

SHIRE OF DUNDAS
MONTHLY FINANCIAL REPORT
(Containing the Statement of Financial Activity)
For the period ending 28 February 2023

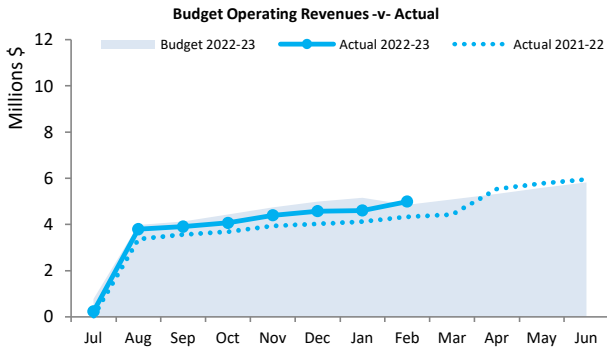
LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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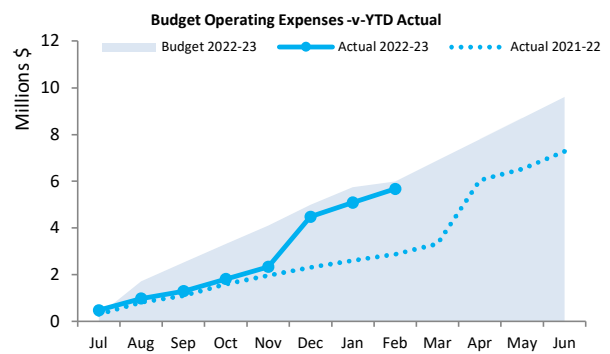
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OPERATING ACTIVITIES

OPERATING REVENUE

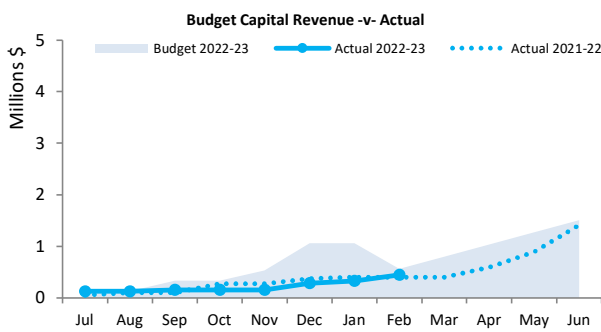


OPERATING EXPENSES

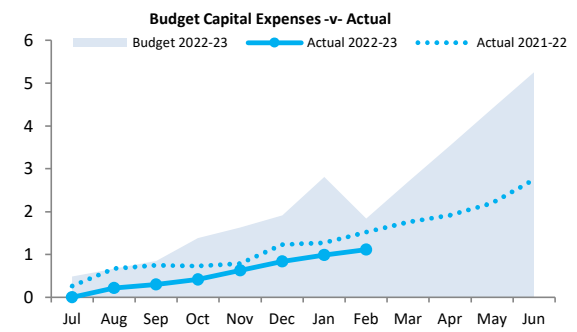


INVESTING ACTIVITIES

CAPITAL REVENUE



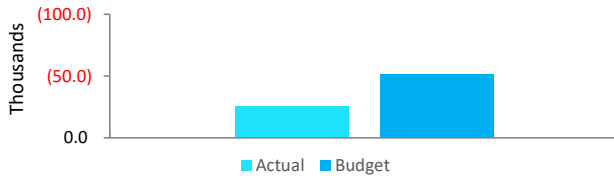
CAPITAL EXPENSES



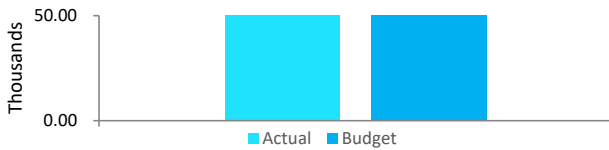
FINANCING ACTIVITIES

BORROWINGS

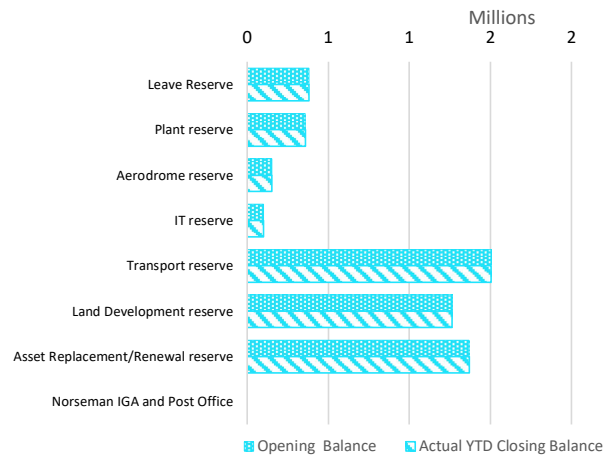
Principal Repayments



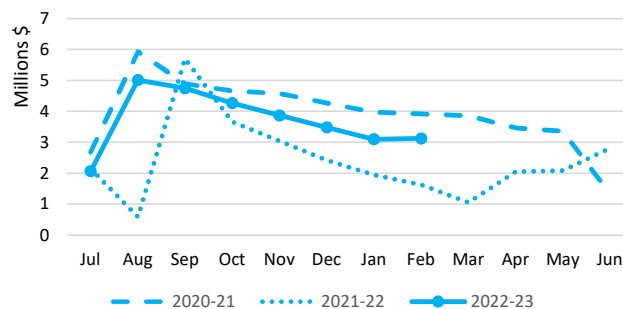
Principal Outstanding



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)				
	Amended Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
Opening	\$2.29 M	\$2.29 M	\$2.29 M	\$0.00 M
Closing	\$0.00 M	\$2.11 M	\$3.12 M	\$1.01 M

