# SHIRE OF NANNUP

## MONTHLY FINANCIAL REPORT

**(Containing the Statement of Financial Activity)**

**For the period ending 31 December 2025**

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

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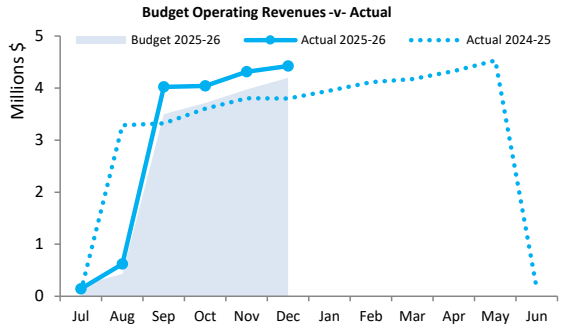
**MONTHLY FINANCIAL REPORT**

**FOR THE PERIOD ENDED 31 DECEMBER 2025**

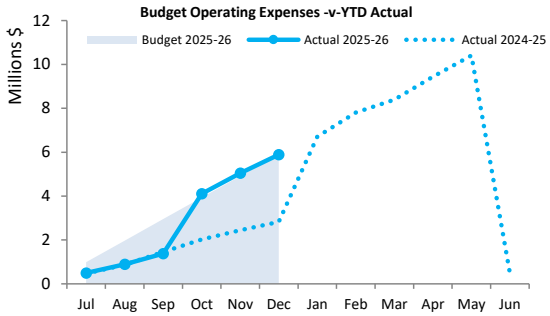
# SUMMARY INFORMATION - GRAPHS

## OPERATING ACTIVITIES

### OPERATING REVENUE

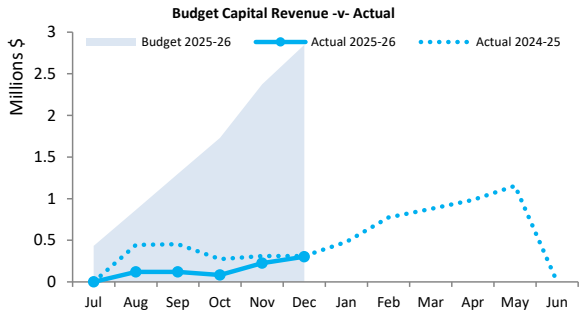



### OPERATING EXPENSES

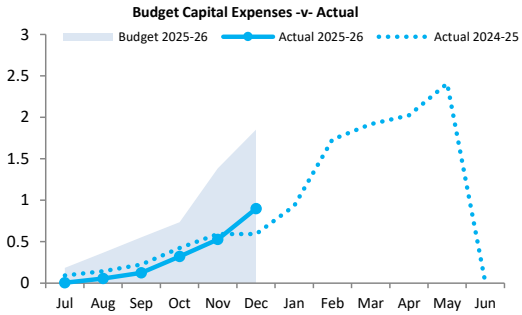



## INVESTING ACTIVITIES

### CAPITAL REVENUE

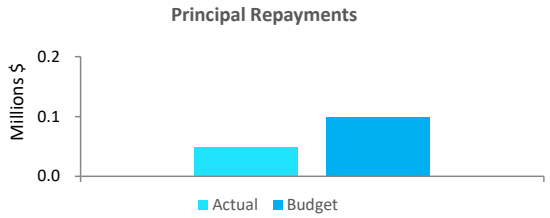


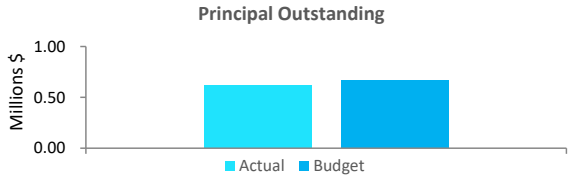

### CAPITAL EXPENSES



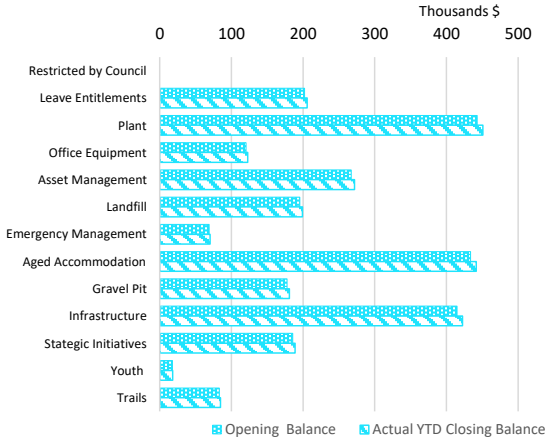

## FINANCING ACTIVITIES

### BORROWINGS

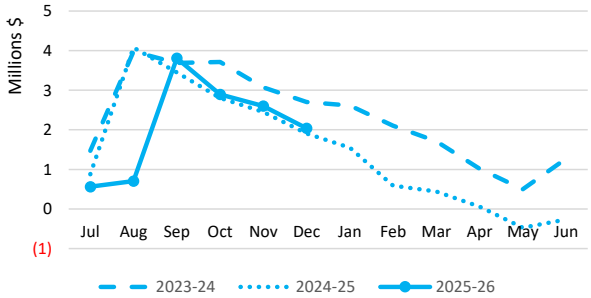



### RESERVES




## Closing funding surplus / (deficit)




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

# EXECUTIVE SUMMARY

## Funding surplus / (deficit) Components

### Funding surplus / (deficit)

| | Adopted Budget | YTD Budget (a) | YTD Actual (b) | Var. $ (b)-(a) |
|---|---|---|---|---|
| Opening | $0.93 M | $0.93 M | $1.20 M | $0.27 M |
| Closing | $0.00 M | $3.23 M | $2.04 M | ($1.19 M) |

Refer to Statement of Financial Activity

### Cash and cash equivalents

| | $4.75 M | % of total |
|---|---|---|
| Unrestricted Cash | $0.85 M | 18.0% |
| Restricted Cash | $3.90 M | 82.0% |

Refer to Note 2 - Cash and Financial Assets

### Payables

| | $0.23 M | % Outstanding |
|---|---|---|
| Trade Payables | $0.00 M | |
| 0 to 30 Days | | 99.7% |
| Over 30 Days | | 0.3% |
| Over 90 Days | | 0% |

Refer to Note 5 - Payables

### Receivables

| | $0.27 M | % Collected |
|---|---|---|
| Rates Receivable | $1.12 M | 63.5% |
| Trade Receivable | $0.27 M | % Outstanding |
| Over 30 Days | | 37.4% |
| Over 90 Days | | 37.4% |

Refer to Note 3 - Receivables

## Key Operating Activities

### Amount attributable to operating activities

| Adopted Budget | YTD Budget (a) | YTD Actual (b) | Var. $ (b)-(a) |
|---|---|---|---|
| ($0.73 M) | $1.16 M | $1.40 M | $0.24 M |

