

SHIRE OF MERREDIN

MONTHLY FINANCIAL REPORT

(Containing the required statement of financial activity and statement of financial position)

For the period ended 31 August 2026

LOCAL GOVERNMENT ACT 1995

LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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SHIRE OF MERREDIN
STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 AUGUST 2026

	Adopted Budget Estimates	YTD Budget Estimates	YTD Actual	Variance* \$	Variance* %	Var.
Note	(a) \$	(b) \$	(c) \$	(c) - (b) \$	((c) - (b))/(b) %	
OPERATING ACTIVITIES						
Revenue from operating activities						
General rates	6,145,418	6,145,418	6,011,343	(134,075)	(2.18%)	
Rates excluding general rates	97,000	97,000	97,042	42	0.04%	
Grants, subsidies and contributions	1,645,800	550,464	184,745	(365,719)	(66.44%)	▼
Fees and charges	658,950	109,826	1,063,310	953,484	868.18%	▲
Interest revenue	463,800	77,300	68,398	(8,902)	(11.52%)	
Other revenue	398,650	71,680	30,402	(41,278)	(57.59%)	▼
Profit on asset disposals	94,100	15,684	0	(15,684)	(100.00%)	▼
	9,503,718	7,067,372	7,455,240	387,868	5.49%	
Expenditure from operating activities						
Employee costs	(4,870,450)	(811,762)	(627,812)	183,950	22.66%	▲
Materials and contracts	(4,389,950)	(728,944)	(1,854,412)	(1,125,468)	(154.40%)	▼
Utility charges	(628,070)	(105,494)	(85,436)	20,058	19.01%	▲
Depreciation	(6,206,050)	(1,034,348)	0	1,034,348	100.00%	▲
Finance costs	(70,450)	(13,668)	(33,046)	(19,378)	(141.78%)	▼
Insurance	(310,250)	(155,125)	(6,471)	148,654	95.83%	▲
Other expenditure	(435,500)	(72,580)	(2,494)	70,086	96.56%	▲
Loss on asset disposals	(250)	(42)	0	42	100.00%	
	(16,910,970)	(2,921,963)	(2,609,671)	312,292	10.69%	
Non cash amounts excluded from operating activities	2(c) 6,112,200	1,018,706	0	(1,018,706)	(100.00%)	▼
Amount attributable to operating activities	(1,295,052)	5,164,115	4,845,569	(318,546)	(6.17%)	
INVESTING ACTIVITIES						
Inflows from investing activities						
Proceeds from capital grants, subsidies and contributions	4,512,000	752,000	473,188	(278,812)	(37.08%)	▼
Proceeds from disposal of assets	283,550	47,258	0	(47,258)	(100.00%)	▼
Proceeds from financial assets at amortised cost - self supporting loans	112,800	18,800	0	(18,800)	(100.00%)	▼
	4,908,350	818,058	473,188	(344,870)	(42.16%)	
Outflows from investing activities						
Purchase of property, plant and equipment	(2,657,400)	(442,900)	0	442,900	100.00%	▲
Purchase and construction of infrastructure	(5,804,900)	(967,483)	0	967,483	100.00%	▲
	(8,462,300)	(1,410,383)	0	1,410,383	100.00%	
Amount attributable to investing activities	(3,553,950)	(592,325)	473,188	1,065,513	179.89%	
FINANCING ACTIVITIES						
Inflows from financing activities						
Transfer from reserves	9,900	1,650	0	(1,650)	(100.00%)	
	9,900	1,650	0	(1,650)	(100.00%)	
Outflows from financing activities						
Repayment of borrowings	(243,300)	(40,550)	(99,334)	(58,784)	(144.97%)	▼
Transfer to reserves	(1,296,400)	(216,067)	(50,758)	165,309	76.51%	▲
	(1,539,700)	(256,617)	(150,092)	106,525	41.51%	
Amount attributable to financing activities	(1,529,800)	(254,967)	(150,092)	104,875	41.13%	
MOVEMENT IN SURPLUS OR DEFICIT						
Surplus or deficit at the start of the financial year	2(a) 6,392,026	1,065,338	6,392,026	5,326,688	500.00%	▲
Amount attributable to operating activities	(1,295,052)	5,164,115	4,845,569	(318,546)	(6.17%)	
Amount attributable to investing activities	(3,553,950)	(592,325)	473,188	1,065,513	179.89%	▲
Amount attributable to financing activities	(1,529,800)	(254,967)	(150,092)	104,875	41.13%	▲
Surplus or deficit after imposition of general rates	13,224	5,382,161	11,560,691	6,178,530	114.80%	▲

KEY INFORMATION

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

▲ Indicates a variance with a positive impact on the financial position.

▼ Indicates a variance with a negative impact on the financial position.

Refer to Note 3 for an explanation of the reasons for the variance.

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

SHIRE OF MERREDIN
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 31 AUGUST 2026

	Actual 30 June 2026	Actual as at 31 August 2026
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	17,016,594	15,766,367
Trade and other receivables	546,565	6,453,656
Other financial assets	42,642	(76,325)
Inventories	84,974	126,703
TOTAL CURRENT ASSETS	17,759,127	22,338,753
NON-CURRENT ASSETS		
Trade and other receivables	116,303	116,303
Other financial assets	339,495	339,495
Inventories	82,906	82,906
Property, plant and equipment	29,128,245	29,128,713
Infrastructure	213,045,688	213,045,688
TOTAL NON-CURRENT ASSETS	242,712,637	242,713,105
TOTAL ASSETS	260,471,764	265,051,858
CURRENT LIABILITIES		
Trade and other payables	921,900	182,353
Other liabilities	8,313	108,530
Borrowings	243,268	143,935
Employee related provisions	532,407	532,407
TOTAL CURRENT LIABILITIES	1,705,888	967,225
NON-CURRENT LIABILITIES		
Borrowings	1,168,937	1,168,937
Employee related provisions	146,527	146,527
TOTAL NON-CURRENT LIABILITIES	1,315,464	1,315,464
TOTAL LIABILITIES	3,021,352	2,282,689
NET ASSETS	257,450,412	262,769,169
EQUITY		
Retained surplus	63,942,219	69,260,976
Reserve accounts	8,452,875	8,452,875
Revaluation surplus	185,055,318	185,055,318
TOTAL EQUITY	257,450,412	262,769,169

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

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

BASIS OF PREPARATION

This prescribed financial report has been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996*, prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

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.

