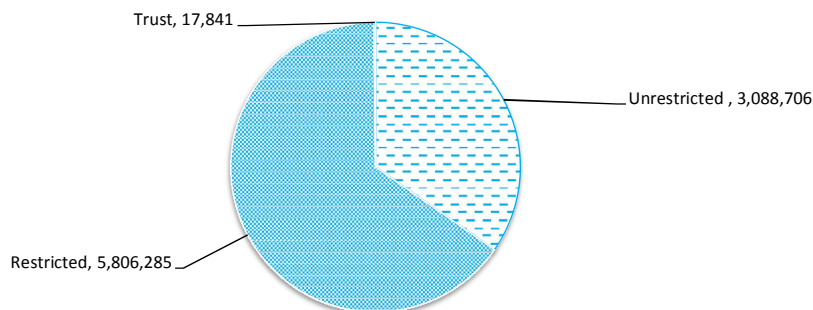
#### KEY INFORMATION

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 30 SEPTEMBER 2021**

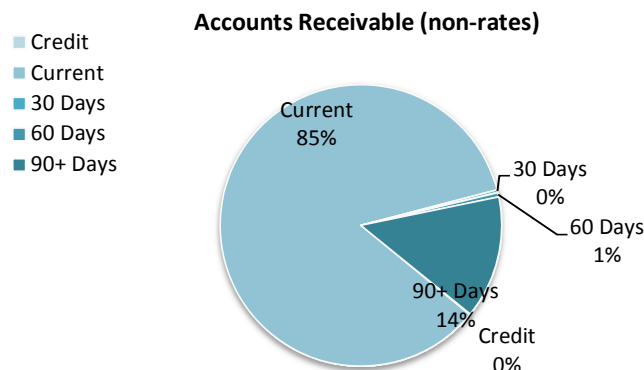
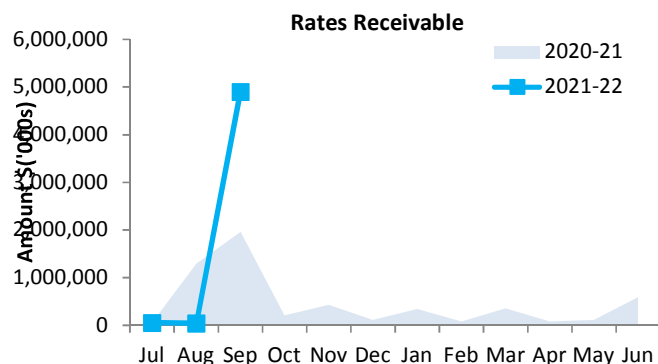
**OPERATING ACTIVITIES  
NOTE 3  
RECEIVABLES**

Rates receivable	30 Jun 2021	30 Sep 2021
	\$	\$
Opening arrears previous years	500,660	583,224
Levied this year	4,277,851	4,615,115
Less - collections to date	(4,195,287)	(300,254)
Equals current outstanding	<b>583,224</b>	<b>4,898,085</b>
<b>Net rates collectable</b>	<b>583,224</b>	<b>4,898,085</b>
% Collected	87.8%	5.8%

Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	(526)	440,671	1,698	2,540	73,081	517,464
Percentage	(0.1%)	85.2%	0.3%	0.5%	14.1%	
<b>Balance per trial balance</b>						
Sundry receivable						517,464
Other receivables						179,720
<b>Total receivables general outstanding</b>						<b>738,519</b>
Amounts shown above include GST (where applicable)						

**KEY INFORMATION**

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for impairment of receivables is raised when they will not be collectible.



	Opening Balance 1 July 2021	Asset Increase	Asset Reduction	Closing Balance 30 September 2021
<b>Other current assets</b>	\$	\$	\$	\$
<b>Inventory</b>				
Inventories [describe]	65,246	2,856	0	68,102
<b>Total other current assets</b>	<b>65,246</b>	<b>2,856</b>	<b>(16,501)</b>	<b>51,601</b>
Amounts shown above include GST (where applicable)				

