

SHIRE OF MERREDIN

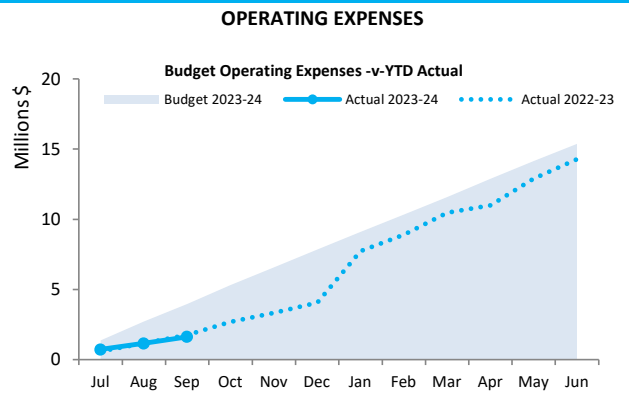
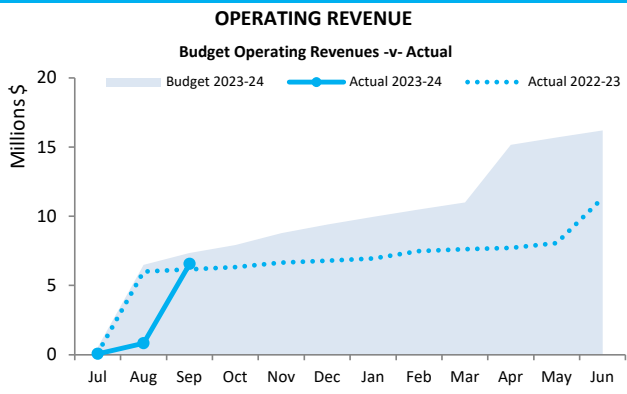
MONTHLY FINANCIAL REPORT
(Containing the Statement of Financial Activity)
For the period ending 30 September 2023

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

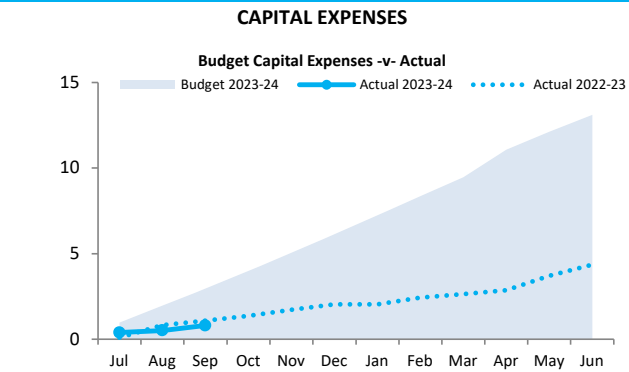
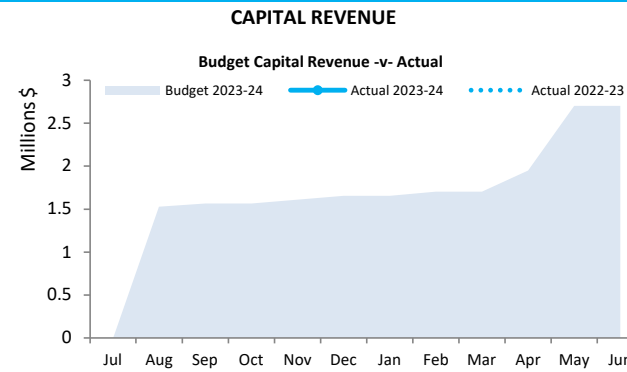
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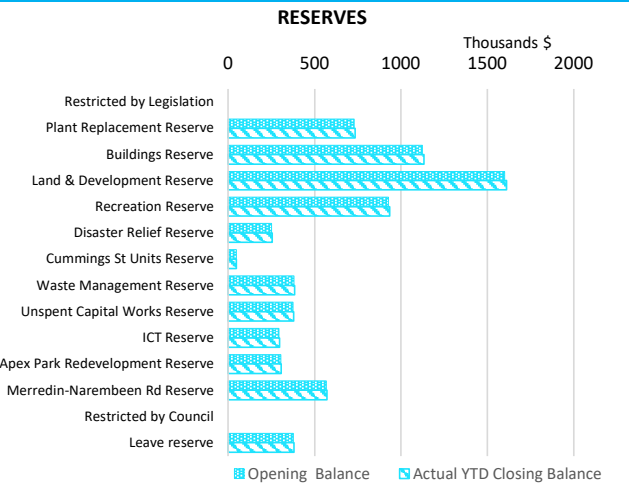
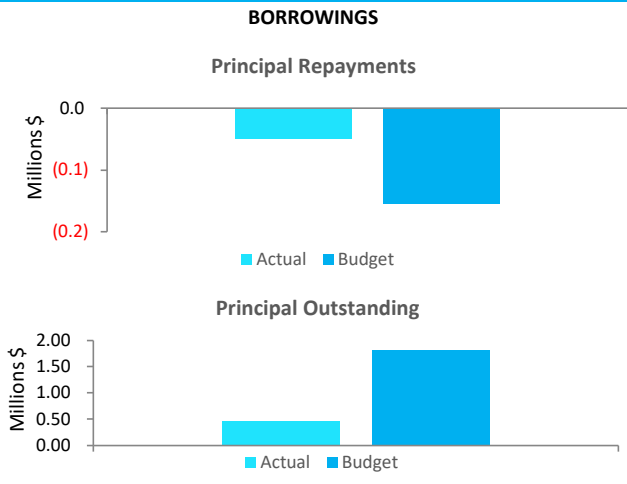
OPERATING ACTIVITIES



