

SHIRE OF JERRAMUNGUP
MONTHLY FINANCIAL REPORT
(Containing the Statement of Financial Activity)
For the period ending 30 November 2022

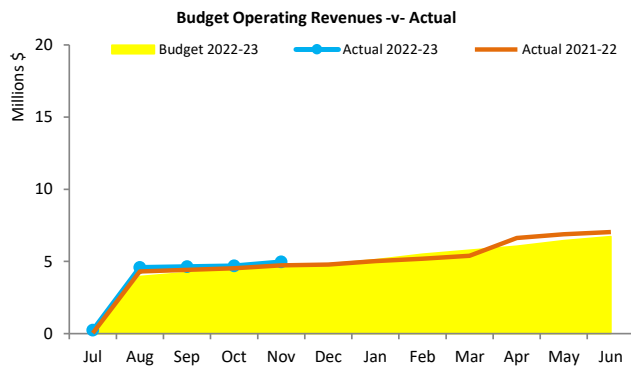
LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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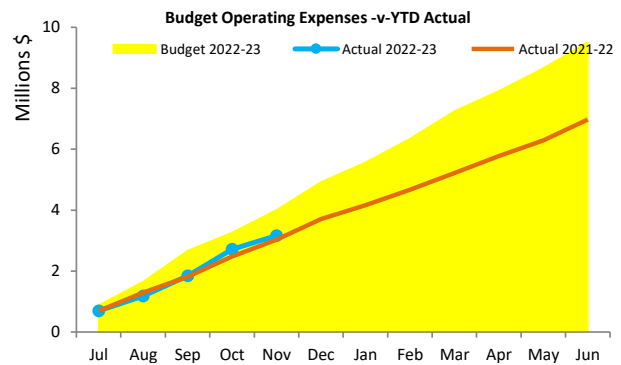
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OPERATING ACTIVITIES

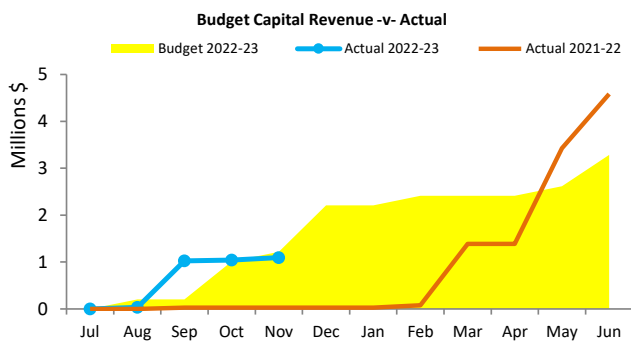
OPERATING REVENUE



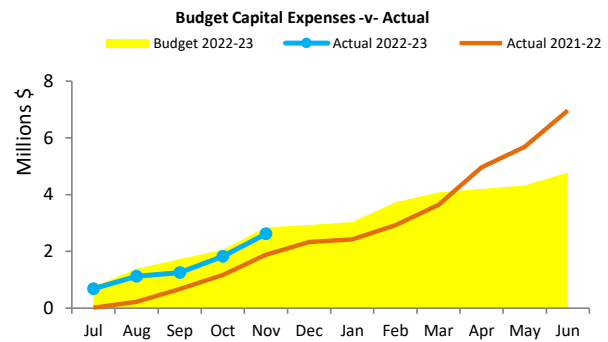
OPERATING EXPENSES



CAPITAL REVENUE



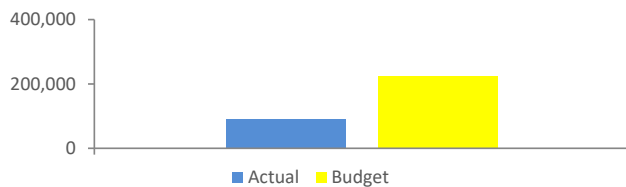
CAPITAL EXPENSES



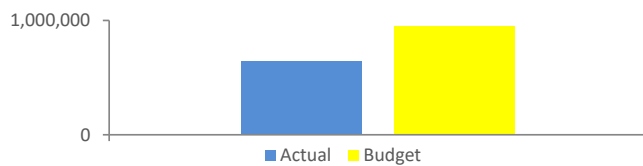
FINANCING ACTIVITIES

BORROWINGS

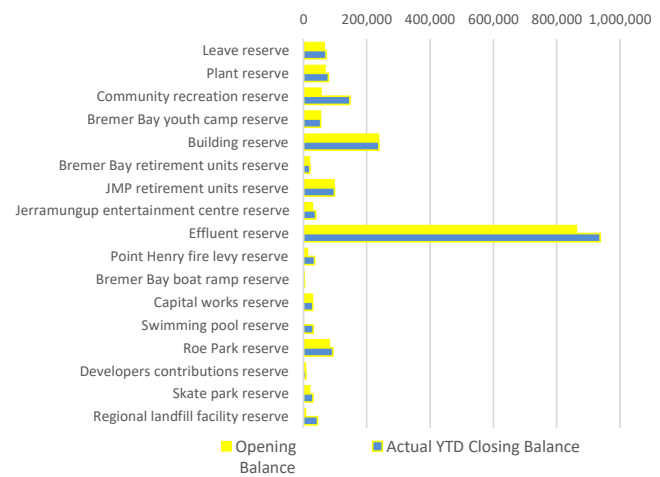
Principal Repayments



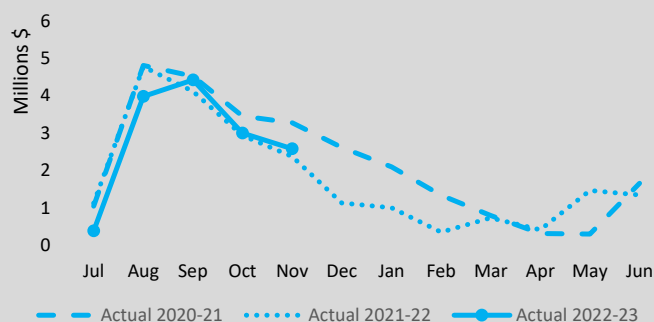
Principal Outstanding



RESERVES



Closing funding surplus / (deficit)



Funding surplus / (deficit) Components

| Funding surplus / (deficit) | | | | |
|--|----------------|----------------|----------------|-----------------|
| | Adopted Budget | YTD Budget (a) | YTD Actual (b) | Var. \$ (b)-(a) |
| Opening | \$1.65 M | \$1.65 M | \$1.31 M | (\$0.34 M) |
| Closing | \$0.00 M | \$1.71 M | \$2.58 M | \$0.87 M |
| Refer to Statement of Financial Activity | | | | |

| Cash and cash equivalents | | |
|---|----------|------------|
| | \$4.63 M | % of total |
| Unrestricted Cash | \$2.40 M | 51.9% |
| Restricted Cash | \$2.23 M | 48.1% |
| Refer to Note 2 - Cash and Financial Assets | | |

| Payables | | |
|----------------------------|----------|---------------|
| | \$0.37 M | % Outstanding |
| Trade Payables | \$0.20 M | |
| 0 to 30 Days | | 98.2% |
| 30 to 90 Days | | 1.2% |
| Over 90 Days | | 0.5% |
| Refer to Note 5 - Payables | | |

| Receivables | | |
|-------------------------------|----------|---------------|
| | \$1.38 M | % Collected |
| Rates Receivable | \$0.96 M | 74.3% |
| Trade Receivable | \$0.42 M | % Outstanding |
| 30 to 90 Days | | 1.7% |
| Over 90 Days | | 29.6% |
| Refer to Note 3 - Receivables | | |