#### KEY INFORMATION

##### 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.

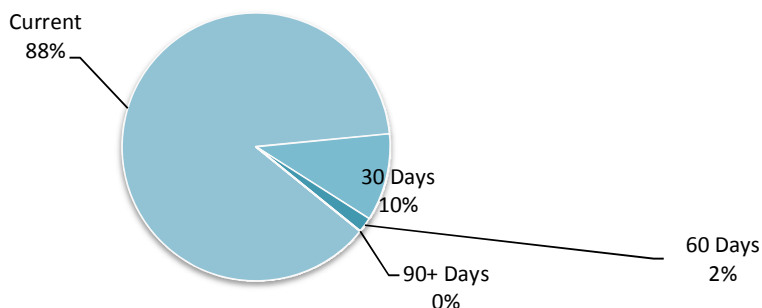
Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	(8,972)	89,228	10,759	1,830	0	92,845
Percentage	0%	96.1%	11.6%	2%	0%	
<b>Balance per trial balance</b>						
Sundry creditors						92,845
Income in Advance						39,127
Other Expenses						161,856
<b>Total payables general outstanding</b>						<b>407,721</b>
<b>Amounts shown above include GST (where applicable)</b>						

#### KEY INFORMATION

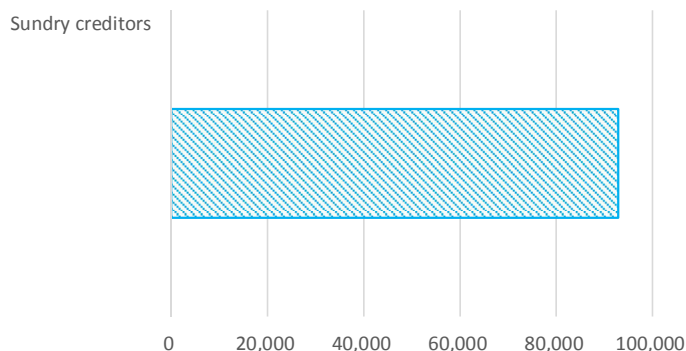
Trade and other payables represent liabilities for goods and services provided to the Shire that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are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

- Current
- 30 Days
- 60 Days
- 90+ Days

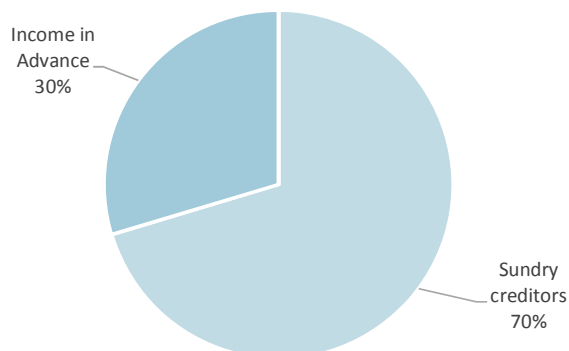
Aged Payables



Payables



Payables



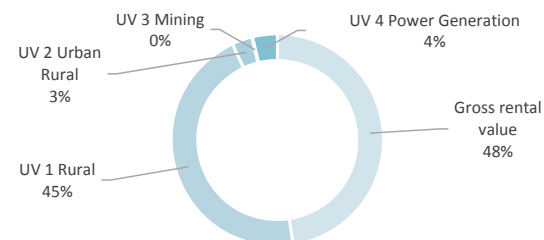
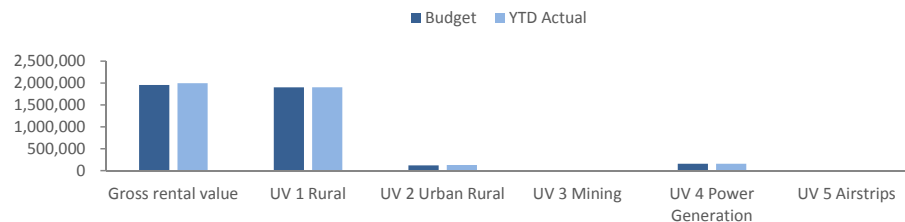
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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
RATE TYPE				\$	\$	\$	\$	\$	\$	\$	\$
<b>Gross rental value</b>											
Gross rental value	0.10796	1,233	18,121,363	1,956,328	0	0	1,956,328	1,996,493	0	0	1,996,493
<b>Unimproved value</b>											
UV 1 Rural	0.01963	312	96,912,472	1,902,198	0	0	1,902,198	1,903,040	0	0	1,903,040
UV 2 Urban Rural	0.03163	44	3,790,003	119,874	0	0	119,874	119,878	1,130	7,381	128,389
UV 3 Mining	0.03743	9	142,094	5,318	0	0	5,318	5,319	0	0	5,319
UV 4 Power Generation	0.03743	13	4,211,511	157,620	0	0	157,620	157,636	0	0	157,636
UV 5 Airstrips	0.03743	1	168,012	6,288	0	0	6,288	6,288	0	0	6,288
<b>Sub-Total</b>		<b>1,612</b>	<b>123,345,455</b>	<b>4,147,626</b>	<b>0</b>	<b>0</b>	<b>4,147,626</b>	<b>4,188,654</b>	<b>1,130</b>	<b>7,381</b>	<b>4,197,165</b>
<b>Minimum payment</b>	<b>Minimum \$</b>										
<b>Gross rental value</b>											
Gross rental value	910	253		230,230	0	0	230,230	227,500	0	0	227,500
<b>Unimproved value</b>											
UV 1 Rural	1,130	125		141,250	0	0	141,250	141,250	0	0	141,250
UV 2 Urban Rural	1,130	38		42,940	0	0	42,940	42,940	0	0	42,940
UV 3 Mining	205	11		2,255	0	0	2,255	2,870	0	0	2,870
UV 4 Power Generation	1,130	3		3,390	0	0	3,390	3,390	0	0	3,390
UV 5 Airstrips	1,130	0		0	0	0	0	0	0	0	0
<b>Sub-total</b>		<b>430</b>	<b>0</b>	<b>420,065</b>	<b>0</b>	<b>0</b>	<b>420,065</b>	<b>417,950</b>	<b>0</b>	<b>0</b>	<b>417,950</b>
<b>Amount from general rates</b>							<b>4,567,691</b>				<b>4,615,115</b>
Ex-gratia rates							59,709				63,201
<b>Total general rates</b>							<b>4,627,400</b>				<b>4,678,316</b>