Local Government (Financial Management) Regulations 1996, regulation 34 prescribes contents of the financial report. Supplementary information does not form part of the financial report.

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.

PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 31 August 2026

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.

MATERIAL ACCOUNTING POLICES

Material accounting policies utilised in the preparation of these statements are as described within the 2024-25 Annual Budget. Please refer to the adopted budget document for details of these policies.

Critical accounting estimates and judgements

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 that are not readily apparent from other sources. Actual results may differ from these estimates.

As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the financial report.

The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and further information on their nature and impact can be found in the relevant note:

- Fair value measurement of assets carried at reportable value including:
 - Property, plant and equipment
 - Infrastructure
- Impairment losses of non-financial assets
- Expected credit losses on financial assets
- Measurement of Employee benefits

SHIRE OF MERREDIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 AUGUST 2026

2 NET CURRENT ASSETS INFORMATION

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

Current assets

Cash and cash equivalents
Trade and other receivables
Other financial assets
Inventories
Other assets

Less: current liabilities

Trade and other payables
Capital grant/contribution liability
Borrowings
Employee related provisions
LG Professional Wheatbelt Branch Funds
Other Liabilities

Net current assets

Less: Total adjustments to net current assets

Closing funding surplus / (deficit)

Note	Adopted Budget Opening 1 July 2026	Actual as at 30 June 2026	Actual as at 31 August 2026
	\$	\$	\$
	12,130,654	17,016,594	15,766,367
	680,372	546,570	6,453,656
	112,800	42,642	(76,325)
	84,974	84,974	126,703
	159,396	68,352	68,352
	13,168,196	17,759,132	22,338,753
	(1,430,099)	(921,900)	(182,353)
	(1,482,853)	0	0
	0	(243,268)	(143,935)
	(494,332)	(532,407)	(532,407)
	(8,313)	(8,313)	(8,763)
	0	0	(100,217)
	(3,415,597)	(1,705,888)	(967,675)
	9,752,599	16,053,244	21,371,078
2(b)	(9,739,375)	(8,209,607)	(8,359,698)
	13,224	7,843,637	13,011,380

(b) Current assets and liabilities excluded from budgeted deficiency

Adjustments to net current assets

Less: Reserve accounts
- Current portion of borrowings

Total adjustments to net current assets

	(9,739,375)	(8,452,875)	(8,503,633)
	0	243,268	143,935
2(a)	(9,739,375)	(8,209,607)	(8,359,698)

Adopted Budget Estimates	YTD Budget Estimates	YTD Actual
30 June 2027	31 August 2026	31 August 2026
\$	\$	\$

(c) Non-cash amounts excluded from operating activities

Adjustments to operating activities

Less: Profit on asset disposals
Add: Loss on asset disposals
Add: Depreciation
- Pensioner deferred rates
- Inventory (land held for sale)
- Employee provisions

Total non-cash amounts excluded from operating activities

(94,100)	(115,045)	0
250	369,910	0
6,206,050	5,818,138	0
0	10,162	10,162
0	101,094	101,094
0	(42,738)	0
6,112,200	6,141,521	111,256

SHIRE OF MERREDIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 AUGUST 2026

3 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 2026-27 year is \$10,000 and 10.00% whichever is the greater.

Description	Var. \$	Var. %	
	\$	%	
Revenue from operating activities			
Grants, subsidies and contributions	(365,719)	(66.44%)	▼
Mapping issue from old system to new, this is being worked on by the finance team.			
Fees and charges	953,484	868.18%	▲
Mapping issue from old system to new, this is being worked on by the finance team.			
Other revenue	(41,278)	(57.59%)	▼
Variance due to budget being adopted at end of July. Activities will occur later in the year.		Timing	
Profit on asset disposals	(15,684)	(100.00%)	▼
Disposal of assets scheduled for later in the year.		Timing	
Expenditure from operating activities			
Employee costs	183,950	22.66%	▲
Organisational vacancies have contributed to under budget employee costs spend to date. Allocation of workers compensation as part of the Shire's insurance, will occur in November.			
Materials and contracts	(1,125,468)	(154.40%)	▼
Materials and Contracts expenditure is higher than budgeted due to a large number of creditor payments made in July and August.		Timing	
Utility charges	20,058	19.01%	▲
Utility costs lower than budgeted to date.		Timing	
Depreciation	1,034,348	100.00%	▲
Depreciation has not yet been run for July and August. This will occur after finalisation of the Annual Financial Statements.		Timing	
Insurance	148,654	95.83%	▲
Insurance payments will be allocated to accounts once second payment made to insurer around November.		Timing	
Other expenditure	70,086	96.56%	▲
Mapping issue from old system to new, this is being worked on by the finance team.			
Inflows from investing activities			
Proceeds from capital grants, subsidies and contributions	(278,812)	(37.08%)	▼
Milestone payments not yet received, particularly in relation to Crooks road.		Timing	
Proceeds from disposal of assets	(47,258)	(100.00%)	▼
Disposals scheduled for later in the year.		Timing	
Outflows from investing activities			
Purchase of property, plant and equipment	442,900	100.00%	▲
Variance due to Capital expenditure not occurring until later in the year.		Timing	
Purchase and construction of infrastructure	967,483	100.00%	▲
Variance due to Capital expenditure not occurring until later in the year.		Timing	

SHIRE OF MERREDIN
SUPPLEMENTARY INFORMATION
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BASIS OF PREPARATION - SUPPLEMENTARY INFORMATION

Supplementary information is presented for information purposes. The information does not comply with the disclosure requirements of the Australian Accounting Standards.

