

Attachment 11.4.1

SHIRE OF NANNUP

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

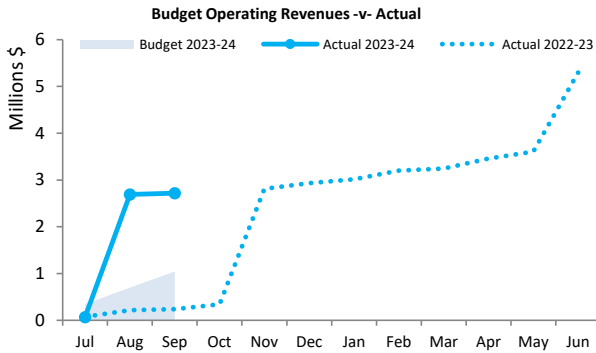
*LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996*

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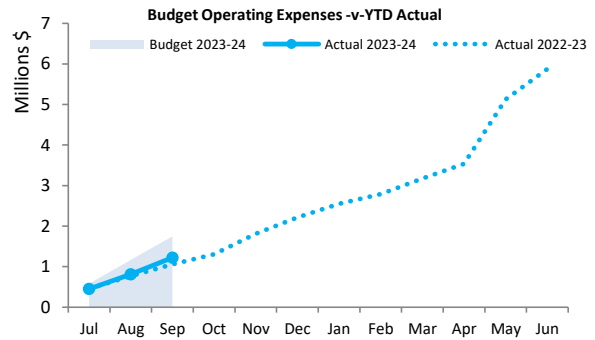
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OPERATING ACTIVITIES

OPERATING REVENUE

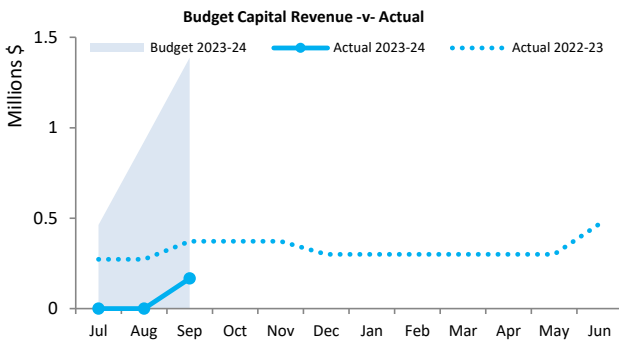


OPERATING EXPENSES

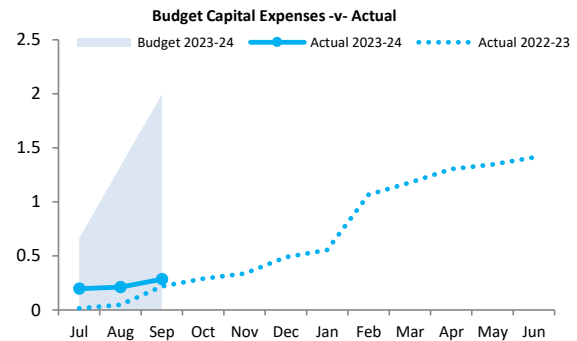


INVESTING ACTIVITIES

CAPITAL REVENUE



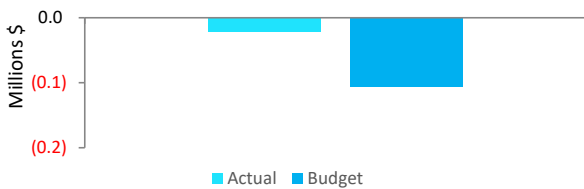
CAPITAL EXPENSES



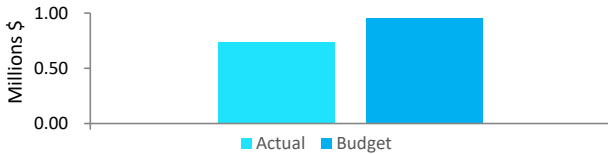
FINANCING ACTIVITIES

BORROWINGS

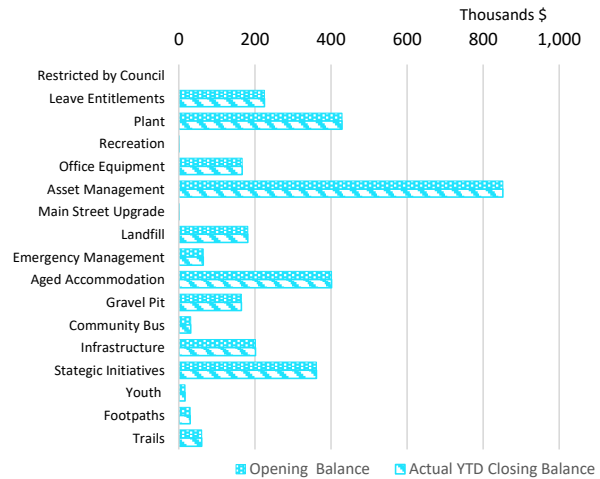
Principal Repayments



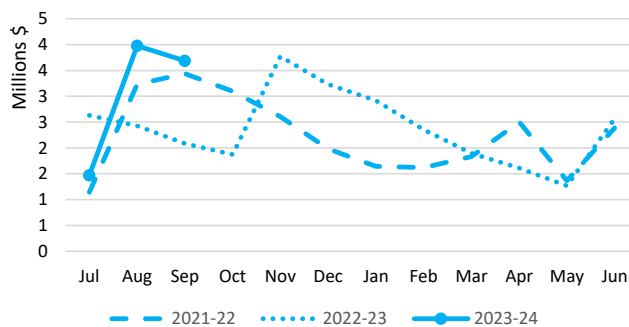
Principal Outstanding



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	\$2.56 M	\$2.56 M	\$2.32 M	(\$0.25 M)
Closing	\$0.00 M	\$1.63 M	\$3.69 M	\$2.06 M