Key Operating Activities

| Amount attributable to operating activities | | | |
|---|----------------|----------------|-----------------|
| Adopted Budget | YTD Budget (a) | YTD Actual (b) | Var. \$ (b)-(a) |
| (\$0.58 M) | \$1.81 M | \$2.79 M | \$0.98 M |
| Refer to Statement of Financial Activity | | | |

| Rates Revenue | | |
|--------------------------------|----------|------------|
| YTD Actual | \$3.69 M | % Variance |
| YTD Budget | \$3.68 M | 0.2% |
| Refer to Note 6 - Rate Revenue | | |

| Operating Grants and Contributions | | |
|---|----------|------------|
| YTD Actual | \$0.54 M | % Variance |
| YTD Budget | \$0.43 M | 24.8% |
| Refer to Note 13 - Operating Grants and Contributions | | |

| Fees and Charges | | |
|--|----------|------------|
| YTD Actual | \$0.66 M | % Variance |
| YTD Budget | \$0.36 M | 85.6% |
| 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) |
| (\$1.25 M) | (\$1.36 M) | (\$1.13 M) | \$0.23 M |
| Refer to Statement of Financial Activity | | | |

| Proceeds on sale | | |
|--------------------------------------|----------|---------|
| YTD Actual | \$0.07 M | % |
| Adopted Budget | \$0.39 M | (82.4%) |
| Refer to Note 7 - Disposal of Assets | | |

| Asset Acquisition | | |
|--|----------|---------|
| YTD Actual | \$2.22 M | % Spent |
| Adopted Budget | \$4.26 M | (47.8%) |
| Refer to Note 8 - Capital Acquisitions | | |

| Capital Grants | | |
|--|----------|------------|
| YTD Actual | \$1.03 M | % Received |
| Adopted Budget | \$2.61 M | (60.8%) |
| Refer to Note 8 - Capital Acquisitions | | |

Key Financing Activities

| Amount attributable to financing activities | | | |
|---|----------------|----------------|-----------------|
| Adopted Budget | YTD Budget (a) | YTD Actual (b) | Var. \$ (b)-(a) |
| \$0.18 M | (\$0.39 M) | (\$0.40 M) | (\$0.00 M) |
| Refer to Statement of Financial Activity | | | |

| Borrowings | |
|------------------------------|----------|
| Principal repayments | \$0.09 M |
| Interest expense | \$0.00 M |
| Principal due | \$0.65 M |
| Refer to Note 9 - Borrowings | |

| Reserves | |
|----------------------------------|----------|
| Reserves balance | \$1.96 M |
| Interest earned | \$0.00 M |
| Refer to Note 11 - Cash Reserves | |

| Lease Liability | |
|--------------------------------------|----------|
| Principal repayments | \$0.01 M |
| Interest expense | \$0.00 M |
| Principal due | \$0.01 M |
| Refer to Note 10 - Lease Liabilities | |

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

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

PROGRAM NAME AND OBJECTIVES

ACTIVITIES

GOVERNANCE

To provide a decision making process for the efficient allocation of resources

Administration and operation of facilities and services to members of Council. Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services

Rates, general purpose government grants & interest revenue

LAW, ORDER, PUBLIC SAFETY

To provide services to help ensure a safer community

Supervision of various by-laws, fire prevention, emergency services & animal control

HEALTH

To provide an operational framework for good community health

Food quality and pest control; maintenance and contributions to health services and facilities

EDUCATION AND WELFARE

To meet the needs of the community in these areas

Operation and provisions of services to seniors and child care centres within the Shire

HOUSING

Help ensure adequate housing for key community personnel such as police

Maintenance of staff and rental housing

COMMUNITY AMENITIES

To provide services required by the community

Rubbish collection services, operation of tips, noise control and administration of the town planning scheme, maintenance of cemeteries, control and maintenance of coastal reserves and other community/environmental services

RECREATION AND CULTURE

To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community

Maintenance of public halls, sporting complexes, resource centres, various parks and associated facilities, provision of library services in Jerramungup and Bremer Bay. Maintenance and upgrade of radio repeater service

TRANSPORT

To provide safe and efficient transport services to the community

Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets, parking facilities, traffic signs, depot maintenance and airstrips maintenance

ECONOMIC SERVICES

To help promote the Shire and improve the economic wellbeing of the community

The regulation and provision of tourism, area promotion, building control, saleyards, noxious weeds, vermin control and water supply, including stand pipes

OTHER PROPERTY AND SERVICES

Other activities which contribute to the governance and operations of the Shire

Private works operation, plant repairs and operating costs, administration expenses

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2022**

STATUTORY REPORTING PROGRAMS

| | Ref Note | Adopted Budget | YTD Budget (a) | YTD Actual (b) | Forecast 30 June 2023 Closing (a)-(b)+(c) | Var. \$ (b)-(a) | Var. % (b)-(a)/(a) | Var. |
|---|-------------|--------------------|----------------------|----------------------|--|--------------------|-----------------------|------|
| | | \$ | \$ | \$ | \$ | \$ | % | |
| Opening funding surplus / (deficit) | 1(c) | 1,652,930 | 1,652,930 | 1,312,917 | 1,312,917 | (340,013) | (20.57%) | ▼ |
| Revenue from operating activities | | | | | | | | |
| General purpose funding - general rates | 6 | 3,684,456 | 3,684,606 | 3,692,049 | 3,691,899 | 7,443 | 0.20% | |
| General purpose funding - other | | 333,948 | 165,273 | 261,228 | 429,903 | 95,955 | 58.06% | ▲ |
| Law, order and public safety | | 749,919 | 110,560 | 146,876 | 786,235 | 36,316 | 32.85% | ▲ |
| Health | | 18,363 | 7,640 | 13,480 | 24,203 | 5,840 | 76.44% | |
| Education and welfare | | 0 | 0 | 216 | 216 | 216 | 0.00% | |
| Housing | | 111,318 | 43,145 | 46,653 | 114,826 | 3,508 | 8.13% | |
| Community amenities | | 655,764 | 242,729 | 542,906 | 955,941 | 300,177 | 123.67% | ▲ |
| Recreation and culture | | 171,608 | 150,812 | 29,255 | 50,051 | (121,557) | (80.60%) | ▼ |
| Transport | | 832,571 | 181,628 | 196,733 | 847,676 | 15,105 | 8.32% | |
| Economic services | | 69,654 | 42,882 | 15,868 | 42,640 | (27,014) | (63.00%) | ▼ |
| Other property and services | | 94,141 | 32,405 | 23,867 | 85,603 | (8,538) | (26.35%) | |
| | | 6,721,742 | 4,661,680 | 4,969,131 | 7,029,193 | 307,451 | | |
| Expenditure from operating activities | | | | | | | | |
| Governance | | (342,279) | (188,895) | (174,240) | (327,624) | 14,655 | 7.76% | |
| General purpose funding | | (248,126) | (101,203) | (100,997) | (247,920) | 206 | 0.20% | |
| Law, order and public safety | | (1,396,107) | (406,229) | (368,947) | (1,358,825) | 37,282 | 9.18% | |
| Health | | (500,752) | (147,701) | (141,468) | (494,519) | 6,233 | 4.22% | |
| Education and welfare | | (79,683) | (37,925) | (24,223) | (65,981) | 13,702 | 36.13% | ▲ |
| Housing | | (107,056) | (62,237) | (43,658) | (88,477) | 18,579 | 29.85% | ▲ |
| Community amenities | | (1,614,423) | (761,660) | (476,502) | (1,329,265) | 285,158 | 37.44% | ▲ |
| Recreation and culture | | (1,511,052) | (680,342) | (724,326) | (1,555,036) | (43,984) | (6.46%) | |
| Transport | | (3,453,653) | (1,283,703) | (961,573) | (3,131,523) | 322,130 | 25.09% | ▲ |
| Economic services | | (175,919) | (77,136) | (80,374) | (179,157) | (3,238) | (4.20%) | |
| Other property and services | | (81,461) | (33,942) | (66,781) | (114,300) | (32,839) | (96.75%) | ▼ |
| | | (9,510,511) | (3,780,973) | (3,163,089) | (8,892,627) | 617,884 | | |
| Non-cash amounts excluded from operating activities | 1(a) | 2,207,752 | 927,470 | 979,186 | 2,259,468 | 51,716 | 5.58% | |
| Amount attributable to operating activities | | (581,017) | 1,808,177 | 2,785,228 | 396,034 | 977,051 | | |
| Investing Activities | | | | | | | | |
| Proceeds from non-operating grants, subsidies and contributions | 14 | 2,614,943 | 1,216,600 | 1,026,080 | 2,424,423 | (190,520) | (15.66%) | ▼ |
| Proceeds from disposal of assets | 7 | 394,400 | 175,000 | 69,501 | 288,901 | (105,499) | (60.29%) | ▼ |
| Payments for property, plant and equipment and infrastructure | 8 | (4,258,762) | (2,752,209) | (2,222,077) | (3,728,630) | 530,132 | 19.26% | ▲ |
| | | (1,249,419) | (1,360,609) | (1,126,496) | (1,015,306) | 234,113 | | |
| Amount attributable to investing activities | | (1,249,419) | (1,360,609) | (1,126,496) | (1,015,306) | 234,113 | | |
| Financing Activities | | | | | | | | |
| Proceeds from new debentures | 9 | 437,500 | 0 | 0 | 437,500 | 0 | 0.00% | |
| Transfer from reserves | 11 | 275,894 | 0 | 0 | 275,894 | 0 | 0.00% | |
| Payments for principal portion of lease liabilities | 10 | (14,789) | (6,253) | (6,253) | (14,789) | 0 | 0.00% | |
| Repayment of debentures | 9 | (223,272) | (90,883) | (90,883) | (223,272) | 0 | 0.00% | |
| Transfer to reserves | 11 | (297,827) | (297,827) | (299,225) | (299,225) | (1,398) | (0.47%) | |
| Amount attributable to financing activities | | 177,506 | (394,963) | (396,360) | 176,109 | (1,398) | | |
| Closing funding surplus / (deficit) | 1(c) | 0 | 1,705,535 | 2,575,289 | 869,754 | | | |