Refer to Statement of Financial Activity

### Rates Revenue

| | | % Variance |
|---|---|---|
| YTD Actual | $2.86 M | |
| YTD Budget | $2.85 M | 0.20% |

Refer to Statement of Financial Activity

### Operating Grants and Contributions

| | | % Variance |
|---|---|---|
| YTD Actual | $0.74 M | |
| YTD Budget | $0.76 M | (3.39%) |

Refer to Note 12 - Operating Grants and Contributions

### Fees and Charges

| | | % Variance |
|---|---|---|
| YTD Actual | $0.66 M | |
| YTD Budget | $0.40 M | 67.37% |

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) |
|---|---|---|---|
| ($0.34 M) | $1.12 M | ($0.46 M) | ($1.58 M) |

Refer to Statement of Financial Activity

### Proceeds on sale

| | | % |
|---|---|---|
| YTD Actual | $0.11 M | |
| Adopted Budget | $0.19 M | 58.54% |

Refer to Note 6 - Disposal of Assets

### Asset Acquisition

| | | % Spent |
|---|---|---|
| YTD Actual | $0.90 M | |
| Adopted Budget | $5.78 M | 15.6% |

Refer to Note 7 - Capital Acquisitions

### Capital Grants

| | | % Received |
|---|---|---|
| YTD Actual | $0.30 M | |
| Adopted Budget | $5.19 M | 5.83% |

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) |
|---|---|---|---|
| $0.13 M | $0.02 M | ($0.11 M) | ($0.12 M) |

Refer to Statement of Financial Activity

### Borrowings

| | |
|---|---|
| Principal repayments | ($0.05 M) |
| Interest expense | ($0.01 M) |
| Principal due | $0.62 M |

Refer to Note 8 - Borrowings

### Reserves

| | |
|---|---|
| Reserves balance | $2.66 M |
| Interest earned | $0.05 M |

Refer to Note 10 - Cash Reserves

### Lease Liability

| | |
|---|---|
| Principal repayments | $0.01 M |
| Interest expense | $0.00 M |
| Principal due | $0.09 M |

Refer to Note 9 - Lease Liabilites

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

**KEY TERMS AND DESCRIPTIONS**
**FOR THE PERIOD ENDED 31 DECEMBER 2025**

# NATURE OR TYPE DESCRIPTIONS

## REVENUE

**RATES**
All rates levied under the *Local Government Act 1995.* Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts and concessions offered. 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.

## 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 31 DECEMBER 2025

## BY NATURE OR TYPE

| | Ref Note | Adopted Budget | Amended Budget | YTD Budget (a) | YTD Actual (b) | Variance $ (b) - (a) | Variance % ((b) - (a))/(a) | Var. |
|---|---|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | $ | % | |
| **Opening funding surplus / (deficit)** | 1(c) | 926,151 | 926,151 | 926,151 | 1,196,186 | 270,035 | 29.16% | ▲ |
| **Revenue from operating activities** | | | | | | | | |
| Rates | | 2,854,618 | 2,854,618 | 2,853,970 | 2,859,576 | 5,606 | 0.20% | |
| Operating grants, subsidies and contributions | 12 | 1,424,900 | 1,529,767 | 764,718 | 738,818 | (25,900) | (3.39%) | |
| Fees and charges | | 791,339 | 791,339 | 395,406 | 661,805 | 266,399 | 67.37% | ▲ |
| Interest earnings | | 211,433 | 211,433 | 105,654 | 101,744 | (3,910) | (3.70%) | |
| Other revenue | | 66,810 | 66,810 | 33,336 | 37,659 | 4,323 | 12.97% | ▲ |
| Profit on disposal of assets | 6 | 89,488 | 89,488 | 44,718 | 23,765 | (20,953) | (46.86%) | |
| | | **5,438,588** | **5,543,455** | **4,197,801** | **4,423,367** | 225,566 | 5.37% | |
| **Expenditure from operating activities** | | | | | | | | |
| Employee costs | | (3,353,958) | (3,353,959) | (1,675,830) | (1,633,398) | 42,432 | 2.53% | ▼ |
| Materials and contracts | | (2,111,961) | (2,111,961) | (1,054,008) | (954,718) | 99,290 | 9.42% | ▼ |
| Utility charges | | (109,567) | (109,567) | (54,624) | (44,133) | 10,491 | 19.21% | ▼ |
| Depreciation on non-current assets | | (5,763,075) | (5,763,075) | (2,880,330) | (2,888,203) | (7,873) | (0.27%) | |
| Interest expenses | | (16,853) | (16,853) | (8,418) | (8,763) | (345) | (4.10%) | |
| Insurance expenses | | (232,945) | (232,945) | (116,316) | (214,680) | (98,364) | (84.57%) | ▲ |
| Other expenditure | | (224,704) | (224,704) | (112,206) | (144,713) | (32,507) | (28.97%) | ▲ |
| | | **(11,813,062)** | **(11,813,064)** | **(5,901,732)** | **(5,888,608)** | 13,124 | (0.22%) | |
| Non-cash amounts excluded from operating activities | 1(a) | 5,649,079 | 5,649,079 | 2,868,109 | 2,868,109 | 0 | 0.00% | |
| **Amount attributable to operating activities** | | **(725,395)** | **(620,530)** | **1,164,178** | **1,402,868** | 238,690 | 20.50% | |
| **Investing activities** | | | | | | | | |
| Proceeds from non-operating grants, subsidies and contributions | 13 | 5,194,246 | 5,697,890 | 2,847,906 | 302,692 | (2,545,214) | (89.37%) | ▼ |
| Proceeds from disposal of assets | 6 | 185,000 | 185,000 | 92,500 | 108,304 | 15,804 | 17.09% | ▲ |
| Proceeds from financial assets at amortised cost - self supporting loans | 8 | 61,030 | 61,030 | 30,236 | 30,236 | 0 | 0.00% | |
| Payments for property, plant and equipment and infrastructure | 7 | (5,775,973) | (6,321,618) | (1,851,208) | (898,573) | 952,635 | 51.46% | ▼ |
| **Amount attributable to investing activities** | | **(335,697)** | **(377,698)** | **1,119,434** | **(457,341)** | (1,576,775) | (140.85%) | |
| **Financing Activities** | | | | | | | | |
| Transfer from reserves | 10 | 399,866 | 399,866 | 199,933 | 0 | (199,933) | (100.00%) | ▼ |
| Payments for principal portion of lease liabilities | | (2,690) | (2,690) | (2,690) | (9,908) | (7,218) | (268.33%) | |
| Repayment of debentures | 8 | (98,236) | (98,236) | (98,236) | (48,781) | 49,455 | 50.34% | ▼ |
| Transfer to reserves | 10 | (164,000) | (163,999) | (82,000) | (47,433) | 34,567 | 42.16% | ▼ |
| **Amount attributable to financing activities** | | **134,941** | **134,941** | **17,008** | **(106,122)** | (123,129) | (723.96%) | |
| **Closing funding surplus / (deficit)** | 1(c) | **0** | **62,867** | **3,226,770** | **2,035,591** | (1,191,179) | (37%) | ▼ |

**KEY INFORMATION**

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

Refer to Note 2 for an explanation of the reasons for the variance.

