

SHIRE OF NANNUP

MONTHLY FINANCIAL REPORT
(Containing the Statement of Financial Activity)
For the period ending 31 January 2026

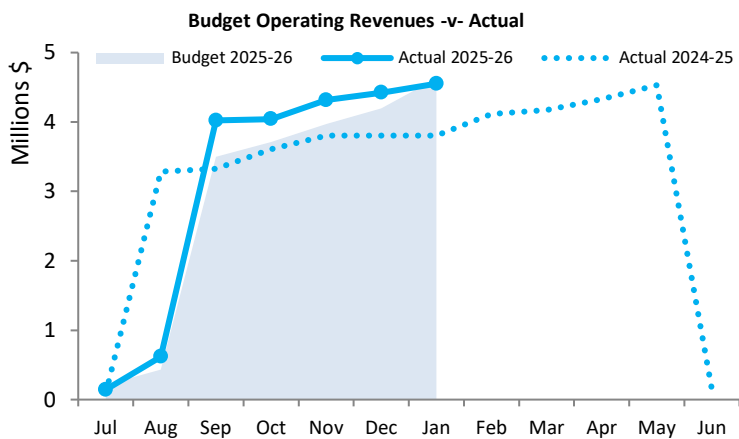
LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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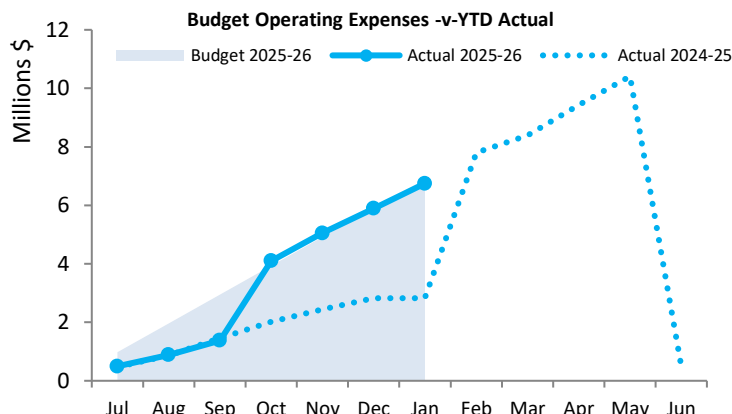
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OPERATING ACTIVITIES

OPERATING REVENUE

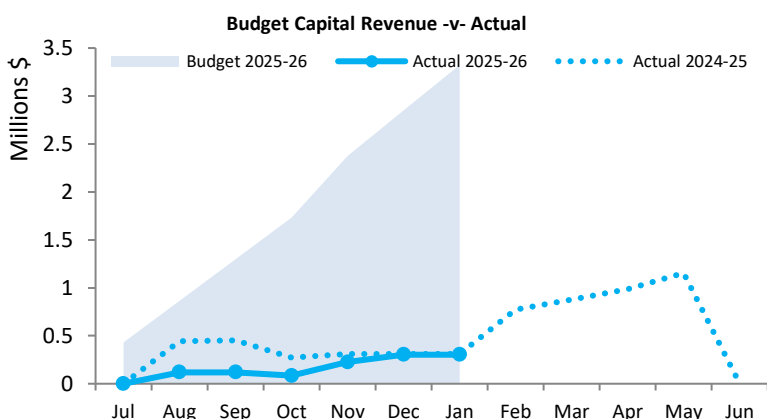


OPERATING EXPENSES

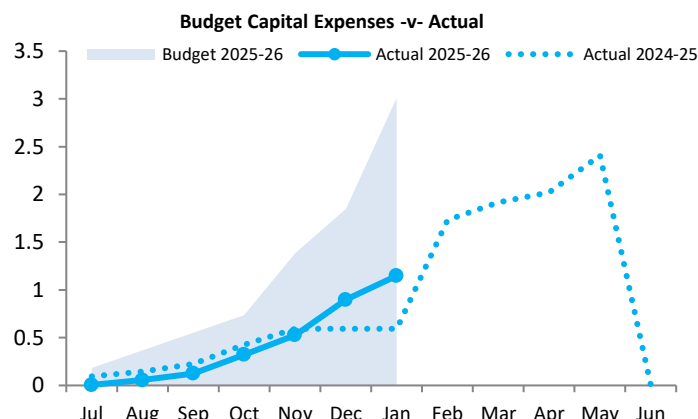


INVESTING ACTIVITIES

CAPITAL REVENUE

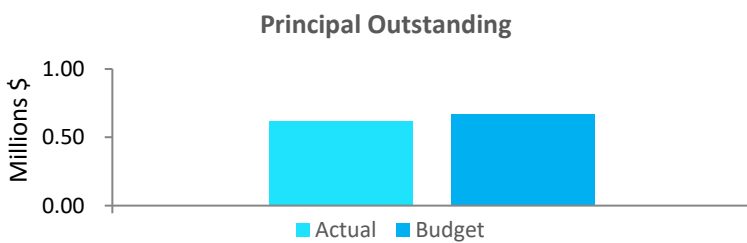
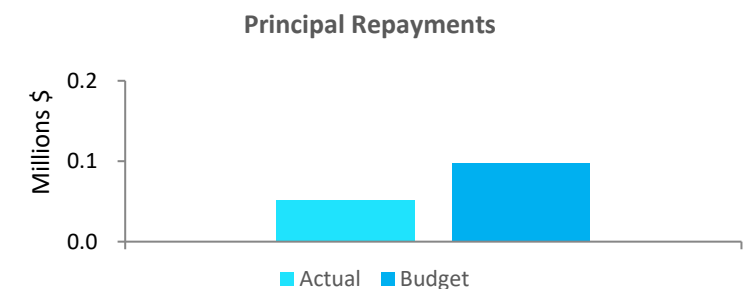