Refer to Statement of Financial Activity

Cash and cash equivalents		
	\$	% of total
Unrestricted Cash	\$1.29 M	25.5%
Restricted Cash	\$3.75 M	74.5%

Refer to Note 2 - Cash and Financial Assets

Payables		% Outstanding
	\$	
Trade Payables	\$0.09 M	
0 to 30 Days		(4.4%)
Over 30 Days		104.4%
Over 90 Days		97.4%

Refer to Note 5 - Payables

Receivables		
	\$	% Collected
Rates Receivable	\$2.48 M	2.7%
Trade Receivable	\$0.24 M	% Outstanding
Over 30 Days		1.6%
Over 90 Days		1%

Refer to Note 3 - Receivables

Key Operating Activities

Amount attributable to operating activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$1.47 M)	(\$0.35 M)	\$1.49 M	\$1.84 M

Refer to Statement of Financial Activity

Rates Revenue		
	\$	% Variance
YTD Actual	\$2.17 M	
YTD Budget	\$0.57 M	279.57%

Refer to Statement of Financial Activity

Operating Grants and Contributions		
	\$	% Variance
YTD Actual	\$0.07 M	
YTD Budget	\$0.28 M	(75.47%)

Refer to Note 12 - Operating Grants and Contributions

Fees and Charges		
	\$	% Variance
YTD Actual	\$0.45 M	
YTD Budget	\$0.15 M	194.43%

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)
(\$2.20 M)	(\$0.59 M)	(\$0.10 M)	\$0.49 M

Refer to Statement of Financial Activity

Proceeds on sale		
	\$	%
YTD Actual	\$0.00 M	
Adopted Budget	\$0.22 M	0.00%

Refer to Note 6 - Disposal of Assets

Asset Acquisition		
	\$	% Spent
YTD Actual	\$0.28 M	
Adopted Budget	\$8.02 M	3.5%

Refer to Note 7 - Capital Acquisitions

Capital Grants		
	\$	% Received
YTD Actual	\$0.17 M	
Adopted Budget	\$5.55 M	3.00%

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)
\$1.11 M	\$0.00 M	(\$0.02 M)	(\$0.02 M)

Refer to Statement of Financial Activity

Borrowings	
	\$
Principal repayments	\$0.02 M
Interest expense	\$0.01 M
Principal due	\$0.74 M

Refer to Note 8 - Borrowings

Reserves	
	\$
Reserves balance	\$3.19 M
Interest earned	\$0.00 M

Refer to Note 10 - Cash Reserves

Lease Liability	
	\$
Principal repayments	\$0.00 M
Interest expense	\$0.00 M
Principal due	\$0.01 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 30 SEPTEMBER 2023

REVENUE

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts and concessions offered. Excludes administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refers to all amounts received as grants, subsidies and contributions that are not non-operating grants.

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Amounts received specifically for the acquisition, construction of new or the upgrading of identifiable non financial assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

FEES AND CHARGES

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, and other fees and charges.

SERVICE CHARGES

Service charges imposed under *Division 6 of Part 6 of the Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services. Exclude rubbish removal charges.

INTEREST EARNINGS

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

OTHER REVENUE / INCOME

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates, reimbursements etc.

PROFIT ON ASSET DISPOSAL

Excess of assets received over the net book value for assets on their disposal.

NATURE OR TYPE DESCRIPTIONS

EXPENSES

EMPLOYEE COSTS

All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

INSURANCE

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

LOSS ON ASSET DISPOSAL

Shortfall between the value of assets received over the net book value for assets on their disposal.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation expense raised on all classes of assets. Excluding Land.

INTEREST EXPENSES

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

OTHER EXPENDITURE

Statutory fees, taxes, allowance for impairment of assets, member's fees or State taxes. Donations and subsidies made to community groups.