SHIRE OF MERREDIN
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED 31 AUGUST 2026

1 KEY INFORMATION

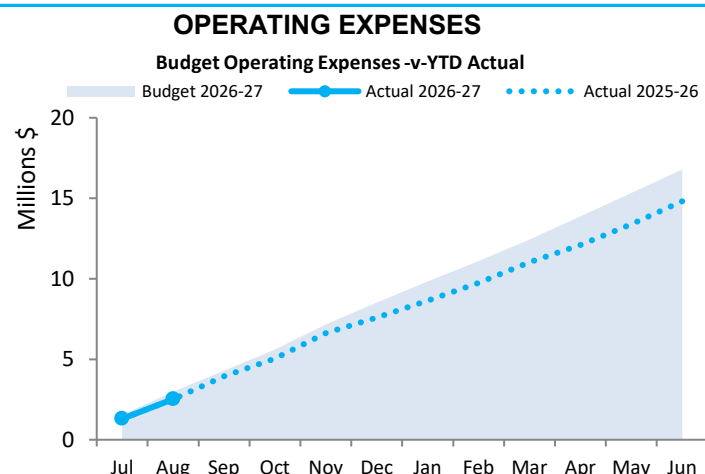
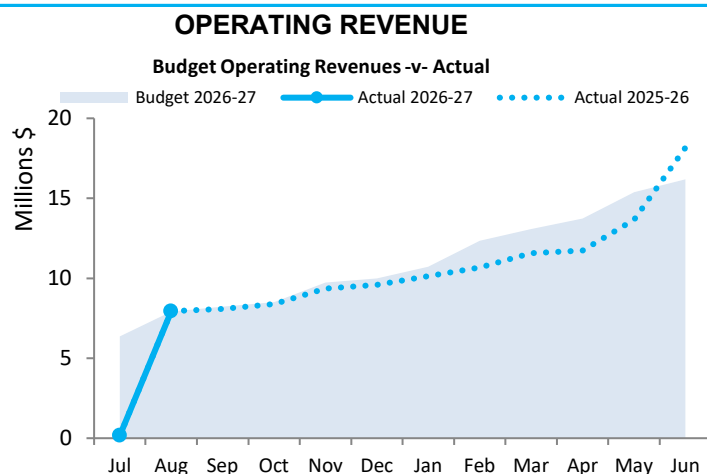
Funding Surplus or Deficit Components				
Funding surplus / (deficit)				
	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
Opening	\$6.39 M	\$1.07 M	\$6.39 M	\$5.33 M
Closing	\$0.01 M	\$5.38 M	\$11.56 M	\$6.18 M
Refer to Statement of Financial Activity				
Cash and cash equivalents			Payables	
	\$15.77 M	% of total	\$0.18 M	% Outstanding
Unrestricted Cash	\$7.26 M	46.1%	Trade Payables	\$0.00 M
Restricted Cash	\$8.50 M	53.9%	0 to 30 Days	44.1%
			Over 30 Days	55.9%
			Over 90 Days	0.9%
Refer to 3 - Cash and Financial Assets			Refer to 9 - Payables	
			Receivables	
			\$0.23 M	% Collected
			\$6.22 M	8.8%
			\$0.23 M	% Outstanding
			Over 30 Days	(83.2%)
			Over 90 Days	(142.8%)
Refer to 3 - Cash and Financial Assets			Refer to 7 - Receivables	
Key Operating Activities				
Amount attributable to operating activities				
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	
(\$1.30 M)	\$5.16 M	\$4.85 M	(\$0.32 M)	
Refer to Statement of Financial Activity				
Rates Revenue			Grants and Contributions	
YTD Actual	\$6.01 M	% Variance	YTD Actual	\$0.52 M
YTD Budget	\$6.15 M	(2.2%)	YTD Budget	\$0.55 M
				(5.9%)
			Refer to 12 - Grants and Contributions	
			Fees and Charges	
YTD Actual	\$1.06 M	% Variance	YTD Actual	\$1.06 M
YTD Budget	\$0.11 M	868.2%	YTD Budget	\$0.11 M
			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)	
(\$3.55 M)	(\$0.59 M)	\$0.47 M	\$1.07 M	
Refer to Statement of Financial Activity				
Proceeds on sale			Asset Acquisition	
YTD Actual	\$0.00 M	%	YTD Actual	\$0.00 M
Adopted Budget	\$0.28 M	(100.0%)	Adopted Budget	\$5.80 M
				(100.0%)
Refer to 6 - Disposal of Assets			Refer to 5 - Capital Acquisitions	
			Capital Grants	
YTD Actual	\$0.00 M	% Received	YTD Actual	\$0.00 M
Adopted Budget	\$4.51 M	(100.0%)	Adopted Budget	\$4.51 M
			Refer to 5 - Capital Acquisitions	
Key Financing Activities				
Amount attributable to financing activities				
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	
(\$1.53 M)	(\$0.25 M)	(\$0.15 M)	\$0.10 M	
Refer to Statement of Financial Activity				
Borrowings			Reserves	
Principal repayments	(\$0.10 M)		Reserves balance	\$8.50 M
Interest expense	(\$0.03 M)		Net Movement	\$0.05 M
Principal due	\$1.31 M			
Refer to 10 - Borrowings			Refer to 4 - Cash Reserves	