CAPITAL EXPENSES

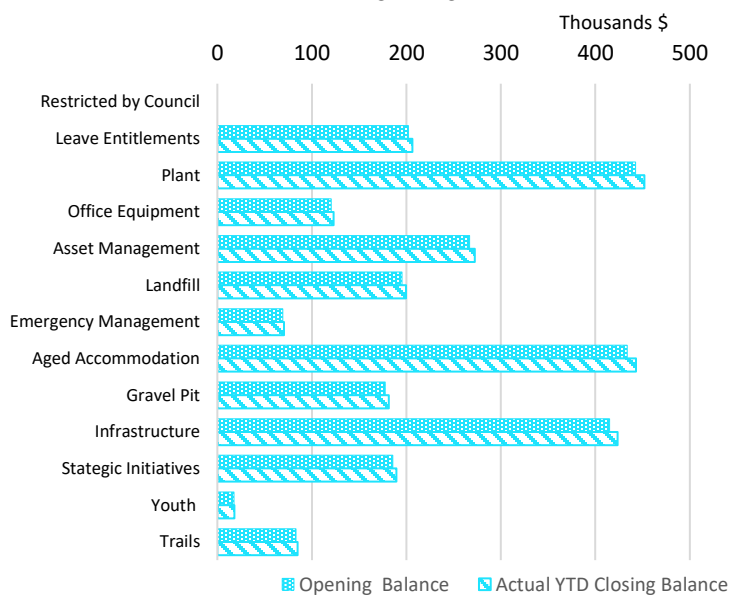


FINANCING ACTIVITIES

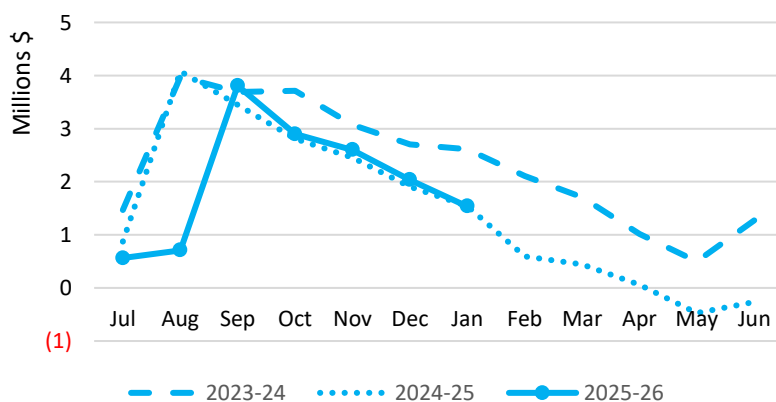
BORROWINGS



RESERVES



Closing funding surplus / (deficit)



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

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	\$2.51 M	\$1.54 M	(\$0.98 M)

Refer to Statement of Financial Activity

Cash and cash equivalents		
	\$	% of total
Unrestricted Cash	\$0.58 M	12.9%
Restricted Cash	\$3.91 M	87.1%

Refer to Note 2 - Cash and Financial Assets

Payables		
	\$	% Outstanding
Trade Payables	\$0.00 M	
0 to 30 Days		100.0%
Over 30 Days		0.0%
Over 90 Days		0%

Refer to Note 5 - Payables

Receivables		
	\$	% Collected
Rates Receivable	\$1.03 M	66.3%
Trade Receivable	\$0.24 M	% Outstanding
Over 30 Days		77.5%
Over 90 Days		40.5%

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)	\$1.10 M	\$1.16 M	\$0.06 M

Refer to Statement of Financial Activity

Rates Revenue		
	\$	% Variance
YTD Actual	\$2.85 M	
YTD Budget	\$2.85 M	0.03%

Refer to Statement of Financial Activity

Operating Grants and Contributions		
	\$	% Variance
YTD Actual	\$0.84 M	
YTD Budget	\$0.89 M	(6.37%)

Refer to Note 12 - Operating Grants and Contributions

Fees and Charges		
	\$	% Variance
YTD Actual	\$0.67 M	
YTD Budget	\$0.67 M	(0.10%)

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)	\$0.45 M	(\$0.70 M)	(\$1.16 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	\$1.15 M	
Adopted Budget	\$5.78 M	19.9%

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	\$0.04 M	(\$0.12 M)	(\$0.15 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 Liabilities