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

BY NATURE OR TYPE

	Ref	Adopted Budget	YTD Budget	YTD Actual	Variance \$	Variance %	Var.
	Note	(a)	(b)	(b)	(b) - (a)	((b) - (a))/(a)	
		\$	\$	\$	\$	%	
Opening funding surplus / (deficit)	1(c)	2,562,609	2,562,609	2,315,336	(247,273)	0.00%	
Revenue from operating activities							
Rates		2,225,650	556,413	2,232,950	1,676,537	301.31%	▲
Rates (excluding general rate)		62,085	15,519	(62,084)	(77,603)	(500.05%)	▼
Operating grants, subsidies and contributions	12	1,113,455	278,343	68,279	(210,064)	(75.47%)	▼
Fees and charges		605,668	151,380	445,709	294,329	194.43%	▲
Interest earnings		54,903	13,722	26,124	12,402	90.38%	
Other revenue		43,800	10,935	6,916	(4,019)	(36.75%)	
Profit on disposal of assets	6	68,087	17,019	0	(17,019)	(100.00%)	
		4,173,648	1,043,331	2,717,894	1,674,563	160.50%	
Expenditure from operating activities							
Employee costs		(2,525,449)	(631,137)	(673,146)	(42,009)	(6.66%)	
Materials and contracts		(2,542,565)	(635,331)	(382,095)	253,236	39.86%	▲
Utility charges		(58,150)	(14,505)	(20,228)	(5,723)	(39.46%)	
Depreciation on non-current assets		(1,406,769)	(351,672)	0	351,672	100.00%	▲
Interest expenses		(28,981)	(7,221)	(8,569)	(1,348)	(18.67%)	
Insurance expenses		(183,189)	(45,678)	(92,490)	(46,812)	(102.48%)	▼
Other expenditure		(239,900)	(59,943)	(47,017)	12,926	21.56%	
Loss on disposal of assets	6	(8,893)	(2,223)	0	2,223	100.00%	
		(6,993,896)	(1,747,710)	(1,223,545)	524,165	(29.99%)	
Non-cash amounts excluded from operating activities	1(a)	1,348,634	354,451	0	(354,451)	(100.00%)	▼
Amount attributable to operating activities		(1,471,614)	(349,928)	1,494,349	1,844,277	(527.04%)	
Investing activities							
Proceeds from non-operating grants, subsidies and contributions	13	5,548,240	1,387,011	166,415	(1,220,596)	(88.00%)	▼
Proceeds from disposal of assets	6	221,000	0	0	0	0.00%	
Proceeds from financial assets at amortised cost - self supporting loans	8	56,729	20,659	20,659	0	0.00%	
Payments for property, plant and equipment and infrastructure	7	(8,024,448)	(1,993,479)	(284,511)	1,708,968	85.73%	▲
Amount attributable to investing activities		(2,198,479)	(585,809)	(97,437)	488,372	(83.37%)	
Financing Activities							
Proceeds from new debentures	8	300,000	0	0	0	0.00%	
Transfer from reserves	10	1,674,168	0	0	0	0.00%	
Payments for principal portion of lease liabilities		(12,752)	0	(4,251)	(4,251)	0.00%	
Repayment of debentures	8	(105,848)	0	(20,659)	(20,659)	0.00%	
Transfer to reserves	10	(748,084)	0	0	0	0.00%	
Amount attributable to financing activities		1,107,484	0	(24,910)	(24,910)	0.00%	
Closing funding surplus / (deficit)	1(c)	0	1,626,872	3,687,341	2,060,469	(126.65%)	▲

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 17 October 2023

(a) Non-cash items excluded from operating activities

The following non-cash revenue and expenditure has been excluded from operating activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

	Notes	Adopted Budget	YTD Budget (a)	YTD Actual (b)
Non-cash items excluded from operating activities		\$	\$	\$
Adjustments to operating activities				
Less: Profit on asset disposals	6	(68,087)	(17,019)	0
Less: Movement in liabilities associated with restricted cash				0
Movement in employee benefit provisions (non-current)		1,059	17,575	0
Add: Loss on asset disposals	6	8,893	2,223	0
Add: Depreciation on assets		1,406,769	351,672	0
Total non-cash items excluded from operating activities		1,348,634	354,451	0

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

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

	Notes	Adopted Budget Opening 30 June 2023	Last Year Closing 30 June 2023	Year to Date 30 September 2023
Adjustments to net current assets				
Less: Reserves - restricted cash	10	(2,293,708)	(3,186,771)	(3,186,771)
Less: - Financial assets at amortised cost - self supporting loans	4	(58,839)	(40,701)	(20,041)
Add: Borrowings	8	105,000	93,027	72,367
Add: Provisions employee related provisions	11	226,005	224,946	224,946
Add: Lease liabilities		1	12,752	8,501
Total adjustments to net current assets		(2,021,541)	(2,896,747)	(2,900,998)

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

Current assets

Cash and cash equivalents	2	5,005,569	6,008,669	5,039,450
Rates receivables	3	58,839	378,370	2,480,833
Receivables	3	387,233	68,905	236,734
Other current assets	4	4,164	330,423	290,320
Less: Current liabilities				
Payables	5	(318,172)	(494,137)	(403,762)
Borrowings	8	(105,000)	(93,027)	(72,367)
Lease liabilities		(1)	(12,752)	(8,501)
Provisions	11	(448,482)	(407,038)	(407,038)
Less: Total adjustments to net current assets	1(b)	(2,021,541)	(2,896,747)	(2,900,998)
Closing funding surplus / (deficit)		2,562,609	2,315,336	3,687,341

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 30 SEPTEMBER 2023**

**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	1,285,348	567,330	1,852,678	0	CBA	0.35%	on call
Reserve Cash at Bank	Cash and cash equivalents	0	561,983	561,983	0	CBA	0.25%	on call
Reserve Term Deposit	Cash and cash equivalents	0	2,624,789	2,624,789	0	Westpac	0.25%	11/02/2024
Total		1,285,348	3,754,102	5,039,450	0			
Comprising								
Cash and cash equivalents		1,285,348	3,754,102	5,039,450	0			
		1,285,348	3,754,102	5,039,450	0			