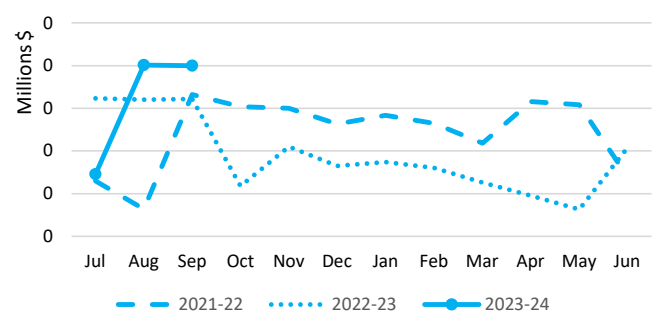
INVESTING ACTIVITIES



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	\$3.60 M	\$3.60 M	\$3.68 M	\$0.09 M
Closing	(\$0.01 M)	\$8.22 M	\$7.99 M	(\$0.23 M)

Refer to Statement of Financial Activity

Cash and cash equivalents		
	\$	% of total
Unrestricted Cash	\$7.16 M	50.5%
Restricted Cash	\$7.03 M	49.5%
Total	\$14.19 M	

Refer to Note 2 - Cash and Financial Assets

Payables		
	\$	% Outstanding
Trade Payables	\$0.00 M	
0 to 30 Days		0.0%
Over 30 Days		0.0%
Over 90 Days		0%

Refer to Note 5 - Payables

Receivables		
	\$	% Collected
Rates Receivable	\$2.38 M	60.6%
Trade Receivable	\$0.99 M	% Outstanding
Over 30 Days		13.2%
Over 90 Days		12.2%

Refer to Note 3 - Receivables

Key Operating Activities

Amount attributable to operating activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$2.16 M)	\$3.61 M	\$4.94 M	\$1.34 M

Refer to Statement of Financial Activity

Rates Revenue		
	\$	% Variance
YTD Actual	\$5.30 M	
YTD Budget	\$5.29 M	0.1%

Refer to Statement of Financial Activity

Operating Grants and Contributions		
	\$	% Variance
YTD Actual	\$0.44 M	
YTD Budget	\$0.12 M	264.6%

Refer to Note 11 - Operating Grants and Contributions

Fees and Charges		
	\$	% Variance
YTD Actual	\$0.65 M	
YTD Budget	\$0.56 M	16.5%

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)
(\$3.92 M)	(\$1.46 M)	(\$0.53 M)	\$0.93 M

Refer to Statement of Financial Activity

Proceeds on sale		
	\$	%
YTD Actual	\$0.00 M	
Adopted Budget	\$0.21 M	(100.0%)

Refer to Note 6 - Disposal of Assets

Asset Acquisition		
	\$	% Spent
YTD Actual	\$0.81 M	
Adopted Budget	\$12.84 M	(93.7%)

Refer to Note 7 - Capital Acquisitions

Capital Grants		
	\$	% Received
YTD Actual	\$0.26 M	
Adopted Budget	\$8.67 M	(97.0%)

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)
\$2.48 M	\$2.48 M	(\$0.10 M)	(\$2.58 M)

Refer to Statement of Financial Activity

Borrowings	
Principal repayments	\$0.05 M
Interest expense	\$0.01 M
Principal due	\$0.46 M

Refer to Note 8 - Borrowings

Reserves	
Reserves balance	\$7.03 M
Interest earned	\$0.05 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 2023