KEY INFORMATION

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



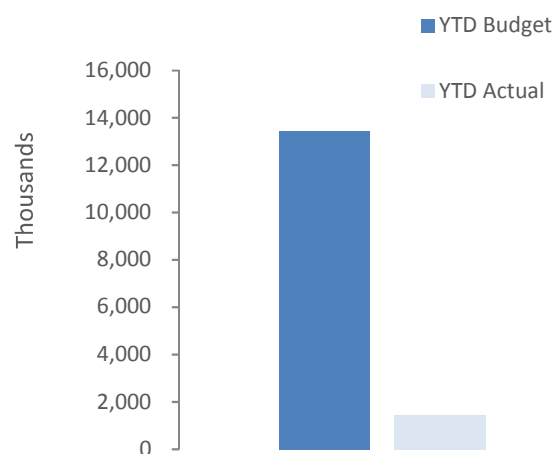
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

**INVESTING ACTIVITIES  
NOTE 8  
CAPITAL ACQUISITIONS**

		Adopted			
Capital acquisitions		Budget	YTD Budget	YTD Actual	YTD Actual Variance
		\$	\$	\$	\$
Buildings - specialised	512	1,729,500	135,501	77,492	(58,009)
Plant and equipment	530	1,501,400	306,075	235,836	(70,239)
Infrastructure - roads	540	3,589,166	1,114,212	926,440	(187,772)
Infrastructure - footpaths	560	200,000	93,801	62,523	(31,278)
Infrastructure - drainage	550	60,000	0	0	0
Infrastructure - parks & gardens	570	6,069,200	20,600	41,940	21,340
Infrastructure - user defined 6	590	283,100	0	108,765	108,765
<b>Payments for Capital Acquisitions</b>		<b>13,432,366</b>	<b>1,670,189</b>	<b>1,452,995</b>	<b>(217,194)</b>
<b>Total Capital Acquisitions</b>		<b>13,432,366</b>	<b>1,670,189</b>	<b>1,452,995</b>	<b>(217,194)</b>
<b>Capital Acquisitions Funded By:</b>					
		\$	\$	\$	\$
Capital grants and contributions		5,885,313	750,471	710,302	(40,169)
Borrowings		3,039,300	0	0	0
Other (disposals & C/Fwd)		312,500	0	0	0
Cash backed reserves					
Plant Replacement Reserve		831,800	0	0	0
Buildings Reserve		158,170	0	0	0
Unspent Capital Works Reserve		150,000	0	0	0
Apex Park Redevelopment Reserve		286,300	0	0	0
Contribution - operations		2,768,983	919,718	742,693	(177,025)
<b>Capital funding total</b>		<b>13,432,366</b>	<b>1,670,189</b>	<b>1,452,995</b>	<b>(217,194)</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.