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

KEY TERMS AND DESCRIPTIONS

FOR THE PERIOD ENDED 31 JANUARY 2026

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 JANUARY 2026**

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	2,854,078	2,854,835	757	0.03%	
Operating grants, subsidies and contributions	12	1,424,900	1,529,767	892,171	835,313	(56,858)	(6.37%)	▼
Fees and charges		791,339	791,339	667,668	666,971	(697)	(0.10%)	
Interest earnings		211,433	211,433	123,263	122,647	(616)	(0.50%)	
Other revenue		66,810	66,810	38,892	48,173	9,281	23.86%	▲
Profit on disposal of assets	6	89,488	89,488	52,171	23,765	(28,406)	(54.45%)	
		5,438,588	5,543,455	4,628,242	4,551,704	(76,538)	(1.65%)	
Expenditure from operating activities								
Employee costs		(3,353,958)	(3,353,959)	(1,955,135)	(1,890,318)	64,817	3.32%	▼
Materials and contracts		(2,111,961)	(2,111,961)	(1,229,676)	(1,048,669)	181,007	14.72%	▼
Utility charges		(109,567)	(109,567)	(63,728)	(49,282)	14,446	22.67%	▼
Depreciation on non-current assets		(5,763,075)	(5,763,075)	(3,360,385)	(3,375,500)	(15,115)	(0.45%)	
Interest expenses		(16,853)	(16,853)	(9,821)	(8,979)	842	8.57%	
Insurance expenses		(232,945)	(232,945)	(135,702)	(214,680)	(78,978)	(58.20%)	▲
Other expenditure		(224,704)	(224,704)	(130,907)	(158,947)	(28,040)	(21.42%)	
		(11,813,062)	(11,813,064)	(6,885,354)	(6,746,375)	138,979	(2.02%)	
Non-cash amounts excluded from operating activities	1(a)	5,649,079	5,649,079	3,355,948	3,355,948	0	0.00%	
Amount attributable to operating activities		(725,395)	(620,530)	1,098,836	1,161,277	62,441	5.68%	
Investing activities								
Proceeds from non-operating grants, subsidies and contributions	13	5,194,246	5,697,890	3,322,557	302,692	(3,019,865)	(90.89%)	▼
Proceeds from disposal of assets	6	185,000	185,000	107,917	108,304	387	0.36%	
Proceeds from financial assets at amortised cost - self supporting loans	8	61,030	61,030	32,882	32,882	0	0.00%	
Payments for property, plant and equipment and infrastructure	7	(5,775,973)	(6,321,618)	(3,010,228)	(1,147,830)	1,862,398	61.87%	▼
Amount attributable to investing activities		(335,697)	(377,698)	453,128	(703,952)	(1,157,080)	(255.35%)	
Financing Activities								
Transfer from reserves	10	399,866	399,866	233,255	0	(233,255)	(100.00%)	▼
Payments for principal portion of lease liabilities		(2,690)	(2,690)	(2,690)	(12,218)	(9,528)	(354.20%)	
Repayment of debentures	8	(98,236)	(98,236)	(98,236)	(51,427)	46,809	47.65%	▼
Transfer to reserves	10	(164,000)	(163,999)	(95,666)	(54,429)	41,237	43.11%	▼
Amount attributable to financing activities		134,941	134,941	36,663	(118,074)	(154,737)	(422.05%)	
Closing funding surplus / (deficit)	1(c)	0	62,867	2,514,778	1,535,436	(979,342)	(39%)	▼

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 23 February 2026

(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	Amended Budget	YTD Budget (a)	YTD Actual (b)
		\$	\$	\$	\$
Non-cash items excluded from operating activities					
Adjustments to operating activities					
Less: Profit on asset disposals	6	(89,488)	(89,488)	(52,171)	(23,765)
Less: Movement in liabilities associated with restricted cash					4,213
Movement in employee benefit provisions (non-current)		(24,508)	(24,508)	(14,296)	0
Add: Depreciation on assets		5,763,075	5,763,075	3,360,385	3,375,500
Total non-cash items excluded from operating activities		5,649,079	5,649,079	3,293,918	3,355,948

(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	Amended Budget	Last Year	Year to
		Opening	Opening	Closing	Date
		30 June 2025	30 June 2025	30 June 2025	31 January 2026
Adjustments to net current assets					
Less: Reserves - restricted cash	10	(2,609,969)	(2,609,969)	(2,609,969)	(2,664,398)
Less: - Financial assets at amortised cost - self supporting loans	4	0	0	(61,030)	(28,148)
Add: Borrowings	8	98,236	98,236	98,236	46,808
Add: Provisions employee related provisions	11	202,034	202,034	202,030	206,243
Add: Lease liabilities	9	2,690	2,690	2,690	85,428
Total adjustments to net current assets		(2,307,009)	(2,307,009)	(2,368,043)	(2,354,067)

(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	4,484,408
Rates receivables	3	215,615	215,615	209,190	1,032,319
Receivables	3	256,983	256,983	256,983	235,860
Other current assets	4	384,883	384,883	472,426	97,176
Less: Current liabilities					
Payables	5	(613,378)	(613,378)	(613,378)	(230,192)
Borrowings	8	(98,236)	(98,236)	(98,236)	(46,808)
Contract liabilities	11	(1,487,421)	(1,487,421)	(1,242,964)	(1,242,653)
Lease liabilities	9	(2,690)	(2,690)	(2,690)	(85,428)
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)	(2,354,067)
Closing funding surplus / (deficit)		926,151	926,151	1,196,186	1,535,436

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.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JANUARY 2026