Refer to Statement of Financial Activity

Cash and cash equivalents		
	\$	% of total
Unrestricted Cash	\$3.36 M	39.6%
Restricted Cash	\$5.13 M	60.4%

Refer to Note 2 - Cash and Financial Assets

Payables		
	\$	% Outstanding
Trade Payables	\$0.02 M	
0 to 30 Days		99.0%
Over 30 Days		1.0%
Over 90 Days		0%

Refer to Note 4 - Payables

Receivables		
	\$	% Collected
Rates Receivable	\$0.42 M	71.6%
Trade Receivable	\$0.22 M	% Outstanding
Over 30 Days		44.9%
Over 90 Days		38.4%

Refer to Note 3 - Receivables

Key Operating Activities

Amount attributable to operating activities			
Amended Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$0.50 M)	\$1.02 M	\$1.53 M	\$0.50 M

Refer to Statement of Financial Activity

Rates Revenue		
	\$	% Variance
YTD Actual	\$3.25 M	
YTD Budget	\$3.25 M	(0.1%)

Refer to Statement of Financial Activity

Operating Grants and Contributions		
	\$	% Variance
YTD Actual	\$0.76 M	
YTD Budget	\$0.75 M	0.6%

Refer to Note 10 - Operating Grants and Contributions

Fees and Charges		
	\$	% Variance
YTD Actual	\$0.79 M	
YTD Budget	\$0.42 M	85.3%

Refer to Statement of Financial Activity

Key Investing Activities

Amount attributable to investing activities			
Amended Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$3.75 M)	(\$1.17 M)	(\$0.67 M)	\$0.51 M

Refer to Statement of Financial Activity

Proceeds on sale		
	\$	%
YTD Actual	\$0.04 M	
Amended Budget	\$0.13 M	27.4%

Refer to Note 5 - Disposal of Assets

Asset Acquisition		
	\$	% Spent
YTD Actual	\$1.11 M	
Amended Budget	\$5.26 M	21.2%

Refer to Note 6 - Capital Acquisitions

Capital Grants		
	\$	% Received
YTD Actual	\$0.41 M	
Amended Budget	\$1.38 M	29.9%

Refer to Note 6 - Capital Acquisitions

Key Financing Activities

Amount attributable to financing activities			
Amended Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
\$1.96 M	(\$0.03 M)	(\$0.03 M)	\$0.00 M

Refer to Statement of Financial Activity

Borrowings	
Principal repayments	\$0.03 M
Interest expense	\$0.00 M
Principal due	\$0.22 M

Refer to Note 7 - Borrowings

Reserves	
Reserves balance	\$5.13 M
Interest earned	\$0.00 M

Refer to Note 8 - Cash Reserves

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

KEY TERMS AND DESCRIPTIONS

FOR THE PERIOD ENDED 28 FEBRUARY 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 28 FEBRUARY 2023

BY NATURE OR TYPE

	Ref	Amended Budget	YTD Budget	YTD Actual	Variance \$	Variance %	Var.
	Note	(a)	(b)	(c)	(c) - (b)	((c) - (b))/((b))	
		\$	\$	\$	\$	%	
Opening funding surplus / (deficit)	1(c)	2,288,278	2,288,278	2,288,278	0	0.00%	
Revenue from operating activities							
Rates		3,252,084	3,252,084	3,250,341	(1,743)	(0.05%)	
Operating grants, subsidies and contributions	10	1,142,970	751,035	755,365	4,330	0.58%	
Fees and charges		1,079,216	423,736	785,170	361,434	85.30%	▲
Interest earnings		83,000	27,656	58,054	30,398	109.91%	▲
Other revenue		239,984	149,442	122,714	(26,728)	(17.89%)	▼
Profit on disposal of assets	5	21,831	21,831	17,000	(4,831)	(22.13%)	
		5,819,085	4,625,784	4,988,644	362,860	7.84%	
Expenditure from operating activities							
Employee costs		(2,848,906)	(1,839,200)	(1,532,359)	306,841	16.68%	▲
Materials and contracts		(2,258,371)	(1,140,042)	(1,164,330)	(24,288)	(2.13%)	
Utility charges		(602,935)	(280,362)	(396,226)	(115,864)	(41.33%)	▼
Depreciation on non-current assets		(3,173,184)	(2,060,158)	(2,224,422)	(164,264)	(7.97%)	
Interest expenses		(8,206)	(4,103)	(3,275)	828	20.18%	
Insurance expenses		(224,914)	(138,215)	(206,990)	(68,775)	(49.76%)	▼
Other expenditure		(354,194)	(180,112)	(143,409)	36,703	20.38%	▲
Loss on disposal of assets	5	(136,630)	(68,315)	0	68,315	100.00%	▲
		(9,607,340)	(5,710,507)	(5,671,011)	39,496	(0.69%)	
Non-cash amounts excluded from operating activities	1(a)	3,287,983	2,106,642	2,207,422	100,780	4.78%	
Amount attributable to operating activities		(500,272)	1,021,919	1,525,055	503,136	49.23%	
Investing activities							
Proceeds from non-operating grants, subsidies and contributions	11	1,377,111	907,246	412,160	(495,086)	(54.57%)	▼
Proceeds from disposal of assets	5	130,895	59,460	35,895	(23,565)	(39.63%)	▼
Payments for property, plant and equipment and infrastructure	6	(5,256,041)	(2,138,470)	(1,113,901)	1,024,569	47.91%	▲
Amount attributable to investing activities		(3,748,035)	(1,171,764)	(665,846)	505,918	(43.18%)	
Financing Activities							
Transfer from reserves	8	3,739,640	0	0	0	0.00%	
Repayment of debentures	7	(51,211)	(25,606)	(25,433)	173	0.68%	
Transfer to reserves	8	(1,728,400)	(3,519)	(3,519)	0	0.00%	
Amount attributable to financing activities		1,960,029	(29,125)	(28,952)	173	(0.59%)	
Closing funding surplus / (deficit)	1(c)	0	2,109,308	3,118,535	1,009,227	(47.85%)	▲