**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

**FINANCING ACTIVITIES  
NOTE 9  
BORROWINGS**

**Repayments - borrowings**

Information on borrowings		1 July 2021	New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
Particulars	Loan No.		Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
		\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Education and welfare</b>										
Loan 217 CEACA	217	382,225			0	58,830	382,225	323,395	0	11,580
<b>Housing</b>										
Proposed Loan	218	0		900,000		0	0	900,000		0
<b>Recreation and culture</b>										
Proposed Loan	219	0	0	2,139,300	0	0	0	2,139,300	0	0
<b>B/Fwd Balance</b>		382,225	0	3,039,300	0	58,830	382,225	3,362,695	0	11,580



**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

**FINANCING ACTIVITIES  
NOTE 9  
BORROWINGS**

**Repayments - borrowings**

Information on borrowings		1 July 2021	New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
Particulars	Loan No.		Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
		\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>C/Fwd Balance</b>		382,225	0	3,039,300	0	58,830	382,225	3,362,695	0	11,580
<b>Self supporting loans</b>										
<b>Education and welfare</b>										
Loan 215 Merritville	215	295,246	0		0	33,410	295,246	261,836	0	14,180
		295,246	0	0	0	33,410	295,246	261,836	0	14,180
<b>Total</b>		677,471	0	3,039,300	0	92,240	677,471	3,624,531	0	25,760
Current borrowings		92,240					(45,688)			
Non-current borrowings		585,231					723,159			
		677,471					677,471			

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 30 SEPTEMBER 2021**

**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
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Employee Entitlements Reserve	371,819	2,910	0	0	0	0	0	374,729	371,819
Plant Replacement Reserve	1,169,705	5,040	0	305,000	0	(831,800)	0	647,945	1,169,705
Buildings Reserve	1,037,279	8,130	0	0	0	(158,170)	0	887,239	1,037,279
Land & Development Reserve	1,577,583	12,360	0	0	0	0	0	1,589,943	1,577,583
Recreation Reserve	913,356	7,160	0	0	0	0	0	920,516	913,356
Disaster Relief Reserve	248,018	1,940	0	0	0	0	0	249,958	248,018
Cummings St Units Reserve	61,436	480	0	0	0	0	0	61,916	61,436
Waste Management Reserve	375,587	2,940	0	0	0	0	0	378,527	375,587
Unspent Capital Works Reserve	358,837	1,640	0	0	0	(150,000)	0	210,477	358,837
ICT Reserve	317,530	2,490	0	0	0	0	0	320,020	317,530
Apex Park Redevelopment Reserve	403,136	920	0	0	0	(286,300)	0	117,756	403,136
Road Construction - Merredin-Narembene I	0	0	0	0	0	0	0	0	0
	<b>6,834,286</b>	<b>46,010</b>	<b>0</b>	<b>305,000</b>	<b>0</b>	<b>(1,426,270)</b>	<b>0</b>	5,759,026	<b>6,834,286</b>

**KEY INFORMATION**

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

**NOTE 15  
EXPLANATION OF MATERIAL VARIANCES**

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

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

Reporting Program	Var. \$	Var. %	Timing/ Permanent	Explanation of Variance
	\$	%		
<b>Revenue from operating activities</b>				
Governance	27,689	425.92%	▲ Permanent	Unbudgeted contribution to employee benefit - will offset termination payout and need to be adjusted with employee provisions.
General purpose funding - other	(39,472)	(10.62%)	▼ Timing	Advance payment of 2021-22 grant
Law, order and public safety	(28,773)	(94.26%)	▼ Timing	Timing of grant fund receipts
Recreation and culture	(79,272)	(50.30%)	▼ Timing	Timing of grant fund receipts
Transport	166,801	69.26%	▲ Timing	Direct Road Grant received earlier than budgeted
Economic services	(15,200)	(36.51%)	▼ Timing	Timing of Visitors' Centre Revenue
<b>Expenditure from operating activities</b>				
Governance	42,648	20.61%	▲ Timing	Timing of major subscriptions
General purpose funding	19,862	57.76%	▲ Timing	Timing of debt collection costs & rates write-offs
Law, order and public safety	59,315	37.96%	▲ Timing	Timing of ranger and plant maintenance costs; and Depreciation not yet charged in 2021-22.
Education and welfare	24,518	46.59%	▲ Timing	Depreciation not yet charged in 2021-22
Housing	43,145	50.79%	▲ Timing	Depreciation not yet charged in 2021-22
Recreation and culture	288,002	35.00%	▲ Timing	Depreciation not yet charged in 2021-22
Transport	611,207	65.02%	▲ Timing	Depreciation not yet charged in 2021-22
Economic services	23,019	11.68%	▲ Timing	Timing of Visitors' Centre costs
Other property and services	(19,229)	(18.79%)	▼ Timing	Timing of audit fees
<b>Investing activities</b>				
Payments for property, plant and equipment and infrastructure	217,194	13.00%	▲ Timing	Mainly timing of grant-funded CEACA project.