KEY INFORMATION

▲ ▼ Indicates a variance between Year to Date (YTD) Actual and YTD Actual data as per the adopted materiality threshold.
Refer to Note 16 for an explanation of the reasons for the variance.
The material variance adopted by Council for the 2022-23 year is \$10,000 or 10.00% whichever is the greater.
This statement is to be read in conjunction with the accompanying Financial Statements and notes.

KEY TERMS AND DESCRIPTIONS
FOR THE PERIOD ENDED 30 NOVEMBER 2022

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. Exclude 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, 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 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.

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 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 associate 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, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, 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, ETC.)

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.

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 NOVEMBER 2022

BY NATURE OR TYPE

| | Ref Note | Adopted Budget | YTD Budget (a) | YTD Actual (b) | Forecast 30 June 2023 Closing (a)-(b)+(c) | Var. \$ (b)-(a) | Var. % (b)-(a)/(a) | Var. |
|---|-------------|--------------------|----------------------|----------------------|--|--------------------|-----------------------|------|
| | | \$ | \$ | \$ | \$ | \$ | % | |
| Opening funding surplus / (deficit) | 1(c) | 1,652,930 | 1,652,930 | 1,312,917 | 1,312,917 | (340,013) | (20.57%) | ▼ |
| Revenue from operating activities | | | | | | | | |
| Rates | 6 | 3,684,456 | 3,684,606 | 3,692,049 | 3,691,899 | 7,443 | 0.20% | |
| Operating grants, subsidies and contributions | 13 | 1,835,585 | 429,002 | 535,365 | 1,941,948 | 106,363 | 24.79% | ▲ |
| Fees and charges | | 823,057 | 357,026 | 662,666 | 1,128,697 | 305,640 | 85.61% | ▲ |
| Interest earnings | | 28,158 | 13,645 | 28,253 | 42,766 | 14,608 | 107.06% | ▲ |
| Other revenue | | 317,126 | 174,652 | 36,668 | 179,142 | (137,984) | (79.01%) | ▼ |
| Profit on disposal of assets | 7 | 33,360 | 2,749 | 14,130 | 44,741 | 11,381 | 414.01% | ▲ |
| | | 6,721,742 | 4,661,680 | 4,969,131 | 7,029,193 | 307,451 | | |
| Expenditure from operating activities | | | | | | | | |
| Employee costs | | (2,363,553) | (984,295) | (811,022) | (2,190,280) | 173,273 | 17.60% | ▲ |
| Materials and contracts | | (3,979,764) | (1,260,372) | (935,611) | (3,655,003) | 324,761 | 25.77% | ▲ |
| Utility charges | | (211,815) | (87,965) | (80,636) | (204,486) | 7,329 | 8.33% | |
| Depreciation on non-current assets | | (2,233,887) | (930,220) | (979,645) | (2,283,312) | (49,425) | (5.31%) | |
| Interest expenses | | (20,344) | (8,568) | (4,461) | (16,237) | 4,107 | 47.93% | |
| Insurance expenses | | (308,836) | (308,826) | (238,281) | (238,291) | 70,545 | 22.84% | ▲ |
| Other expenditure | | (385,087) | (200,727) | (104,880) | (289,240) | 95,847 | 47.75% | ▲ |
| Loss on disposal of assets | 7 | (7,225) | 0 | (8,553) | (15,778) | (8,553) | 0.00% | |
| | | (9,510,511) | (3,780,973) | (3,163,089) | (8,892,627) | 617,884 | | |
| Non-cash amounts excluded from operating activities | 1(a) | 2,207,752 | 927,470 | 979,186 | 2,259,468 | 51,716 | 5.58% | |
| Amount attributable to operating activities | | (581,017) | 1,808,177 | 2,785,228 | 396,034 | 977,051 | | |
| Investing activities | | | | | | | | |
| Proceeds from non-operating grants, subsidies and contributions | 14 | 2,614,943 | 1,216,600 | 1,026,080 | 2,424,423 | (190,520) | (15.66%) | ▼ |
| Proceeds from disposal of assets | 7 | 394,400 | 175,000 | 69,501 | 288,901 | (105,499) | (60.29%) | ▼ |
| Payments for property, plant and equipment | 8 | (4,258,762) | (2,752,209) | (2,222,077) | (3,728,630) | 530,132 | 19.26% | ▲ |
| | | (1,249,419) | (1,360,609) | (1,126,496) | (1,015,306) | 234,113 | | |
| Amount attributable to investing activities | | (1,249,419) | (1,360,609) | (1,126,496) | (1,015,306) | 234,113 | | |
| Financing Activities | | | | | | | | |
| Proceeds from new debentures | 9 | 437,500 | 0 | 0 | 437,500 | 0 | 0.00% | |
| Transfer from reserves | 11 | 275,894 | 0 | 0 | 275,894 | 0 | 0.00% | |
| Payments for principal portion of lease liabilities | 10 | (14,789) | (6,253) | (6,253) | (14,789) | 0 | 0.00% | |
| Repayment of debentures | 9 | (223,272) | (90,883) | (90,883) | (223,272) | 0 | 0.00% | |
| Transfer to reserves | 11 | (297,827) | (297,827) | (299,225) | (299,225) | (1,398) | (0.47%) | |
| Amount attributable to financing activities | | 177,506 | (394,963) | (396,360) | 176,109 | (1,398) | | |
| Closing funding surplus / (deficit) | 1(c) | 0 | 1,705,535 | 2,575,289 | 869,754 | | | |

KEY INFORMATION

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

Refer to Note 16 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. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is 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.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 15 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 that are 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 that are not readily apparent from other sources. Actual results may differ from these estimates.