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 2023

BY NATURE OR TYPE

	Ref	Current	Budget	YTD Budget	YTD Actual	Forecast 29 June 2024 Closing	Variance \$	Variance %	Var.
	Note	(a)	(b)	(b)	(c)	(a)-(b)+(c)	(c) - (b)	((c) - (b))/(b)	
		\$	\$	\$	\$	\$	\$	%	
Opening funding surplus / (deficit)	1(c)	3,597,897	3,597,897	3,597,897	3,683,392	3,683,392	85,495	2.38%	
Revenue from operating activities									
Rates		5,292,900	5,292,900	5,292,900	5,298,122	5,298,122	5,222	0.10%	
Operating grants, subsidies and contributions	11	781,364	121,743	121,743	446,045	1,105,666	324,302	266.38%	▲
Fees and charges		877,100	558,357	558,357	650,304	969,047	91,947	16.47%	▲
Interest earnings		213,700	53,427	53,427	108,653	268,926	55,226	103.37%	▲
Other revenue		255,200	68,783	68,783	56,048	242,465	(12,735)	(18.51%)	▼
Profit on disposal of assets	6	113,800	28,449	28,449	0	85,351	(28,449)	(100.00%)	▼
		7,534,064	6,123,659	6,123,659	6,559,172	7,969,577	435,513	7.11%	
Expenditure from operating activities									
Employee costs		(4,549,430)	(1,163,648)	(1,163,648)	(832,872)	(4,218,654)	330,776	28.43%	▲
Materials and contracts		(3,972,505)	(1,019,821)	(1,019,821)	(709,818)	(3,662,502)	310,003	30.40%	▲
Utility charges		(504,200)	(125,190)	(125,190)	(60,105)	(439,115)	65,085	51.99%	▲
Depreciation on non-current assets		(5,876,500)	(1,469,136)	(1,469,136)	0	(4,407,364)	1,469,136	100.00%	▲
Interest expenses		(52,100)	(4,626)	(4,626)	(9,738)	(57,212)	(5,112)	(110.51%)	▼
Insurance expenses		(258,700)	(111,753)	(111,753)	(455)	(147,402)	111,298	99.59%	▲
Other expenditure		(245,600)	(63,473)	(63,473)	(44,172)	(226,299)	19,301	30.41%	▲
Loss on disposal of assets	6	(11,700)	(2,925)	(2,925)	0	(8,775)	2,925	100.00%	▲
		(15,470,735)	(3,960,572)	(3,960,572)	(1,657,160)	(13,167,323)	2,303,412	(58.16%)	
Non-cash amounts excluded from operating activities	1(a)	5,774,400	1,443,612	1,443,612	0	4,330,788	(1,443,612)	(100.00%)	▼
Amount attributable to operating activities		(2,162,271)	3,606,699	3,606,699	4,902,012	(866,958)	1,295,313	35.91%	
Investing activities									
Proceeds from non-operating grants, subsidies and contributions	12	8,672,800	1,224,672	1,224,672	257,330	7,705,458	(967,342)	(78.99%)	▼
Proceeds from disposal of assets	6	205,900	205,900	205,900	0	0	(205,900)	(100.00%)	▼
Proceeds from financial assets at amortised cost - self supporting loans	8	36,800	18,192	18,192	18,192	36,800	0	0.00%	
Payments for property, plant and equipment and infrastructure	7	(12,835,000)	(2,908,252)	(2,908,252)	(827,773)	(10,754,521)	2,080,479	71.54%	▲
Amount attributable to investing activities		(3,919,500)	(1,459,488)	(1,459,488)	(552,251)	(3,012,263)	907,237	(62.16%)	
Financing Activities									
Proceeds from new debentures	8	1,480,000	1,480,000	1,480,000	0	0	(1,480,000)	(100.00%)	▼
Transfer from reserves	9	1,262,100	1,262,100	1,262,100	0	0	(1,262,100)	(100.00%)	▼
Repayment of debentures	8	(154,900)	(154,900)	(154,900)	(49,261)	(49,261)	105,639	68.20%	▲
Transfer to reserves	9	(110,000)	(110,000)	(110,000)	(52,256)	(52,256)	57,744	52.49%	▲
Amount attributable to financing activities		2,477,200	2,477,200	2,477,200	(101,517)	(101,517)	(2,578,717)	(104.10%)	
Closing funding surplus / (deficit)	1(c)	(6,674)	8,222,308	8,222,308	7,931,637	(297,345)	(290,671)	3.54%	

KEY INFORMATION

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

Refer to Note 14 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.

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 30 September 2023

(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 29 June 2024 Closing
Non-cash items excluded from operating activities					
		\$	\$	\$	
Adjustments to operating activities					
Less: Profit on asset disposals	6	(113,800)	(28,449)	0	(85,351)
Add: Loss on asset disposals	6	11,700	2,925	0	8,775
Add: Depreciation on assets		5,876,500	1,469,136	0	4,407,364
Total non-cash items excluded from operating activities		5,774,400	1,443,612	0	4,330,788

(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.