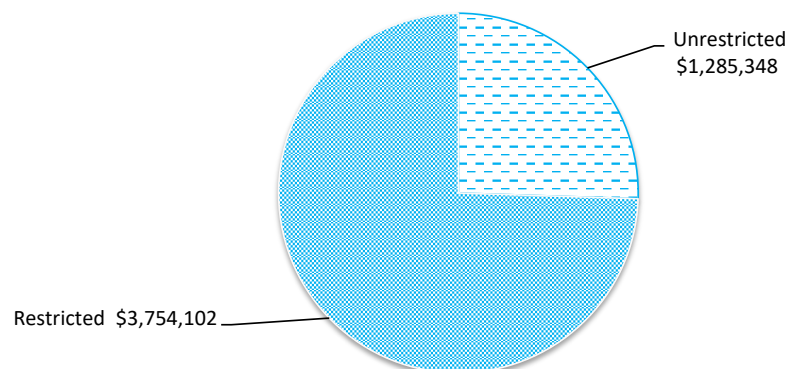
KEY INFORMATION

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of net current assets.

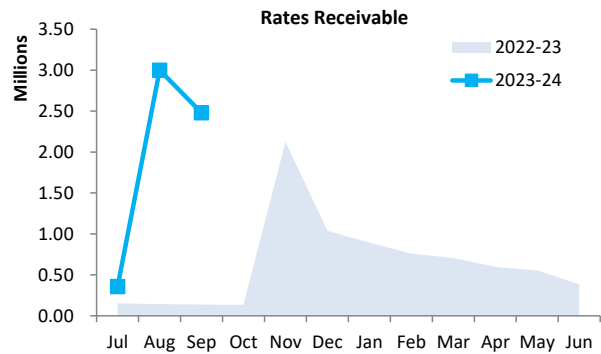
The local government classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost held with registered financial institutions are listed in this note other financial assets at amortised cost are provided in Note 4 - Other assets.



Rates receivable	30 Jun 2023	30 Sep 2023
	\$	\$
Opening arrears previous years	103,016	378,370
Levied this year	1,981,669	2,170,866
Less - collections to date	(1,706,315)	(68,403)
Gross rates collectable	378,370	2,480,833
Net rates collectable	378,370	2,480,833
% Collected	81.9%	2.7%



Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	(180)	133,057	360	433	1,346	135,015
Percentage	(0.10%)	98.5%	0.3%	0.3%	1%	
Balance per trial balance						
Pensioner Rebates Receivable						27,982
Sundry receivable						135,015
ATO GST receivable						72,077
Total receivables general outstanding						236,734

Amounts shown above include GST (where applicable)

KEY INFORMATION

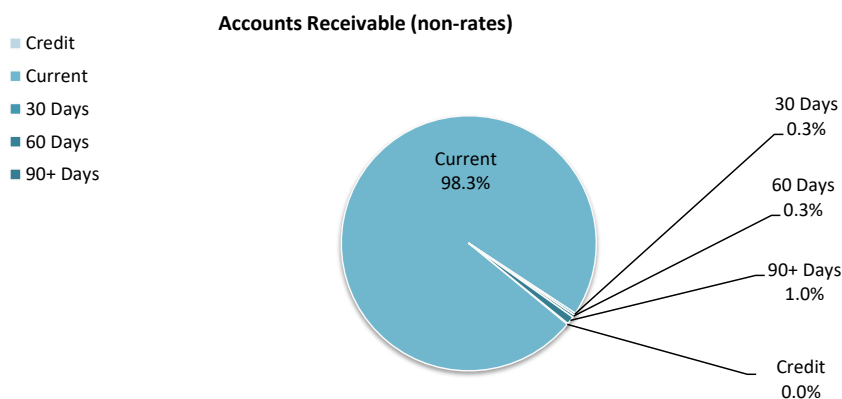
Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Trade receivables are recognised at original invoice amount less any allowances for uncollectable amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Shire measures them subsequently at amortised cost using the effective interest rate method.



Other current assets	Opening Balance 1 July 2023	Asset Increase	Asset Reduction	Closing Balance 30 September 2023
	\$	\$	\$	\$
Other financial assets at amortised cost				
Financial assets at amortised cost - self supporting loans	40,701	0	(20,660)	20,041
Inventory				
Fuel	4,164	0	0	4,164
Total other current assets	330,423	0	(40,103)	290,320
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.