KEY INFORMATION

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

Refer to Note 13 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

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

Local Government Act 1995 requirements

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

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

All monies held in the Trust Fund are excluded from the financial statements.

SIGNIFICANT ACCOUNTING POLICES

CRITICAL ACCOUNTING ESTIMATES

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

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

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimation of fair values of certain financial assets
- estimation of fair values of fixed assets shown at fair value
- impairment of financial assets

GOODS AND SERVICES TAX

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

ROUNDING OFF FIGURES

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

PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 15 March 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	Amended Budget	YTD Budget (a)	YTD Actual (b)
		\$	\$	\$
Non-cash items excluded from operating activities				
Adjustments to operating activities				
Less: Profit on asset disposals	5	(21,831)	(21,831)	(17,000)
Add: Loss on asset disposals	5	136,630	68,315	0
Add: Depreciation on assets		3,173,184	2,060,158	2,224,422
Total non-cash items excluded from operating activities		3,287,983	2,106,642	2,207,422

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

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

		Adopted Budget Opening 30 June 2022	Last Year Closing 30 June 2022	Year to Date 28 February 2023
Adjustments to net current assets				
Less: Reserves - restricted cash	8	(4,402,596)	(5,125,479)	(5,128,999)
Add: Borrowings	7	52,939	51,211	25,778
Add: Provisions employee related provisions	9	260,619	267,174	267,174
Total adjustments to net current assets		(4,089,038)	(4,807,094)	(4,836,047)

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

Current assets				
Cash and cash equivalents	2	1,167,944	2,430,053	3,878,716
Financial assets at amortised cost	2	3,886,744	6,313,174	4,606,411
Rates receivables	3	40,769	56,789	419,077
Receivables	3	0	209,007	218,560
Less: Current liabilities				
Payables	4	(692,861)	(1,020,961)	(385,388)
Borrowings	7	(52,939)	(51,211)	(25,778)
Contract liabilities	9	0	(574,305)	(489,842)
Provisions	9	(260,619)	(267,174)	(267,174)
Less: Total adjustments to net current assets	1(b)	(4,089,038)	(4,807,094)	(4,836,047)
Closing funding surplus / (deficit)		0	2,288,278	3,118,535

CURRENT AND NON-CURRENT CLASSIFICATION

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. Unless otherwise stated assets or liabilities are classified as current if expected to be settled within the next 12 months, being the Council's operational cycle.

Description	Classification	Unrestricted	Restricted	Total Cash	Trust	Institution	Interest Rate	Maturity Date
		\$	\$	\$				
Cash on hand	Cash and cash equivalents	1,500	0	1,500	0	Nil	Nil	Nil
Municipal Bank	Cash and cash equivalents	79,900	0	79,900	0	ANZ	Variable	Nil
Visitor Centre Bank	Cash and cash equivalents	66,409	0	66,409	0	ANZ	Nil	Nil
MUNICIPAL INVESTMENT ACCT	Cash and cash equivalents	3,208,319	0	3,208,319	0	ANZ	Variable	NA
Restricted Cash - Reserves	Cash and cash equivalents	0	522,588	522,588	0	ANZ	NA	NA
Restricted Cash - Reserves	Financial assets at amortised cost	0	858,593	858,593	0	NAB	2.90%	Aug-23
Restricted Cash - Reserves	Financial assets at amortised cost	0	3,747,818	3,747,818	0	ANZ	0.15%	Jun-23
Total		3,356,128	5,128,999	8,485,127	0			
Comprising								
Cash and cash equivalents		3,356,128	522,588	3,878,716	0			
Financial assets at amortised cost		0	4,606,411	4,606,411	0			
		3,356,128	5,128,999	8,485,127	0			

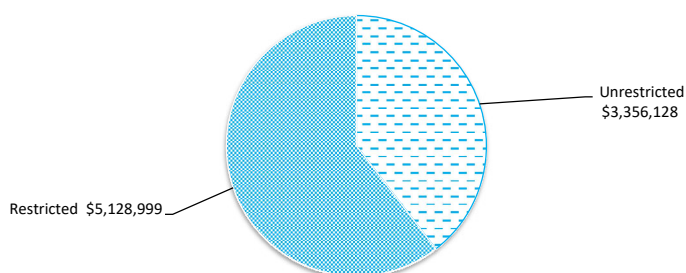
KEY INFORMATION

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.