	Notes	Adopted Budget Opening 30 June 2023	Last Year Closing 30 June 2023	Year to Date 30 September 2023
Adjustments to net current assets				
Less: Reserves - restricted cash	9	(7,013,785)	(6,975,873)	(7,028,129)
Less: - Financial assets at amortised cost - self supporting loans	4	(36,834)	(36,834)	(18,642)
Less: User defined		(974,196)	(974,196)	(974,200)
Add: Borrowings	8	99,461	99,461	50,199
Add: Provisions employee related provisions	10	571,585	571,585	571,585
Total adjustments to net current assets		(7,353,769)	(7,315,857)	(7,399,187)

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

Current assets				
Cash and cash equivalents	2	12,218,595	12,218,595	14,189,767
Rates receivables	3	733,267	733,267	2,377,171
Receivables	3	541,296	541,296	989,903
Other current assets	4	253,542	253,542	190,087
Less: Current liabilities				
Payables	5	(769,443)	(769,443)	(427,356)
Borrowings	8	(99,461)	(99,461)	(50,199)
Contract liabilities	10	(1,306,962)	(1,306,962)	(1,307,662)
Provisions	10	(571,585)	(571,585)	(571,585)
Less: Total adjustments to net current assets	1(b)	(7,315,857)	(7,315,857)	(7,399,187)
Closing funding surplus / (deficit)		3,683,392	3,683,392	7,990,940

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		6,739,848		6,739,848					
Petty Cash - Admin		950		950					
Municipal Investment Account		420,842		420,842					
Reserve Bank Account		0	7,028,128	7,028,128					
Total		7,161,639	7,028,128	14,189,768	0				
Comprising									
Cash and cash equivalents		7,161,639	7,028,128	14,189,768	0				
		7,161,639	7,028,128	14,189,768	0				

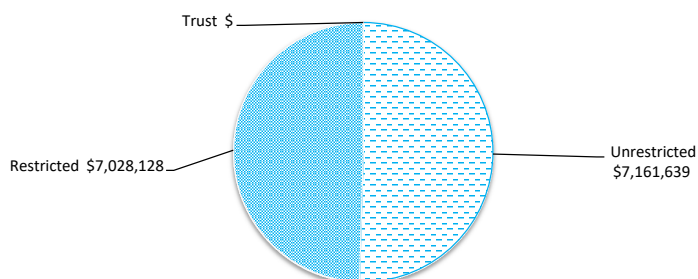
KEY INFORMATION

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.

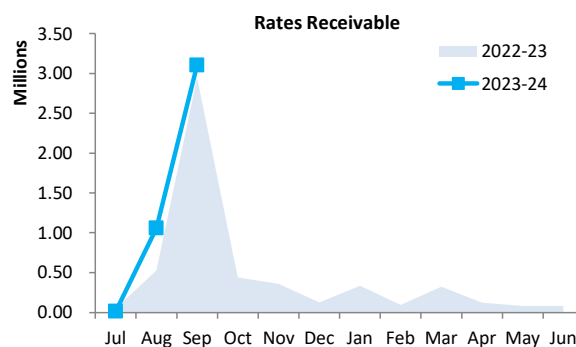
The local government classifies financial assets at amortised cost if both of the following criteria are met:

- 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 2023	30 Sep 2023
	\$	\$
Opening arrears previous years	733,267	733,267
Levied this year		5,298,122
Less - collections to date	0	(3,654,218)
Gross rates collectable	733,267	2,377,171
Net rates collectable	733,267	2,377,171
% Collected	0%	60.6%



Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	1,644	430,331	3,310	1,603	60,529	497,417
Percentage	0.3%	86.5%	0.7%	0.3%	12.2%	
Balance per trial balance						
Sundry receivable						497,417
GST receivable						36,406
Other receivables						184,569
Accrued Income						295,667
Other receivables - Provision for Doubtful Debts						(24,156)
Total receivables general outstanding						989,903

Amounts shown above include GST (where applicable)

KEY INFORMATION

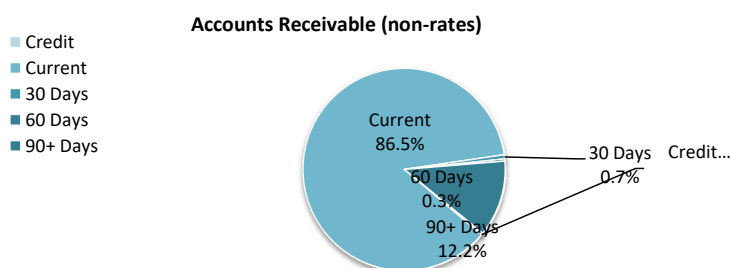
Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

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 2023	Asset Increase	Asset Reduction	Closing Balance 30 September 2023
	\$	\$	\$	\$
Other financial assets at amortised cost				
Financial assets at amortised cost - self supporting loans	36,834		(18,192)	18,642
Inventory				
Fuel	32,708	0	(45,263)	(12,555)
Land held for resale				
Cost of acquisition	184,000		0	184,000
Total other current assets	253,542	0	(63,455)	190,087
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	0	0	0	0	0	0
Percentage	0%	0%	0%	0%	0%	
Balance per trial balance						
Sundry creditors						0
ATO liabilities						39,381
Other payables						261,675
Income in Advance						45,492
PAYG						76,933
Total payables general outstanding						427,356

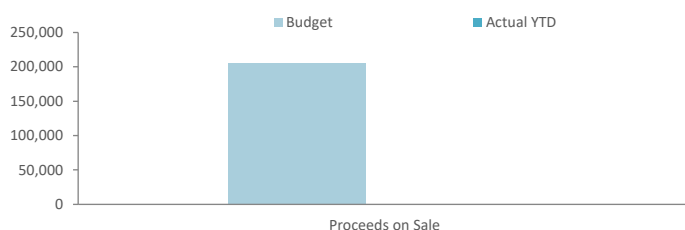
Amounts shown above include GST (where applicable)

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.