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

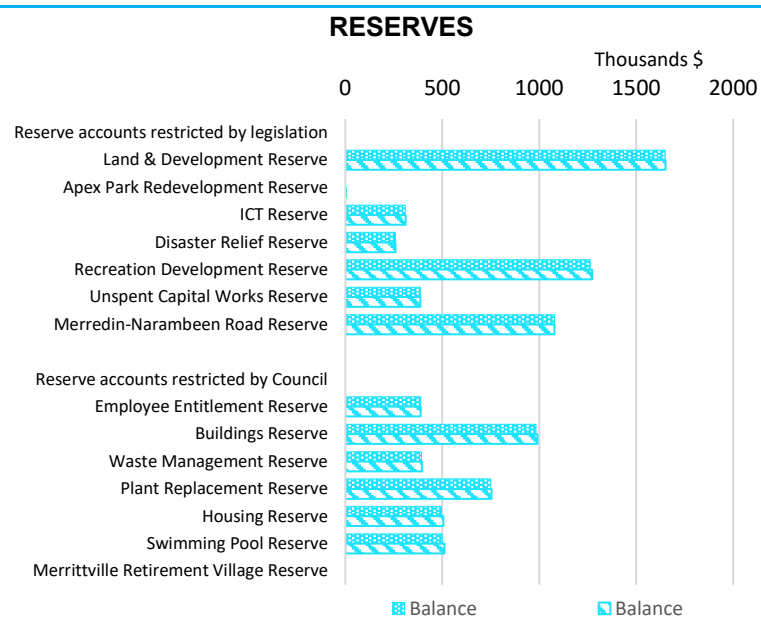
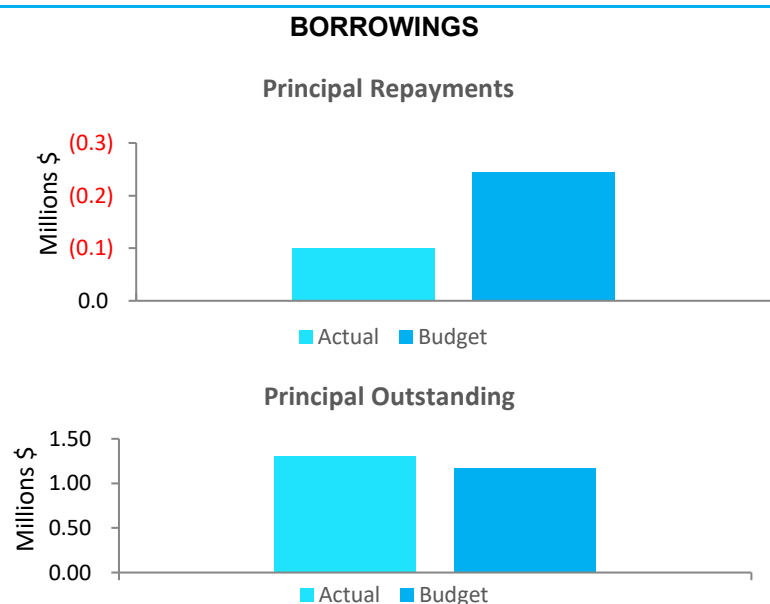
SHIRE OF MERREDIN
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED 31 AUGUST 2026

2 KEY INFORMATION - GRAPHICAL

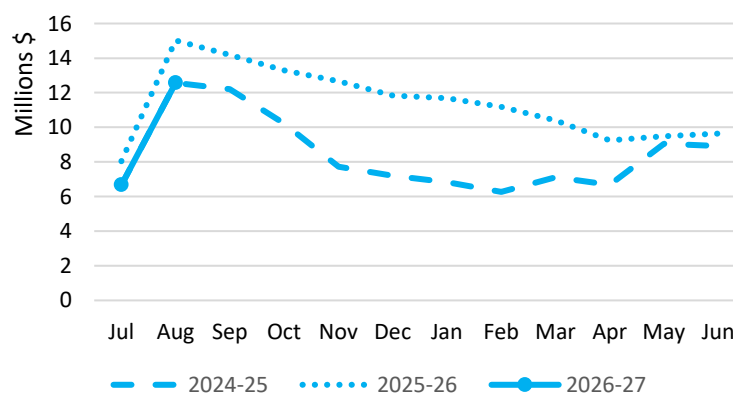
OPERATING ACTIVITIES



FINANCING ACTIVITIES



Closing funding surplus / (deficit)



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

3 CASH AND FINANCIAL ASSETS AT AMORTISED COST

Description	Classification	Unrestricted	Reserve Accounts	Total	Trust	Institution	Interest Rate	Maturity Date
		\$	\$	\$	\$			
Municipal Bank Account	Cash and cash equivalents	5,776,602	0	5,776,602	0	Commonwealth		
Float - Admin	Cash and cash equivalents	300	0	300	0			
Float - VC	Cash and cash equivalents	250	0	250	0			
Float - MRCLC	Cash and cash equivalents	200	0	200	0			
Petty Cash - Cummins Theatre	Cash and cash equivalents	50	0	50	0			
Municipal Investment Account	Cash and cash equivalents	751,018	0	751,018	0	Commonwealth	5.26%	21/05/2027
Municipal Investment Account	Cash and cash equivalents	735,462	0	735,462	0	Commonwealth	4.30%	13/11/2026
Reserve Bank Account	Cash and cash equivalents	0	8,503,633	8,503,633	0	Commonwealth	3.75%	At Call
Trust Cash at Bank	Cash and cash equivalents	0	0	0	8,763	Commonwealth		
Total		7,263,882	8,503,633	15,767,515	8,763			
Comprising								
Cash and cash equivalents		7,263,882	8,503,633	15,767,515	8,763			
		7,263,882	8,503,633	15,767,515	8,763			

KEY INFORMATION

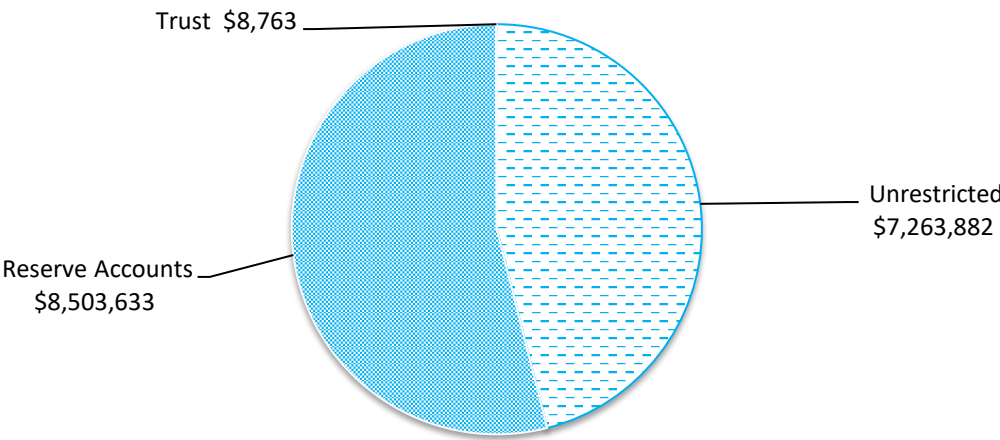
Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of 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 8 - Other assets.