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

## BASIS OF PREPARATION

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

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

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

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

### THE LOCAL GOVERNMENT REPORTING ENTITY

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 14 to these financial statements.

## SIGNIFICANT ACCOUNTING POLICES

### CRITICAL ACCOUNTING ESTIMATES

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

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

The balances, transactions and disclosures impacted by accounting estimates are as follows:
- estimation of fair values of certain financial assets
- estimation of fair values of fixed assets shown at fair value
- impairment of financial assets

### GOODS AND SERVICES TAX

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

### ROUNDING OFF FIGURES

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

## PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 16 February 2026

## 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* .

| Non-cash items excluded from operating activities | Notes | Adopted Budget | Amended Budget | YTD Budget (a) | YTD Actual (b) |
|---|---|---|---|---|---|
| | | $ | $ | $ | $ |
| **Adjustments to operating activities** | | | | | |
| Less: Profit on asset disposals | 6 | (89,488) | (89,488) | (44,718) | (23,765) |
| Less: Movement in liabilities associated with restricted cash | | | | | 3,671 |
| Movement in employee benefit provisions (non-current) | | (24,508) | (24,508) | (12,254) | 0 |
| Add: Depreciation on assets | | 5,763,075 | 5,763,075 | 2,880,330 | 2,888,203 |
| **Total non-cash items excluded from operating activities** | | **5,649,079** | **5,649,079** | **2,823,358** | **2,868,109** |

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

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

| | | Adopted Budget Opening 30 June 2025 | Amended Budget Opening 30 June 2025 | Last Year Closing 30 June 2025 | Year to Date 31 December 2025 |
|---|---|---|---|---|---|
| **Adjustments to net current assets** | | | | | |
| Less: Reserves - restricted cash | 10 | (2,609,969) | (2,609,969) | (2,609,969) | (2,657,402) |
| Less: - Financial assets at amortised cost - self supporting loans | 4 | 0 | 0 | (61,030) | (30,794) |
| Add: Borrowings | 8 | 98,236 | 98,236 | 98,236 | 49,455 |
| Add: Provisions employee related provisions | 11 | 202,034 | 202,034 | 202,030 | 205,701 |
| Add: Lease liabilities | 9 | 2,690 | 2,690 | 2,690 | 87,738 |
| **Total adjustments to net current assets** | | **(2,307,009)** | **(2,307,009)** | **(2,368,043)** | **(2,345,301)** |

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

| | | | | | |
|---|---|---|---|---|---|
| **Current assets** | | | | | |
| Cash and cash equivalents | 2 | 4,932,583 | 4,932,583 | 4,938,077 | 4,754,083 |
| Rates receivables | 3 | 215,615 | 215,615 | 209,190 | 1,121,177 |
| Receivables | 3 | 256,983 | 256,983 | 256,983 | 271,761 |
| Other current assets | 4 | 384,883 | 384,883 | 472,426 | 194,581 |
| **Less: Current liabilities** | | | | | |
| Payables | 5 | (613,378) | (613,378) | (613,378) | (225,685) |
| Borrowings | 8 | (98,236) | (98,236) | (98,236) | (49,455) |
| Contract liabilities | 11 | (1,487,421) | (1,487,421) | (1,242,964) | (1,242,653) |
| Lease liabilities | 9 | (2,690) | (2,690) | (2,690) | (87,738) |
| Provisions | 11 | (355,179) | (355,179) | (355,179) | (355,179) |
| **Less: Total adjustments to net current assets** | 1(b) | (2,307,009) | (2,307,009) | (2,368,043) | (2,345,301) |
| **Closing funding surplus / (deficit)** | | **926,151** | **926,151** | **1,196,186** | **2,035,591** |

**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 operational cycle.

# OPERATING ACTIVITIES
# NOTE 2
# CASH AND FINANCIAL ASSETS

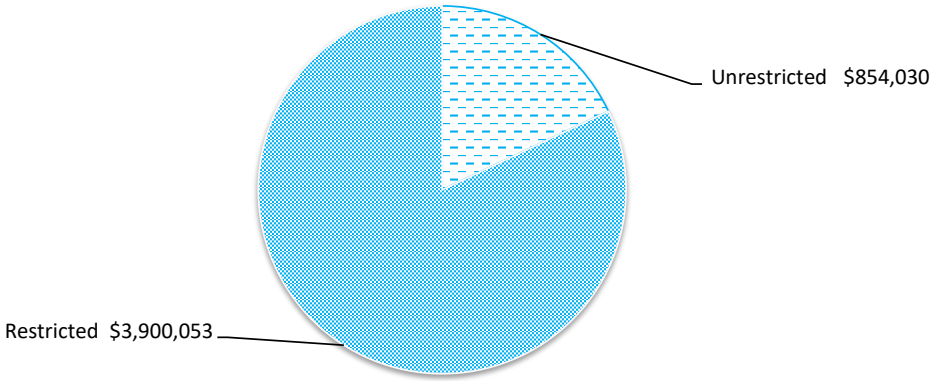
| Description | Classification | Unrestricted | Restricted | Total Cash | Trust | Institution | Interest Rate | Maturity Date |
|---|---|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | | | |
| Municipal Cash at Bank | Cash and cash equivalents | 854,030 | 1,242,653 | 2,096,683 | 0 | CBA | 3.00% | on call |
| Reserve Cash at Bank | Cash and cash equivalents | 0 | 2,657,400 | 2,657,400 | 0 | CBA | 3.60% | on call |
| **Total** | | **854,030** | **3,900,053** | **4,754,083** | **0** | | | |
| **Comprising** | | | | | | | | |
| Cash and cash equivalents | | 854,030 | 3,900,053 | 4,754,083 | 0 | | | |
| | | **854,030** | **3,900,053** | **4,754,083** | **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.

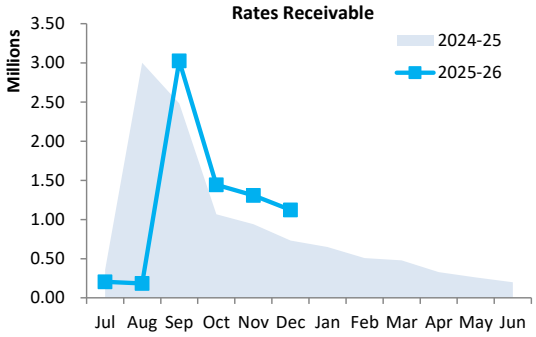
The local government classifies financial assets at amortised cost if both of the following criteria are met:
- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal 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.