Asset Ref.	Asset description	Budget				YTD Actual			
		Net Book		Profit	(Loss)	Net Book		Profit	(Loss)
		Value	Proceeds			Value	Proceeds		
		\$	\$	\$	\$	\$	\$	\$	
	Transport								
617	2020 MITSUBISHI SPORT QF	24,200	43,050	18,850	0				
504	2018 MITSUBISHI ASX LS 2WD	2,900	16,700	13,800	0				
278	805 SQUIRREL SELF PROPELLED ELEVATING PLATFORM	10,200	0	0	(10,200)				
483	KUBOTA RTV-X900W	0	7,500	7,500	0				
193	TRAILER RIGID POLMAC 6 TO 10 TONNE	3,100	5,000	1,900	0				
343	BOMAG BW25RH ROAD ROLLER 2011	8,200	40,000	31,800	0				
505	HAKO CITYMASTER 1600	20,000	18,500	0	(1,500)				
489	2015 HINO 300 SERIES 917 DUMP TRUCK	30,100	43,100	13,000	0				
483	2018 Nissan Navara D23 King Cab 4x2 (Ranger)	2,800	14,950	12,150	0				
506	2019 NISSAN NAVARA TRAY TOP (CONSTRUCTION)	2,300	17,100	14,800	0				
		103,800	205,900	113,800	(11,700)	0	0	0	0



Capital acquisitions	Adopted		YTD Actual	Forecast 30 June Closing	YTD Actual Variance
	Budget	YTD Budget			
	\$	\$	\$		\$
Land				0	0
Land - vested in and under the control of Coun	509	0	0	0	0
Buildings				0	0
Buildings - specialised	512	187,500	15,625	14,210	186,085
Buildings - non-specialised	514	38,800	12,300	13,356	39,856
Furniture and equipment		-	0	0	0
Plant and equipment	530	649,900	157,476	135,606	628,030
Infrastructure - roads	540	5,440,800	1,163,352	616,626	4,894,074
Infrastructure - Footpaths	560	110,800	27,699	0	83,101
Infrastructure - Drainage	550	70,000	0	0	70,000
Infrastructure - Parks & Gardens	570	5,902,700	1,468,176	0	4,434,524
Infrastructure - Other	590	434,500	63,624	28,575	399,451
Payments for Capital Acquisitions	12,835,000	2,908,252	808,373	10,735,121	(2,099,879)
Capital Acquisitions Funded By:					
	\$	\$	\$		\$
Capital grants and contributions	8,672,800	1,224,672	257,330	7,705,458	(967,342)
Borrowings	1,480,000	1,480,000	0	0	(1,480,000)
Lease liabilities	0	0	0	0	0
Other (disposals & C/Fwd)	205,900	205,900	0	0	(205,900)
Cash backed reserves					
Plant Replacement Reserve	(188,200)		0	(188,200)	0
Buildings Reserve	(530,000)		0	(530,000)	0
Land & Development Reserve	0		0	0	0
Recreation Reserve	0		0	0	0
Disaster Relief Reserve	0		0	0	0
Cummings St Units Reserve	0		0	0	0
Waste Management Reserve	(5,000)		0	(5,000)	0
Unspent Capital Works Reserve	0		0	0	0
ICT Reserve	(40,100)		0	(40,100)	0
Apex Park Redevelopment Reserve	(253,000)		0	(253,000)	0
Merredin-Naremben Rd Reserve	(245,800)		0	(245,800)	0
Contribution - operations	3,738,400	(2,320)	551,043	4,291,763	553,363
Capital funding total	12,835,000	2,908,252	808,373	10,735,121	(2,099,879)

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

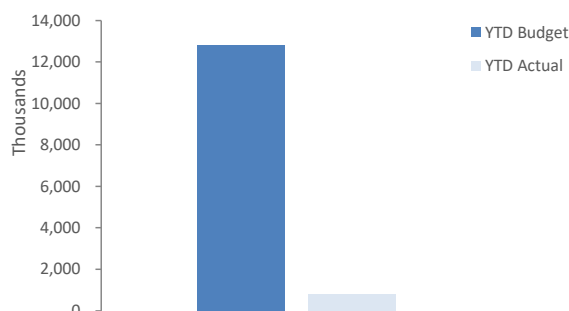
Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognise at fair value. Assets held at cost are depreciated and assessed for impairment annually.