SHIRE OF MERREDIN
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED 31 AUGUST 2026

4 RESERVE ACCOUNTS

Reserve account name	Budget				Actual			
	Opening	Transfers	Transfers	Closing	Opening	Transfers	Transfers	Closing
	Balance	In (+)	Out (-)	Balance	Balance	In (+)	Out (-)	Balance
	\$	\$	\$	\$	\$	\$	\$	\$
Reserve accounts restricted by legislation								
Land & Development Reserve	1,648,776	60,000	0	1,708,776	1,648,776	2,183	0	1,650,959
Apex Park Redevelopment Reserve	0	10,000	0	10,000	0	1,066	0	1,066
ICT Reserve	309,943	15,000	0	324,943	309,943	1,117	0	311,060
Disaster Relief Reserve	259,071	0	0	259,071	259,071	0	0	259,071
Recreation Development Reserve	1,261,731	160,000	0	1,421,731	1,261,731	11,065	0	1,272,796
Unspent Capital Works Reserve	386,143	0	0	386,143	386,143	0	0	386,143
Merredin-Narambeen Road Reserve	1,078,039	0	(9,900)	1,068,139	1,078,039	0	0	1,078,039
Reserve accounts restricted by Council								
Employee Entitlement Reserve	388,389	0	0	388,389	388,389	0	0	388,389
Buildings Reserve	983,744	150,000	0	1,133,744	983,744	6,599	0	990,343
Waste Management Reserve	392,509	60,000	0	452,509	392,509	2,183	0	394,692
Plant Replacement Reserve	749,618	120,000	0	869,618	749,618	4,416	0	754,034
Housing Reserve	494,912	250,000	0	744,912	494,912	11,065	0	505,977
Swimming Pool Reserve	500,000	250,000	0	750,000	500,000	11,065	0	511,065
Merrittville Retirement Village Reserve	0	221,400	0	221,400	0	0	0	0
	8,452,875	1,296,400	(9,900)	9,739,375	8,452,875	50,758	0	8,503,633

5 CAPITAL ACQUISITIONS

Capital acquisitions		Adopted		YTD Actual	YTD Variance
		Budget	YTD Budget		
		\$	\$	\$	\$
Buildings - non-specialised	514	64,000	10,667	0	-10,667
Buildings - specialised	512	1,866,400	311,067	0	-311,067
Furniture and equipment	520	25,000	4,167	0	-4,167
Plant and equipment	530	702,000	117,000	0	-117,000
Acquisition of property, plant and equipment		2,657,400	442,900	0	-442,900
Infrastructure - roads	540	5,006,500	834,417	0	-834,417
Infrastructure - Footpaths	560	280,000	46,667	0	-46,667
Infrastructure - Drainage	550	250,000	41,667	0	-41,667
Infrastructure - Parks & Gardens	570	73,150	12,192	0	-12,192
Infrastructure - Other	590	195,250	32,542	0	-32,542
Acquisition of infrastructure		5,804,900	967,483	0	-967,483
Total of PPE and Infrastructure		8,462,300	1,410,383	0	-1,410,383
Total capital acquisitions		8,462,300	1,410,383	0	-1,410,383
Capital Acquisitions Funded By:					
Capital grants and contributions		4,512,000	752,000	0	-752,000
Other (disposals & C/Fwd)		283,550	47,258	0	-47,258
Merredin-Narabbeen Road Reserve		9,900	1,650	0	-1,650
Contribution - operations		3,656,850	609,475	0	-609,475
Capital funding total		8,462,300	1,410,383	0	-1,410,383

KEY INFORMATION

Initial recognition

An item of property, plant and equipment or infrastructure that qualifies for recognition as an asset is measured at its cost.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the 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. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition.

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 *Local Government (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.

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the Shire's revaluation policy, are recognised at cost and disclosed as being at reportable value.

Measurement after recognition

Plant and equipment including furniture and equipment and right-of-use assets (other than vested improvements) are measured using the cost model as required under *Local Government (Financial Management) Regulation 17A(2)*. Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses being their reportable value.

Reportable Value

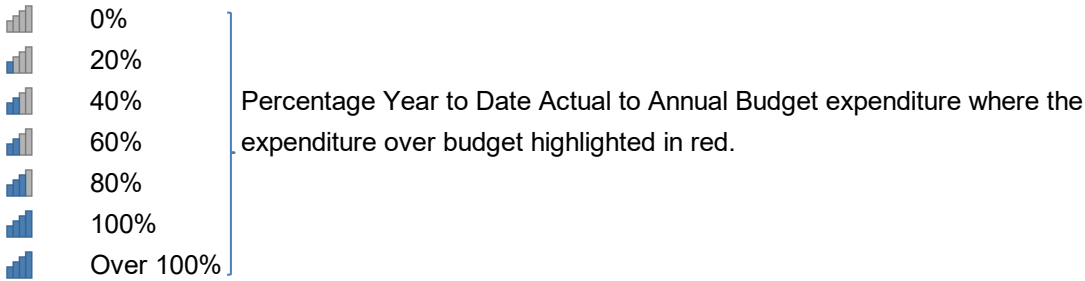
In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the carrying amount of non-financial assets that are land and buildings classified as property, plant and equipment, investment properties, infrastructure or vested improvements that the local government controls.