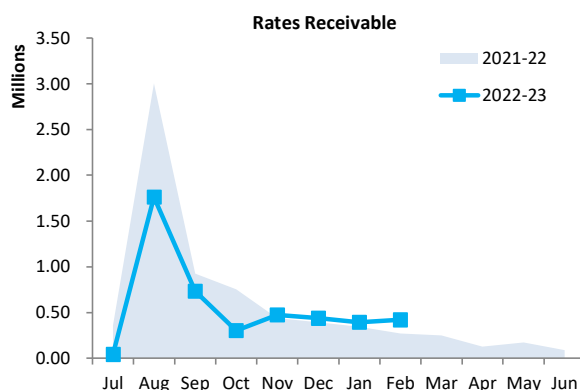
The local government classifies financial assets at amortised cost if both of the following criteria are met:

- 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 2022	28 Feb 2023
	\$	\$
Opening rates arrears	679,247	781,329
Levied	2,849,977	3,250,341
Less - collections	(2,747,895)	(2,888,053)
Gross rates collectable	781,329	1,143,617
Allowance for impairment of rates receivable	(724,540)	(724,540)
Net rates receivable	56,789	419,077
% Collected	77.9%	71.6%



Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	(525)	99,740	11,735	71	69,183	180,204
Percentage	(0.3%)	55.3%	6.5%	0%	38.4%	
Balance per trial balance						
Sundry receivable						180,204
GST receivable						44,213
Allowance for impairment of receivables from contracts with customers						(5,857)
Total receivables general outstanding						218,560

Amounts shown above include GST (where applicable)

KEY INFORMATION

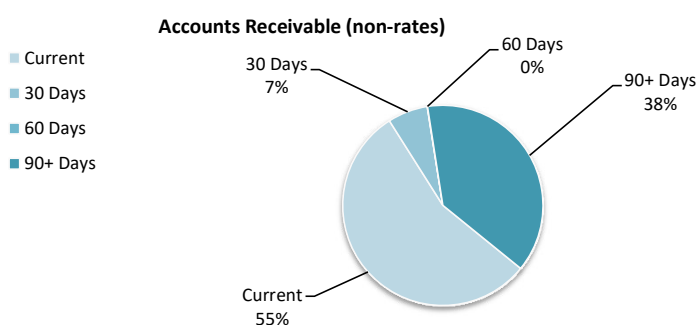
Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

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.

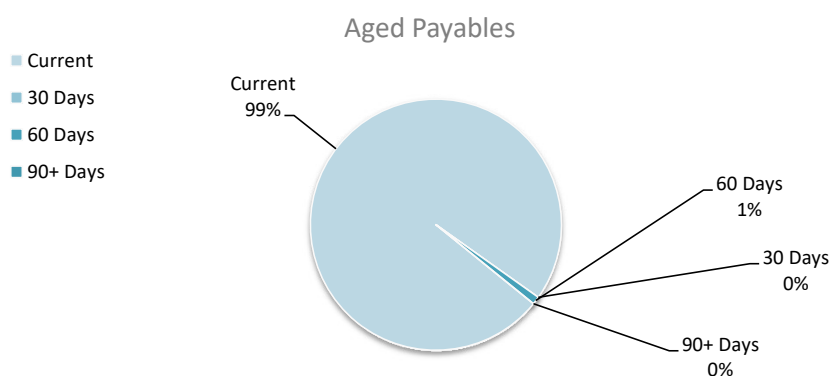


Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	0	18,927	0	190	0	19,117
Percentage	0%	99%	0%	1%	0%	
Balance per trial balance						
Sundry creditors						19,117
ATO liabilities						109,146
Other payables						600
Bonds and deposits						19,093
Prepaid rates						258,640
ESL creditor						89,641
Payroll creditors						(110,849)
Total payables general outstanding						385,388

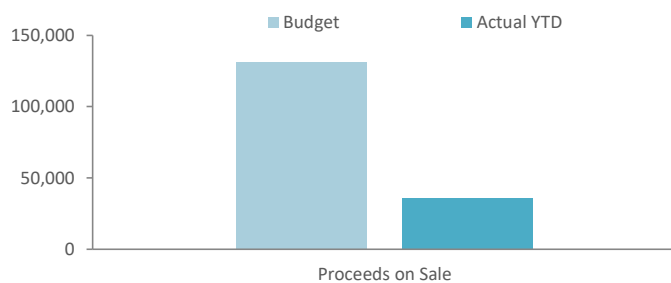
Amounts shown above include GST (where applicable)