Initial recognition and measurement between

mandatory revaluation dates for assets held at fair value

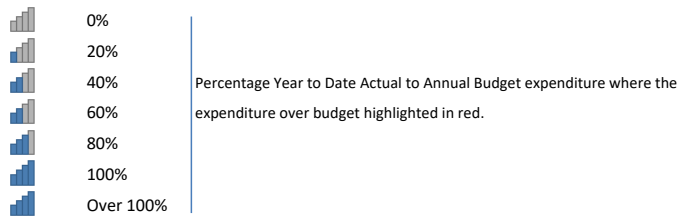
In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The 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



Capital expenditure total

Level of completion indicators



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

Account Description			Adopted			Variance (Under)/Over
			Budget	YTD Budget	YTD Actual	
			\$	\$	\$	\$
4090210	BC032	OTH HOUSE - Building (Capital)	12,300	0	-	-
4090210	BC035	OTH HOUSE - Building (Capital)	4,500	0	3,766.00	3,766.00
4090210	BC042	OTH HOUSE - Building (Capital)	22,000	0	-	-
4100110	LC041	SAN - Building (Capital)	15,000	0	-	-
4100130		SAN - Plant & Equipment (Capital)	20,000	0	-	-
4100180	LC002	SAN - Infrastructure Other (Capital)	105,000	8,750	-	(8,750.00)
4100180	EC001	ENVIRON - Infrastructure Other (Capital)	14,500	0	-	-
4110110	BC006	HALLS - Building (Capital)	8,000	0	-	-
4110310	BC085	REC - Other Rec Facilities Building (Capital)	50,000	0	-	-
4110290	SC041	SWIM AREAS - Infrastructure (Capital)	5,000	417	-	(417.00)
4110290	SC042	SWIM AREAS - Infrastructure (Capital)	15,000	15,000	-	(15,000.00)
4110370	PC001	REC - Infrastructure Parks & Gardens (Capital)	2,021,200	0	-	-
4110370	PC036	REC - Infrastructure Parks & Gardens (Capital)	450,000	0	-	-
4110370	PC007	REC - Infrastructure Parks & Gardens (Capital)	3,050,400	0	-	-
4110370	PC041	REC - Infrastructure Parks & Gardens (Capital)	351,100	0	-	-
4110370	PC043	REC - Infrastructure Parks & Gardens (Capital)	30,000	0	-	-
4110510	BC004	LIBRARY - Library Building (Capital)	21,000	0	-	-
4110610	HC041	HERITAGE - Building (Capital)	30,000	2,500	-	(2,500.00)
4110710	BC002	OTH CUL - Building (Capital)	50,000	0	-	-
4120110		ROADC - Building (Capital)	13,500	0	-	-
4120140	RC401	ROADC - Roads Built Up Area - Council Funded	35,000	0	-	-
4120141	RC239	ROADC - Roads Outside BUA - Sealed - Council Funded	3,975,600	331,300	291,182.14	(40,117.86)
4120144	R2R000	ROADC - Roads Built Up Area - Roads to Recovery	369,700	335,783	-	(335,783.00)
4120149	RRG001	ROADC - Roads Outside BUA - Sealed - Regional Road Group	81,500	0	-	-
4120149	RRG003	ROADC - Roads Outside BUA - Sealed - Regional Road Group	160,000	0	-	-
4120149	RRG072	ROADC - Roads Outside BUA - Sealed - Regional Road Group	282,200	23,517	-	(23,517.00)
4120150	RRG090	ROADC - Roads Outside BUA - Gravel - Regional Road Group	486,800	40,567	-	(40,567.00)
4120165	DC142	ROADC - Drainage Built Up Area (Capital)	70,000	0	-	-
4120168		ROADC - Kerbing (Capital)	50,000	0	-	-
4120170	FC000	ROADC - Footpaths and Cycleways (Capital)	110,800	9,233	-	(9,233.00)
4120330		PLANT - Plant & Equipment (Capital)	629,900	52,492	-	(52,492.00)
4120790	WC002	WATER - Infrastructure Other (Capital)	100,000	8,333	7,217.70	(1,115.30)
4120790	WC003	MRWN - Upgrade	180,000	0	-	-
			12,820,000	827,892	302,165.84	-525,726.16

Repayments - borrowings

Information on borrowings Particulars	Loan No.	1 July 2023	New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
			Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
		\$	\$	\$	\$	\$	\$	\$	\$	
Education and welfare										
CEACA Contributions	217	262,693			(31,069)	(62,300)	231,624	200,393	(4,137)	(7,800)
Recreation and culture										
CBD Development	219		0	1,480,000		(55,800)	0	1,424,200	0	(33,600)
		262,693	0	1,480,000	(31,069)	-118,100	231,624	1,624,593	-4,137	-41,400
Self supporting loans										
Education and welfare										
Merretville	215	226,758	0	0	(18,192)	(36,800)	226,758	189,958	(5,601)	(10,700)
		226,758	0	0	(18,192)	-36,800	226,758	189,958	(5,601)	(10,700)
Total		489,451	0	1,480,000	(49,261)	-154,900	458,382	1,814,551	(9,738)	(52,100)
Current borrowings		154,900					50,199			
Non-current borrowings		334,551					408,183			
		489,451					458,382			

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 2022, nor is it expected to have unspent funds as at 30th June 2023.