Reportable value is for the purpose of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date minus (to the extent applicable) the accumulated depreciation and any accumulated impairment losses in respect of the non-financial asset subsequent to its last valuation date.

5 CAPITAL ACQUISITIONS (CONTINUED) - DETAILED

Capital expenditure total

Level of completion indicators



		Adopted		YTD Actual	Variance (Under)/Over
Account Description		Budget	YTD Budget		
		\$	\$	\$	\$
Function 5	Law, Order, Public Safety				
IC003	CCTV (Capital)	40,000	6,667	0	6,667
BC030	Bush Fire Sheds Nukarni/ Nokanning (Capital)	950,000	158,333	0	158,333
Function 8	Senior Citizens				
BC029	Merrittville Retirement Village	30,000	5,000	0	5,000
Function 9	Housing				
HC09001	House 5 Dobson Way - Building (Capital)	20,000	3,333	0	3,333
HC09003	House 9 Cummings Crescent - Building (Capital)	10,000	1,667	0	1,667
HC09005	House 17 Cummings Crescent - Building (Capital)	8,000	1,333	0	1,333
HC09006	House 4 Cohn Street - Building (Capital)	8,000	1,333	0	1,333
HC09014	House 56 Kitchener Road - Building (Capital)	18,000	3,000	0	3,000
Function11	Recreation and Culture				
BC002	Cummins Theatre - Building (Capital)	155,000	25,833	0	25,833
BC004	North Merredin Library - Building (Capital)	7,000	1,167	0	1,167
BC005	Old Administration Building - Building (Capital)	13,500	2,250	0	2,250
BC009	Senior Citizens Centre Building - Building (Capital)	26,000	4,333	0	4,333
BC010	Muntadgin Hall - Building (Capital)	6,000	1,000	0	1,000
BC013	Burracoppin Sports Pavillion - Building (Capital)	25,000	4,167	0	4,167
BC023	MRCLC - Building (Capital)	598,900	99,817	0	99,817
IC001	Swimming Pool Infrastructure (Capital)	50,000	8,333	0	8,333
IC002	Swimming Pool Slide (Capital)	30,000	5,000	0	5,000
IC004	Hydrotherapy Pool (Capital)	20,000	3,333	0	3,333
IC005	MRCLC Playground	15,000	2,500	0	2,500
IC008	MRCLC Rollerdoor Barriers	7,000	1,167	0	1,167
PC007	CBD Upgrade	43,150	7,192	0	7,192
PC035	Water Tower	15,000	2,500	0	2,500
FEC001	Library Furniture & Equipment (Capital)	20,000	3,333	0	3,333
FEC002	Cummins Theatre Furniture & Equipment (Capital)	5,000	833	0	833
Function 12	Transport				
BC026	Depot Buildings	50,000	8,333	0	8,333
CPC001	Newfields Carpark (Capital)	40,000	6,667	0	6,667
DC145	King Street - Drainage Capital	250,000	41,667	0	41,667
FC000	Footpath Construction General (Budgeting Only)	200,000	33,333	0	33,333
FC135B	Barrack Street South Side - Footpath Capital	5,000	833	0	833
FC137	Mitchell Street - Footpath Capital	30,000	5,000	0	5,000
FC176	Cummings Street - Footpath Capital	45,000	7,500	0	7,500
HVS071	Crooks Road HVS Capital	1,020,250	170,042	0	170,042
LMC12001	Line Marking (Capital)	25,000	4,167	0	4,167
PEC12001	Plant and Equipment Capital	642,000	107,000	0	107,000
R2R12004	Brissenden Road - R2R Capital	265,200	44,200	0	44,200
R2R12015	Burracoppin South Road - R2R Capital	155,400	25,900	0	25,900
R2R12033	Booran South Road - R2R Capital	173,000	28,833	0	28,833
R2R12081	Woodward Road - R2R Capital	113,400	18,900	0	18,900
R2R12089	Goldfields Road - R2R Capital	159,500	26,583	0	26,583
R2R12126	Giles Road - R2R Capital	76,650	12,775	0	12,775
R2R12141	Woolgar Ave - R2R Capital	135,000	22,500	0	22,500
R2R12147	Kitchener Road - R2R Capital	251,100	41,850	0	41,850
R2R12150	Throssell Road - R2R Capital	180,000	30,000	0	30,000
RC12015	Burracoppin South Road - Road Capital	695,550	115,925	0	115,925
RC12071	Crooks Road - Road Capital	31,100	5,183	0	5,183
RC12125	Bailey Road - Road Capital	35,000	5,833	0	5,833
RC12134	Bates Street - Road Capital	100,000	16,667	0	16,667
RC12136	Fifth Street - Road Capital	10,000	1,667	0	1,667
RC12236	Merredin-Narembreen Road - Road Capital	149,900	24,983	0	24,983
RRG12015	Burracoppin South Road - RRG Capital	1,390,450	231,742	0	231,742
WT12001	Recycled Water Network Infrastructure (Capital)	8,250	1,375	0	1,375
Function 13	Economic Services				
IC009	Standpipe Swipe Card System (Capital)	100,000	16,667	0	16,667
Function 14	Other Works & Services				
BC001	Administration Building - Building (Capital)	5,000	833	0	833
Total Expenditure		8,462,300	1,410,383	0	1,410,383