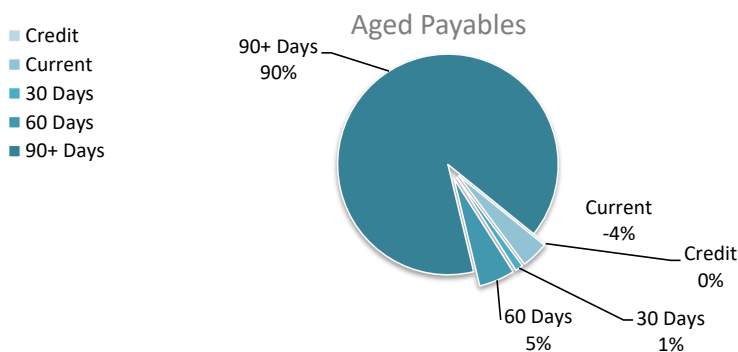
Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	0	(3,862)	1,111	5,075	86,445	88,770
Percentage	0%	-4.4%	1.3%	5.7%	97.4%	
Balance per trial balance						
Sundry creditors						88,770
ATO GST & PAYG liabilities						97,359
Bonds & Deposits						93,737
Rates in Advance						7,898
Other payables						113,048
Payroll - Novated Leases						2,950
Total payables general outstanding						403,762

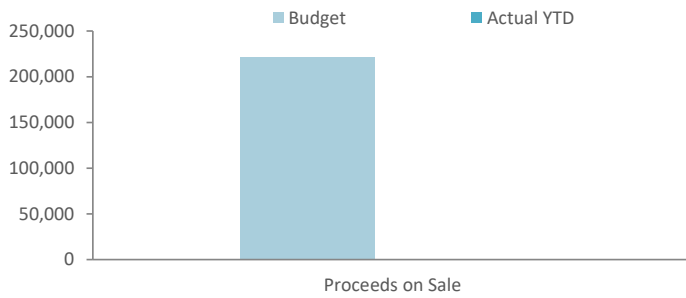
Amounts shown above include GST (where applicable)

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								
	Ford Transit Tipper	0	20,000	20,000	0	0	0	0	0
	John Deere Mower C/Fwd	120	6,000	5,880	0	0	0	0	0
	Transport								
	Fuso Tipper	53,893	45,000	0	(8,893)	0	0	0	0
	Tri Axle Plant Trailer C/Fwd	0	15,000	15,000	0	0	0	0	0
	Other property and services								
	Toyota Prado C/Fwd	59,240	65,000	5,760	0	0	0	0	0
	Toyota Prado C/Fwd	22,098	35,000	12,902	0	0	0	0	0
	Toyota Hilux	26,455	35,000	8,545	0	0	0	0	0
		161,806	221,000	68,087	(8,893)	0	0	0	0



Capital acquisitions	Adopted Budget	Adopted YTD Budget	YTD Actual	YTD Actual Variance
	\$	\$	\$	\$
Buildings	652,001	150,489	37,892	(112,597)
Furniture and equipment	405,000	101,247	0	(101,247)
Plant and equipment	1,328,992	332,238	44,676	(287,562)
Infrastructure - roads	1,368,000	341,949	2,475	(339,474)
Infrastructure - footpaths & cyclepaths	2,909,598	727,371	199,468	(527,903)
Infrastructure - drainage	578,623	144,633	0	(144,633)
Infrastructure - bridges	713,000	178,245	0	(178,245)
Infrastructure - other	69,234	17,307	0	(17,307)
Payments for Capital Acquisitions	8,024,448	1,993,479	284,511	(1,708,968)
Capital Acquisitions Funded By:				
	\$	\$	\$	\$
Capital grants and contributions	5,548,240	1,387,011	166,415	(1,220,596)
Borrowings	300,000	0	0	0
Other (disposals & C/Fwd)	221,000	0	0	0
Cash backed reserves				
Plant	(604,000)	0	0	0
Recreation	(583)	0	0	0
Office Equipment	(105,000)	0	0	0
Asset Management	(360,000)	0	0	0
Main Street Upgrade	(61)	0	0	0
Community Bus	(31,175)	0	0	0
Infrastructure	(442,999)	0	0	0
Strategic Initiatives	(100,000)	0	0	0
Footpaths	(30,350)	0	0	0
Contribution - operations	3,629,376	606,468	118,096	(488,372)
Capital funding total	8,024,448	1,993,479	284,511	(1,708,968)

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.

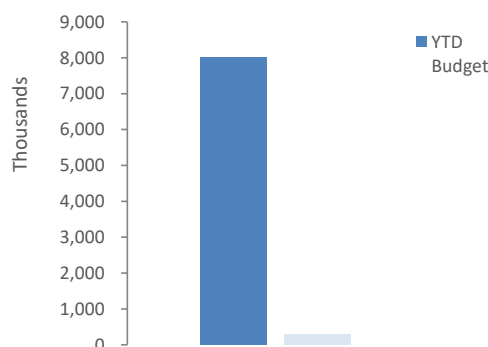
Initial recognition and measurement for assets held at cost

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



INVESTING ACTIVITIES
NOTE 7
CAPITAL ACQUISITIONS (CONTINUED)