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 09 December 2022

(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 | 7 | (33,360) | (2,749) | (14,130) |
| Less: Movement in liabilities associated with restricted cash | | 0 | 0 | 5,118 |
| Movement in other provisions | | 0 | 0 | 0 |
| Add: Loss on asset disposals | 7 | 7,225 | 0 | 8,553 |
| Add: Depreciation on assets | | 2,233,887 | 930,220 | 979,645 |
| Total non-cash items excluded from operating activities | | 2,207,752 | 927,471 | 979,186 |

(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.

| | | Last Year Closing 30 June 2022 | This Time Last Year 30 November 2021 | Year to Date 30 November 2022 |
|--|----|-----------------------------------|---|----------------------------------|
| Adjustments to net current assets | | | | |
| Less: Reserves - restricted cash | 11 | (1,658,234) | (1,907,726) | (1,957,458) |
| Add: Borrowings | 9 | 183,273 | 89,404 | 92,389 |
| Add: Provisions - employee | 12 | 66,178 | 86,081 | 71,296 |
| Add: Lease liabilities | 10 | 15,100 | 8,666 | 8,847 |
| Total adjustments to net current assets | | (1,393,683) | (1,723,576) | (1,784,926) |

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

| | | | | |
|--|------|--------------------|--------------------|--------------------|
| Current assets | | | | |
| Cash and cash equivalents | 2 | 3,488,888 | 5,972,836 | 4,627,581 |
| Rates receivables | 3 | 103,362 | 791,569 | 961,698 |
| Receivables | 3 | 565,016 | 520,414 | 418,620 |
| Other current assets | 4 | 32,315 | 22,802 | 28,296 |
| Prepayments | | 167 | 61,105 | 50,998 |
| Less: Current liabilities | | | | |
| Payables | 5 | (507,517) | (390,145) | (371,939) |
| Borrowings | 9 | (183,273) | (89,404) | (92,389) |
| Contract liabilities | 12 | (326,216) | (2,641,046) | (802,761) |
| Lease liabilities | 10 | (15,100) | (8,666) | (8,847) |
| Provisions | 12 | (451,042) | (402,393) | (451,042) |
| Less: Total adjustments to net current assets | 1(b) | (1,393,683) | (1,723,576) | (1,784,926) |
| Closing funding surplus / (deficit) | | 1,312,917 | 2,113,497 | 2,575,289 |

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 | | | | | | | | |
| Municipal Cash at Bank | Cash and cash equivalents | 2,400,095 | 0 | 2,400,095 | 0 | Bankwest | 1.00% | |
| Waste grant funds - Bankwest | Cash and cash equivalents | 0 | 269,826 | 269,826 | 0 | Bankwest | 0.95% | |
| Reserve Bank | Cash and cash equivalents | 0 | 1,957,458 | 1,957,458 | 0 | Bankwest | 0.95% | |
| Restricted bank account | Cash and cash equivalents | 0 | 1 | 1 | 0 | Bankwest | 0.00% | |
| Cash on Hand | Cash and cash equivalents | 200 | 0 | 200 | 0 | Till | 0.00% | |
| BPAY holding account | Cash and cash equivalents | 0 | 1 | 1 | 0 | Bankwest | 0.00% | |
| Trust account | Cash and cash equivalents | 8 | 0 | 8 | 8 | Bankwest | 0.00% | |
| Total | | 2,400,302 | 2,227,286 | 4,627,588 | 8 | | | |
| Comprising | | | | | | | | |
| Cash and cash equivalents | | 2,400,302 | 2,227,286 | 4,627,588 | 8 | | | |
| | | 2,400,302 | 2,227,286 | 4,627,588 | 8 | | | |

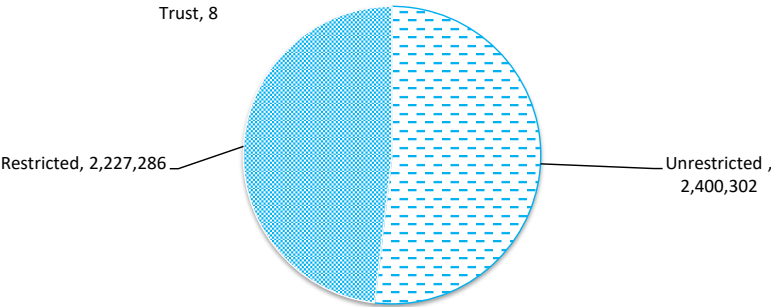
KEY INFORMATION

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 and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of net current assets.

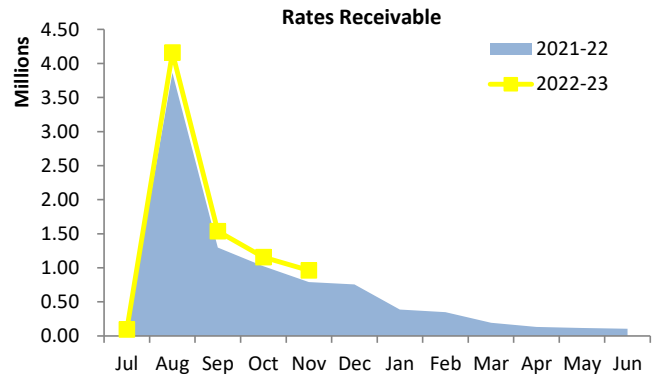
The local government classifies financial assets at amortised cost if both of the following criteria are met:

- 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 2022 | 30 Nov 2022 |
|-----------------------------------|----------------|----------------|
| | \$ | \$ |
| Opening arrears previous years | 104,784 | 103,362 |
| Levied this year | 3,415,372 | 3,634,992 |
| Less - collections to date | (3,416,794) | (2,776,656) |
| Equals current outstanding | 103,362 | 961,698 |
| Net rates collectable | 103,362 | 961,698 |
| % Collected | 97.1% | 74.3% |

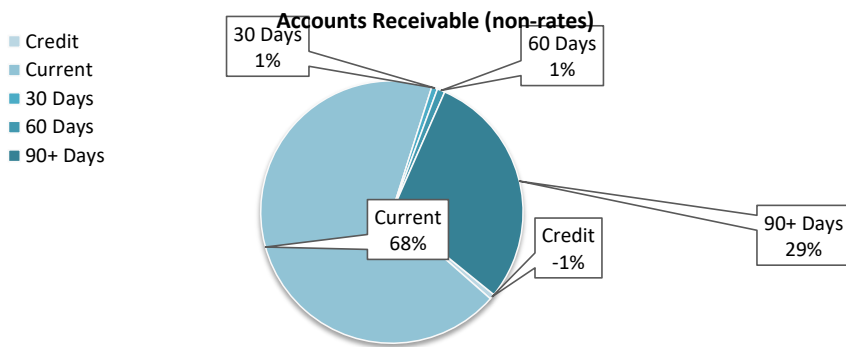


| Receivables - general | Credit | Current | 30 Days | 60 Days | 90+ Days | Total |
|--|---------|---------|---------|---------|----------|----------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Receivables - general | (2,462) | 256,472 | 2,739 | 3,558 | 109,570 | 369,877 |
| Percentage | (0.7%) | 69.3% | 0.7% | 1% | 29.6% | |
| Balance per trial balance | | | | | | |
| Sundry receivable | | | | | | 368,080 |
| GST receivable | | | | | | 52,002 |
| Other receivables - Provision for doubtful debts | | | | | | (1,462) |
| Total receivables general outstanding | | | | | | 418,620 |

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. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for impairment of receivables is raised when there is objective evidence that they will not be collectible.



| | Opening Balance 1 July 2022 | Asset Increase | Asset Reduction | Closing Balance 30 November 2022 |
|---|-----------------------------------|-------------------|--------------------|--|
| Other current assets | \$ | \$ | \$ | \$ |
| Inventory | | | | |
| Fuel, oils and materials on hand | 32,315 | 120,849 | (124,868) | 28,296 |
| Total other current assets | 32,315 | 120,849 | (124,868) | 28,296 |
| Amounts shown above include GST (where applicable) | | | | |

KEY INFORMATION

Inventory

Inventories are measured at the lower of cost and net realisable value.