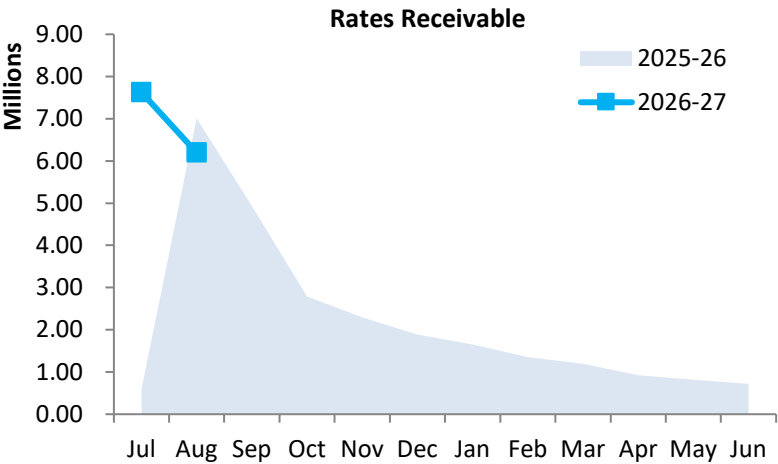
6 DISPOSAL OF ASSETS

Asset Ref. Asset description		Budget				YTD Actual			
		Net Book	Proceeds	Profit	(Loss)	Net Book	Proceeds	Profit	(Loss)
		Value				Value			
		\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment									
630	2022 Toyota kluger	20,150	35,000	14,850	0	0	0	0	0
373	2013 John Deere Skid Steere	8,220	30,000	21,780	0	0	0	0	0
182	2022 Toyota Hilux 4x4 Workmate	27,200	35,000	7,800	0	0	0	0	0
178	2022 Toyota Hilux SR-5	26,650	40,000	13,350	0	0	0	0	0
PCAR39	2023 Mazda CX-8	29,250	30,000	750	0	0	0	0	0
194	2022 Toyota Hilux Ttop	21,201	29,000	7,799	0	0	0	0	0
631	2022 Toyota Hilux TTop	20,250	20,000	0	(250)	0	0	0	0
PCAR40	2024 Isuzu MUX	34,230	42,000	7,770	0	0	0	0	0
193	2000 Trailer Rigid Polmac	2,535	2,535	0	0	0	0	0	0
505	2019 Hako Citymaster	0	20,000	20,000	0	0	0	0	0
		189,685	283,535	94,100	(250)	0	0	0	0



7 RECEIVABLES

Rates receivable	30 Jun 2026	31 Aug 2026
	\$	\$
Opening arrears previous year	645,830	716,247
Levied this year	5,930,451	6,108,385
Less - collections to date	(5,860,034)	(600,455)
Gross rates collectable	716,247	6,224,177
Allowance for impairment of rates receivable		0
Net rates collectable	716,247	6,224,177
% Collected	89.1%	8.8%



Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	(92,270)	109,489	4,177	1,430	(13,424)	9,403
Percentage	(981.3%)	1164.4%	44.4%	15.2%	(142.8%)	
Balance per trial balance						
Trade receivables						9,403
Other receivables - Provisions for Doubtful Debts						111,955
Total receivables general outstanding						229,479

Amounts shown above include GST (where applicable)

KEY INFORMATION

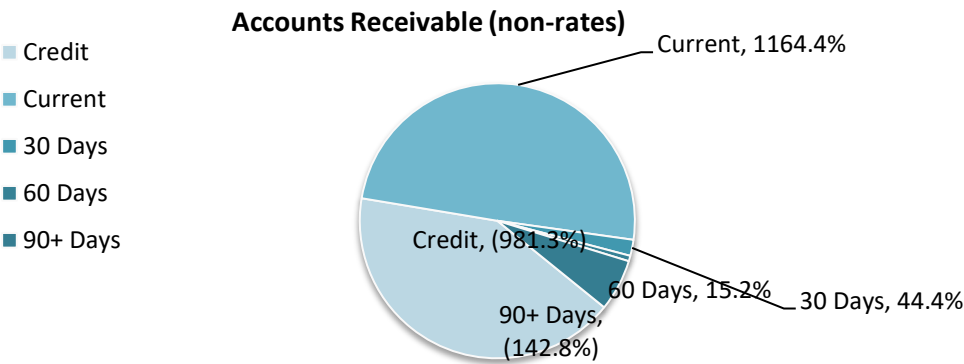
Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

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.



8 OTHER CURRENT ASSETS

	Opening Balance 1 July 2026	Asset Increase	Asset Reduction	Closing Balance 31 August 2026
Other current assets	\$	\$	\$	\$
Other financial assets at amortised cost				
Financial assets at amortised cost - self supporting loans	42,642		(118,967)	(76,325)
Inventory				
Fuel	84,974	41,729	0	126,703
Other assets				
Contract assets	68,352	0	0	68,352
Total other current assets	195,968	41,729	(118,967)	118,730
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.

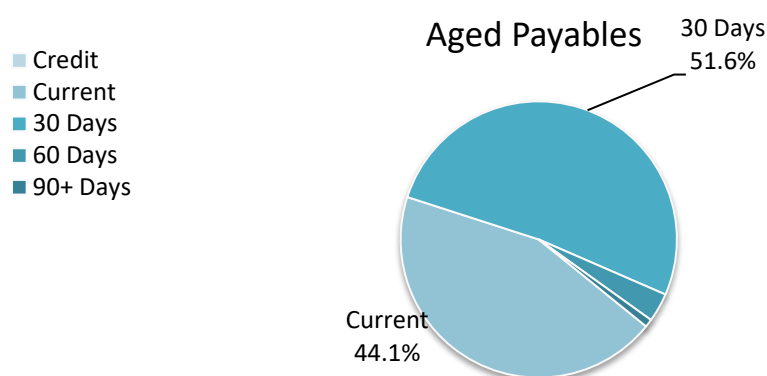
9 PAYABLES

Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	0	78,344	91,497	5,996	1,655	177,492
Percentage	0.0%	44.1%	51.6%	3.4%	0.9%	
Balance per trial balance						
Sundry creditors						0
Accrued salaries and wages						140,853
Other payables						24,188
Accrued Expenses						0
Income in Advance						0
Payroll Creditors						0
PAYG						0
Other Expenses						17,312
Total payables general outstanding						182,353

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.