Account Description	Adopted	Adopted	YTD Actual	Variance (Under)/Over	
	Budget	YTD Budget			
	\$	\$	\$	\$	
Buildings					
4050614	ESL SES - Buildings Non Specialised (Capital)	66,491	30,495	14,475	16,020
4050614	ESL SES - Buildings Non Specialised (Capital) C/Fwd	55,510			
BC5509	Cundinup BFB Fire Station - Building (Capital) C/Fwd	20,000	4,998	0	4,998
BC8101	Pre-School Centre Nannup - Building (Capital)	30,000	7,500	3,200	4,300
BC9101	House (Lot 234) 30 Dunnett Road - Building (Capital)	100,000	24,999	0	24,999
BC10101	Waste Management Facility - Building (Capital)	40,000	9,999	0	9,999
BC11101	Town Hall Nannup (1903) - Building (Capital)	40,000	9,999	0	9,999
BC11303	Recreation Centre Nannup - Building (Capital)	150,000	37,500	0	37,500
4120114	ROADC - Buildings Non Specialised (Capital)	25,000	6,249	0	6,249
BC11308	Bowling Club Nannup - Building (Capital) C/Fwd	50,000			
BC11305	Foreshore Park Amphitheatre Stage - Building (Capital)	30,000	7,500	0	7,500
BC11601	Old Road Board Office (1898?) - Building (Capital) C/Fwd	45,000	11,250	20,217	(8,967)
	Total Buildings	652,001	150,489	37,892	112,597
4140220	ADMIN - Furniture & Equipment (Capital)	50,000	101,247	0	101,247
4140220	ADMIN - Furniture & Equipment (Capital) C/Fwd	355,000			
	Total Furniture & Equipment	405,000	101,247	0	101,247
Plant & Equipment					
4050530	ESL BFB - Plant & Equipment (Capital)	503,992	125,997	0	125,997
4110330	REC - Plant & Equipment (Capital)	25,000	48,747	0	48,747
4110330	REC - Plant & Equipment (Capital) C/Fwd	170,000			
4120330	PLANT - Plant & Equipment (Capital)	400,000	99,999	0	99,999
4130830	OTH ECON - Plant & Equipment (Capital)	50,000	12,498	0	12,498
4140230	ADMIN - Plant & Equipment (Capital)	50,000	44,997	44,676	321
4140230	ADMIN - Plant & Equipment (Capital) C/Fwd	130,000			
	Total Plant & Equipment	1,328,992	332,238	44,676	287,562
Roads					
RC032	Grange Road (Capital) C/Fwd	443,000	110,748	0	110,748
RC042	Jephson Street (Sealed) (Capital) C/Fwd	180,000	44,994	2,475	42,519
RC317	Gracillus Road (Capital) C/Fwd	120,000	29,997	0	29,997
RC005	Milyeannup Coast Road (Capital)	100,000	24,993	0	24,993
RC094	Cundinup South Road (Capital)	20,000	4,992	0	4,992
RC109	Bridgetown - Nannup Road (Capital)	20,000	4,992	0	4,992
RC026	Guthridge Road (Capital)	50,000	12,498	0	12,498
RRG094	Cundinup South Road (Rrg)	105,000	26,250	0	26,250
RRG109	Bridgetown - Nannup Road (Rrg)	90,000	22,500	0	22,500
RRG007	Governor Broome Road (Rrg)	120,000	29,994	0	29,994
RRG069	Fouracres Road (Rrg)	120,000	29,991	0	29,991
	Total Roads	1,368,000	341,949	2,475	339,474
Drainage					
R2R047	Mowen Road (R2R)	306,800	76,695	0	76,695
DC004	East Nannup Road - Drainage Capital	91,823	22,950	0	22,950
DC094	Cundinup South Road - Drainage Capital	50,000	12,492	0	12,492
DC039	Brockman Street - Drainage Capital C/Fwd	130,000	32,496	0	32,496
	Total Drainage	578,623	144,633	0	144,633
Bridges					
BR0863A	Balingup - Nannup Rd (Bua) - Bridge (Capital)	21,000	5,250	0	5,250
BR0867A	Balingup - Nannup Rd (Outside Bua) - Bridge (Capital)	21,000	5,250	0	5,250
BR3958A	East Nannup Rd - Bridge (Capital)	51,000	12,750	0	12,750
BR3983A	Sears Rd - Bridge (Capital)	15,000	3,750	0	3,750
BR3950	Cundinup West Rd - Bridge (Capital) C/Fwd	440,000	109,998	0	109,998
BR4643A	Brushtail Rd (F) - Bridge (Capital) C/Fwd	63,500	15,873	0	15,873
BR9222	Old Rail Alignment - Bridge (Capital) C/Fwd	101,500	25,374	0	25,374
	Total Bridges	713,000	178,245	0	178,245
Footpaths & Cyclepaths					
FC000	Footpath Construction General (Budgeting Only)	20,000	4,992	0	4,992
FC305	Hitchcock Drive - Footpath Capital	50,000	12,495	0	12,495
OC12111	Trail Town - Stage 1 C/Fwd	472,830	118,206	12,550	105,656
OC12112	Trail Town - Stage 2 C/Fwd	306,653	76,659	141,413	(64,754)
OC12113	Trail Town - Stage 3	1,791,404	515,019	45,505	469,514
OC12113	Trail Town - Stage 3 C/Fwd	268,711			
	Total Footpaths & Cyclepaths	2,909,598	727,371	199,468	527,903
Parks & Gardens					
	Total Parks & Gardens	0	0	0	0
Other Infrastructure					
OC12110	Trail Town - Tank 7 Mtb Park Road Network Improvements	59,234	14,808	0	14,808
4100290	SAN OTH - Infrastructure Other (Capital) C/Fwd	10,000	2,499	0	2,499
	Total Other Infrastructure	69,234	17,307	0	17,307
	TOTAL PPE & INFRASTRUCTURE	8,024,448	1,993,479	284,511	1,708,968