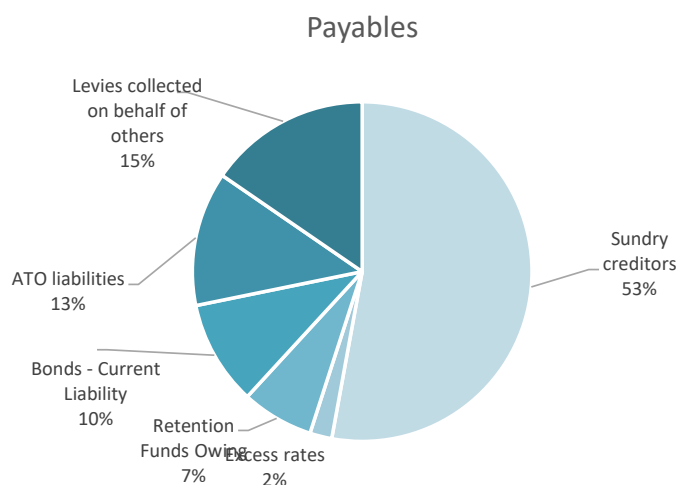
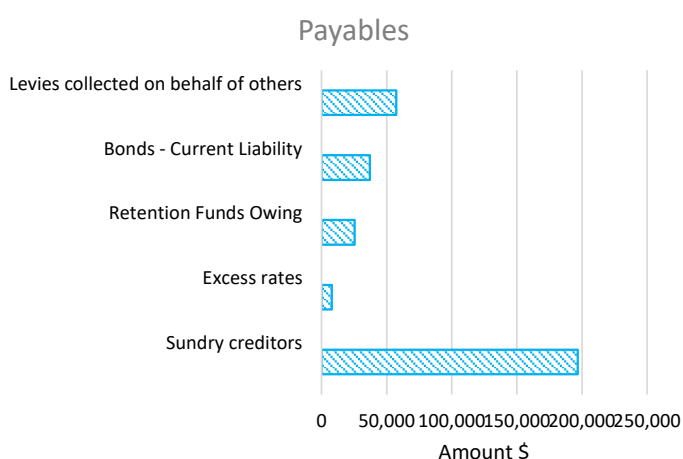
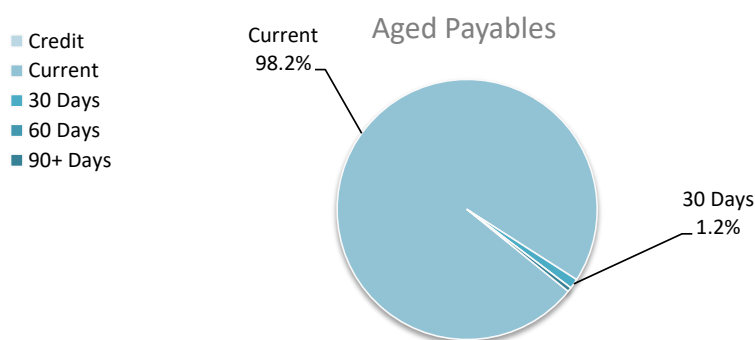
Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

| Payables - general | Credit | Current | 30 Days | 60 Days | 90+ Days | Total |
|---|--------|---------|---------|---------|----------|----------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Payables - general | 0 | 193,201 | 2,426 | 0 | 1,033 | 196,660 |
| Percentage | 0% | 98.2% | 1.2% | 0% | 0.5% | |
| Balance per trial balance | | | | | | |
| Sundry creditors | | | | | | 196,660 |
| Excess rates | | | | | | 7,803 |
| Retention Funds Owing | | | | | | 25,496 |
| Bonds - Current Liability | | | | | | 37,068 |
| ATO liabilities | | | | | | 47,577 |
| Levies collected on behalf of others | | | | | | 57,335 |
| Total payables general outstanding | | | | | | 371,939 |

Amounts shown above include GST (where applicable)

KEY INFORMATION

Trade and other payables represent liabilities for goods and services provided to the Shire 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.



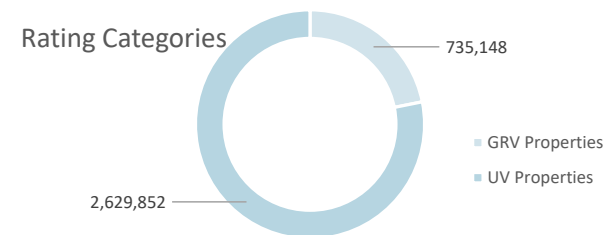
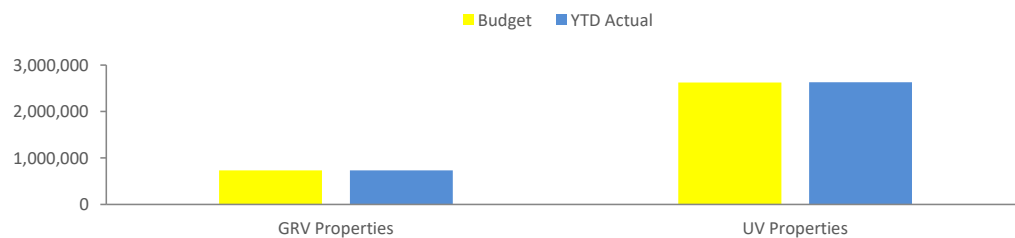
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2022

OPERATING ACTIVITIES
NOTE 6
RATE REVENUE

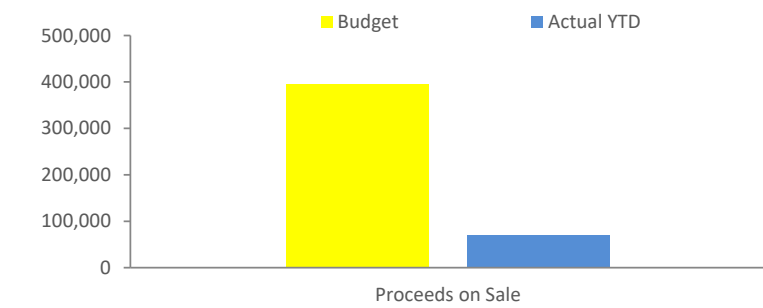
| General rate revenue | Budget | | | | | | | YTD Actual | | | |
|----------------------------------|-----------------------|-------------------------|--------------------|------------------|-----------------|--------------|------------------|------------------|------------------|---------------|------------------|
| | Rate in \$ (cents) | Number of Properties | Rateable Value | Rate Revenue | Interim Rate | Back Rate | Total Revenue | Rate Revenue | Interim Rates | Back Rates | Total Revenue |
| RATE TYPE | | | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Gross rental value | | | | | | | | | | | |
| GRV Properties | 0.10475 | 556 | 6,979,185 | 731,070 | 0 | 0 | 731,070 | 731,070 | 3,570 | 508 | 735,148 |
| Unimproved value | | | | | | | | | | | |
| UV Properties | 0.00737 | 319 | 356,519,000 | 2,627,545 | (67) | 0 | 2,627,478 | 2,627,545 | 2,307 | 0 | 2,629,852 |
| Sub-Total | | 875 | 363,498,185 | 3,358,615 | (67) | 0 | 3,358,548 | 3,358,615 | 5,877 | 508 | 3,365,000 |
| Minimum payment | Minimum \$ | | | | | | | | | | |
| Gross rental value | | | | | | | | | | | |
| GRV Properties | 729 | 302 | 0 | 220,158 | 0 | 0 | 220,158 | 220,158 | 0 | 0 | 220,158 |
| Unimproved value | | | | | | | | | | | |
| UV Properties | 729 | 44 | 2,199,000 | 32,076 | 0 | 0 | 32,076 | 32,076 | 0 | 0 | 32,076 |
| UV Mining | 729 | 23 | 96,491 | 16,767 | 0 | 0 | 16,767 | 16,767 | 0 | 991 | 17,758 |
| Sub-total | | 369 | 2,295,491 | 269,001 | 0 | 0 | 269,001 | 269,001 | 0 | 991 | 269,992 |
| Rates written off | | | | | | | (150) | | | | 0 |
| Amount from general rates | | | | | | | 3,627,399 | | | | 3,634,992 |
| Ex gratia Rates | | | | | | | 57,057 | | | | 57,057 |
| Total general rates | | | | | | | 3,684,456 | | | | 3,692,049 |

KEY INFORMATION

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Rates received in advance give rise to a financial liability. On 1 July 2021 the prepaid rates were recognised as a financial asset and a related amount was recognised as a financial liability and no income was recognised. When the taxable event occurs the financial liability is extinguished and income recognised for the prepaid rates that have not been refunded.