# OPERATING ACTIVITIES
# NOTE 3
# RECEIVABLES

| Rates receivable | 30 Jun 2025 | 31 Dec 2025 |
|---|---|---|
| | $ | $ |
| Opening arrears previous years | 198,217 | 209,190 |
| Levied this year | 2,647,855 | 2,859,576 |
| Less - collections to date | (2,636,882) | (1,947,589) |
| Gross rates collectable | **209,190** | **1,121,177** |
| **Net rates collectable** | **209,190** | **1,121,177** |
| % Collected | 92.6% | 63.5% |




| Receivables - general | Credit | Current | 30 Days | 60 Days | 90+ Days | Total |
|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ |
| Receivables - general | (1,786) | 143,559 | 105 | 20 | 84,775 | 226,672 |
| Percentage | (0.80%) | 63.3% | 0% | 0% | 37.4% | |
| **Balance per trial balance** | | | | | | |
| Pensioner Rebates Receivable | | | | | | 127 |
| Sundry receivable | | | | | | 226,672 |
| ATO GST receivable | | | | | | 44,962 |
| **Total receivables general outstanding** | | | | | | **271,761** |

Amounts shown above include GST (where applicable)

**KEY INFORMATION**

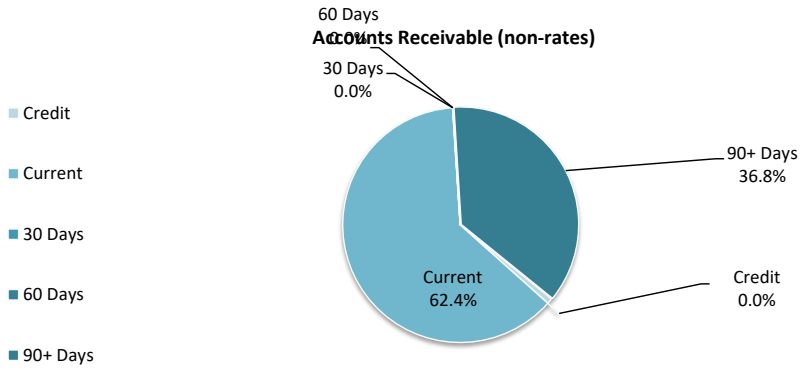
Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

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.



# OPERATING ACTIVITIES
# NOTE 4
# OTHER CURRENT ASSETS

| Other current assets | Opening Balance 1 July 2025 | Asset Increase | Asset Reduction | Closing Balance 31 December 2025 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **Other financial assets at amortised cost** | | | | |
| Financial assets at amortised cost - self supporting loans | 61,030 | 0 | (30,236) | 30,794 |
| **Inventory** | | | | |
| Fuel | 7,517 | 0 | (68) | 7,449 |
| Gravel | 156,338 | 0 | 0 | 156,338 |
| Accrued income | 30,812 | 0 | (30,812) | 0 |
| **Contract assets** | | | | |
| Contract assets | 216,729 | 0 | (216,729) | 0 |
| **Total other current assets** | **472,426** | **0** | **(277,845)** | **194,581** |

**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.

**Contract assets**

A contract asset is the right to consideration in exchange for goods or services the entity has transferred to a customer when that right is conditioned on something other than the passage of time.

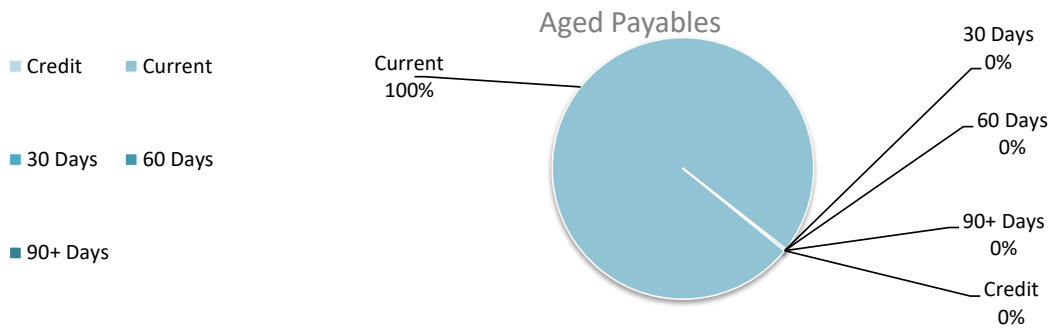
# OPERATING ACTIVITIES
# NOTE 5
# PAYABLES

| Payables - general | Credit | Current | 30 Days | 60 Days | 90+ Days | Total |
|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ |
| Payables - general | 0 | 898 | 2 | 0 | 0 | 900 |
| Percentage | 0% | 99.7% | 0.3% | 0% | 0% | |
| **Balance per trial balance** | | | | | | |
| Sundry creditors | | | | | | 898 |
| ATO GST & PAYG liabilities | | | | | | 53,379 |
| Bonds & Deposits | | | | | | 98,685 |
| Rates in Advance | | | | | | 14,242 |
| Other payables | | | | | | 49,922 |
| Payroll - Novated Leases | | | | | | 8,559 |
| **Total payables general outstanding** | | | | | | **225,685** |

**Amounts shown above include GST (where applicable)**

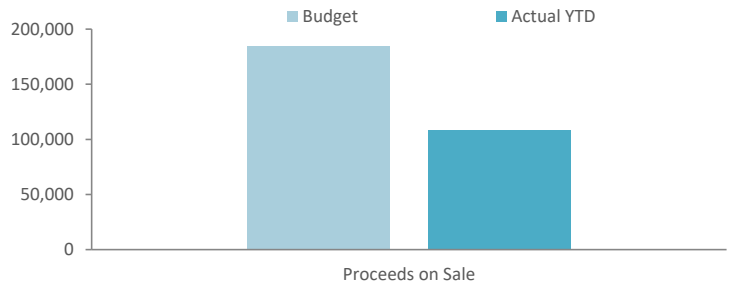
**KEY INFORMATION**

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.