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		Proceeds	Profit	(Loss)	Net Book		Profit	(Loss)
		Value					Value			
		\$	\$	\$	\$	\$	\$	\$	\$	
	Plant and equipment									
	Governance									
1030	1DS Holden Trailblazer	16,194	35,895	19,701	0	18,895	35,895	17,000	0	
	Transport									
951	DS174 Mitsubishi Fuso Tip Truck	110,600	35,000	0	(75,600)	0	0	0	0	
950	DS26 Mitsubishi Fuso Tip Truck	110,600	50,000	0	(60,600)	0	0	0	0	
882	DS263 Holden Colorado LX Tray	2,870	5,000	2,130	0	0	0	0	0	
804	DS3298 Kubota Mower	5,430	5,000	0	(430)	0	0	0	0	
		245,694	130,895	21,831	(136,630)	18,895	35,895	17,000	0	



Capital acquisitions	Amended		YTD Actual	YTD Actual Variance
	Budget	YTD Budget		
	\$	\$	\$	\$
Buildings	2,117,701	850,322	53,871	(796,451)
Furniture & Equipment	25,040	18,376	11,958	(6,418)
Plant & Equipment	1,175,778	437,845	175,778	(262,067)
Infrastructure - Roads	1,069,465	356,346	556,308	199,962
Infrastructure - Parks & Ovals	65,000	65,000	0	(65,000)
Infrastructure - Other	444,200	275,170	196,567	(78,603)
Infrastructure - Drainage	23,753	23,753	23,751	(2)
Infrastructure - Airport	215,104	71,674	20,113	(51,561)
Infrastructure - Footpaths	120,000	39,984	75,555	35,571
Payments for Capital Acquisitions	5,256,041	2,138,470	1,113,901	(1,024,569)
Capital Acquisitions Funded By:				
	\$	\$	\$	\$
Capital grants and contributions	1,377,111	907,246	412,160	(495,086)
Other (disposals & C/Fwd)	130,895	59,460	35,895	(23,565)
Cash backed reserves				
Aerodrome reserve	52,761	0	0	0
IT reserve	50,250	0	0	0
Transport reserve	802,088	0	0	0
Asset Replacement/Renewal reserve	1,054,826	0	0	0
Norseman IGA and Post Office	1,723,287	0	0	0
Contribution - operations	64,823	1,171,764	665,846	(505,918)
Capital funding total	5,256,041	2,138,470	1,113,901	(1,024,569)

SIGNIFICANT ACCOUNTING POLICIES

Each class of fixed assets within either plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

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

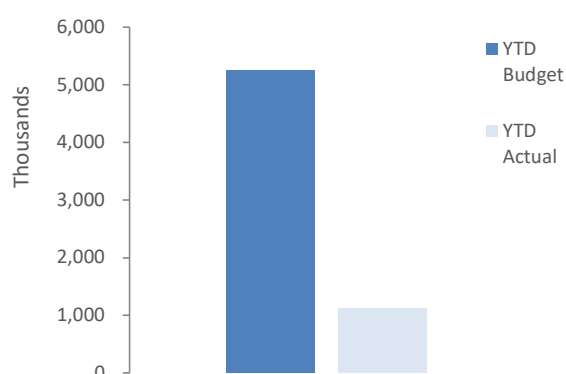
Initial recognition and measurement for assets held at cost

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

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

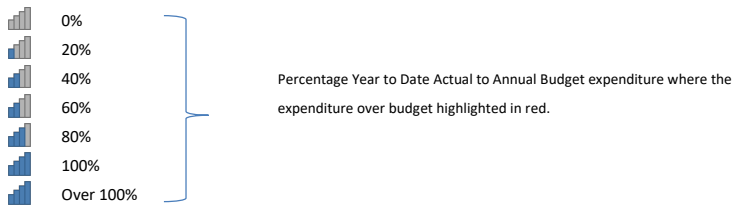
In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Payments for Capital Acquisitions