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	577,359	1,242,653	1,820,012	0	CBA	3.00%	on call
Reserve Cash at Bank	Cash and cash equivalents	0	2,664,396	2,664,396	0	CBA	3.60%	on call
Total		577,359	3,907,049	4,484,408	0			
Comprising								
Cash and cash equivalents		577,359	3,907,049	4,484,408	0			
		577,359	3,907,049	4,484,408	0			

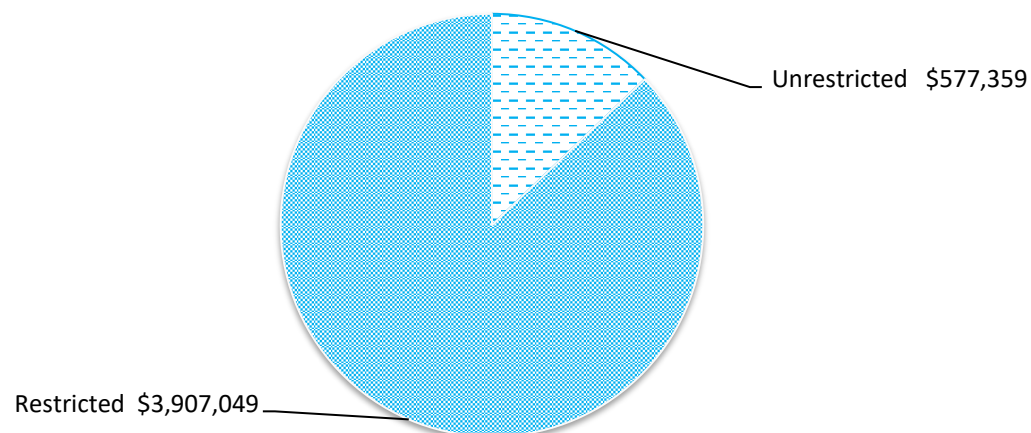
KEY INFORMATION

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.

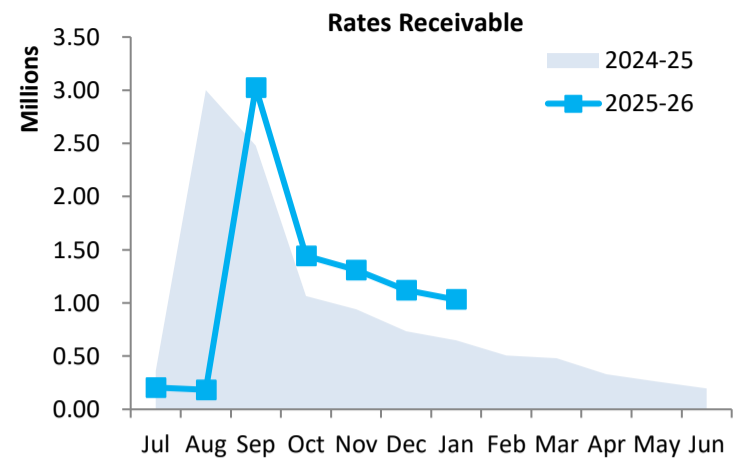
The local government classifies financial assets at amortised cost if both of the following criteria are met:

- 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 June 2025	31 Jan 2026
	\$	\$
Opening arrears previous years	198,217	209,190
Levied this year	2,647,855	2,854,835
Less - collections to date	(2,636,882)	(2,031,706)
Gross rates collectable	209,190	1,032,319
Net rates collectable	209,190	1,032,319
% Collected	92.6%	66.3%



Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	(2,086)	49,470	77,255	105	84,755	209,499
Percentage	(1.00%)	23.6%	36.9%	0.1%	40.5%	
Balance per trial balance						
Pensioner Rebates Receivable						759
Sundry receivable						209,499
ATO GST receivable						25,602
Total receivables general outstanding						235,860

Amounts shown above include GST (where applicable)

KEY INFORMATION

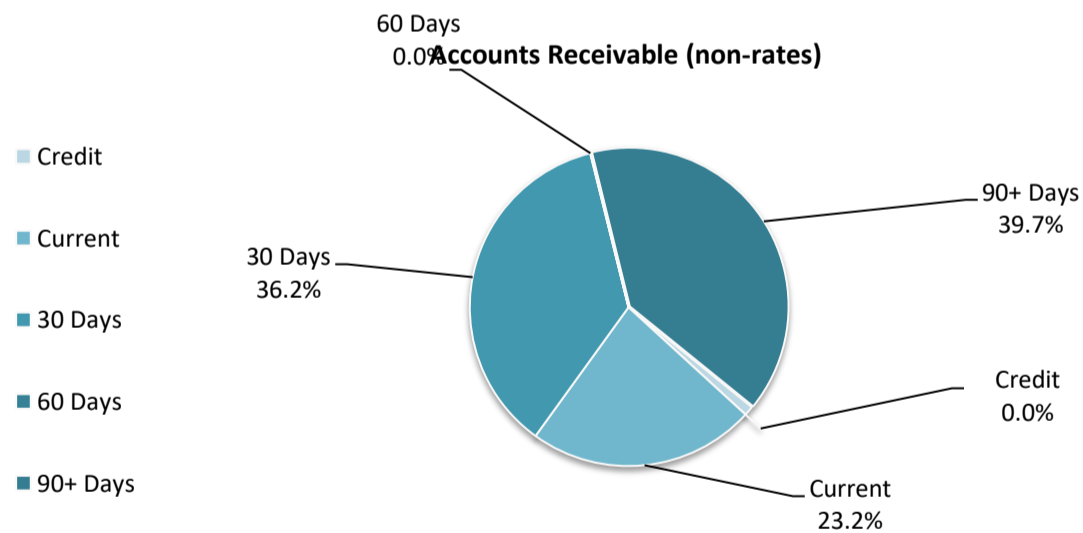
Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