Repayments - borrowings

Information on borrowings	Loan No.	1 July 2023	New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
			Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Particulars		\$	\$	\$	\$	\$	\$	\$	\$	\$
Community amenities										
Waste Facility Machine	40	263,762	0	0	0	(35,851)	263,762	227,911	0	(3,158)
Other property and services										
Enterprise Resource Training (ERP) System	42	0	0	300,000	0	(13,268)	0	286,732	0	(6,919)
		263,762	0	300,000	0	(49,119)	263,762	514,643	0	(10,077)
Self supporting loans										
Community amenities										
Nannup Music Club	39	164,061	0	0	(20,659)	(29,897)	143,402	134,164	(8,569)	(4,453)
Nannup Music Club	41	330,000	0	0	0	(26,832)	330,000	303,168	0	(14,451)
		494,061	0	0	(20,659)	(56,729)	473,402	437,332	(8,569)	(18,904)
Total		757,823	0	300,000	(20,659)	(105,848)	737,164	951,975	(8,569)	(28,981)
Current borrowings		105,848					72,367			
Non-current borrowings		651,975					664,797			
		757,823					737,164			

All debenture repayments were financed by general purpose revenue.

Self supporting loans are financed by repayments from third parties.

New borrowings 2023-24

Particulars	Amount Borrowed	Amount Borrowed	Institution	Type	Years	Total Interest & Charges	Interest Rate	Amount (Used)		Balance Unspent
	Actual	Budget						Actual	Budget	
	\$	\$				\$	%	\$	\$	\$
Enterprise Resource Training (ERP) System	0	300,000	WATC	Fixed	10	77,413	4.19%	0	(300,000)	0
	0	300,000				77,413		0	(300,000)	0

The Shire has no unspent debenture funds as at 30th June 2023, nor is it expected to have unspent funds as at 30th June 2024.

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 2023	New Leases		Principal Repayments		Principal Outstanding	
			Actual	Budget	Actual	Budget	Actual	Budget
Particulars		\$	\$	\$	\$	\$	\$	
Law, order, public safety								
CESM Vehicle	979823	12,752	0	0	(4,251)	(12,752)	8,501	0
Total		12,752	0	0	(4,251)	(12,752)	8,501	0
Current lease liabilities		12,752					8,501	
Non-current lease liabilities		0					0	
		12,752					8,501	

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.

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

OPERATING ACTIVITIES

NOTE 10

RESERVE ACCOUNTS

Reserve name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Adopted		Actual YTD Closing Balance
						Budget Transfers Out (-)	Actual Transfers Out (-)	
	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by Council								
Leave Entitlements	224,946	1,059	0	0	0	0	0	224,946
Plant	429,035	2,019	0	265,369	0	(604,000)	0	429,035
Recreation	580	3	0	0	0	(583)	0	580
Office Equipment	166,647	785	0	0	0	(105,000)	0	166,647
Asset Management	852,101	4,011	0	0	0	(360,000)	0	852,101
Main Street Upgrade	61	0	0	0	0	(61)	0	61
Landfill	181,111	852	0	0	0	0	0	181,111
Emergency Management	63,946	301	0	0	0	0	0	63,946
Aged Accommodation	401,706	1,891	0	0	0	0	0	401,706
Gravel Pit	164,662	775	0	0	0	0	0	164,662
Community Bus	31,029	146	0	0	0	(31,175)	0	31,029
Infrastructure	201,924	950	0	367,715	0	(442,999)	0	201,924
Strategic Initiatives	361,922	1,704	0	0	0	(100,000)	0	361,922
Youth	16,422	77	0	0	0	0	0	16,422
Footpaths	30,208	142	0	0	0	(30,350)	0	30,208
Trails	60,471	285	0	100,000	0	0	0	60,471
	3,186,771	15,000	0	733,084	0	(1,674,168)	0	3,186,771

	Note	Opening Balance 1 July 2023	Liability transferred from/(to) non current	Liability Increase	Liability Reduction	Closing Balance 30 September 2023
		\$		\$	\$	\$
Other current liabilities						
Other liabilities						
- Contract liabilities		567,330	0			567,330
Total other liabilities		567,330	0	0	0	567,330
Employee Related Provisions						
Annual leave		222,723	0	0	0	222,723
Long service leave		184,315	0	0	0	184,315
Total Employee Related Provisions		407,038	0	0	0	407,038
Total other current assets		974,368	0	0	0	974,368
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	Increase in Liability	Decrease in Liability	Liability	Adopted Budget	YTD Budget	Annual Budget	Expected	YTD Revenue
	1 July 2023		(As revenue)	30 Sep 2023	Revenue				Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating grants and subsidies									
Governance									
OTH GOV - Grant Funding - Council	0	0	0	0	50,000	12,498	50,000	50,000	0
OTH GOV - Other Income	22,000	0	0	22,000	0	0	0	0	0
General purpose funding									
GEN PUR - Financial Assistance Grant - General	0	0	0	0	310,000	77,499	310,000	310,000	18,476
GEN PUR - Financial Assistance Grant - Roads	0	0	0	0	121,000	30,249	121,000	121,000	0
Law, order, public safety									
FIRE - Grants	6,900	0	0	6,900	259,824	64,953	259,824	259,824	0
ESL BFB - Operating Grant	0	0	0	0	165,840	41,460	165,840	165,840	41,460
ESL SES - Operating Grant	0	0	0	0	15,190	3,795	15,190	15,190	3,798
Education and welfare									
WELFARE - Contributions & Donations	0	0	0	0	5,000	1,248	5,000	5,000	0
WELFARE - Grants	0	0	0	0	39,000	9,747	39,000	39,000	4,545
Recreation and culture									
LIBRARY - Grant - Regional Library Services	7,600	0	0	7,600	8,600	2,148	8,600	8,600	0
LIBRARY - Other Grants	0	0	0	0	1,000	249	1,000	1,000	0
OTH CUL - Other Income	0	0	0	0	20,000	4,998	20,000	20,000	0
OTH CUL - Grants	15,404	0	0	15,404	0	0	0	0	0
Transport									
ROADM - Direct Road Grant (MRWA)	0	0	0	0	115,000	28,749	115,000	115,000	0
	51,904	0	0	51,904	1,110,454	277,593	1,110,454	1,110,454	68,279
Operating contributions									
Economic services									
OTH ECON - Contributions & Donations	0	0	0	0	3,000	750	3,000	3,000	0
	0	0	0	0	3,000	750	3,000	3,000	0
TOTALS	51,904	0	0	51,904	1,113,454	278,343	1,113,454	1,113,454	68,279