## OPERATING ACTIVITIES
## NOTE 6
## DISPOSAL OF ASSETS

| | | Budget | | | | YTD Actual | | | |
|---|---|---|---|---|---|---|---|---|---|
| Asset Ref. | Asset description | Net Book Value | Proceeds | Profit | (Loss) | Net Book Value | Proceeds | Profit | (Loss) |
| | | $ | $ | $ | $ | $ | $ | $ | $ |
| | **Plant and equipment** | | | | | | | | |
| | **Recreation and culture** | | | | | | | | |
| | Toyota Hilux | 10,973 | 30,000 | 19,027 | 0 | 0 | 0 | 0 | 0 |
| | **Transport** | | | | | | | | |
| | Hino Long Crew Cab | 0 | 35,000 | 35,000 | 0 | 0 | 18,241 | 18,241 | 0 |
| | Volvo Loader L90 | 84,539 | 120,000 | 35,461 | 0 | 84,539 | 90,063 | 5,524 | 0 |
| | | **95,512** | **185,000** | **89,488** | **0** | **84,539** | **108,304** | **23,765** | **0** |



## INVESTING ACTIVITIES
## NOTE 7
## CAPITAL ACQUISITIONS

| Capital acquisitions | Adopted Budget | Amended Budget | Adopted YTD Budget | YTD Actual | YTD Actual Variance |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| Buildings | 222,642 | 222,642 | 111,258 | 82,701 | (28,557) |
| Furniture and equipment | 16,700 | 16,700 | 0 | 0 | 0 |
| Plant and equipment | 150,692 | 150,692 | 27,486 | 110,121 | 82,635 |
| Infrastructure - roads | 1,070,000 | 1,070,000 | 209,982 | 109,918 | (100,064) |
| Infrastructure - footpaths & cyclepaths | 2,762,406 | 2,762,407 | 854,238 | 78,958 | (775,280) |
| Infrastructure - bridges | 1,388,500 | 1,388,500 | 292,996 | 0 | (292,996) |
| Infrastructure - parks & ovals | 53,000 | 53,000 | 26,484 | 19,522 | (6,962) |
| Infrastructure - other | 112,033 | 657,677 | 328,764 | 497,353 | 168,589 |
| **Payments for Capital Acquisitions** | **5,775,973** | **6,321,618** | **1,851,208** | **898,573** | **(952,635)** |

| Capital Acquisitions Funded By: | | | | | |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| Capital grants and contributions | 5,194,246 | 0 | 2,847,906 | 302,691 | (2,545,215) |
| Lease liabilities | 0 | 0 | 94,956 | 94,956 | 0 |
| Other (disposals & C/Fwd) | 185,000 | 185,000 | 92,500 | 108,304 | 15,804 |
| Cash backed reserves | | | | | |
| Leave Entitlements | 30,000 | 30,000 | | 0 | 0 |
| Plant | 62,000 | 62,000 | | 0 | 0 |
| Office Equipment | 15,700 | 15,700 | | 0 | 0 |
| Asset Management | 118,487 | 118,487 | | 0 | 0 |
| Landfill | 15,000 | 15,000 | | 0 | 0 |
| Emergency Management | 6,500 | 6,500 | | 0 | 0 |
| Infrastructure | 88,000 | 88,000 | | 0 | 0 |
| Stategic Initiatives | 64,179 | 64,179 | 0 | 0 | 0 |
| Contribution - operations | (3,139) | 5,736,752 | (1,184,154) | 392,622 | 1,576,776 |
| **Capital funding total** | **5,775,973** | **6,321,618** | **1,851,208** | **898,573** | **(952,635)** |

**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.

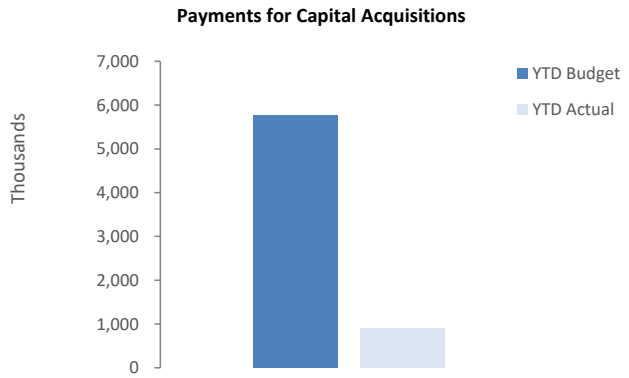
Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