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 2025	Asset Increase	Asset Reduction	Closing Balance 31 January 2026
	\$	\$	\$	\$
Other financial assets at amortised cost				
Financial assets at amortised cost - self supporting loans	61,030	0	(32,882)	28,148
Inventory				
Fuel	7,517	0	(5,165)	2,352
Gravel	156,338	0	(89,662)	66,676
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	(375,250)	97,176
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

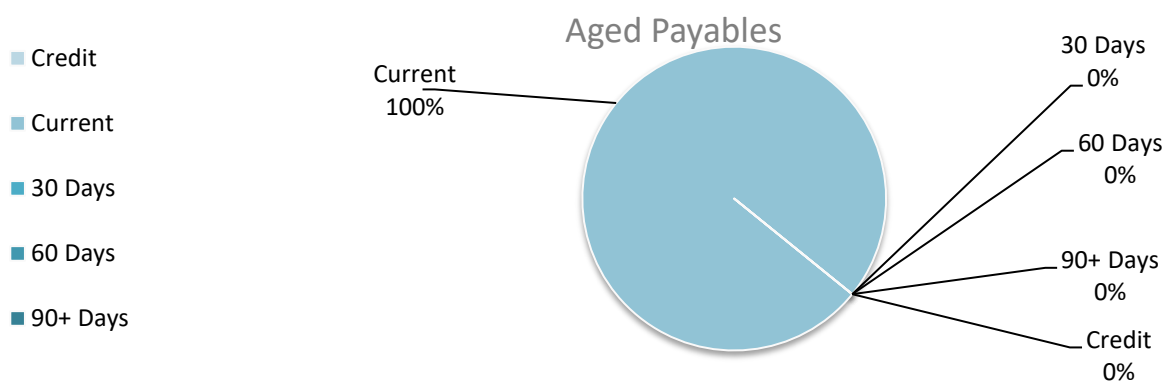
A contract asset is the right to consideration in exchange for goods or services the entity has transferred to a customer when that right is conditioned on something other than the passage of time.

Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	0	4,674	0	0	0	4,674
Percentage	0%	100%	0%	0%	0%	
Balance per trial balance						
Sundry creditors						4,674
ATO GST & PAYG liabilities						51,444
Bonds & Deposits						97,702
Rates in Advance						17,933
Other payables						49,810
Payroll - Novated Leases						8,629
Total payables general outstanding						230,192

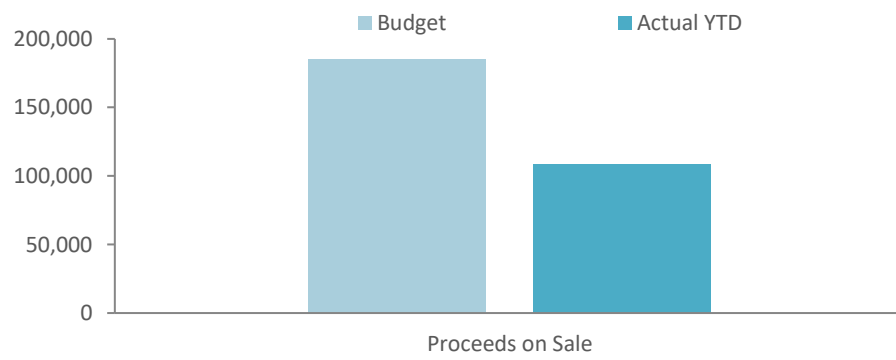
Amounts shown above include GST (where applicable)

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 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



Capital acquisitions	Adopted Budget	Amended Budget	Adopted YTD Budget	YTD Actual	YTD Actual Variance
	\$	\$	\$	\$	\$
Buildings	222,642	222,642	129,801	83,176	(46,625)
Furniture and equipment	16,700	16,700	0	6,316	6,316
Plant and equipment	150,692	150,692	32,067	110,121	78,054
Infrastructure - roads	1,070,000	1,070,000	274,979	238,332	(36,647)
Infrastructure - footpaths & cyclepaths	2,762,406	2,762,407	1,340,681	148,995	(1,191,686)
Infrastructure - bridges	1,388,500	1,388,500	818,244	0	(818,244)
Infrastructure - parks & ovals	53,000	53,000	30,898	19,522	(11,376)
Infrastructure - other	112,033	657,677	383,558	541,368	157,810
Payments for Capital Acquisitions	5,775,973	6,321,618	3,010,228	1,147,830	(1,862,398)
Capital Acquisitions Funded By:					
	\$	\$	\$	\$	\$
Capital grants and contributions	5,194,246	0	3,322,557	302,692	(3,019,865)
Lease liabilities	0	0	94,956	94,956	0
Other (disposals & C/Fwd)	185,000	185,000	107,917	108,304	387
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
Strategic Initiatives	64,179	64,179	0	0	0
Contribution - operations	(3,139)	5,736,752	(515,202)	641,878	1,157,080
Capital funding total	5,775,973	6,321,618	3,010,228	1,147,830	(1,862,398)

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.