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 2023

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	729,127	9,200	5,482	-	-	(188,200)	-	550,127	734,609
Buildings Reserve	1,123,227	31,700	8,446	-	-	(530,000)	-	624,927	1,131,673
Land & Development Reserve	1,600,696	22,900	12,036	-	-	0	-	1,623,596	1,612,732
Recreation Reserve	926,656	13,300	6,968	-	-	0	-	939,956	933,624
Disaster Relief Reserve	251,516	3,500	1,891	-	-	0	-	255,016	253,407
Cummings St Units Reserve	46,410	900	349	-	-	0	-	47,310	46,759
Waste Management Reserve	381,063	5,400	2,865	-	-	(5,000)	-	381,463	383,928
Unspent Capital Works Reserve	374,882	2,900	2,819	-	-	0	-	377,782	377,701
ICT Reserve	293,830	4,700	2,209	-	-	(40,100)	-	258,430	296,039
Apex Park Redevelopment Reserve	304,472	1,600	2,289	-	-	(253,000)	-	53,072	306,761
Merredin-Narembeen Rd Reserve	566,931	8,500	4,067	-	-	(245,800)	-	329,631	570,998
Restricted by Council									
Leave reserve	377,063	5,400	2,835	-	0	-	0	382,463	379,898
	6,975,873	110,000	52,256	0	0	(1,262,100)	0	5,823,773	7,028,129

	Note	Opening Balance 1 July 2023	Liability transferred from/(to) non current	Liability Increase	Liability Reduction	Closing Balance 30 September 2023
		\$		\$	\$	\$
Other current liabilities						
Other liabilities						
- Contract liabilities		1,288,770	0	0	0	1,288,770
- Capital grant/contribution liabilities		0	0	0	0	0
- Other liabilities [describe]		18,192	0	700		18,892
Total other liabilities		1,306,962	0	700	0	1,307,662
Employee Related Provisions						
Annual leave		329,317	0			329,317
Long service leave		242,268	0			242,268
Total Employee Related Provisions		571,585	0	0	0	571,585
Total other current assets		1,878,547	0	700	0	1,879,247
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 1 July 2023	Increase in Liability	Decrease in Liability (As revenue)	Liability 30 Sep 2023	Current Liability 30 Sep 2023	Adopted Budget Revenue	YTD Budget	YTD Revenue Actual	Forecast 30 June Closing
	\$	\$	\$	\$	\$	\$	\$	\$	
Operating grants and subsidies									
General purpose funding									
GEN PUR - Financial Assistance Grant - General				0	0	0	0	33,957	33,957
GEN PUR - Financial Assistance Grant - Roads				0	0	0	0	0	0
Law, order, public safety									
OLOPS - Grants				0	0	0	0	0	0
ESL BFB - Operating Grant				0	0	69,200	16,909	13,579	65,870
ESL SES - Operating Grant				0	0	14,000	6,699	6,700	14,001
Education and welfare									
SENIORS - Reimbursements				0	0	10,800	2,700	5,601	13,701
WELFARE - Youth Grants				0	0	0	0	0	0
WELFARE - Community Development Grants				0	0	19,500	4,878	2,500	17,122
Housing									
OTH HOUSE - Rental Reimbursements				0	0	0	0	14,496	14,496
Recreation and culture									
HALLS - Grants				0	0	0	0	0	0
REC - Grants				0	0	0	0	9,902	9,902
LIBRARY - Other Grants				0	0	0	0	0	0
OTH CUL - Grants - Theatre Shows				0	0	0	0	0	0
HERITAGE - Grant	8,000			8,000	8,000	20,000	10,000	0	10,000
Transport									
ROADM - Street Lighting Subsidy				0	0	20,900	0	0	20,900
ROADM - Road Contribution Income				0	0	285,900	71,475	84,850	299,275
ROADM - Direct Road Grant (MRWA)				0	0	251,200	0	256,337	507,537
Economic services									
TOURISM - Reimbursements				0	0	35,800	6,125	1,957	31,632
TOURISM - Other Income Relating to Tourism & Area Promotion				0	0	43,000	3,000	1,970	41,970
TOURISM - Other Income				0	0	0	0	0	0
Other property and services									
PWO - Other Reimbursements				0	0	100	24	0	76
SAL - Reimbursement - Parental Leave				0	0	0	0	8,025	8,025
POC - Fuel Tax Credits Grant Scheme				0	0	0	0	4,289	4,289
	8,000	0	0	8,000	0	770,400	121,810	444,164	1,092,754
TOTALS	8,000	0	0	8,000	0	770,400	121,810	444,164	1,092,754