**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.



## INVESTING ACTIVITIES
## NOTE 7
## CAPITAL ACQUISITIONS (CONTINUED)

| | Account Description | Adopted Budget | Amended Budget | Adopted YTD Budget | YTD Actual | Variance (Under)/Over |
|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | $ |
| | **Buildings** | | | | | |
| BC5501 | Nannup Brook Vbfb Fire Station - Building (Capital) | 24,155 | 24,155 | 12,072 | 4,566 | (7,506) |
| BC5509 | Cundinup Bfb Fire Station - Building (Capital) | 15,150 | 15,150 | 7,566 | 4,958 | (2,608) |
| BC9101 | House (Lot 234) 30 Dunnett Road - Building (Capital) | 13,495 | 13,495 | 6,744 | 16,836 | 10,092 |
| BC9103 | House (Lot 233) 29 Carey St - Building (Capital) | 20,000 | 20,000 | 9,996 | 11,736 | 1,740 |
| BC11101 | Town Hall Nannup (1903) - Building (Capital) | 60,000 | 60,000 | 29,988 | 0 | (29,988) |
| BC11104 | Community Hall Carlotta - Building (Capital) | 0 | 0 | 0 | 8,845 | 8,845 |
| BC11303 | Recreation Centre Nannup - Building (Capital) | 39,432 | 39,432 | 19,704 | 11,652 | (8,052) |
| BC12102 | Shire Depot - Administration Office - Building (Capital) | 22,000 | 22,000 | 10,992 | 18,840 | 7,848 |
| BC11305 | Foreshore Park Amphitheatre Stage - Building (Capital) | 15,367 | 15,367 | 7,680 | 5,268 | (2,412) |
| BC11308 | Bowling Club Nannup - Building (Capital) | 13,043 | 13,043 | 6,516 | 0 | (6,516) |
| | **Total Buildings** | **222,642** | **222,642** | **111,258** | **82,701** | **(28,557)** |
| | **Furniture & Equipment** | | | | | |
| 4110320 | REC - Furniture & Equipment (Capital) | 10,000 | 10,000 | 0 | 0 | 0 |
| 4110520 | LIBRARY - Furniture & Equipment (Capital) | 6,700 | 6,700 | 0 | 0 | 0 |
| | **Total Furniture & Equipment** | **16,700** | **16,700** | **0** | **0** | **0** |
| | **Plant & Equipment** | | | | | |
| 4050530 | ESL BFB - Plant & Equipment (Capital) | 14,692 | 14,692 | 0 | 15,091 | 15,091 |
| 4050630 | ESL SES - Plant & Equipment (Capital) | 44,000 | 44,000 | 0 | 0 | 0 |
| 4070430 | HEALTH - Plant & Equipment (Capital) | 37,000 | 37,000 | 0 | 0 | 0 |
| 4120330 | PLANT - Plant & Equipment (Capital) | 55,000 | 55,000 | 27,486 | 95,030 | 67,544 |
| | **Total Plant & Equipment** | **150,692** | **150,692** | **27,486** | **110,121** | **82,635** |
| | **Roads** | | | | | |
| RC500 | Warren Road (Main Street) (Capital) | 60,000 | 60,000 | 29,982 | 51,750 | 21,768 |
| RC045 | Jalbarragup Road (Capital) | 180,000 | 180,000 | 180,000 | 57,783 | (122,217) |
| RRG002 | Cundinup - Kirup Road (Rrg) | 265,000 | 265,000 | 0 | 385 | 385 |
| RRG094 | Cundinup South Road (Rrg) | 120,000 | 120,000 | 0 | 0 | 0 |
| RRG109 | Bridgetown - Nannup Road (Rrg) | 165,000 | 165,000 | 0 | 0 | 0 |
| R2R007 | Governor Broome Road (R2R) | 125,000 | 125,000 | 0 | 0 | 0 |
| R2R069 | Fouracres Road (R2R) | 120,000 | 120,000 | 0 | 0 | 0 |
| R2R116 | Leschenaultia Drive (R2R) | 35,000 | 35,000 | 0 | 0 | 0 |
| | **Total Roads** | **1,070,000** | **1,070,000** | **209,982** | **109,918** | **(100,064)** |
| | **Drainage** | | | | | |
| | **Total Drainage** | **0** | **0** | **0** | **0** | **0** |
| | **Bridges** | | | | | |
| BR3958A | East Nannup Rd - Bridge (Capital) | 258,000 | 258,000 | 257,998 | 0 | (257,998) |
| BR3979 | Mowen Rd - Bridge (Capital) | 50,500 | 50,500 | 0 | 0 | 0 |
| BR3983A | Sears Rd - Bridge (Capital) | 45,000 | 45,000 | 0 | 0 | 0 |
| BR3950 | Cundinup West Rd - Bridge (Capital) | 1,000,000 | 1,000,000 | 0 | 0 | 0 |
| BR9222 | Old Rail Alignment - Bridge (Capital) | 35,000 | 35,000 | 34,998 | 0 | (34,998) |
| | **Total Bridges** | **1,388,500** | **1,388,500** | **292,996** | **0** | **(292,996)** |
| | **Footpaths & Cyclepaths** | | | | | |
| FC000 | Footpath Construction General (Budgeting Only) | 20,000 | 20,000 | 0 | 0 | 0 |
| OC12111 | Trail Town - Stage 1 - Southern Entrance To Town Bridge | 1,033,247 | 1,033,247 | 0 | 161 | 161 |
| OC12113 | Trail Town - Stage 3 | 1,709,159 | 1,709,160 | 854,238 | 78,797 | (775,441) |
| | **Total Footpaths & Cyclepaths** | **2,762,406** | **2,762,407** | **854,238** | **78,958** | **(775,280)** |
| | **Parks & Gardens** | | | | | |
| PC11309 | River Foreshore Amphi Theatre Park & Car Park | 28,000 | 28,000 | 13,992 | 0 | (13,992) |
| PC11330 | Town Oval Inc Pump Station | 25,000 | 25,000 | 12,492 | 19,522 | 7,030 |
| | **Total Parks & Gardens** | **53,000** | **53,000** | **26,484** | **19,522** | **(6,962)** |
| | **Other Infrastructure** | | | | | |
| 4080190 | PRESCHOOL - Infrastructure Other (Capital) | 97,033 | 155,033 | 77,514 | 151,840 | 74,326 |
| 4100290 | SAN OTH - Infrastructure Other (Capital) | 15,000 | 15,000 | 7,494 | 14,425 | 6,931 |
| PI001 | Grange Road Carpark | 0 | 487,644 | 243,756 | 331,088 | 87,332 |
| | **Total Other Infrastructure** | **112,033** | **657,677** | **328,764** | **497,353** | **168,589** |
| | **TOTAL PPE & INFRASTRUCTURE** | **5,775,973** | **6,321,618** | **1,851,208** | **898,573** | **(952,635)** |

## BORROWINGS

### Repayments - borrowings

| Information on borrowings | | | New Loans | | Principal Repayments | | Principal Outstanding | | Interest Repayments | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Particulars** | **Loan No.** | **1 July 2025** | **Actual** | **Budget** | **Actual** | **Budget** | **Actual** | **Budget** | **Actual** | **Budget** |
| | | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| **Community amenities** | | | | | | | | | | |
| Waste Facility Machine | 40 | 190,715 | 0 | 0 | 18,545 | 37,206 | 209,260 | 227,921 | 1,182 | 2,250 |
| | | 190,715 | 0 | 0 | 18,545 | 37,206 | 209,260 | 227,921 | 1,182 | 2,250 |
| **Self supporting loans** | | | | | | | | | | |
| **Community amenities** | | | | | | | | | | |
| Nannup Music Club | 39 | 103,369 | 0 | 0 | 18,265 | 31,719 | 121,634 | 135,088 | 1,433 | 4,112 |
| Nannup Music Club | 41 | 275,124 | 0 | 0 | 11,971 | 29,311 | 287,095 | 304,435 | 6,147 | 14,373 |
| | | 378,493 | 0 | 0 | 30,236 | 61,030 | 408,729 | 439,523 | 7,580 | 18,485 |
| **Total** | | 569,208 | 0 | 0 | 48,781 | 98,236 | 617,989 | 667,444 | 8,762 | 20,735 |
| Current borrowings | | 98,236 | | | | | 49,455 | | | |
| Non-current borrowings | | 470,972 | | | | | 568,534 | | | |
| | | 569,208 | | | | | 617,989 | | | |

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 2025, nor is it expected to have unspent funds as at 30th June 2026.

**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 materiallly 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.

## FINANCING ACTIVITIES
## NOTE 9
## LEASE LIABILITIES

### Movement in carrying amounts

| Information on leases | | | New Leases | | Principal Repayments | | Principal Outstanding | |
|---|---|---|---|---|---|---|---|---|
| **Particulars** | **Lease No.** | **1 July 2025** | **Actual** | **Budget** | **Actual** | **Budget** | **Actual** | **Budget** |
| | | **$** | **$** | **$** | **$** | **$** | **$** | **$** |
| **Law, order, public safety** | | | | | | | | |
| CESM Vehicle | 979823 | 2,690 | 94,956 | 0 | (9,908) | (2,690) | 87,738 | 0 |
| **Total** | | 2,690 | 94,956 | 0 | (9,908) | (2,690) | 87,738 | 0 |
| Current lease liabilities | | 2,690 | | | | | 87,738 | |
| | | 2,690 | | | | | 87,738 | |

All lease repayments were financed by general purpose revenue.