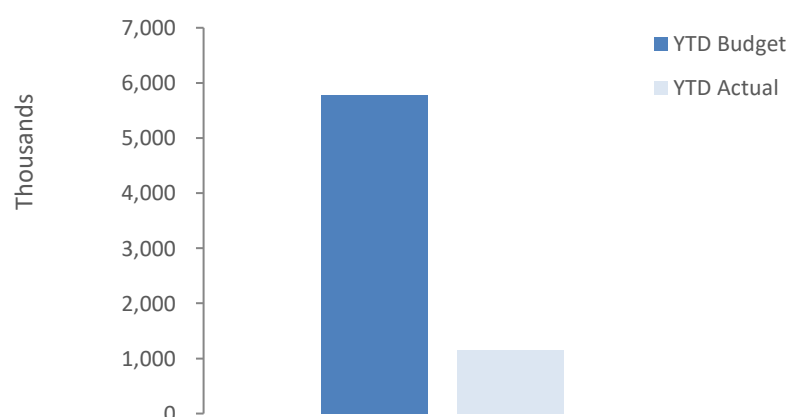
Initial recognition and measurement for assets held at cost

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 recognised 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

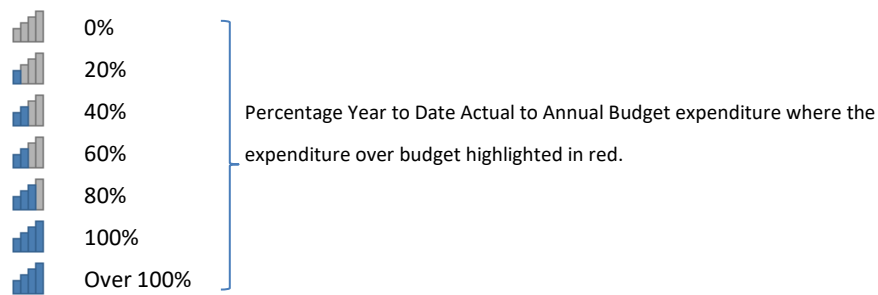
In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The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



		Adopted	Amended	Adopted		Variance
Account Description		Budget	Budget	YTD Budget	YTD Actual	(Under)/Over
		\$	\$	\$	\$	\$
Buildings						
BC5501	Nannup Brook Vbfb Fire Station - Building (Capital)	24,155	24,155	14,084	4,566	(9,518)
BC5509	Cundinup Bfb Fire Station - Building (Capital)	15,150	15,150	8,827	4,958	(3,869)
BC9101	House (Lot 234) 30 Dunnett Road - Building (Capital)	13,495	13,495	7,868	16,836	8,968
BC9103	House (Lot 233) 29 Carey St - Building (Capital)	20,000	20,000	11,662	11,736	74
BC11101	Town Hall Nannup (1903) - Building (Capital)	60,000	60,000	34,986	0	(34,986)
BC11104	Community Hall Carlotta - Building (Capital)	0	0	0	8,845	8,845
BC11303	Recreation Centre Nannup - Building (Capital)	39,432	39,432	22,988	11,652	(11,336)
BC12102	Shire Depot - Administration Office - Building (Capital)	22,000	22,000	12,824	18,840	6,016
BC11305	Foreshore Park Amphitheatre Stage - Building (Capital)	15,367	15,367	8,960	5,743	(3,217)
BC11308	Bowling Club Nannup - Building (Capital)	13,043	13,043	7,602	0	(7,602)
Total Buildings		222,642	222,642	129,801	83,176	(46,625)
Furniture & Equipment						
4110320	REC - Furniture & Equipment (Capital)	10,000	10,000	0	0	0
4110520	LIBRARY - Furniture & Equipment (Capital)	6,700	6,700	0	6,316	6,316
Total Furniture & Equipment		16,700	16,700	0	6,316	6,316
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
4100130	SAN - Plant & Equipment (Capital)	0	0	0	0	0
4070430	HEALTH - Plant & Equipment (Capital)	37,000	37,000	0	0	0
4110330	REC - Plant & Equipment (Capital)	0	0	0	0	0
4120330	PLANT - Plant & Equipment (Capital)	55,000	55,000	32,067	95,030	62,963
4130830	OTH ECON - Plant & Equipment (Capital)	0	0	0	0	0
4140230	ADMIN - Plant & Equipment (Capital)	0	0	0	0	0
Total Plant & Equipment		150,692	150,692	32,067	110,121	78,054
Roads						
RC500	Warren Road (Main Street) (Capital)	60,000	60,000	34,979	51,750	16,771
RC045	Jalbarragup Road (Capital)	180,000	180,000	180,000	186,197	6,197
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	60,000	0	(60,000)
R2R116	Leschenaultia Drive (R2R)	35,000	35,000	0	0	0
Total Roads		1,070,000	1,070,000	274,979	238,332	(36,647)
Drainage						
R2R047	Mowen Road (R2R)	0	0	0	0	0
DC004	East Nannup Road - Drainage Capital	0	0	0	0	0
DC094	Cundinup South Road - Drainage Capital	0	0	0	0	0
DC039	Brockman Street - Drainage Capital	0	0	0	0	0
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	25,248	0	(25,248)
BR3983A	Sears Rd - Bridge (Capital)	45,000	45,000	0	0	0
BR3950	Cundinup West Rd - Bridge (Capital)	1,000,000	1,000,000	500,000	0	(500,000)
BR9222	Old Rail Alignment - Bridge (Capital)	35,000	35,000	34,998	0	(34,998)
Total Bridges		1,388,500	1,388,500	818,244	0	(818,244)
Footpaths & Cyclepaths						
FC000	Footpath Construction General (Budgeting Only)	20,000	20,000	0	0	0
FC305	Hitchcock Drive - Footpath Capital	0	0	0	0	0
OC12111	Trail Town - Stage 1 - Southern Entrance To Town Bridge	1,033,247	1,033,247	344,070	266	(343,804)
OC12112	Trail Town - Stage 2	0	0	0	0	0
OC12113	Trail Town - Stage 3	1,709,159	1,709,160	996,611	148,729	(847,882)
OC12114	Trail Town - Stage 4	0	0	0	0	0
Total Footpaths & Cyclepaths		2,762,406	2,762,407	1,340,681	148,995	(1,191,686)
Parks & Gardens						
PC11309	River Foreshore Amphi Theatre Park & Car Park	28,000	28,000	16,324	0	(16,324)
PC11330	Town Oval Inc Pump Station	25,000	25,000	14,574	19,522	4,948
Total Parks & Gardens		53,000	53,000	30,898	19,522	(11,376)
Other Infrastructure						
4080190	PRESCHOOL - Infrastructure Other (Capital)	97,033	155,033	90,433	155,295	64,862
4100290	SAN OTH - Infrastructure Other (Capital)	15,000	15,000	8,743	14,425	5,682
PI001	Grange Road Carpark	0	487,644	284,382	365,358	80,976
IO11306	Recenter Centre Cricket Nets	0	0	0	6,290	6,290
Total Other Infrastructure		112,033	657,677	383,558	541,368	157,810
TOTAL PPE & INFRASTRUCTURE		5,775,973	6,321,618	3,010,228	1,147,830	(1,862,398)