Capital expenditure total

Level of completion indicators



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

		Amended				
Account Description		Current Budget	Year to Date Budget	Year to Date Actual	Variance (Under)/Over	
Capital Expenditure						
Buildings						
	3314	DODD HOUSE CAPITAL IMPROVEMENTS	10,000	6,666	6,000	(666)
	3324	EUCLA TOWN HALL BUILDING IMPROVEMENTS	35,912	35,911	142	(35,769)
	3344	CAPITAL BUILDINGS	24,091	24,091	24,091	0
	3386	Woodland Cultural and Visitor Centre	26,000	17,332	6,526	(10,806)
	6514	AERODROME BUILDINGS	278,016	185,326	6,612	(178,714)
	3397	Laundromat	20,395	6,796	10,500	3,704
	3399	Norseman IGA & Post Office	1,723,287	574,200	0	(574,200)
	Buildings Total		2,117,701	850,322	53,871	(796,451)
Plant & Equipment						
	6124	ROAD PLANT PURCHASES	1,106,677	368,744	106,677	(262,067)
	0404	CAPITAL - CEO VEHICLE	69,101	69,101	69,101	0
	Plant & Equipment Total		1,175,778	437,845	175,778	(262,067)
Infrastructure - Roads						
	3134	Hyden Rd RRG East Grant Works	773,405	257,698	444,831	187,133
	3214	ROAD/C HERITAGE TRAIL	45,000	14,994	22,517	7,523
	4144	ROADS TO RECOVERY	251,060	83,654	88,960	5,306
	Infrastructure - Roads Total		1,069,465	356,346	556,308	199,962
Furniture & Equipment						
	0494	Governance - Furniture and Equipment	20,000	13,336	6,918	(6,418)
	3554	Gym Improvements	0	0	0	0
	3634	OTHER SPORT & RECREATION FURNITURE & EQUIPMENT	5,040	5,040	5,040	0
	Furniture & Equipment Total		25,040	18,376	11,958	(6,418)
Infrastructure - Parks & Ovals						
	3684	Rotunda Upgrade	65,000	65,000	0	(65,000)
	Infrastructure - Parks & Ovals Total		65,000	65,000	0	(65,000)
Infrastructure - Other						
	0814	Animal Kennels - Capital Expenditure	65,000	21,658	11,100	(10,558)
	2364	Cemetery Upgrade & Gates	85,000	56,664	0	(56,664)
	2384	LRCI - Norseman - Water Supply Airport/Cemetery/Landfill	100,000	100,000	98,941	(1,059)
	2624	Norseman Landfill	100,000	33,320	68,470	35,150
	3388	Tourism Signage	40,000	13,328	4,856	(8,472)
	3574	Transformer Upgrade - Capital Expenditure	35,000	35,000	0	(35,000)
	3544	OTHER REC & SPORT BUILDINGS MAINTENANCE	13,200	13,200	13,200	0
	3401	Electrical Upgrade for Pump Station	6,000	2,000	0	(2,000)
	Infrastructure - Other Total		444,200	275,170	196,567	(78,603)
Infrastructure - Drainage						
	3234	Norseman Drainage Works	23,753	23,753	23,751	(2)
	Infrastructure - Drainage Total		23,753	23,753	23,751	(2)
Infrastructure - Airport						
	6504	AERODROME INFRASTRUCTURE UPGRADE	215,104	71,674	20,113	(51,561)
	Infrastructure - Airport Total		215,104	71,674	20,113	(51,561)
Infrastructure - Footpaths						
	6801	FOOTPATH CONSTRUCTION	120,000	39,984	75,555	35,571
	Infrastructure - Footpaths Total		120,000	39,984	75,555	35,571
	Grand Total		5,256,041	2,138,470	1,113,901	(1,024,569)

Repayments - borrowings

Information on borrowings Particulars	Loan No.	1 July 2022	New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
			Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Health										
Doctors House		242,036	0	0	(25,433)	(51,211)	216,603	190,825	(3,275)	(6,206)
Total		242,036	0	0	(25,433)	(51,211)	216,603	190,825	(3,275)	(6,206)
Current borrowings		51,211					25,778			
Non-current borrowings		190,825					190,825			
		242,036					216,603			

All debenture repayments were financed by general purpose revenue.

The Shire has no unspent debenture funds as at 30th June 2022, nor is it expected to have unspent funds as at 30th June 2023.

KEY INFORMATION

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Non-current borrowings fair values are based on discounted cash flows using a current borrowing rate.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 28 FEBRUARY 2023

OPERATING ACTIVITIES
NOTE 8
RESERVE ACCOUNTS

Reserve accounts

Reserve name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Actual Transfers Out (-)	Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave Reserve	381,172	380	262	0	0	0	0	381,552	381,434
Plant reserve	357,389	356	245	0	0	(56,428)	0	301,317	357,634
Aerodrome reserve	152,867	153	105	0	0	(52,761)	0	100,259	152,972
IT reserve	100,320	100	69	0	0	(50,250)	0	50,170	100,389
Transport reserve	1,503,757	1,500	1,032	0	0	(802,088)	0	703,169	1,504,789
Land Development reserve	1,262,636	1,260	867	0	0	0	0	1,263,896	1,263,503
Asset Replacement/Renewal reserve	1,367,339	1,364	939	0	0	(1,054,826)	0	313,877	1,368,278
Norseman IGA and Post Office	0	0	0	1,723,287	0	(1,723,287)	0	0	0
	5,125,480	5,113	3,519	1,723,287	0	(3,739,640)	0	3,114,240	5,128,999

	Note	Opening Balance 1 July 2022	Liability transferred from/(to) non current	Liability Increase	Liability Reduction	Closing Balance 28 February 2023
		\$		\$	\$	\$
Other current liabilities						
Other liabilities						
- Contract liabilities		534,305	0	0	(61,946)	472,359
- Capital grant/contribution liabilities		40,000	0	0	(22,517)	17,483
Total other liabilities		574,305	0	0	(84,463)	489,842
Employee Related Provisions						
Annual leave		170,348	0	0	0	170,348
Long service leave		96,826	0	0	0	96,826
Total Employee Related Provisions		267,174	0	0	0	267,174
Total other current liabilities		841,479	0	0	(84,463)	757,016
Amounts shown above include GST (where applicable)						

A breakdown of contract liabilities and associated movements is provided on the following pages at Note 10 and 11

KEY INFORMATION

Provisions

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

Employee Related Provisions

Short-term employee benefits

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the calculation of net current assets.

Other long-term employee benefits

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as employee related provisions in the statement of financial position.

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur. The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Contract liabilities

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

Capital grant/contribution liabilities

Grants to acquire or construct recognisable non-financial assets to identified specifications be constructed to be controlled by the Shire are recognised as a liability until such time as the Shire satisfies its obligations under the agreement.