**KEY INFORMATION**

At inception of a contract, the Shire assesses if the contract contains or is a lease. A contract is or contains a lease, if the contract "conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the commencement date, a right of use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

All contracts classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

| Reserve accounts<br>Reserve name | Opening Balance | Adopted Budget Interest Earned | Amended Budget Interest Earned | Actual Interest Earned | Adopted Budget Transfers In (+) | Actual Transfers In (+) | Adopted Budget Transfers Out (-) | Actual Transfers Out (-) | Adopted Budget Closing Balance | Actual YTD Closing Balance |
|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| **Restricted by Council** | | | | | | | | | | |
| Leave Entitlements | 202,030 | 5,496 | 5,496 | 3,671 | 0 | 0 | 30,000 | 0 | 177,526 | 205,701 |
| Plant | 442,763 | 12,045 | 12,045 | 8,045 | 93,000 | 0 | 62,000 | 0 | 485,808 | 450,808 |
| Office Equipment | 120,551 | 3,279 | 3,279 | 2,191 | 0 | 0 | 15,700 | 0 | 108,130 | 122,742 |
| Asset Management | 267,055 | 7,265 | 7,265 | 4,852 | 0 | 0 | 118,487 | 0 | 155,833 | 271,907 |
| Landfill | 195,564 | 5,320 | 5,320 | 3,553 | 0 | 0 | 15,000 | 0 | 185,884 | 199,117 |
| Emergency Management | 69,045 | 1,878 | 1,878 | 1,257 | 0 | 0 | 6,500 | 0 | 64,423 | 70,302 |
| Aged Accommodation | 433,738 | 11,800 | 11,799 | 7,883 | 0 | 0 | 0 | 0 | 445,538 | 441,621 |
| Gravel Pit | 177,789 | 4,836 | 4,836 | 3,230 | 0 | 0 | 0 | 0 | 182,625 | 181,019 |
| Infrastructure | 414,921 | 11,287 | 11,287 | 7,542 | 0 | 0 | 88,000 | 0 | 338,208 | 422,463 |
| Stategic Initiatives | 185,522 | 5,047 | 5,047 | 3,372 | 0 | 0 | 64,179 | 0 | 126,390 | 188,894 |
| Youth | 17,721 | 482 | 482 | 323 | 0 | 0 | 0 | 0 | 18,203 | 18,044 |
| Trails | 83,270 | 2,265 | 2,265 | 1,513 | 0 | 0 | 0 | 0 | 85,535 | 84,783 |
| | **2,609,969** | **71,000** | **70,999** | **47,433** | **93,000** | **0** | **399,866** | **0** | **2,374,103** | **2,657,402** |

## OPERATING ACTIVITIES
## NOTE 11
### OTHER CURRENT LIABILITIES

| Other current liabilities | Note | Opening Balance 1 July 2025 | Liability transferred from/(to) non current | Liability Increase | Liability Reduction | Closing Balance 31 December 2025 |
|---|---|---|---|---|---|---|
| | | $ | | $ | $ | $ |
| **Other liabilities** | | | | | | |
| - Contract liabilities | | 1,242,964 | 0 | 253,673 | (253,984) | 1,242,653 |
| **Total other liabilities** | | 1,242,964 | 0 | 253,673 | (253,984) | 1,242,653 |
| **Employee Related Provisions** | | | | | | |
| Annual leave | | 223,516 | 0 | 0 | 0 | 223,516 |
| Long service leave | | 131,663 | 0 | 0 | 0 | 131,663 |
| **Total Employee Related Provisions** | | 355,179 | 0 | 0 | 0 | 355,179 |
| **Total other current assets** | | **1,598,143** | **0** | **253,673** | **(253,984)** | **1,597,832** |

**Amounts shown above include GST (where applicable)**

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

**KEY INFORMATION**

**Provisions**

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

**Employee 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.

## NOTE 12
## OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

| | Unspent operating grant, subsidies and contributions liability | | | | Operating grants, subsidies and contributions revenue | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Provider | Liability 1 July 2025 | Increase in Liability | Decrease in Liability (As revenue) | Liability 31 Dec 2025 | Adopted Budget Revenue | YTD Budget | Annual Budget | Budget Amendments | Expected | YTD Revenue Actual |
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| **Operating grants and subsidies** | | | | | | | | | | |
| **General purpose funding** | | | | | | | | | | |
| GEN PUR - Financial Assistance Grant - General | 0 | 0 | 0 | 0 | 468,923 | 264,942 | 529,883 | 60,960 | 590,843 | 264,942 |
| GEN PUR - Financial Assistance Grant - Roads | 0 | 0 | 0 | 0 | 269,639 | 156,774 | 313,546 | 43,907 | 357,453 | 156,771 |
| **Law, order, public safety** | | | | | | | | | | |
| FIRE - Grants CESM Reimbursements | 0 | 0 | 0 | 0 | 114,000 | 56,976 | 114,000 | 0 | 114,000 | 24,588 |
| FIRE - Grants Fire Mitigation | 0 | 63,673 | 0 | 63,673 | 127,346 | 63,642 | 127,346 | 0 | 127,346 | 0 |
| OLOPS - Grants AWARE2526 | 0 | 0 | 0 | 0 | 19,500 | 9,744 | 19,500 | 0 | 19,500 | 0 |
| ESL BFB - Operating Grant | 0 | 0 | 0 | 0 | 180,385 | 90,156 | 180,385 | 0 | 180,385 | 70,935 |
| ESL SES - Operating Grant | 0 | 0 | 0 | 0 | 29,752 | 14,868 | 29,752 | 0 | 29,752 | 20,286 |
| **Education and welfare** | | | | | | | | | | |
| WELFARE - Grants | 0 | 0 | 0 | 0 | 18,330 | 9,156 | 18,330 | 0 | 18,330 | 21,425 |
| **Community amenities** | | | | | | | | | | |
| COM AMEN - Other Income | 6,328 | 0 | (1,089) | 5,239 | 0 | 0 | 0 | 0 | 0 | 1,362 |
| **Recreation and culture** | | | | | | | | | | |
| LIBRARY - Grant - Regional Library Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,500 |
| LIBRARY - Other Grants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTH CUL - Other Income | 0 | 12,000 | (1,240) | 10,760 | 15,000 | 7,494 | 15,000 | 0 | 15,000 | 1,241 |
| REC - Grants - Women on Wheels Project | 500 | 0 | 0 | 500 | 550 | 270 | 550 | 0 | 550 | 0 |
| HERITAGE - Oral Histories Project Grant | 30 | 0 | (30) | 0 | 170 | 84 | 170 | 0 | 170 | 29 |
| **Transport** | | | | | | | | | | |
| ROADM - Direct Road Grant (MRWA) | 0 | 0 | 0 | 0 | 181,205 | 90,564 | 181,205 | 0 | 181,205 | 174,739 |
| | **6,858** | **75,673** | **(2,359)** | **80,172** | **1,424,800** | **764,670** | **1,529,667** | **104,867** | **1,634,534** | **738,818** |
| **Operating contributions** | | | | | | | | | | |
| **Economic services** | | | | | | | | | | |
| OTH ECON - Contributions & Donations | 0 | 0 | 0 | 0 | 100 | 48 | 100 | 0 | 100 | 0 |
| | **0** | **0** | **0** | **0** | **100** | **48** | **100** | **0** | **100** | **0** |
| **TOTALS** | **6,858** | **75,673** | **(2,359)** | **80,172** | **1,424,900** | **764,718** | **1,529,767** | **104,867** | **1,634,634** | **738,818** |