Repayments - borrowings

Information on borrowings	Particulars	Loan No.	New Loans			Principal Repayments		Principal Outstanding		Interest Repayments	
			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	20,911	31,719	124,280	135,088	1,649	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	32,882	61,030	411,375	439,523	7,797	18,485
Total			569,208	0	0	51,427	98,236	620,635	667,444	8,979	20,735
	Current borrowings		98,236					46,808			
	Non-current borrowings		470,972					573,827			
			569,208					620,635			

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 2026, nor is it expected to have unspent funds as at 30th June 2027.

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.

Movement in carrying amounts

Information on leases	Lease No.	1 July 2025	New Leases		Principal Repayments		Principal Outstanding	
			Actual	Budget	Actual	Budget	Actual	Budget
Particulars		\$	\$	\$	\$	\$	\$	\$
Law, order, public safety								
CESM Vehicle	979823	2,690	94,956	0	(12,218)	(2,690)	85,428	0
Total		2,690	94,956	0	(12,218)	(2,690)	85,428	0
Current lease liabilities		2,690					85,428	
		2,690					85,428	

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	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
Reserve name	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by Council										
Leave Entitlements	202,030	5,496	5,496	4,213	0	0	30,000	0	177,526	206,243
Plant	442,763	12,045	12,045	9,231	93,000	0	62,000	0	485,808	451,994
Office Equipment	120,551	3,279	3,279	2,515	0	0	15,700	0	108,130	123,066
Asset Management	267,055	7,265	7,265	5,568	0	0	118,487	0	155,833	272,623
Landfill	195,564	5,320	5,320	4,077	0	0	15,000	0	185,884	199,641
Emergency Management	69,045	1,878	1,878	1,442	0	0	6,500	0	64,423	70,487
Aged Accommodation	433,738	11,800	11,799	9,046	0	0	0	0	445,538	442,784
Gravel Pit	177,789	4,836	4,836	3,707	0	0	0	0	182,625	181,496
Infrastructure	414,921	11,287	11,287	8,654	0	0	88,000	0	338,208	423,575
Strategic Initiatives	185,522	5,047	5,047	3,870	0	0	64,179	0	126,390	189,392
Youth	17,721	482	482	370	0	0	0	0	18,203	18,091
Trails	83,270	2,265	2,265	1,736	0	0	0	0	85,535	85,006
	2,609,969	71,000	70,999	54,429	93,000	0	399,866	0	2,374,103	2,664,398

	Note	Opening Balance 1 July 2025	Liability transferred from/(to) non current	Liability Increase	Liability Reduction	Closing Balance 31 January 2026
		\$		\$	\$	\$
Other current liabilities						
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.