Provider	Capital grant/contribution liabilities					Non operating grants, subsidies and contributions revenue			
	Liability 1 July 2023	Increase in Liability	Decrease in Liability (As revenue)	Liability 30 Sep 2023	Current Liability 30 Sep 2023	Adopted Budget Revenue	YTD Budget	YTD Revenue Actual	Forecast 30 June Closing
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Non-operating grants and subsidies									
Community amenities									
DWER - E-Waste Infrastructure Grants	0			0		75,700	18,924		56,776
DMIRS - EV Charges				0		7,000	0		7,000
Recreation and culture									
REC - Grants - Capital						0	0	0	0
REC - Grants - LRCI	573,735			573,735		1,721,200	0	0	1,721,200
REC - Grants - BBRF				0		1,520,400	0	0	1,520,400
REC - Other Capital Contributions				0		336,400	0	0	336,400
Audience Development	47,521			47,521				0	0
War Stories Illumination Projections	10,658			10,658				0	0
Heritage Grant	0			0		0		0	0
Transport									
ROADC - Regional Road Group Grants (MRWA)	628,243			628,243		673,600	168,399	237,428	742,629
ROADC - Roads to Recovery Grant				0		705,700	176,424	0	529,276
ROADC - Wheatbelt Secondary Freight Network				0		3,443,700	860,925	0	2,582,775
LRCI - Phase 1	14,553			14,553				0	0
WATER - CWSP Grant 1				0		89,100	0	9,902	99,002
WATER - CWSP Grant 2				0		100,000	0	10,000	110,000
Vegetation control	6,060			6,060					0
TOTALS	1,280,770	0	0	1,280,770	0	8,672,800	1,224,672	257,330	7,705,458

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**NOTE 12
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 2023	Amount Received	Amount Paid	Closing Balance 30 Sep 2023
	\$	\$	\$	\$
	0	0	0	0

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**NOTE 13
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						0
3050610	ESL SES - Operating Grant				12,801		12,801
2050669	ESL SES - Plant & Equipment \$1,200 to \$5,000 per item					(12,801)	0
2050510	ESL BFB - Operating Grant				3,721		3,721
2050510	ESL BFB - Operating Grant					(1,884)	1,837
2050586	ESL BFB - Plant & Equipment <\$1,200				4,837		6,674
SC041	Capital Repairs to Pool Bowl					(15,000)	(8,326)
SC043	Capital Repairs to existing filters replacing laterals and filter media				15,000		6,674
9673301	Building Reserve					(80,000)	(73,326)
2110354	REC - MRCLC Initial Maintenance and Repairs				80,000		6,674
				0	116,359	(109,685)	

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**NOTE 14
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 2023-24 year is \$10,000 or 10.00% whichever is the greater.

Nature or type	Var. \$	Var. %	Explanation of variances	
			Timing	Permanent
	\$	%		
Revenue from operating activities				
Operating grants, subsidies and contributions	322,354	264.64%	▲ Timing	Grants not yet received.
Interest earnings	55,226	103.37%	▲ Timing	Timing
Other revenue	(12,745)	(18.53%)	▼ Timing	Revenue not yet received.
Profit on disposal of assets	(28,449)	(100.00%)	▼ Timing	Assets not yet disposed
Expenditure from operating activities				
Materials and contracts	320,929	31.47%	▲ Timing	Expenditure not yet completed.
Depreciation on non-current assets	1,469,136	100.00%	▲ Timing	Depreciation not yet completed.
Insurance expenses	111,298	99.59%	▲ Timing	Payment made, journal to be completed.
Loss on disposal of assets	2,925	100.00%	Timing	Assets not yet disposed
Non-cash amounts excluded from operating activities	(1,443,612)	(100.00%)	▼ Timing	Depreciation not yet completed.
Investing activities				
Proceeds from non-operating grants, subsidies and contributions	(967,342)	(78.99%)	▼ Timing	Grants not yet received.
Proceeds from disposal of assets	(205,900)	(100.00%)	▼ Timing	Assets not yet disposed
Payments for property, plant and equipment and infrastructure	2,099,879	72.20%	▲ Timing	Capital expenditure not yet completed.
Financing activities				
Proceeds from new debentures	(1,480,000)	(100.00%)	▼ Timing	Loan not yet drawn down.
Transfer from reserves	(1,262,100)	(100.00%)	▼ Timing	Reserve transfer not yet complete.
Repayment of debentures	105,639	68.20%	▲ Timing	Loan Payment made in July
Transfer to reserves	57,744	52.49%	▲ Timing	Reserve transfer not yet complete.
Closing funding surplus / (deficit)	(231,434)	2.81%	Timing	Timing