| Asset Ref. | Asset description | Budget | | | | YTD Actual | | | |
|------------|------------------------------------|----------------|----------------|---------------|----------------|---------------|---------------|---------------|----------------|
| | | Net Book | Proceeds | Profit | (Loss) | Net Book | Proceeds | Profit | (Loss) |
| | | Value | | | | Value | | | |
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| | Plant and equipment | | | | | | | | |
| | Community amenities | | | | | | | | |
| A914 | Mgr Development Vehicle | 47,251 | 50,000 | 2,749 | 0 | 46,098 | 50,000 | 3,902 | 0 |
| | Transport | | | | | | | | |
| A936 | Maintenance Grader | 143,881 | 150,000 | 6,119 | 0 | 0 | 0 | 0 | 0 |
| | Dolly sale 1TSN886 | 0 | 10,000 | 10,000 | 0 | 0 | 10,228 | 10,228 | 0 |
| A912 | Works supervisor vehicle | 43,012 | 41,400 | 0 | (1,612) | 0 | 0 | 0 | 0 |
| A801 | Town services vehicle | 9,912 | 6,000 | 0 | (3,912) | 8,320 | 5,636 | 0 | (2,684) |
| A814 | Town services BB vehicle | 6,386 | 5,000 | 0 | (1,386) | 0 | 0 | 0 | 0 |
| A890 | Rural maintenance vehicle | 14,620 | 15,000 | 380 | 0 | 0 | 0 | 0 | 0 |
| A442 | Ford transit 12 seater bus | 7,315 | 7,000 | 0 | (315) | 0 | 0 | 0 | 0 |
| A931 | Town services vehicle | 0 | 0 | 0 | 0 | 9,506 | 3,637 | 0 | (5,869) |
| | Other property and services | | | | | | | | |
| A913 | CEO Vehicle | 47,273 | 60,000 | 12,727 | 0 | 0 | 0 | 0 | 0 |
| A924 | DCEO Vehicle | 48,615 | 50,000 | 1,385 | 0 | 0 | 0 | 0 | 0 |
| | | 368,265 | 394,400 | 33,360 | (7,225) | 63,924 | 69,501 | 14,130 | (8,553) |



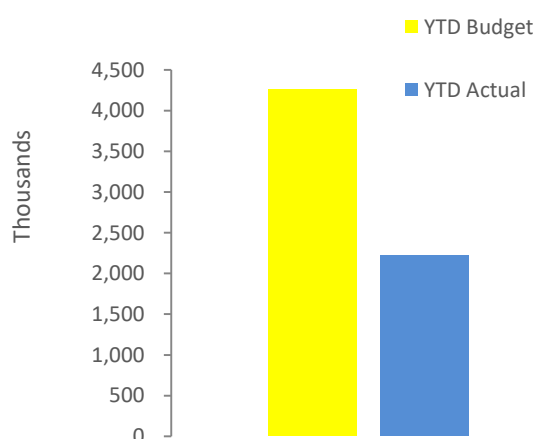
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2022**

**INVESTING ACTIVITIES
NOTE 8
CAPITAL ACQUISITIONS**

| Capital acquisitions | Adopted | | YTD Actual | YTD Actual Variance |
|--|------------------|------------------|------------------|------------------------|
| | Budget | YTD Budget | | |
| | \$ | \$ | \$ | \$ |
| Buildings - non-specialised | 7,768 | 7,768 | 0 | (7,768) |
| Buildings - specialised | 115,700 | 67,865 | 14,294 | (53,571) |
| Furniture and equipment | 18,000 | 18,000 | 0 | (18,000) |
| Plant and equipment | 880,473 | 648,711 | 59,861 | (588,850) |
| Infrastructure - roads | 1,944,454 | 809,438 | 814,182 | 4,744 |
| Other infrastructure - drainage | 20,000 | 8,335 | 0 | (8,335) |
| Other infrastructure - parks & ovals | 123,900 | 51,625 | 0 | (51,625) |
| Other infrastructure - other | 1,148,467 | 1,140,467 | 1,333,740 | 193,273 |
| Payments for Capital Acquisitions | 4,258,762 | 2,752,209 | 2,222,077 | (530,132) |
| Total Capital Acquisitions | 4,258,762 | 2,752,209 | 2,222,077 | (530,132) |
| Capital Acquisitions Funded By: | | | | |
| | \$ | \$ | \$ | \$ |
| Capital grants and contributions | 2,614,943 | 1,216,600 | 1,026,080 | (190,520) |
| Borrowings | 437,500 | 0 | 0 | 0 |
| Other (disposals & C/Fwd) | 394,400 | 175,000 | 69,501 | (105,499) |
| Cash backed reserves | | | | |
| Community recreation reserve | 50,000 | 0 | 0 | 0 |
| Building reserve | 175,894 | 0 | 0 | 0 |
| Effluent reserve | 25,000 | 0 | 0 | 0 |
| Point Henry fire levy reserve | 25,000 | 0 | 0 | 0 |
| Contribution - operations | 536,025 | 1,360,609 | 1,126,496 | (234,113) |
| Capital funding total | 4,258,762 | 2,752,209 | 2,222,077 | (530,132) |

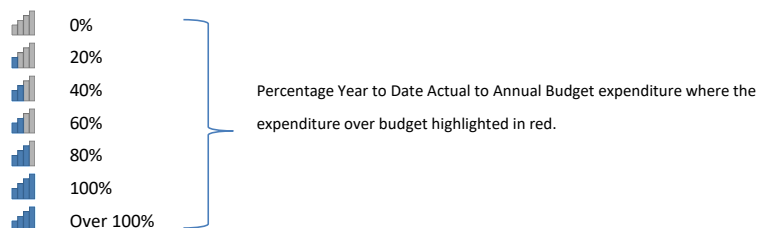
SIGNIFICANT ACCOUNTING POLICIES

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the local government includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead. Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.