Provider	Unspent operating grant, subsidies and contributions liability					Operating grants, subsidies and contributions revenue		
	Liability	Increase in Liability	Decrease in Liability	Liability	Current Liability	Amended Budget	YTD	YTD
	1 July 2022		(As revenue)	28 Feb 2023	28 Feb 2023	Revenue	Budget	Revenue
	\$	\$	\$	\$	\$	\$	\$	\$
Operating grants and subsidies								
General purpose funding								
GRANTS COMMISSION - GENERAL	0	0	0	0	0	473,084	354,813	354,813
Law, order, public safety								
DFES - BFB GRANT	0	0	0	0	0	18,475	6,156	18,475
Bushfire Risk Planning Coordinator Funding	0	0	0	0	0	145,000	96,664	0
National Disaster Risk Reduction Program Grant	0	0	0	0	0	59,600	19,858	59,600
Health								
LGA Suicide Prevention Grants - Goldfields	100,000	0	0	100,000	100,000	0	0	0
Education and welfare								
YOUTH - GRANT	0	0	0	0	0	85,416	64,062	66,323
Recreation and culture								
OTHER CULTURE - GRANTS	10,000	0	0	10,000	10,000	10,000	10,000	0
State Govt - Arts/Murals	20,000	0	0	20,000	20,000	0	0	0
Transport								
ROADS FINANCIAL ASSISTANCE GRANT	0	0	0	0	0	177,271	132,954	99,855
MRD DIRECT GRANT	0	0	0	0	0	111,150	37,036	111,150
Economic services								
WA Coastal Management Plan Assistance Program	0	0	0	0	0	35,000	11,662	35,000
IGO - Local Business Development	9,091	0	0	9,091	9,091	0	0	0
State Govt - Co-naming Signage	20,000	0	0	20,000	20,000	0	0	0
	159,091	0	0	159,091	159,091	1,114,996	733,205	745,216
Operating contributions								
Governance								
CONTRIBUTIONS & DONATIONS	0	0	0	0	0	1,500	1,000	150
General purpose funding								
ESL ADMIN CONTRIBUTION	0	0	0	0	0	4,000	4,000	0
Community amenities								
CONTRIBUTIONS	0	0	0	0	0	1,000	334	715
Recreation and culture								
O.CULTURE CONTRIBUTIONS	0	0	0	0	0	2,000	1,336	227
Transport								
STREET LIGHT CONTRIBUTION	0	0	0	0	0	5,474	1,824	5,474
Other property and services								
DIESEL FUEL REBATE	0	0	0	0	0	14,000	9,336	3,583
	0	0	0	0	0	27,974	17,830	10,149
TOTALS	159,091	0	0	159,091	159,091	1,142,970	751,035	755,365

Provider	Capital grant/contribution liabilities					Non operating grants, subsidies and contributions revenue		
	Liability 1 July 2022	Increase in Liability	Decrease in Liability (As revenue)	Liability 28 Feb 2023	Current Liability 28 Feb 2023	Amended Budget Revenue	YTD Budget	YTD Revenue Actual
	\$	\$	\$	\$	\$	\$	\$	\$
Non-operating grants and subsidies								
Community amenities								
LRCI Federal Grant (Community Projects)	38,953	0	(38,953)	0	0	68,217	34,108	67,740
WA Hiking Participation Grant	10,000	0	0	10,000	10,000	0	0	
Recreation and culture								
LRCI Federal Grant (Rec & Culture Projects)	23,911	0	(142)	23,769	23,769	35,910	11,966	42,279
Transport								
ROADS 2 RECOVERY GRANT	0	0	0	0	0	251,060	125,530	0
REGIONAL ROAD GROUP GRANT	0	0	0	0	0	315,601	252,480	256,773
Round 4 RED Grant - Hardwood Timber Sawmill	0	0	0	0	0	200,000	200,000	0
LRCI Federal Grant (Transport Projects)	312,350	0	(22,851)	289,499	289,499	446,323	223,162	22,851
State Govt - Small Grants Program (Heritage Walk & Drive Trail)	40,000	0	(22,517)	17,483	17,483	40,000	40,000	22,517
Economic services								
State Govt - Small Grants Program (Co-naming Signage)	0	0	0	0	0	20,000	20,000	0
	425,214	0	(84,463)	340,751	340,751	1,377,111	907,246	412,160