## NOTE 13
## NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

| | Capital grant/contribution liabilities | | | | Non operating grants, subsidies and contributions revenue | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Provider | Liability 1 July 2025 | Increase in Liability | Decrease in Liability (As revenue) | Liability 31 Dec 2025 | Adopted Budget Revenue | YTD Budget | Annual Budget | Budget Variations | Expected | YTD Revenue Actual |
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| **Non-operating grants and subsidies** | | | | | | | | | | |
| **Law, order, public safety** | | | | | | | | | | |
| ESL BFB - Capital Grant | 0 | 0 | 0 | 0 | 38,847 | 19,410 | 38,847 | 0 | 38,847 | 0 |
| ESL SES - Capital Grant | 0 | 0 | 0 | 0 | 44,000 | 21,990 | 44,000 | 0 | 44,000 | 0 |
| **Education and welfare** | | | | | | | | | | |
| PRESCHOOL - Grant Funding | 20,000 | 58,000 | (78,000) | 0 | 97,033 | 77,514 | 155,033 | 58,000 | 155,033 | 78,000 |
| **Recreation and culture** | | | | | | | | | | |
| HALLS - Grants | 0 | 0 | 0 | 0 | 60,000 | 29,988 | 60,000 | | 60,000 | 0 |
| REC - Grants - SWDC | 0 | 0 | 0 | 0 | 30,000 | 14,994 | 30,000 | 0 | 30,000 | 20,000 |
| **Transport** | | | | | | | | | | |
| ROADC - Regional Road Group Grants (MRWA) | 0 | 0 | 0 | 0 | 300,000 | 149,940 | 300,000 | 0 | 300,000 | 0 |
| ROADC - Roads to Recovery Grant | 9,058 | 120,000 | 0 | 129,058 | 646,668 | 323,202 | 646,668 | 0 | 646,668 | 0 |
| ROADC - Other Grants - Roads/Streets | 279,594 | 0 | (173,625) | 105,969 | 796,831 | 398,256 | 796,831 | 0 | 796,831 | 0 |
| ROADC - Other Grants - Footpaths & Cycleway | 580,210 | 0 | 0 | 580,210 | 1,827,367 | 913,314 | 1,827,367 | 0 | 1,827,367 | 0 |
| ROADC - Other Grants - Bridges | 347,245 | 0 | 0 | 347,245 | 1,353,500 | 676,476 | 1,353,500 | 0 | 1,353,500 | 0 |
| ROADC - Other Reimbursements - Bridges | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 31,066 |
| PARKING - Grants | 0 | 0 | 0 | 0 | 0 | 222,822 | 445,644 | 445,644 | 445,644 | 173,625 |
| | **1,236,107** | **178,000** | **(251,625)** | **1,162,482** | **5,194,246** | **2,847,906** | **5,697,890** | **503,644** | **5,697,890** | **302,691** |

## NOTE 14
## 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 2025 | Amount Received | Amount Paid | Closing Balance 31 Dec 2025 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Building Services Levy (BSL) | 247 | 4,406 | (2,577) | **2,076** |
| Construction Training Fund (CTF) | 600 | 374 | (700) | **274** |
| Councillor Nomination Fees | 0 | 600 | (600) | **0** |
| Department of Transport | 0 | 157,627 | (157,744) | **(117)** |
| Key, Facility & Equipment Bonds | 9,712 | 1,250 | (1,400) | **9,562** |
| Retention Bonds | 42,692 | 0 | 0 | **42,692** |
| Other Bonds | 44,018 | 0 | 0 | **44,018** |
| Unclaimed Monies | 180 | 0 | 0 | **180** |
| | **97,449** | **164,257** | **(163,021)** | **98,685** |

## NOTE 15
## 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** | 280825.11 | Opening Surplus(Deficit) | | | 0 | 926,151 |
| PI001 | Grange Road Carpark | 271125.14 | Capital Expenses | | | 445,644 | 1,371,795 |
| 3120410 | PARKING - Grants | 271125.14 | Capital Revenue | | | (445,644) | 926,151 |
| 4080190 | PRESCHOOL - Infrastructure Other (capital) | 271125.13 | Capital Expenses | | | 58,000 | 984,151 |
| 3080110 | PRESCHOOL - Grant Funding | 271125.13 | Capital Revenue | | | (58,000) | 926,151 |
| | | | | **0** | **0** | **0** | **0** |

# NOTE 16
# 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 2025-26 year is $30,000 or 10.00% whichever is the greater.

| Nature or type | Var. $ | Var. % | | Timing / Permanent | Explanation of variances |
|---|---|---|---|---|---|
| | $ | % | | | |
| **Opening funding surplus / (deficit)** | 270,035 | 29% | ▲ | Permanent | Opening Surplus position |
| Fees and charges | 266,399 | 67% | ▲ | Timing | Waste Site Income categories recognised at time of Rates Issue (WARR & Bins), Caravan Park Lease income recognised in full |
| Other revenue | 4,323 | 13% | ▲ | Timing | Increase in Actual V Budget YTD attributable to REC - Other Income |
| Employee costs | 42,432 | 3% | ▼ | Timing | |
| Materials and contracts | 99,290 | 9% | ▼ | Timing | Major underspends identified as FIRE - Mitigation Expenses, OTH GOV - Subscriptions & Memberships, Consultancy & Audit Fees, $0 spent to date |
| Utility charges | 10,491 | 19% | ▼ | Timing | Significant underspend identified at REC - Building Operations Water expenditure - ~$6k YTD Underspend |
| Insurance expenses | (98,364) | (85%) | ▲ | Timing | Timing on part of Budget YTD only showing 4 months, however major invoices paid for Insurances Year End position estimate to be Underspent by $15k |
| Other expenditure | (32,507) | (29%) | ▲ | Timing | Timing and partial offset with Materials and contracts |
| Proceeds from non-operating grants, subsidies and contributions | (2,545,214) | (89%) | ▼ | Timing | Only funding received to date is Monies held in Contract Liabiilities towards Grange Road Carpark & Reimbursement for Maidment Bridge Works, major variance due to timing |
| Proceeds from disposal of assets | 15,804 | 17% | ▲ | Permanent | Disposal of Hilux not yet occurred, and signficant under receipt on disposal of both Hino & Volvo disposals |
| Payments for property, plant and equipment and infrastructure | 952,635 | 51% | ▼ | Timing | Majority of Capital Works Schedule not completed, including Road Infrastructure works and Trail Town Project works |
| Transfer from reserves | (199,933) | (100%) | ▼ | Timing | No reserve transfers to date, timing |
| Repayment of debentures | 49,455 | 50% | ▼ | Timing | Timing - Self Supporting Loans and WATC Loan Budget YTD v Actual year end postion estimate to be on target |
| Transfer to reserves | 34,567 | 42% | ▼ | Timing | No reserve transfers to date, timing |