Capital expenditure total

Level of completion indicators



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

Adopted

| Account Description | | Budget | YTD Budget | YTD Actual | Variance (Under)/Over |
|----------------------------------|---|------------------|------------------|------------------|--------------------------|
| Land & Building | | | | | |
| A721 | Jerramungup Day Care Centre | 15,500 | 15,500 | 14,294 | (1,206) |
| A906 | Unit 1 - Lot 265 (12) Collins Street Jerramungup (Corner) | 7,768 | 7,768 | 0 | (7,768) |
| A729 | Police House 1 - Lot 223 Derrick Street | 6,000 | 6,000 | 0 | (6,000) |
| A730 | Police House - Lot 225 Derrick St | 6,000 | 6,000 | 0 | (6,000) |
| A203 | Boxwood Hill Sports Club | 20,000 | 8,335 | 0 | (8,335) |
| A33 | 6 Memorial Road Building | 37,000 | 15,415 | 0 | (15,415) |
| A35 | 12 Memorial Rd (501) Jerramungup Town Hall | 6,200 | 6,200 | 0 | (6,200) |
| A526 | Cameron Business Centre | 25,000 | 10,415 | 0 | (10,415) |
| Furniture & Equipment | | | | | |
| A947 | Audio Recording System - Council Meetings | 18,000 | 18,000 | 0 | (18,000) |
| Plant & Equipment | | | | | |
| A934 | Manager Of Development Vehicle | 59,861 | 59,861 | 59,861 | (0) |
| A936 | Maintenance Grader | 437,500 | 437,500 | 0 | (437,500) |
| A941 | 2022 Works Supervisor Vehicle | 56,516 | 0 | 0 | 0 |
| A943 | Rural Maintenance Vehicle | 39,536 | 0 | 0 | 0 |
| A944 | Town Services Vehicle - JP0033 | 39,356 | 0 | 0 | 0 |
| A945 | BB Town Services - JP0085 | 36,354 | 0 | 0 | 0 |
| A946 | Walkroll Roller Packer | 67,460 | 67,460 | 0 | (67,460) |
| A458P | BB Airstrip - Paalc System | 6,000 | 6,000 | 0 | (6,000) |
| A935 | CEO Vehicle | 67,890 | 67,890 | 0 | (67,890) |
| A937 | Fibre Link to BB & Jerramungup | 10,000 | 10,000 | 0 | (10,000) |
| A942 | DCEO Vehicle | 60,000 | 0 | 0 | 0 |
| Road Construction | | | | | |
| C153 | Mooreshead Road | 61,221 | 61,221 | 59,305 | (1,916) |
| C204 | Swimming Pool Carpark | 44,599 | 44,599 | 37,584 | (7,015) |
| C205 | RFDS BB Airstrip | 81,863 | 0 | 30,700 | 30,700 |
| C30 | Cowalellup Road | 142,872 | 59,530 | 0 | (59,530) |
| C48 | Jacup North Road | 148,705 | 61,970 | 90,577 | 28,607 |
| C62 | Marnigarup East Road | 144,558 | 60,235 | 73,483 | 13,248 |
| C78 | Rabbit Proof Fence Road | 153,710 | 0 | 14 | 14 |
| C84 | Stock Road | 153,424 | 0 | 0 | 0 |
| RG13 | Swamp Road - MRWA | 422,022 | 175,845 | 166,332 | (9,513) |
| RG14 | Cuiss Road - MRWA | 142,727 | 142,727 | 76,853 | (65,874) |
| RG15 | Swarbrick Road - MRWA | 137,076 | 137,076 | 115,047 | (22,029) |
| RR25 | Bremer Bay Road - R2R | 158,957 | 66,235 | 144,275 | 78,040 |
| RR33 | Doubtful Island Road | 152,720 | 0 | 20,012 | 20,012 |
| Drainage | | | | | |
| A663 | Shire Drainage System | 20,000 | 8,335 | 0 | (8,335) |
| Parks & Ovals | | | | | |
| A46P | Jerramungup Bowling green | 123,900 | 51,625 | 0 | (51,625) |
| Infrastructure Other | | | | | |
| A262I | Jerramungup Transfer Station | 8,475 | 8,475 | 0 | (8,475) |
| A930 | Jerramungup Pool | 181,992 | 181,992 | 132,802 | (49,190) |
| A931 | Fishery Beach Boat Ramp And Jetty Construction | 950,000 | 950,000 | 1,200,938 | 250,938 |
| A148 | Retaining wall - Jerramungup sports club | 8,000 | 0 | 0 | 0 |
| | | 4,258,762 | 2,752,209 | 2,222,077 | (530,132) |

Repayments - borrowings

| Information on borrowings | | | New Loans | | Principal Repayments | | Principal Outstanding | | Interest Repayments | |
|----------------------------|----------|-------------|-----------|---------|----------------------|---------|-----------------------|---------|---------------------|--------|
| Particulars | Loan No. | 1 July 2022 | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget |
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Housing | | | | | | | | | | |
| Staff Housing/Seniors | 264 | 406,464 | 0 | 0 | 23,869 | 47,934 | 382,595 | 358,530 | 797 | 6,510 |
| Community amenities | | | | | | | | | | |
| Housing Bremer Bay | 261 | 82,389 | 0 | 0 | 19,945 | 40,318 | 62,444 | 42,071 | 958 | 3,114 |
| Transport | | | | | | | | | | |
| Bremer Bay Townsite | 260 | 59,613 | 0 | 0 | 29,504 | 59,613 | 30,109 | 0 | 445 | 1,839 |
| Bremer Bay Townsite | 263 | 188,603 | 0 | 0 | 17,566 | 35,407 | 171,037 | 153,196 | 2,140 | 5,646 |
| Grader | 265 | 0 | 0 | 437,500 | 0 | 40,000 | 0 | 397,500 | 0 | 2,422 |
| Total | | 737,069 | 0 | 437,500 | 90,883 | 223,272 | 646,186 | 951,297 | 4,340 | 19,531 |
| Current borrowings | | 223,272 | | | | | 92,389 | | | |
| Non-current borrowings | | 513,797 | | | | | 553,797 | | | |
| | | 737,069 | | | | | 646,186 | | | |

All debenture repayments were financed by general purpose revenue.

New borrowings 2022-23

| Particulars | Amount Borrowed | Amount Borrowed | Institution | Loan Type | Term Years | Total Interest | Interest | Amount (Used) | | Balance |
|----------------------|-----------------|-----------------|-------------|-----------|------------|----------------|----------|---------------|---------|---------|
| | Actual | Budget | | | | & Charges | Rate | Actual | Budget | Unspent |
| | \$ | \$ | | | | \$ | % | \$ | \$ | \$ |
| Grader (Maintenance) | 0 | 437,500 | WATC | Debenture | 7 | unknown | 1.1% | 0 | 437,500 | 0 |
| | 0 | 437,500 | | | | 0 | | 0 | 437,500 | 0 |

KEY INFORMATION

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2022**

FINANCING ACTIVITIES

NOTE 10

LEASE LIABILITIES

Movement in carrying amounts

| Information on leases | | 1 July 2022 | New Leases | | Principal Repayments | | Principal Outstanding | | Interest Repayments | |
|------------------------------------|-----------|-------------|------------|--------|----------------------|--------|-----------------------|--------|---------------------|--------|
| Particulars | Lease No. | | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget |
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Other property and services | | | | | | | | | | |
| Photocopier - Konica | M0466400 | 15,100 | 0 | 0 | 6,253 | 14,789 | 8,847 | 311 | 121 | 813 |
| Total | | 15,100 | 0 | 0 | 6,253 | 14,789 | 8,847 | 311 | 121 | 813 |
| Current lease liabilities | | 15,100 | | | | | 8,847 | | | |
| Non-current lease liabilities | | 1,273 | | | | | 1,273 | | | |
| | | 16,373 | | | | | 10,120 | | | |

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 NOVEMBER 2022**

OPERATING ACTIVITIES

NOTE 11

CASH RESERVES

Cash backed reserve

| 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 | 66,178 | 66 | 118 | 5,000 | 5,000 | 0 | 0 | 71,244 | 71,296 |
| Plant reserve | 68,516 | 69 | 125 | 10,000 | 10,000 | 0 | 0 | 78,585 | 78,641 |
| Community recreation reserve | 55,744 | 56 | 149 | 90,688 | 90,688 | (50,000) | 0 | 96,488 | 146,581 |
| Bremer Bay youth camp reserve | 54,185 | 54 | 95 | 0 | 0 | 0 | 0 | 54,239 | 54,280 |
| Building reserve | 238,196 | 238 | 414 | 0 | 0 | (175,894) | 0 | 62,540 | 238,610 |
| Bremer Bay retirement units reserve | 20,065 | 20 | 35 | 0 | 0 | 0 | 0 | 20,085 | 20,100 |
| JMP retirement units reserve | 97,633 | 98 | 170 | 0 | 0 | 0 | 0 | 97,731 | 97,803 |
| Jerramungup entertainment centre reserve | 28,867 | 29 | 56 | 10,000 | 10,000 | 0 | 0 | 38,896 | 38,923 |
| Effluent reserve | 863,852 | 864 | 1,545 | 72,070 | 72,070 | (25,000) | 0 | 911,786 | 937,467 |
| Point Henry fire levy reserve | 13,717 | 14 | 36 | 21,670 | 21,670 | (25,000) | 0 | 10,401 | 35,423 |
| Bremer Bay boat ramp reserve | 3,513 | 4 | 6 | 0 | 0 | 0 | 0 | 3,517 | 3,519 |
| Capital works reserve | 29,564 | 30 | 52 | 0 | 0 | 0 | 0 | 29,594 | 29,616 |
| Swimming pool reserve | 562 | 1 | 19 | 30,000 | 30,000 | 0 | 0 | 30,562 | 30,580 |
| Roe Park reserve | 83,066 | 83 | 151 | 10,000 | 10,000 | 0 | 0 | 93,149 | 93,217 |
| Developers contributions reserve | 7,187 | 7 | 13 | 0 | 0 | 0 | 0 | 7,194 | 7,200 |
| Skate park reserve | 20,032 | 20 | 38 | 10,000 | 10,000 | 0 | 0 | 30,052 | 30,070 |
| Regional landfill facility reserve | 7,357 | 7 | 34 | 36,741 | 36,741 | 0 | 0 | 44,105 | 44,132 |
| | 1,658,234 | 1,658 | 3,056 | 296,169 | 296,169 | (275,894) | 0 | 1,680,167 | 1,957,458 |