Provider	Unspent operating grant, subsidies and contributions liability				Operating grants, subsidies and contributions revenue					
	Liability 1 July 2025	Increase in Liability	Decrease in Liability (As revenue)	Liability 31 Jan 2026	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	309,099	529,883	60,960	590,843	264,942
GEN PUR - Financial Assistance Grant - Roads	0	0	0	0	269,639	182,903	313,546	43,907	357,453	156,772
Law, order, public safety										
FIRE - Grants CESM Reimbursements	0	0	0	0	114,000	66,472	114,000	0	114,000	58,548
FIRE - Grants Fire Mitigation	0	63,673	0	63,673	127,346	74,249	127,346	0	127,346	0
OLOPS - Grants AWARE2526	0	0	0	0	19,500	11,368	19,500	0	19,500	0
ESL BFB - Operating Grant	0	0	0	0	180,385	105,182	180,385	0	180,385	116,031
ESL SES - Operating Grant	0	0	0	0	29,752	17,346	29,752	0	29,752	27,724
Education and welfare										
WELFARE - Grants	0	0	0	0	18,330	10,682	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	8,743	15,000	0	15,000	1,241
REC - Grants - Women on Wheels Project	500	0	0	500	550	315	550	0	550	0
HERITAGE - Oral Histories Project Grant	30	0	(30)	0	170	98	170	0	170	29
Rec Grants Safe and Connected Nannup SA2 2025				0	0	0	0	0	0	10,000
Transport										
ROADM - Direct Road Grant (MRWA)	0	0	0	0	181,205	105,658	181,205	0	181,205	174,739
	6,858	75,673	(2,359)	80,172	1,424,800	892,115	1,529,667	104,867	1,634,534	835,313
Operating contributions										
Economic services										
OTH ECON - Contributions & Donations	0	0	0	0	100	56	100	0	100	0
	0	0	0	0	100	56	100	0	100	0
TOTALS	6,858	75,673	(2,359)	80,172	1,424,900	892,171	1,529,767	104,867	1,634,634	835,313

Provider	Capital grant/contribution liabilities				Non operating grants, subsidies and contributions revenue					
	Liability 1 July 2025	Increase in Liability	Decrease in Liability (As revenue)	Liability 31 Jan 2026	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	22,645	38,847	0	38,847	0
ESL SES - Capital Grant	0	0	0	0	44,000	25,655	44,000	0	44,000	0
Education and welfare										
PRESCHOOL - Grant Funding	20,000	58,000	(78,000)	0	97,033	90,433	155,033	58,000	155,033	78,000
Recreation and culture										
HALLS - Grants	0	0	0	0	60,000	34,986	60,000		60,000	0
REC - Grants - SWDC	0	0	0	0	30,000	17,493	30,000	0	30,000	20,000
Transport										
ROADC - Regional Road Group Grants (MRWA)	0	0	0	0	300,000	174,930	300,000	0	300,000	0
ROADC - Roads to Recovery Grant	9,058	120,000	0	129,058	646,668	377,069	646,668	0	646,668	0
ROADC - Other Grants - Roads/Streets	279,594	0	(173,625)	105,969	796,831	464,632	796,831	0	796,831	0
ROADC - Other Grants - Footpaths & Cycleway	580,210	0	0	580,210	1,827,367	1,065,533	1,827,367	0	1,827,367	0
ROADC - Other Grants - Bridges	347,245	0	0	347,245	1,353,500	789,222	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	259,959	445,644	445,644	445,644	173,626
	1,236,107	178,000	(251,625)	1,162,482	5,194,246	3,322,557	5,697,890	503,644	5,697,890	302,692

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JANUARY 2026**

**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	Amount	Amount	Closing Balance
	1 July 2025	Received	Paid	31 Jan 2026
	\$	\$	\$	\$
Building Services Levy (BSL)	247	4,786	(3,940)	1,093
Construction Training Fund (CTF)	600	374	(700)	274
Councillor Nomination Fees	0	600	(600)	0
Department of Transport	0	186,095	(186,212)	(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	193,105	(192,852)	97,702

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

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 JANUARY 2026**

**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
Operating grants, subsidies and contributions	(56,858)	(6%)	▼ Permanent	Expected Year End Federal Assistance Grants Increase by \$104k
Other revenue	9,281	24%	▲ Timing	Increase in Actual v Budget YTD attributable to REC - Other Income
Employee costs	64,817	3%	▼ Timing	
Materials and contracts	181,007	15%	▼ Timing	Major underspends identified as FIRE - Mitigation Expenses, OTH GOV - Subscriptions & Memberships, Consultancy & Audit Fees, \$0 spent to date
Utility charges	14,446	23%	▼ Timing	Significant underspend identified at REC - Building Operations Water expenditure - ~\$6k YTD Underspend
Insurance expenses	(78,978)	(58%)	▲ 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
Proceeds from non-operating grants, subsidies and contributions	(3,019,865)	(91%)	▼ Timing	Only funding received to date is Monies held in Contract Liabilities towards Grange Road Carpark & Reimbursement for Maidment Bridge Works, major variance due to timing
Payments for property, plant and equipment and infrastructure	1,862,398	62%	▼ Timing	Majority of Capital Works Schedule not completed, including Road Infrastructure works and Trail Town Project works
Transfer from reserves	(233,255)	(100%)	▼ Timing	No reserve transfers to date, timing
Repayment of debentures	46,809	48%	▼ Timing	Timing - Self Supporting Loans and WATC Loan Budget YTD v Actual year end position estimate to be on target
Transfer to reserves	41,237	43%	▼ Timing	No reserve transfers to date, timing