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 28 FEBRUARY 2023**

**NOTE 12
BUDGET AMENDMENTS**

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Code	Description	Council Resolution	Classification	Increase in			Amended Budget Running Balance
				Non Cash Adjustment	Available Cash	Decrease in Available Cash	
				\$	\$	\$	\$
	Budget adoption						0
	Opening Surplus(Deficit)	02/03/2023 10.2.10	Opening Surplus(Deficit)	0	0	(47,120)	(47,120)
0404	Capital - CEO Vehicle	24/09/2022 10.3.4	Capital Expenses	0	0	(70,000)	(117,120)
0405	Proceeds from CEO vehicle	24/09/2022 10.3.4	Capital Revenue	0	40,000	0	(77,120)
0513	Profit on disposal of asset	24/09/2022 10.3.4	Operating Revenue	19,701	0	0	(77,120)
	Operating grants, subsidies and contributions	02/03/2023 10.2.10	Operating Revenue	0	70,597	(207,526)	(214,049)
	Fees and charges	02/03/2023 10.2.10	Operating Revenue	0	101,015	(400,000)	(513,034)
	Interest earnings	02/03/2023 10.2.10	Operating Revenue	0	41,148	0	(471,886)
	Other revenue	02/03/2023 10.2.10	Operating Revenue	0	20,066	(3,500)	(455,320)
	Employee costs	02/03/2023 10.2.10	Operating Expenses	0	231,961	(180,492)	(403,851)
	Materials and contracts	02/03/2023 10.2.10	Operating Expenses	0	574,608	(490,752)	(319,995)
	Utility charges	02/03/2023 10.2.10	Operating Expenses	0	37,092	(90,280)	(373,183)
	Depreciation on non-current assets	02/03/2023 10.2.10	Non Cash Item	(54,500)	0	0	(373,183)
	Insurance expenses	02/03/2023 10.2.10	Operating Expenses	0	15,824	(15,859)	(373,218)
	Other expenditure	02/03/2023 10.2.10	Operating Expenses	0	52,000	(82,000)	(403,218)
	Non-operating grants, subsidies and contributions	02/03/2023 10.2.10	Capital Revenue	0	0	(387,877)	(791,095)
	Purchase land and buildings	02/03/2023 10.2.10	Capital Expenses	0	293,786	(1,743,682)	(2,240,991)
	Purchase plant and equipment	02/03/2023 10.2.10	Capital Expenses	0	24,222	0	(2,216,769)
	Purchase furniture and equipment	02/03/2023 10.2.10	Capital Expenses	0	4,960	0	(2,211,809)
	Purchase and construction of infrastructure-roads	02/03/2023 10.2.10	Capital Expenses	0	0	(300,000)	(2,511,809)
	Purchase and construction of infrastructure-other	02/03/2023 10.2.10	Capital Expenses	0	1,236,247	(19,200)	(1,294,762)
	Proceeds from disposal of assets	02/03/2023 10.2.10	Capital Revenue	0	0	(4,105)	(1,298,867)
	Transfers to cash backed reserves (restricted assets)	02/03/2023 10.2.10	Capital Revenue	0	1,723,287	0	424,420
	Transfers from cash backed reserves (restricted assets)	02/03/2023 10.2.10	Capital Expenses	0	0	(424,420)	0
				(34,799)	4,466,813	(4,466,813)	0

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 2022-23 year is \$5,000 or 10.00% whichever is the greater.

Nature or type	Var. \$	Var. %	Explanation of positive variances		Explanation of negative variances	
			Timing	Permanent	Timing	Permanent
Revenue from operating activities						
	\$	%				
Fees and charges	224,984	40.16%	▲ Rental staff housing. Other bulk rubbish collections. Gym membership fees. Airstrip landing fees. Laundromat.	Sale of standpipe water.	Development application fees. Dundas/Ngadju Timer initiative.	
Interest earnings	30,398	109.91%	▲ Rates non payment penalties.	Interest earned on investments.		
Other revenue	(26,728)	(17.89%)	▼		CRC reimbursements. CRC rent. CRC admin fee. Sale of gravel.	
Expenditure from operating activities						
Employee costs	306,841	16.68%	▲ FBT lodgement. Admin salaries. Bushfire Risk Planning Coordinator. Community Development salaries. Street maintenance. Parks and gardens. Staff training. Town Planning expenses. Waste Facility wages. Safety clothing. Youth salaries.		Building Control salaries. Litter control. Airstrip maintenance. Norseman CRC. Provate works. Sick & holiday leave. Street trees. Visitor Centre.	Laundromat operational. Storm drain maintenance. Swimming pool contract services.
Utility charges	(115,864)	(41.33%)	▼ Lighting of streets.		Standpipe supply water.	
Insurance expenses	(68,775)	(49.76%)	▼		Insurance YTD budget to be reviewed.	
Other expenditure	36,703	20.38%	▲ Rates write off and doubtful debts. Discretionary Councillor funding for community projects. Councillor sitting fees. Bushfire Risk Planning Coordinator. Animal Welfare program. Community Grants program. Marketing and publications.		Medical subsidy.	
Loss on disposal of assets	68,315	100.00%	▲ Road plant purchases not yet complete.			
Investing activities						
Proceeds from non-operating grants, subsidies and contributions	(495,086)	(54.57%)	▼ LRCI Federal Grant (Community Projects)	LRCI Federal Grant (Rec & Culture Projects)	Roads to Recovery. Round 4 RED Grant. State Govt - Small Grants Program (Co-naming Signage). LRCI Federal Grant (Transport Projects). State Govt - Small Grants Program (Heritage Walk & Drive Trail).	
Proceeds from disposal of assets	(23,565)	(39.63%)	▼		Road plant purchases not yet complete.	
Payments for property, plant and equipment and infrastructure	1,024,569	47.91%	▲ Aerodrome buildings and infrastructure. Animal kennels. Cemetery upgrade and gates. Eucla town hall. LRCI - Norseman - Water Supply Airport/Cemetery/Landfill. Norseman drainage. Norseman landfill. Heritage Trail. Transformer Upgrade. Woodland Cultural and Visitor Centre. Tourism signage. Rotunda upgrade. Road plant purchases. Norseman IGA & Post Office.		Capital buildings. Footpath construction. Hyden Rd RRG East Grant Works.	