| | Note | Opening Balance 1 July 2022 | Liability transferred from/(to) non current | Liability Increase | Liability Reduction | Closing Balance 30 November 2022 |
|--|------|-----------------------------------|--|-----------------------|------------------------|--|
| Other current liabilities | | \$ | | \$ | \$ | \$ |
| Other liabilities | | | | | | |
| - Contract liabilities | | 326,216 | 0 | 518,282 | (41,736) | 802,761 |
| Total other liabilities | | 326,216 | 0 | 518,282 | (41,736) | 802,761 |
| Provisions | | | | | | |
| Provision for annual leave | | 217,357 | 0 | 0 | 0 | 217,357 |
| Provision for long service leave | | 233,685 | 0 | 0 | 0 | 233,685 |
| Total Provisions | | 451,042 | 0 | 0 | 0 | 451,042 |
| Total other current liabilities | | 777,258 | 0 | 518,282 | (41,736) | 1,253,803 |

Amounts shown above include GST (where applicable)

A breakdown of contract liabilities and associated movements is provided on the following pages at Note 13

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 benefits

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 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. 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 | Adopted Budget Revenue | YTD Budget | YTD Revenue |
| | 1 July 2022 | | (As revenue) | 30 Nov 2022 | 30 Nov 2022 | Revenue | Budget | Actual |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Operating grants and subsidies | | | | | | | | |
| General purpose funding | | | | | | | | |
| FAGS - General | 0 | 0 | 0 | 0 | 0 | 127,729 | 63,864 | 120,229 |
| FAGS - Roads | 0 | 0 | 0 | 0 | 0 | 162,211 | 81,104 | 105,168 |
| Law, order, public safety | | | | | | | | |
| DFES Admin Grant | 0 | 0 | 0 | 0 | 0 | 4,000 | 4,000 | 4,000 |
| ESL Operating Grant | 0 | 0 | 0 | 0 | 0 | 53,772 | 26,886 | 37,426 |
| DFES & Shire of Ravensthorpe - BRPC Funding | 0 | 76,542 | 0 | 76,542 | 76,542 | 76,542 | 38,270 | 9,263 |
| MAF Funding 21/22 Program | 0 | 164,950 | 0 | 164,950 | 164,950 | 571,625 | | 64,684 |
| AWARE Grant | 2,777 | 0 | 0 | 2,777 | 2,777 | 2,777 | 0 | 0 |
| DFES - water tanks | 0 | 0 | 0 | 0 | 0 | 12,451 | 12,451 | 0 |
| Recreation and culture | | | | | | | | |
| GSCORE grant for walk trail signage upgrade | 0 | 0 | 0 | 0 | 0 | 22,593 | 22,593 | 0 |
| State Library of WA - travel grant | 0 | 258 | 0 | 258 | 258 | 0 | 0 | 0 |
| Transport | | | | | | | | |
| MRWA Direct | 0 | 0 | 0 | 0 | 0 | 175,125 | 175,125 | 178,891 |
| MRWA Flood damage | 0 | 0 | 0 | 0 | 0 | 619,548 | 0 | 0 |
| | 2,777 | 246,750 | 0 | 249,527 | 249,527 | 1,828,373 | 424,293 | 519,660 |
| Operating contributions | | | | | | | | |
| Law, order, public safety | | | | | | | | |
| DFES insurance reimbursement | 0 | 0 | 0 | 0 | 0 | 1,932 | 4,709 | 0 |
| Other property and services | | | | | | | | |
| LGIS Health and Wellbeing | 0 | 0 | 0 | 0 | 0 | 5,280 | 0 | 0 |
| Waste Facility Funds | 310,987 | 575 | (41,736) | 269,826 | 269,826 | 0 | 0 | 0 |
| | 310,987 | 575 | (41,736) | 269,826 | 269,826 | 7,212 | 4,709 | 15,705 |
| TOTALS | 313,764 | 247,325 | (41,736) | 519,353 | 519,353 | 1,835,585 | 429,002 | 535,365 |

| Provider | Unspent non operating grants, subsidies and contributions liability | | | | | Non operating grants, subsidies and contributions revenue | | |
|---|---|----------------|-------------|----------------|----------------|---|------------------|------------------|
| | Liability | Increase in | Decrease in | Liability | Current | Adopted | YTD | YTD Revenue |
| | 1 July 2022 | Liability | Liability | 30 Nov 2022 | Liability | Budget | Budget | Actual |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Non-operating grants and subsidies | | | | | | | | |
| Dept Fire & Emergency - water tanks | 12,451 | 0 | 0 | 12,451 | 12,451 | 0 | 0 | 0 |
| Recreation and culture | | | | | | | | |
| LRCI - Phase 3 - Boat Ramp | 0 | 0 | 0 | 0 | 0 | 437,340 | 437,340 | 0 |
| BBRF Round 4 grant - Pool project | 0 | 0 | 0 | 0 | 0 | 994,080 | 0 | 994,080 |
| DOT contribution - Boat ramp | 0 | 0 | 0 | 0 | 0 | 375,000 | 375,000 | 0 |
| Transport | | | | | | | | |
| Roads to Recovery | 0 | 158,957 | 0 | 158,957 | 158,957 | 400,523 | 200,260 | 0 |
| MRWA - RRG | 0 | 112,000 | 0 | 112,000 | 112,000 | 408,000 | 204,000 | 32,000 |
| | 12,451 | 270,957 | 0 | 283,408 | 283,408 | 2,614,943 | 1,216,600 | 1,026,080 |

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2022**

**NOTE 15
TRUST FUND**

Funds held at balance date which are required by legislation to be credited to the trust fund and which are not included in the financial statements are as follows:

| Description | Opening Balance 1 July 2022 | Amount Received | Amount Paid | Closing Balance 30 Nov 2022 |
|------------------------------|-----------------------------------|--------------------|----------------|--------------------------------|
| | \$ | \$ | \$ | \$ |
| Balance to keep account open | 8 | 0 | 0 | 8 |
| | 8 | 0 | 0 | 8 |

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2022**

**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 2022-23 year is \$10,000 or 10.00% whichever is the greater.

| Reporting Program | Var. \$ | Var. % | Explanation of positive variances | | Explanation of negative variances | |
|---|--------------|---------|-----------------------------------|---|-----------------------------------|--|
| | | | Timing | Permanent | Timing | Permanent |
| Opening funding surplus / (deficit) | \$ (340,013) | -20.57% | ▼ | | | Variance between treatment of Leave provision at 30th June |
| Revenue from operating activities | | | | | | |
| Fees and charges | 305,640 | 85.61% | ▲ | Timing of fees raised through rates | | |
| Interest earnings | 14,608 | 107.06% | ▲ | Timing of instalment interest on rates | | |
| Other revenue | (137,984) | -79.01% | ▼ | | Timing of insurance claim refund | |
| Profit on disposal of assets | 11,381 | 414.01% | ▲ | Timing | | |
| Expenditure from operating activities | | | | | | |
| Employee costs | 173,273 | 17.60% | ▲ | Works dept employee costs less than budget prediction due to current staff shortages. | | |
| Insurance expenses | 70,545 | 22.84% | ▲ | Timing - Plant insurance expense allocated out over 12 months whereas budget shows lump sum | | |
| Other expenditure | 95,847 | 47.75% | ▲ | Timing of donations | | |
| Investing activities | | | | | | |
| Proceeds from non-operating grants, subsidies and contributions | (190,520) | -15.66% | ▼ | | Timing | |
| Proceeds from disposal of assets | (105,499) | -60.29% | ▼ | | Timing | |
| Payments for property, plant and equipment | 530,132 | 19.26% | ▲ | Timing | | |
| Closing funding surplus / (deficit) | 0 | 0.00% | ± | | | |