Provider	Capital grant/contribution liabilities				Non operating grants, subsidies and contributions revenue		
	Liability 1 July 2023	Increase in Liability	Decrease in Liability (As revenue)	Liability 30 Sep 2023	Adopted Budget Revenue	YTD Budget	YTD Revenue Actual
	\$	\$	\$	\$	\$	\$	\$
Non-operating grants and subsidies							
Law, order, public safety							
ESL BFB - Capital Grant	0	0	0	0	503,992	125,997	0
ESL SES - Capital Grant	0	0	0	0	122,001	30,495	0
Recreation and culture							
HALLS - Grants	0	0	0	0	15,000	3,750	0
REC - Grants	0	0	0	0	109,234	27,306	0
REC - Grants	0	0	0	0	40,000	9,999	0
HERITAGE - Grants	0	0	0	0	45,000	11,250	0
Transport							
ROADC - Regional Road Group Grants (MRWA)	0	0	0	0	290,000	72,495	0
ROADC - Roads to Recovery Grant	0	0	0	0	306,800	76,698	0
ROADC - Other Grants - Roads/Streets	515,426	0	0	515,426	1,121,238	280,302	166,415
ROADC - Other Grants - Footpaths & Cycleway	0	0	0	0	2,484,975	621,228	0
ROADC - Other Grants - Bridges	0	0	0	0	320,000	79,998	0
ROADM - Other Grants	0	0	0	0	190,000	47,493	0
	515,426	0	0	515,426	5,548,240	1,387,011	166,415

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

**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 2023	Received	Paid	30 Sep 2023
	\$	\$	\$	\$
Building Services Levy (BSL)	(1,038)	1,551	250	763
Construction Training Fund (CTF)	0	240	(240)	0
Councillor Nomination Fees	0	300	0	300
Department of Transport	813	75,548	(75,548)	813
Key, Facility & Equipment Bonds	7,520	850	(400)	7,970
Retention Bonds	39,692	0	0	39,692
Other Bonds	44,018	0	0	44,018
Unclaimed Monies	180	0	0	180
	91,185	78,489	(75,938)	93,736

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		Opening Surplus(Deficit)	\$ 0	\$ 0	\$ 0	\$ 0
				0	0	0	0

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

**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 2023-24 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)	(247,273)	0%		
Revenue from operating activities				
Rates	1,676,537	301%	▲	Timing
Operating grants, subsidies and contributions	(210,064)	(75%)	▼	Timing
Fees and charges	294,329	194%	▲	Timing
Interest earnings	12,402	90%		Timing
Other revenue	(4,019)	(37%)		Timing
Profit on disposal of assets	(17,019)	(100%)		Timing
Expenditure from operating activities				
Employee costs	(42,009)	(7%)		Timing
Materials and contracts	253,236	40%	▲	Timing
Utility charges	(5,723)	(39%)		Timing
Depreciation on non-current assets	351,672	100%	▲	Timing
Interest expenses	(1,348)	(19%)		Timing
Insurance expenses	(46,812)	(102%)	▼	Timing
Other expenditure	12,926	22%		Timing
Loss on disposal of assets	2,223	100%		Timing
Non-cash amounts excluded from operating activities	(354,451)	(100%)	▼	Timing
Investing activities				
Proceeds from non-operating grants, subsidies and contributions	(1,220,596)	(88%)	▼	Timing
Proceeds from disposal of assets	0	0%		
Payments for financial assets at amortised cost - self supporting loans	0	0%		
Payments for property, plant and equipment and infrastructure	1,708,968	86%	▲	Timing
Financing activities				
Proceeds from new debentures	0	0%		
Transfer from reserves	0	0%		
Payments for principal portion of lease liabilities	(4,251)	0%		Timing
Repayment of debentures	(20,659)	0%		Timing
Transfer to reserves	0	0%		
Closing funding surplus / (deficit)	2,060,469	(127%)	▲	