10 BORROWINGS

Repayments - borrowings

Information on borrowings Particulars		Loan No.	New Loans			Principal Repayments		Principal Outstanding		Interest Repayments	
			1 July 2026	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
			\$	\$	\$	\$	\$	\$	\$	\$	\$
CEACA Housing	217		68,784	0	0	(34,123)	(68,784)	34,661	-0	(1,083)	(2,500)
CBD Redevelopment	219		1,232,787	0	0	(65,211)	(131,850)	1,167,576	1,100,937	(26,897)	(61,800)
			1,301,570	0	0	(99,334)	(200,634)	1,202,237	1,100,936	(27,980)	(64,300)
Self supporting loans											
Merrittville	215		110,635	0	0	0	(42,666)	110,635	67,969	0	(6,150)
			110,635	0	0	0	(42,666)	110,635	67,969	0	(6,150)
Total			1,412,205	0	0	(99,334)	(243,300)	1,312,872	1,168,905	(27,980)	(70,450)
Current borrowings			243,268					143,935			
Non-current borrowings			1,168,937					1,168,937			
			1,412,205					1,312,872			

All debenture repayments were financed by general purpose revenue.
Self supporting loans are financed by repayments from third parties.

KEY INFORMATION

The Shire has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

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.

11 OTHER CURRENT LIABILITIES

	Note	Opening Balance 1 July 2026	Liability transferred from/(to) non current	Liability Increase	Liability Reduction	Closing Balance 31 August 2026
		\$	\$	\$	\$	\$
Other current liabilities						
Other liabilities						
Contract liabilities		0	0	0	0	0
Capital grant/contributions liabilities		0	0	0	0	0
LG Professionals Australia - WA Central Wheatbelt Branch Fund		8,719	0	44	0	8,763
Retention Bonds		0	0			92,717
Total other liabilities		8,719	0	44	0	101,480
Employee Related Provisions						
Provision for annual leave		319,920	0	0	0	319,920
Provision for long service leave		156,061	0	0	0	156,061
Total Provisions		532,407	0	0	0	532,407
Total other current liabilities		541,126	0	44	0	633,887

Amounts shown above include GST (where applicable)

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

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.

12 GRANTS, SUBSIDIES AND CONTRIBUTIONS

Provider	Unspent grant, subsidies and contributions liability					Grants, subsidies and contributions revenue					YTD Revenue Actual
	Liability	Increase in	Decrease in	Liability	Current	Adopted	YTD	Annual	Budget	Expected	
	1 July 2026	Liability	Liability	31 Aug 2026	Liability	Budget	Budget	Budget	Variations		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Grants and subsidies											
GEN PUR - Financial Assistance Grant - General	0	0	0	0	0	327,450	54,575	0	0	0	110,978
GEN PUR - Financial Assistance Grant - Roads	0	0	0	0	0	187,500	31,250	0	0	0	47,373
Law, order, public safety											
ESL BFB - Operating Grant	0	0	0	0	0	78,000	76,975	0	0	0	19,500
ESL SES - Operating Grant	0	0	0	0	0	14,600	2,433	0	0	0	3,650
Education and welfare											
SENIORS - Reimbursements	0	0	0	0	0	6,150	1,025	0	0	0	0
WELFARE - Community Development Grants	0	0	0	0	0	30,000	5,000	0	0	0	0
Community amenities											
SAN - Contributions & Donations	0	0	0	0	0	105,100	104,267	0	0	0	0
SAN - Domestic Refuse Collection	0	0	0	0	0	355,700	112,055	0	0	0	0
SAN - Domestic Recycling Service	0	0	0	0	0	119,000	90,000	0	0	0	0
Recreation and culture											
REC - Grants - Annual Sporting Group Fees	0	0	0	0	0	30,000	5,000	0	0	0	0
Library - Other Grants	0	0	0	0	0	3,000	3,000	0	0	0	3,000
Transport											
ROADM - Street Lighting Subsidy	0	0	0	0	0	24,500	4,083	0	0	0	0
ROADM - Direct Road Grant (MRWA)	0	0	0	0	0	333,300	55,550	0	0	0	333,300
Economic services											
TOURISM-Reimbursements	0	0	0	0	0	5,000	833	0	0	0	245
Reginal Brochure Posting	0	0	0	0	0	300	50	0	0	0	0
Merredin Brochures	0	0	0	0	0	6,200	1,033	0	0	0	0
Other property and services											
SAL - Reimbursement - Parental Leave	0	0	0	0	0	20,000	3,333	0	0	0	0
TOTALS	0	0	0	0	0	1,645,800	550,464	0	0	0	518,045

CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS

Provider	Capital grant/contribution liabilities				Capital grants, subsidies and contributions revenue						
	Liability	Increase in Liability	Decrease in Liability	Liability	Current Liability	Adopted Budget	YTD	Annual	Budget		YTD Revenue
	1 July 2026		(As revenue)	31 Aug 2026	31 Aug 2026	Revenue	Budget	Budget	Variations	Expected	Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital grants and subsidies											
Law, order, public safety											
ESL BFB - Capital Grant	0	0		0	0	900,000	150,000	0	0	0	0
OLOPS - Grants	0	0		0	0	18,000	3,000	0	0	0	0
Transport							0				
ROADC - Regional Road Group Grants (MRWA)	0	0		0	0	947,600	157,933	0	0	0	0
ROADC - Roads to Recovery Grant	0	0		0	0	1,509,200	251,533	0	0	0	0
ROADC - Wheatbelt Secondary Freight Network (WSFN)	0	0		0		139,850	23,308	0	0	0	139,865
ROADC - Heavy Vehicle Safety and Productivity Program	0	0		0	0	927,350	154,558	0	0	0	0
WATER - Community Water Supply Program	0	0		0	0	70,000	11,667	0	0	0	0
TOTALS	0	0	0	0	0	4,512,000	752,000	0	0	0	139,865

SHIRE OF MERREDIN
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED 31 AUGUST 2026

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 Balance 1 July 2026	Amount Received	Amount Paid	Closing Balance 31 August 2026
	\$	\$	\$	\$
LG Professionals Australia - WA Central Wheatbelt Branch Fund	8,719	44	0	8,763
	8,719	44	0	8,763

14 BUDGET AMENDMENTS

Budget adoption
Opening surplus

17